

Committee Name and Date of Committee Meeting

Cabinet – 17 November 2025

Report Title

Medium Term Financial Strategy Update

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

Yes

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

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Ward(s) Affected

Borough-Wide

Report Summary

The report sets out an update of the Council's Budget and Medium Term Financial Strategy (MTFS) to 2028/29, including the standard technical updates required, recognition of financial pressures impacting the delivery of services and the ongoing impact on the Council's base costs of inflation.

The technical adjustments also include the Council's assessment of the potential impact of Government's Fair Funding Review 2.0 (FFR) which looks to make a significant change to the way Local Authority funding is distributed. The FFR 2.0 will provide a significant change in the formulas used for funding distribution as it looks to direct more funding to areas of greater need. To manage the impact on the Local Authorities that will see reduced resources as a result of the new methodology, there is a tapering of the impact over 3 years. However, the Council still estimates a positive impact that will see a £20m increase in its base funding by the end of the spending review period 2026/27 to 2028/29. It is expected that the Government's Budget on the 26th November 2025 will provide further clarity about the impact of the FFR 2.0.

The MTFS will be revised further in advance of the Council Budget setting meeting in March 2026, to take account of the Local Government Finance Settlement for 2026/27, when issued, along with budget policy proposals on level of Council Tax, reserves, fees and charges and any budget savings or investments.

The MTFS position may change as the Council gains greater clarity on the impact of the FFR 2.0, the Government's Budget and the impact of management actions taken to ensure that the 2025/26 financial outturn is balanced by year end. The FFR 2.0 is the biggest change in the approach to Local Authority funding methods for many years and as such it presents a degree of uncertainty. The Government's Budget and outcome of the FFR 2.0 consultation will help, but none of these will actually provide a definitive outcome for the Council. The Provisional Financial Settlement is set to be released in mid to late December 2025; until then the Council will not have specific allocations.

The Budget and Council Tax Report 2025/26 reported that there was a balanced budget for 2026/27 and a budget gap for 2027/28 of £3.252m. Calculated through to 2028/29 would have produced, at that time, a potential budget gap of £6.856m; however due to the uncertainties in future years, the Council only reported the MTFS up to 2027/28. This base position and the financial pressures faced during 2025/26, in particular with regards to social care pressures, present a significant challenge for the Council in the MTFS period. However, the expected benefits of the FFR 2.0 and the estimated outcome of the South Yorkshire Pensions revaluation offer the Council an opportunity to address these financial challenges. After taking account of these pressures and opportunities, the Council is able to project a broadly balanced MTFS position in the short term. The Council will still face the following budget gaps for 2025/26 to 2028/29. This is before budget policy proposals on levels of Council Tax, reserves, fees and charges and any budget savings or investments.

Financial Year	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Opening Position – as at Budget and Council Tax Report 2025/26	0	0	3,252	6,856
Revised Estimated Budget Gap	0	-695	-605	7,314

The current MTFS forecasts present small surpluses ahead of a large budget gap in 2028/29. The Council will need to utilise its positive short term position to plan for the 2028/29 challenge. As this pressure is far enough into the future, it will not necessarily require to be resolved as part of setting the 2026/27 Budget.

Recommendations

1. That Cabinet note the Medium Term Financial Strategy 2025/26 to 2028/29 update.

List of Appendices Included

- Appendix 1 Initial Equality Screening Assessment
- Appendix 2 Carbon Impact Assessment

Background Papers

Budget and Council Tax 2025/26 and Medium Term Financial Strategy, Council March 2025.

Financial Outturn 2024/25, Cabinet July 2025.

September Financial Monitoring Report, Cabinet November 2025.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Medium Term Financial Strategy Update

