

**Committee Name and Date of Committee Meeting**

Cabinet – 17 November 2025

**Report Title**

September 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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**Report Author(s)**

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**Ward(s) Affected**

Borough-Wide

**Report Summary**

The report sets out the financial position as at the end of September 2025 and forecast for the remainder of the financial year, based on actual costs and income for the first half 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 third 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 September 2025, the Council's financial position for 2025/26 remains positive. Whilst there is still a forecast overspend of £0.9m, this is an improvement of £1.5m since the reported position in July, as positive management activity takes effect. The forecast position is made up of a Directorate overspend of £6.2m, 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 further during the year and return to a balanced position following mitigating actions.

As of September 2025, the Council currently estimates an overspend against the Directorates of £6.2m for the financial year 2025/26. This is largely due to demand and market pressures in relation to Children's residential placements and placement types. Market prices are 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 was 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 to borrow short term to ultimately minimise interest costs. It is estimated that this approach should see the Council generate savings to support Council wide pressures. 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.

This report provides an update on Local Authority Better Care Fund 2025/26 - Discharge Grant Commitments. As part of the Financial Settlement 2025/26 the Discharge Grant was combined into the Local Authority Better Care Fund from 2025/26 onwards. As such, the Discharge Grant of £3.4m ceased to exist from the outset of 2025/26. However, as this was confirmed by Government late in the Budget setting process for 2025/26, the Council has needed to fund some of the activity that was already underway to ensure key projects and programmes could be completed and allow time to assess what areas of activity the Council needs to continue. The Council's Medium Term Financial Strategy could not accommodate the continuation of £3m of activity but could accommodate a phased reduction of the Discharge Grant activity.

## **Recommendations**

That Cabinet:

1. Note the current General Fund Revenue Budget forecast overspend of £0.9m.
2. Note that 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.
4. Note the update on the Local Authority Better Care Fund 2025/26 - Discharge Grant Commitments.

**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 5<sup>th</sup> March 2025

Budget Monitoring, May 2025 to Cabinet July 2025

Budget Monitoring, July 2025 to Cabinet September 2025

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No

**Council Approval Required**

No

**Exempt from the Press and Public**

No

## September 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 third 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 six 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 September 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	76.5	4.3
Adult Care, Housing & Public Health (ACH&PH)	144.2	146.2	2.0
Regeneration and Environment Services (R&E)	53.1	54.1	1.0
Finance and Customer Services (FCS)	36.4	35.6	-0.8
Assistant Chief Executive (ACX)	8.9	8.6	-0.3
Central Services (CS)	44.2	38.9	-5.3
<b>Directorate Forecast Outturn</b>	<b>359.0</b>	<b>359.9</b>	<b>0.9</b>
<b>Dedicated Schools Grant</b>			3.3
<b>Housing Revenue Account (HRA)</b>			-0.2

- 2.2 As at September 2025, the Council's financial position for 2025/26 remains positive, although there is currently a forecast overspend of £0.9m. This position is made up of a Directorate overspend of £6.2m, 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 £6.2m 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 (£4.8m), 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 the £5.4m Social Care Contingency approved within the Council's Budget and Council Tax Report 2025/26 to mitigate social care cost pressures, 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**

	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	<b>68.8</b>	0.8	2.6	0	<b>72.2</b>
ACH&PH	<b>135.9</b>	0.9	7.4	0	<b>144.2</b>
R&E	<b>48.6</b>	1.0	3.6	-0.1	<b>53.1</b>
FCS	<b>35.1</b>	1.1	1.3	-1.1	<b>36.4</b>
ACX	<b>8.3</b>	0.2	0.2	0.2	<b>8.9</b>
CS	<b>62.3</b>	-4.0	-15.1	1.0	<b>44.2</b>
<b>TOTAL</b>	<b>359.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>359.0</b>

- 2.7 The Council's Financial Outturn report 2024/25 reported that £4.902m of prior year savings remained undelivered. In addition, the Budget and Council Tax report 2025/26 included the delivery of £2.592m of new savings, giving £7.494m to be delivered during 2025/26. Currently, £2.265m of delivery has been secured. The biggest challenges at present relate to CYPS Placements, which is forecast as a significant cost pressure again in 2025/26. It is an ongoing challenge 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**

<b>Directorate</b>	<b>2025/26 Saving to be delivered £'000</b>	<b>Secured as at 30<sup>th</sup> September 2025 £'000</b>	<b>Still to be delivered £'000</b>
Adult Care, Housing and Public Health	600	300	300
Children's and Young People Services	6,163	1,610	4,553
Regeneration and Environment	731	355	376
<b>Total</b>	<b>7,494</b>	<b>2,265</b>	<b>5,229</b>

- 2.8 The following sections provide further information regarding the Council's forecast outturn of £0.9m, the key reasons for forecast under or overspends within directorates and the progress of savings delivery.