1. Background

- 1.1 The Council's Medium Term Financial Strategy (MTFS) 2025/26 through to 2027/28 was approved at Council in March 2025. Since approval of the MTFS there have been continuing financial challenges as a result of demand, complexity of care and market pressures impacting social care services, income pressures within Regeneration and Environment and the impact of the Local Government Pay Award 2025/26. Inflation remains a challenge, although it has softened over the last year. September 2025 Consumer Price Index (CPI) was 3.8%; this increases the Council's base costs which then presents a longer term challenge for the Council.
- 1.2 The Local Government Association (LGA) Pay Award for 2025/26 was agreed in July 2025 as a 3.2% increase on all the salary values and associated allowances for all grades. The impact of this pay offer is estimated to be £2.3m above the position built into the Council's Budget for 2025/26 and will be funded during 2025/26 through temporary savings from Treasury Management factored into Central Services. The ongoing impact will be factored into the Council's Medium Term Financial Strategy as a pressure.
- 1.3 This update of the MTFS includes resource forecasts based on estimated increases to core funding streams that are inflated annually by CPI (September CPI, 3.8%). These resource assumptions will be reviewed again when the Government's Budget is released on 26th November and when the Provisional Finance Settlement 2026/27 is released in December 2025. The Government's Budget is expected to reveal the outcome of the FFR 2.0, with the Provisional Finance Settlement setting out the specific amounts of Government funding to be provided to the Council.
- 1.4 This update of the MTFS also includes the Council's latest financial assumptions, taking into account estimated income from Business Rates and Council Tax, impact of inflation on service cost and demand pressures and the Council's timeline for the delivery of agreed savings across the MTFS. This update will support and inform the detailed budget setting process for 2026/27, alongside taking into account the outcomes of the Finance Settlement and Members' policy choices and decisions on Council Tax levels. The Council's assumptions on Business Rates collection are impacted by the recent winding-up order made against Speciality Steel, the Council's single biggest rate payer at £2.8m a year.
- 1.5 The MTFS review sits alongside the September Financial Monitoring 2025/26 report to Cabinet in November 2025, that projects a financial overspend of £0.9m. The Council expects to balance this projected outturn position before the year end; however, there is a risk that the use of the Council's reserves may be required. Directorates are working on recovery plans to mitigate the financial overspend for 2025/26 as much as possible, to minimise the use of reserves.
- 1.6 Within the current forecast overspend of £0.9m for 2025/26, the Directorates have a forecast overspend of £6.2m, with a Central Services underspend of £5.3m. The Directorate pressures are offset by a planned corporate contingency for Social Care, totalling £5.4m (held within Central Services). This corporate contingency

was approved as part of the Council's Budget and Council Tax Report 2025/26. The Council's overspend position is due to the following overall issues:

- Placement pressures within Children and Young People's Services and Adult Social Care, due to demand and complexity or care requirements.
- Impact of the Local Government Pay Award 2025/26.
- Shortfall on trading income in the provision of the Education Psychology Service.
- Trading income pressures across Regeneration and Environment services, in the main Markets and Country Parks.
- Pressure across waste management linked to the implementation of route optimisation.

2. Key Issues

MTFS Update – Planning Assumption

2.1 The MTFS has been updated across the four years 2025/26 to 2028/29 and models the following:

- Government Grant forecasts based on the estimated impact of the FFR 2.0, as such based on high level information for 2026/27 to 2028/29.
- The Council's anticipated resources from Council Tax and Business Rates.
- The planning assumption for Council tax annual increases remains at 3%.
- Pay, Contractual, Price and Income inflation estimates including capital projects and National Living Wage. This includes maintaining the planning assumption of a 2% increase on fees and charges for 2026/27.
- Assumption that the agreed budget savings remain deliverable, within the agreed profile. Work is underway to review this position and has been tracked monthly through the Council's financial monitoring procedures.
- The ongoing costs of decisions made in previous budget rounds including financing costs of capital investment.
- Service demand and cost pressures that have been identified as requiring additional budget support as they can't be mitigated at least in the short to medium term.

2.2 The Council's collection rates for Council Tax are holding up well in spite of the cost of living difficulties for residents and businesses. In 2024/25 the Council's in-year collection rate of Council Tax remained above 96% at 96.98% and was the 3rd highest in-year rate of all 36 Metropolitan Councils. However, due to the impact of the winding up order for Speciality Steel, the business rates collection was 93.96%, and as such the Council had the lowest collection of all Metropolitan Councils. If the Council had collected all the business rates due from Speciality Steel, it would have been ranked 13th instead of 36th and would have had a collection rate of 97.33%. As a result of these two collection rate outcomes, the Council Tax assumptions have been maintained at the same level with the Business Rates position softened in the MTFS.

2.3 The estimated impact of inflation and the current reducing energy prices have been factored into the MTFS update. Whilst the ongoing legacy of the increased inflation

period continues to lead to further market price pressures for the Council's base costs and contracts, reducing energy prices is helping to mitigate this position. In addition, there are some areas of escalating cost due to service demand and complexity pressures being experienced, in particular in adult care services. These service demand pressures are being reviewed and will need to be continually reviewed as part of the ongoing MTFS and Budget work. Work has been underway throughout 2025/26 to try to better understand the financial and service impacts of in these key pressure areas, to better inform the MTFS.

- 2.4 A significant assumption the Council has made within the current MTFS update is that Government will continue to honour the inflationary uplift in a number of core resources that have historically been inflated by September CPI (inflation on business rates is set in regulation). The impact of every 1% of inflation on these core funding streams is the equivalent of £1m extra resource for the Council. As such the Council will need to continue to closely monitor announcements from Government between now and the provisional financial settlement.

Fair Funding Review 2.0

- 2.5 A consultation on the Government's proposed approach to local authority funding reform through the Local Government Finance Settlement from 2026-27 was launched 20th June 2025 and ran through to 15th August 2025. The outcome of the review is expected to be announced with the Government's Budget on the 26th November 2025. The consultation sought views on the approach to determining new funding allocations for local authorities and fire and rescue authorities through the Local Government Finance Settlement.
- 2.6 The consultation proposed a new methodology for the distribution of a large proportion of funding the Council receives as part of the Local Government Finance Settlement. The FFR 2.0 proposes a significant change in methodology for the distribution of Local Authority funding, known as the Settlement Funding Assessment (SFA). The proposed methodology was expected to significantly shift the balance of funding back to a needs/demand basis; as such the Council was expected to significantly gain.
- 2.7 The approach represents a positive impact for the Council as the new methodology seeks to redistribute funding to areas of greatest demand and deprivation and on the ability to raise income locally through Council Tax. For example, areas that can generate the greatest level of Council Tax income and have a lower level of demand for services will receive a lower proportion of SFA grants. This will force those areas to place a greater reliance on their ability to generate Council Tax whilst reducing their volume of Government grant support. For the Council this will mean that there is still strong emphasis on the need to raise Council Tax locally as much as possible but also the Council will receive a greater proportion of Government Grants through the SFA.
- 2.8 The Government's intention through the FFR 2.0 is to provide greater certainty to Councils on their available funding over the spending review period (2026/27 to 2028/29). However, until the consultation process is completed and the outcome revealed, a key challenge for 2026/27 and the MTFS is that there remains significant uncertainty as to how Government's Financial Settlement for 2026/27 onwards will

look. Government have indicated there will be a 3 year spending period funding position; as such this will create greater certainty and be helpful for long term planning. Clearly there has been a significant change in approach towards the funding for Local Authorities and a clear acknowledgement that Local Authorities need more resources to support demand and cost pressures, which is positive for the sector.

- 2.9 As part of the new formula a host of existing demand and deprivation formula have been combined to allocate each authority a new share proportion of the overall SFA (this includes formulas around social care demand and home to school transport for example). The Council's share proportion is expected to be 0.49%. To enable this new formula to have greatest impact and to streamline local authority funding, a host of SFA grants are to be rolled into the Revenue Support Grant so that there is one single grant rather than a myriad of grants. This is largely positive; however, it is worth noting that for some of the rolled in grants the Council already gets a share greater than 0.49% (Social Care Grants 0.63%, Recovery Grant 1.46%) so there are areas where the Council will lose out.
- 2.10 To further support Councils in their planning, as well as streamlining the grant funds, greater certainty is to be provided with a confirmation of 3 year allocations covering the period 2026/27 to 2028/29. This will enable stronger medium term planning. The Council estimates that it will see an increase in its annual funding from the SFA of £20m by the end of 2028/29. This impact is a significant step in a positive direction for Rotherham in terms of national funding allocations; however, the impact is tapered in to allow Councils that will see reduced funding, to manage the impact. The changes are to be introduced on a weighted basis, 33% change in year 1 2026/27, 66% 2027/28 and 100% implementation 2028/29.