**2.9 Children and Young People Services Directorate (£4.3m forecast overspend)**

- 2.9.1 Children & Young People Services has a budget pressure of £4.3m at the end of September 2025 (a reduction of £1.3m compared to July's reported position). The overall forecast is primarily driven by pressures in Children's Social Care placements of £4.8m and Education Inclusion services of £0.6m.
- 2.9.2 The children in care placements forecast overspend of £4.8m represents an improvement of £0.2m compared to the previously reported position. The improved position is mainly due to slippage in implementing the residential homes operational review that will see more staffing resources used to operate the homes and the use of asylum seekers support grant funding.

- 2.9.3 The following are key points to note in the latest placements forecast:
- The overall number of children in care has increased, with 473 children at the end of September, compared to 457 in July. The rise in placement numbers, although unusually high, is typical in the summer holiday period and is expected to even out in the coming months.
  - Underlying placement costs have increased since the last reported position, primarily driven by higher spend on foster care and external residential placements. However, this pressure has been offset by slippage on an operational review within in-house children's homes and the application of asylum seeker support grant funding.
  - External residential placements remain the primary driver of the forecast overspend. The unit cost of some placements continue to rise reflecting the increasing complexity of needs among children in care and ongoing challenges within the external residential placement market.
  - Occupancy levels in Council-owned children's homes currently stand at 93%. This is an improvement in the occupancy rate compared to the previous reported position of 73% and reflects continuing efforts to support more children and young people within council-owned homes.
  - The number of children placed with foster carers (in-house carers, with families & friends and independent fostering agencies) currently stands at 312, an increase compared to 303 in July.
  - Despite the reported forecast overspend, 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.
- 2.9.4 A forecast overspend of £0.6m is currently estimated 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.
- 2.9.5 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).
- 2.9.6 The pressures referred to have been partly mitigated through staff turnover savings across the directorate, as well as maximising or redirecting the use of grant funding (where there is scope and flexibility to do so).

**Dedicated Schools Grant (DSG) budgets (£3.3m forecast deficit)**

- 2.9.7 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.

- 2.9.8 A cost pressure of £3.3m (an increase of £0.2m compared to the last reported position) 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 £3.7m cumulative deficit at year-end, which will be carried forward under the DSG 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 continues to forecast an overspend of £2m. However, the overspend in Adult Care has increased in the period by £300k, offset by additional income in Housing. Increases in demand and complexity of care packages make up all the projected overspend. 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 however there has been a significant increase in the numbers of Direct Payments during the period, reducing the forecast underspend.
- 2.10.3 Salary costs for social work are underspending, offsetting the overspend in placement costs. However, another area of risk is in in-house provision spend on agency. The high use of agency is caused by the need to maintain safe levels of staffing with high levels of vacancies and sickness. Work continues to bring levels down.
- 2.10.4 Housing is forecast to underspend by £300k. This had previously been forecast to come in on budget. The difference has been the recognition of additional grant income in the period. The cost of homelessness will be closely monitored over the year. A number of temporary accommodation properties have been acquired previously to help reduce the spend on hotels. At the end of September 2025 there were 14 households in hotels, up from 13 in July 25.
- 2.10.5 Public Health continues to be forecast to budget.

## **2.11 Regeneration and Environment Directorate (£1m forecast overspend)**

- 2.11.1 The Directorate is forecasting an overspend of £1m which has worsened by £0.5m since the last report to Cabinet.
- 2.11.2 The Markets service is forecasting a £0.5m overspend because of income shortfalls which is a similar position to previous years. This position has worsened £0.1m since the last update but it is hoped to improve in future years as the redevelopment continues.
- 2.11.3 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, which is £0.1m worse than the previous report.



2.11.4 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. It is currently forecasting a shortfall in delivery of £0.2m. The service is operating a popular Bulky Waste collection service, which is £0.1m overspent due to increased disposal costs. Finally, the forecast for Home to School transport has increased by £0.3m above the provision in the Council's Budget, as the impact of this academic year's cohort is worked through.

2.11.5 These overspends are offset by a £0.2m underspend in Community Safety and Regulation owing to vacancies and delays in implementation of the new Street Safe Team. Licensing is also projecting a £0.2m underspend as a result of vacancies, which is a similar position to last year. The Regeneration team is capitalising staff salaries of project managers delivering the capital programme, resulting in a £0.2m underspend.

## **2.12 Finance and Customer Services (£0.8m underspend)**

2.12.1 Due to improvements within Property and Facilities Services (PFS) the directorate is now forecasting an underspend of £792k. Robust budget management and additional income generation in Building Cleaning are offsetting pressures across the wider directorate.

2.12.2 Property and Facilities Services (PFS) is forecast to be underspent by £0.9m. There is an underspend of £1.2m within Cleaning as income is greater than budgeted and, following a review of work underway, the Building Consultancy service is expected to exceed its income budget by £1.6m. This is largely offset by Facilities Management's £1.2m overspend due to assorted building costs, mostly repairs and maintenance, being above budget. There is also a £0.3m overspend within the Catering Service due to income under-recovery and £0.2m in Asset Management due to income under-recovery. This position has improved by £1.0m since the last Cabinet report, largely owing to the review within Building Consultancy.

2.12.3 Within Customer, Information and Digital Services, activity is underway to minimise the impact of increased postage costs. 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 (£0.3m underspend)**

- 2.13.1 The service is currently forecasting an underspend of £311k, which is a slight reduction from the previous report as a result of lower than originally anticipated income generation in relation to the HR Service Centre and HR Consultancy offer to Schools. Factors contributing to the overall underspend 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 continue 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 majority 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 is less than anticipated. The benefits from the Treasury Management function are being used to support wider inflationary and pay award pressures that the Council is facing 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 5<sup>th</sup> 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. There has been no change in the period.

## 2.16 Capital Programme Update

2.16.1 The revised Capital Programme is £211.687m split between the General Fund £138.907m and HRA £72.780m. This is an increase of £2.208m from the position reported to Cabinet on 15<sup>th</sup> September 2025, the majority of which relates to revised grant and funding estimates. The movement is based on the latest profiles of expenditure against schemes, including slippage re-profiles and corrections of £879k and new grant funding added to the programme of £3.086m.

2.16.2 A £4m budget correction has been made to remove a future year (2028/29) budget added incorrectly in May 2025. The error was made when budget was being moved between a holding code and a project code as well as re-profiling the programme. Inadvertently the block allocation was left out of balance, increasing the overall budget in 2028/29. This was identified and corrected in September.

### 2.16.3 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	-0.292	3.086	-3.378
Slippage / reprofiling	0.000	-0.876	0.876
Budget corrections	-4.002	-0.002	-4.000
<b>Total</b>	<b>-4.294</b>	<b>2.208</b>	<b>-6.502</b>

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

- **Addison Road, Maltby**, £4.441m acceleration. This project comprises the Council-led delivery of one of three sites in Maltby that are forecast to deliver 45 new affordable homes of which 100% will be made available for Council rent. The Addison Road site will deliver a total of 27 new homes. It is now expected the scheme will make significant progress this financial year.
- **Larch Road, Maltby**, £2.542m acceleration. This project comprises the Council-led delivery of three sites in Maltby that are forecast to deliver 45 new affordable homes of which 100% will be made available for Council rent. The Larch Road site will deliver a total of 16 new homes. It is now expected the scheme will make significant progress this financial year.
- **Unallocated Flood Alleviation**, £2.760m slippage. Budget from this code is allocated to specific Flood alleviation Schemes as delivery phases of projects are agreed and fully funded. The budget has been slipped to reflect expected delivery of flood alleviation schemes as these take significant time to identify funding packages, design, scope and bring into delivery.

- **Fleet Management Vehicle Purchase**, £2m slippage. This relates to the purchase of 16 RCVs (Refuse Collection Vehicles). This budget has been slipped to reflect expected delivery of the vehicles as a result of a significant lead time between vehicles being ordered and delivered. The procurement of the vehicles is progressing.