New Pressures & Mitigations

- 2.11 Since the Council's Budget for 2025/26 was approved at Council on the 5th March 2025, there have been significant financial challenges that will impact the Council's position for 2025/26 and that will continue to impact the Council's MTFS beyond 2025/26.
- 2.12 Following review of the 2025/26 position the following financial challenges have been identified and will need to be considered as part of the Council's Budget and MTFS setting process for 2026/27.
- The Council's biggest Business Rates payer Speciality Steel is being wound up after entering financial difficulty during 2023/24. This presents a financial challenge to the Council through the need to write off £4.2m of Business Rates debt, spanning across Q4 2023/24 through to 21st August 2025. The Council is only directly impacted by 49% of this debt, 1% impact South Yorkshire Fire and Rescue Services and 50% relates to central Government.

	RMBC	SYFRS	Gov't	Total
23/24	£144,142.81	£2,941.69	£147,084.50	£294,169.00
24/25	£1,383,184.86	£28,228.26	£1,411,413.13	£2,822,826.25
25/26	£546,908.48	£11,161.40	£558,069.88	£1,116,139.75
Total	£2,074,236.15	£42,331.35	£2,116,567.50	£4,233,135.00

The impact of the write off will need to be factored into the Council's MTFS along with a consideration around the longer term use of the site and how that might impact the Council's Business Rates levels annually.

- Placement pressures within Children and Young People's Services (CYPS) resulting from market pressures driving up the cost of external placements and inflation driving up the cost of internal placements. The Council has made a significant impact in reducing the cost and volume of placements in recent years. An analysis of Looked After Children (LAC) numbers 2019/20 compared with 2025/26 shows that LAC have reduced by around 130. Had previous number of placements still been in place, at today's inflated prices, this would have cost the Council £10m more per year. However, there are elements of the CYPS savings plans that still need to be completed such as the in-house residential homes programme and improvement in volume of internal fostering provision.
- Adult Social Care pressures resulting from market inflation driving up cost of care packages along with growing complexity of care needs and an ageing demographic leading to increased demand. Growth in support for Mental Health is a key area of increased demand and cost.
- Home to School Transport pressures within Regeneration and Environment and Children and Young People's Services. The Budget 2025/26 addressed the historical budget challenge here with an investment of £4.3m, however, the September 2025 intake reflects continuing growth in demand.
- Impact of the Local Government Association (LGA) Pay Award.
- UK Shared Prosperity Fund (UKSPF) is due to come to an end 2025/26. As such if the Council wishes to continue any of this activity, additional funding will be required.
- The Council also needs to make some provision to support the management of potential Equal Pay implications.

2.13 Following review of the 2025/26 position the following mitigations have been identified and will need to be considered as part of the Council's Budget and MTFS setting process for 2026/27.

- The impact of the FFR 2.0 is expected to see the Council's core funding through the Settlement Funding Assessment rise by £20m by 2028/29. The impact will be tapered in over time at roughly 33% per year from 2026/27 to 2028/29. The Council's MTFS already assumes a small increase in funding across this period ahead of the release of the FFR 2.0.
- September CPI has been confirmed at 3.8%, which is above the 2% position assumed in the Council's approved MTFS. Many major cost areas already have cost increases assumed at levels higher than 3.8% however there are some contracts that inflation is applied to in the budget at 2%, as such September's CPI will see some increased cost projections. Whilst the increase in inflation does see additional costs for the Council's MTFS, the impact on the Council's income position is greater.
- The Council is closely monitoring and participating in the consultation on the South Yorkshire Pensions revaluation process. This process will set the pension contribution rate for the next three financial years 2026/27 to

2028/29. Following robust dialogue with the Pensions Authority it is now projected that the Council's contribution rate will reduce from 17.3% to 12.1%, a saving of £6m per annum. This is to be confirmed by the Pensions Authority in March 2026.

- The Extended Producer Responsibility Grant value has been confirmed for 2026/27 and built into the MTFS in full, a £1.8m improvement.

2.14 The Council's Budget and Council Tax Report 2025/26 outlined that social care cost pressures, Home to School Transport, Homelessness and the Local Government Pay Award presented the most significant risk to the Council's Budget. The legacy of the high inflation period remains with inflation at the heart of most of the cost pressures identified above, either increasing the costs of current provision or through exacerbating the impact of rising demand. For example, CYPS placements are reducing in terms of placement numbers, however, inflation and market pressures are causing the base cost of all types of placements to rise significantly.