2.16.5 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 September 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
<b>Assistant Chief Executive</b>		
Police and Crime Commissioner grant – Ferham park	0.006	0.000
Community Infrastructure Levy (CIL) – allocation of Ward CIL	0.056	0.000
<b>Children and Young People Services</b>		
Education Funding Agency – Schools Maintenance grant	0.000	0.100
Education Funding Agency – Basic Need funding	-0.006	-3.746
<b>Finance and Customer Services</b>		
Loss of grant funding - Demolition of units 86-102 Wellgate due to being unable to redevelop the site in time.	-0.185	0.000
<b>Regeneration and Environment</b>		
City Region Sustainable Transport Scheme	-0.104	0.215
SYMCA – Gainshare, Templeborough Regeneration	1.510	0.000
Forestry Commission	-0.009	0.000
DLUHC – Pathfinder	0.086	0.000
Environment Agency – Flood Alleviation	1.500	0.000
DEFRA – Property Flood Resilience	0.232	0.000
Section 106 – Bill Winder Children’s Playground, Thrybergh	0.000	0.053
<b>Total</b>	<b>3.086</b>	<b>-3.378</b>

## 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 £1.510m Gainshare funding. A further £220k CRSTS funding for Borough wide safe school run schemes and £25k for Rotherham MBC to lead on air quality monitoring across South Yorkshire has been approved while £159k has been removed from collision investigation and prevention projects.

## 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
<b>General Fund Capital</b>					
Children and Young People's Services	12.996	10.833	6.283	16.036	46.148
Regeneration and Environment	99.279	57.393	15.523	6.340	181.214
Adult Care & Housing	11.727	7.098	6.394	6.927	32.146
Assistant Chief Executive	0.487	0.210	0.210	0.210	1.117
Finance and Customer Services	14.418	17.421	10.541	19.451	61.831
<b>Total General Fund Capital</b>	<b>138.907</b>	<b>92.955</b>	<b>38.951</b>	<b>48.964</b>	<b>322.456</b>
<b>Total HRA Capital</b>	<b>72.780</b>	<b>78.930</b>	<b>48.483</b>	<b>94.251</b>	<b>294.444</b>
<b>Total RMBC Capital Programme</b>	<b>211.687</b>	<b>171.885</b>	<b>87.434</b>	<b>143.215</b>	<b>614.221</b>

- 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	71.424
Unsupported Borrowing	66.795
Capital Receipts	0.551
HRA Contribution	0.137
<b>Total Funding - General Fund</b>	<b>138.907</b>
Grants and Contributions	8.403
Unsupported Borrowing	21.155
Housing Major Repairs Allowance	36.964
Capital Receipts	3.075
Revenue Contribution	3.183
<b>Total Funding - HRA</b>	<b>72.780</b>
<b>Total</b>	<b>211.687</b>

## 2.21 Capital Receipts

- 2.21.1 To date General Fund useable capital receipts of £0.013m 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 30th September 2025 £m
Miscellaneous	-0.001
<b>Total Capital Receipts (Excluding loan repayments)</b>	<b>-0.001</b>
Repayment of Loans	-0.012
<b>Total Capital Receipts</b>	<b>-0.013</b>

## 2.22 Capital Achievements

- 2.22.1 The following outputs have been achieved during the 2025/26 financial year to date:
- Footway Improvements – 135 footways with 34 completed plus patching works on other sections of the footway network.
  - Unclassified Roads - 145 roads with 87 completed.
  - CCTV portfolio - installation of new CCTV systems at Bradgate and Rosehill Park, enhancing surveillance and public safety in both areas. Additionally, a new ornate CCTV post, designed in keeping with the style of other posts in the area, was completed at Minster Gardens. This post houses a 360-degree unit that is fully integrated with Synergy, enabling South Yorkshire Police operatives based in the Control Room to monitor and manage the CCTV feed live, 24/7, significantly improving real-time response and situational awareness.
  - The new LED lighting at the Civic Theatre has been installed.
  - The wall at Treeton St Helen's Church yard has been completed.
  - Thrybergh Country Park circular path has been completed.
  - Ward budgets – a total of 60 projects have been completed to the end of September 2025, an increase of 15 since the July Financial Monitoring report.

## 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
<b>General Fund Capital</b>		
Children and Young People's Services	14.879	12.996
Regeneration and Environment	104.493	99.279
Adult Care & Housing	13.902	11.727
Assistant Chief Executive	0.441	0.487
Finance and Customer Services	15.561	14.418
<b>Total General Fund Capital</b>	<b>149.275</b>	<b>138.907</b>
<b>Total HRA Capital</b>	<b>61.749</b>	<b>72.780</b>
<b>Total RMBC Capital Programme</b>	<b>211.024</b>	<b>211.687</b>