2.15 These pressures and mitigations are set out in Table 1 below.

Table 1: Revised MTFS Position

Budget and MTFS Update	2026/27 £000	2027/28 £000	2028/29 £000
Approved MTFS Position per Budget and Council Tax Report 2025/26	0	3,252	6,856
Impact of previous capital investment decisions £4m & Treasury Management Savings plan ending 27/28 £4m.			8,032
Revised inflation assumptions: <ul style="list-style-type: none"> • Local Government Pay Award, • Social Care Provider inflation (trend remaining around 4%), • Speciality Steel write offs, • Low Business Rates Growth • Other inflationary impacts 	8,775	11,819	14,862
CYPS Education System Pressure	345	112	112
CYPS Placements pressures	2,000	2,000	2,000
Further Home to School Pressures	500	1,000	1,500
Further Adults Demand/Complexity Pressures above MTFS provision	TBC	TBC	TBC
Baby Pack – cost inflation	50	50	50
Local Plan work - £1.5 from reserves	TBC	TBC	TBC
UKSPF Activity Continuation	TBC	TBC	TBC
Local Council Tax Support - Top Up Scheme	TBC	TBC	TBC
Removal of Spinal Column Point (SCP) 2 per Local Government Pay Award.	740	740	740
R&E Development Team Capacity	250	250	250
Household Support Fund switch to Crisis Resilience Fund	TBC	TBC	TBC

Extended Producer Responsibility (EPR)	-1,800	-1,800	-1,800
Fair Funding Review 2.0 (FFR) impact	-4,583	-10,613	-18,133
Pension revaluation impact	-6,000	-6,000	-6,000
Impact of September CPI at 3.8% (MTFS was 2%)	-972	-1,414	-1,156
Revised Position	-695	-605	7,314

- 2.16 Following the review of the MTFS pressures and mitigations the Council's Budget and MTFS is broadly balanced across 2025/26 to 2027/28. There is a more substantial pressure in 2028/29; however, given the level of change that can happen across this period and the uncertainty that exists within the local authority funding environment, there is no requirement to address this pressure as part of the current Budget and MTFS update. This position will need to take into account the outcomes of the Financial Settlement and Members' policy choices on budget policy proposals on levels of Council Tax, reserves, fees and charges and any budget savings or investments.

Delivery of Agreed Budget Savings

- 2.17 The MTFS update assumes delivery of the remaining previously agreed budget savings. 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 2: Previously agreed savings

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

Summary MTFS 2026/27 to 2028/29

2.18 The MTFS in summary, taking into account the issues described in this report is summarised in Table 3 below. As can be seen it is currently projected that the Council has a broadly balanced Budget for 2026/27, 2027/28 and a significant budget gap for 2028/29 of £7.314m. The main drivers of this budget gap are as follows, though as reported above, some of these pressures are mitigated;

- Financing impact of previous Capital Investment Programmes - **£4m.**
- Local Government Pay Award 2025/26 - **£2.3.**
- End of Treasury Management temporary savings plan - **£4m** per annum.

Table 3: Revised MTFS

	2026/27	2027/28	2028/29
	£000	£000	£000
<u>Resources</u>			
Council Tax and Business Rates	246,049	254,743	260,207
Government Grant	119,893	119,857	120,530
Fair Funding Review 2.0 Impact	4,583	10,613	18,133
Impact of September CPI 3.8%	972	1,414	1,156
Impact of increase EPR Grant	1,800	1,800	1,800
Total Resources	373,297	388,427	401,825
<u>Expenditure</u>			
Base Budget Requirement at 2025/26 pay and prices	346,995	348,240	349,735
Inflation Provision	31,380	41,352	51,391
Capital Investment Financing	7,826	10,073	14,105
Directorate Savings	-7,244	-7,244	-7,244
Use of Treasury Management Savings	-4,240	-4,000	0
Additional Service Costs and Demand	3,145	4,662	6,412
Impact of SCP2 removal	740	740	740
Impact of Pensions Revaluation	-6,000	-6,000	-6,000
Total Expenditure	372,602	387,823	409,139
Funding Gap (Pre-Settlement)	-695	-605	7,314

- 2.19 It is important to note that this position is before the exact amount of Government grant funding for councils is provided within the Finance Settlement. This is also a technical update of the MTFS before any Members' policy choices and decisions on levels of Council Tax.
- 2.20 Updated MTFS information will therefore form part of the Budget and Council Tax 2026/27 report to Council in March 2026 which will set out the full details of Budget and Council Tax proposals for 2026/27 alongside the final MTFS estimates for the medium term.
- 2.21 Given the financial position outlined for the Council, work is well underway with Strategic Directors to consider opportunities for increasing the operational effectiveness of services.

Reserves Position

- 2.22 In considering the Council's MTFS position it is important to be aware of the Council's reserves position, as set out below in Table 4. The Council's reserves have been steadily built back up in recent years to a robust position and one that covers the Council's key financial risks. The Council's reserves are also, following positive outturn positions in recent years and robust financial management, projected to be £10m higher than they were projected to be when setting the 2023/24 Budget. This level of reserves gives the Council a more robust financial position overall and the ability to potentially manage short term pressures on a temporary basis.

Table 4: Reserves Position

Corporate Reserves	Projected Balance as at 31 March 2026	Projected Balance as at 31 March 2027	Projected Balance as at 31 March 2028
	£m	£m	£m
General Fund Minimum Balance	25.0	25.0	25.0
Corporate Reserves			
Budget and Financial Strategy	13.6	13.6	13.6
Business Rates	4.0	4.0	4.0
Corporate Revenue Grants Reserve	3.1	3.1	3.1
Local Council Tax Support Grant	0.6	0.6	0.6
PFI leisure	0.2	0.0	0.0
Treasury Management Savings	7.4	7.4	7.4
Total	28.9	28.7	28.7
Total General Fund Reserves	53.9	53.7	53.7

3. Options considered and recommended proposal

- 3.1 In refreshing the MTFS the Council has made several financial assumptions as detailed within the main body of this report. Whilst various scenarios for how Government funding could be changed and the Council's costs could vary linked to in-year and potential future cost pressures, the update presented is the Council's current MTFS.
- 3.2 Given the level of uncertainty within financial markets, global factors and their impact on inflation, energy and the level of Government funding, elements of the MTFS remain complex to project. As such it is expected that when the Government releases the Provisional Financial Settlement for 2026/27, there may be changes to the availability of public sector funding.

4. Consultation on proposal

- 4.1 The Council consulted on budget proposals for 2025/26 ahead of the approval of the Budget and Council Tax 2025/26 report at Council in March 2025. Consultation on the 2026/27 budget is planned to be undertaken from December 2025 to January 2026, specific dates to be confirmed as the process continues.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The information, proposals and recommendations will feed into the development of specific budget proposals for 2026/27 within the Budget and Council Tax 2026/27 report to Cabinet in February 2026 and Council in March 2026.

6. Financial and Procurement Advice and Implications

- 6.1 The financial implications are set out in the report. The Council's MTFS position at present reflects a broadly balanced budget for 2026/27 and 2027/28 before a significant budget gap in 2028/29. It is however important to note that this position is before the exact amount of Government grant funding for councils is provided within the Finance Settlement. This is also a technical update of the MTFS before any Members' policy choices and decisions on levels of Council Tax.
- 6.2 The Council's September financial monitoring projects an overspend of £0.9m, due in the main to pressures in social care demand and complexity, income shortfalls in Regeneration and Environment and the impact of the Local Government Pay Award. The Council is working towards mitigating this remaining forecast overspend with a view to balancing the outturn for 2025/26 so that use of reserves is not required.
- 6.3 There are no direct procurement implications arising from the recommendations detailed in this report.

7. Legal Advice and Implications

- 7.1 There are no direct legal implications arising from the recommendations within this report.

8. Human Resources Advice and Implications

- 8.1 There are no direct HR implications arising from the recommendations in this report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 The implications are as set out in the report.

10. Equalities and Human Rights Advice and Implications

- 10.1 There are no implications arising from the recommendation in the report.

11. Implications for CO2 Emissions and Climate Change

- 11.1 There are no direct implications on carbon emissions identified as a result of this report. A carbon impact assessment is available at Appendix 2.

13. Risks and Mitigation

- 13.1 Risks and mitigation are described in the report

14. Accountable Officers

Rob Mahon, Assistant Director – Financial Services

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	John Edwards	28/10/25
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	24/10/25
Assistant Director Legal Services (Monitoring Officer)	Phillip Horsfield	24/10/25

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