## 2.24 LA Better Care Fund 2025/26 - Discharge Grant Commitments

- 2.24.1 As part of the Financial Settlement 2025/26 the Discharge Grant was combined into the Local Authority Better Care Fund from 2025/26 onwards. As such the Discharge Grant of £3.4m ceased to exist from the outset of 2025/26. However, as this was confirmed by Government late in the Budget setting process for 2025/26, the Council has needed to fund some of the activity that was already underway to ensure key projects and programmes could be completed and allow time to assess what areas of activity the Council needs to continue. The Council's Medium Term Financial Strategy could not accommodate the continuation of £3m of activity but could accommodate a phased reduction of the Discharge Grant activity.
- 2.24.2 In January 2023, Central Government announced additional funding through a new £200m Discharge Grant for Local Authorities. The fund was intended to increase capacity in post-discharge care and support, improve discharge performance, patient safety, experience and outcomes.
- 2.24.3 The funding terms of the Discharge Grant included that funding should only be used on permitted activities that reduce flow pressure on hospitals, including in mental health inpatient settings, by enabling more people to be discharged to an appropriate setting, with adequate and timely health and social care support as required.
- 2.24.4 From 2025/26, the grant has been rolled in to the Local Authority Better Care Fund (LABCF) at the same level as the 2024/25 allocation which is £3.4m. However, in effect, the fund that was the Discharge Grant no longer exists. The £3.4m is now part of LABCF, has been used to support the wider financial



pressures in Adult Social Care as part of the £17m Budget uplift approved in the Budget and Council Tax Report 2025/26. The ring-fence around the grant has been removed but national conditions and use of the funding (spend and outcomes) now have to be reported through Local Authority Better Care Fund. This is discharged through the Health and Wellbeing Board, partnership agreement and s75.

2.24.5 Over the last two financial years 2023/24 and 2024/25, the Discharge Grant has been used to support several commitments to enable enhanced service delivery and demand pressures within Adult Social Care. The grant was also used to support wider existing activity being carried out by the Councils Adult Social Care services, in keeping with the grant conditions at the time.

2.24.6 Adult Social Care officers along with Finance have reviewed and recommended the areas' existing commitments that should be progressed on a short term basis in order to secure benefits already being delivered, or to continue to provide a safe service offer. It should be noted that these recommendations are based on areas posing the greatest risk to safe service delivery following the service carefully considering all commitments within the former Discharge Grant. The total requirement following this review for 2025/26 has reduced to £1,616,108. A summary of this activity is shown below:

Activity	Description	£
<b>Integrated Discharge Team (IDT)</b>	Additional front door capacity at the hospital (2x agency social workers)	£131,768
<b>Enablement Structure</b>	Funding for the Deputy Manager at Enablement Service	£50,000
<b>Continuing Healthcare (CHC) assessors</b>	CHC co-ordinators in practice hub	£100,000
<b>Mental Health Discharge</b>	Social Worker Discharge co-ordinator	£131,768
<b>S117 Reviews</b>	2 x SW to Review s117 cases	£134,500
<b>Trusted assessor for Care Homes</b>	Trusted Assessors - Band 6 over 7 days	£100,000
<b>Waiting Lists</b>	6 agency social workers to enable reduction in waiting lists to acceptable levels	£395,304
<b>Provider Services redesign</b>	Programme management capacity to oversee and co-ordinate the range of redesigns within provider services	£80,000

<b>Deputy Head of mental health services</b>	Additional management capacity to support the realignment of mental health services into the Specialist Services portfolio	£86,000
<b>Contract compliance officers</b>	Additional quality and contract management capacity to oversee the care market.	£110,000
<b>Learning Disabilities (LD) Social workers</b>	Additional capacity for the LD Team x 4FTE	£131,768
<b>Prevention</b>	Front door prevention capacity to ensure deflection x 2FTE	£100,000
<b>Vulnerable Adults Manager</b>	Delivery of a new vulnerable adults pathway as part of our preventative safeguarding practices.	£65,000
	<b>Total</b>	<b>£1,616,108</b>

- 2.24.7 The impact of these ongoing areas of activity is accommodated within the Council's Medium Term Financial Strategy for 2025/26. Further consideration is underway as to what activity may be required on a more permanent basis, with a specific report to be drafted for Cabinet in late 2025/26.

### **3. Options considered and recommended proposal**

- 3.1 With regard to the current forecast net revenue budget overspend of £0.9m 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 5<sup>th</sup> 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:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	John Edwards	23/10/2025
Strategic Director, Financial Services (S.151 Officer)	Judith Badger	22/10/2025
Assistant Director, Legal Services (Monitoring Officer)	Phillip Horsfield	24/10/2025

*Report Author: Rob Mahon, Assistant Director – Financial Services*  
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