

**Committee Name and Date of Committee Meeting**

Cabinet – 09 February 2026

**Report Title**

December 2025/26 Financial Monitoring Report

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

Yes

**Executive Director Approving Submission of the Report**

Judith Badger, Executive Director of Corporate Services

**Report Author(s)**

Rob Mahon, Service Director – Financial Services  
01709 254518 or rob.mahon@rotherham.gov.uk

**Ward(s) Affected**

Borough-Wide

**Report Summary**

The report sets out the financial position as at the end of December 2025 and forecast for the remainder of the financial year, based on actual costs and income for the first nine 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 fifth 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 December 2025, the Council's forecast outturn for 2025/26 is an overspend of £3.4m, and whilst there have been movements within services, this is consistent with the position reported in November financial monitoring.

The forecast position is made up of a Directorate overspend of £9.2m, offset by a projected Central Service underspend of £5.8m. The forecast position will continue to be monitored closely but it is possible that even with mitigations the Council will need to call on reserves to achieve a balanced outturn for 2025/26. In order to help mitigate the position, Directors are expected to take all steps to reduce the overall overspend, ensuring grant maximisation, restricting any non-essential expenditure and delaying recruitment where possible.

The Directorate overspend of £9.2m is largely due to demand and market pressures in relation to Children's residential placements and placement types, and the cost and

complexity of care packages in Adult Social Care. Market prices are increasing at above inflation levels, placing further pressures on the Council's Budget. These pressures were anticipated and a corporate provision of £5.4m 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 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 £5.8m, 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 report also provides an updated position on the Council's Capital Programme.

The report also provides details regarding the Department for Education's (DfE) request for the Council to become the grant recipient for the Strategic School Improvement Capital Budget funding for Newman School.

## **Recommendations**

That Cabinet:

1. Note the current General Fund Revenue Budget forecast overspend of £3.4m.
2. Note the projected overspend and that whilst the Council aims to manage this pressure, should that not be possible use of reserves will be required to balance the 2025/26 financial position.
3. Note the updated position of the Capital Programme.
4. Approve the capital budget variations as detailed in section 2.17 of the report.
5. Delegate authority to the Service Director of Planning, Regeneration and Transport in consultation with the Service Director of Financial Services and Cabinet member for Transport, Jobs and the Local Economy, to approve the specific allocations of the Gainshare Feasibility Grant and any variations required through its delivery, as detailed in section 2.20.1 of the report.
6. Approve the Council being the recipient of Department for Education grant funding as part of the Strategic School Improvement Capital Budget (SSICB) and the Council take over responsibility for delivery of the Newman School project.

## **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  
Budget Monitoring, September 2025 to Cabinet November 2025  
Budget Monitoring, November 2025 to Cabinet January 2026

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**  
No

**Council Approval Required**  
No

**Exempt from the Press and Public**  
No

## December 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 fifth 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 nine 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 December 2025**

Directorate	Budget 2025/26	Forecast Outturn 2025/26	Forecast Variance over/under (-)
	£m	£m	£m
Children and Young People's Services (CYPS)	74.2	79.2	5.0
Adult Care, Housing & Public Health (ACH&PH)	145.3	149.7	4.4
Regeneration and Environment Services (R&E)	55.1	55.9	0.8
Finance and Customer Services (FCS)	38.1	37.5	-0.6
Assistant Chief Executive (ACX)	9.3	8.9	-0.4
Central Services (CS)	37.0	31.2	-5.8
<b>Directorate Forecast Outturn</b>	<b>359.0</b>	<b>362.4</b>	<b>3.4</b>
<b>Dedicated Schools Grant</b>			2.6
<b>Housing Revenue Account (HRA)</b>			-2.3

- 2.2 As at December 2025 the forecast position is made up of a Directorate overspend of £9.2m, offset by a projected Central Service underspend of £5.8m. The forecast position will continue to be monitored closely but it is possible that even with mitigations the Council will need to call on reserves to achieve a balanced outturn for 2025/26. In order to help mitigate the position, Directors are expected to take all steps to reduce the overall

overspend, ensuring grant maximisation, restricting any non-essential expenditure and delaying recruitment where possible.

2.3 The Directorate overspend of £9.2m is largely due to demand and market pressures in relation to Children's residential placements and placement types, and the cost and complexity of care packages in Adult Social Care. Market prices are increasing at above inflation levels, placing further pressures on the Council's Budget. These pressures were anticipated and a corporate provision of £5.4m was maintained within Central Services as part of the Budget and Council Tax Report 2025/26. The Council's overspend position at this point due to placement pressures within Children and Young People's Services is £5.7m, and the overspend on the cost of care packages in Adult Social Care is £4.8m.

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 £5.8m, 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 5<sup>th</sup> March 2025 included 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.

**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>	2.0	3.4	0	<b>74.2</b>
ACH&PH	<b>135.9</b>	2.0	7.4	0	<b>145.3</b>
R&E	<b>48.6</b>	2.5	4.2	-0.2	<b>55.1</b>
FCS	<b>35.1</b>	2.4	1.7	-1.1	<b>38.1</b>
ACX	<b>8.3</b>	0.6	0.2	0.2	<b>9.3</b>
CS	<b>62.3</b>	-9.5	-16.9	1.1	<b>37.0</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, £6.968m of delivery has been secured. 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. Activity is ongoing to deliver the remaining £526k of savings. The majority of the residual savings are still expected to be completed; however, the saving linked to increased income targets at Waleswood Caravan and Camping Park is unlikely to be delivered until 2027/28 when the full year impact of the improved on-site drainage works will take effect.

**Table 3: Delivery of Agreed Savings**

Directorate	2025/26 Saving to be delivered £'000	Secured as at 31 <sup>st</sup> December 2025 £'000	Still to be delivered £'000
Adult Care, Housing and Public Health	600	450	150
Children's and Young People Services	6,163	6,163	-
Regeneration and Environment	731	355	376
<b>Total</b>	<b>7,494</b>	<b>6,968</b>	<b>526</b>

2.8 The following sections provide further information regarding the Council's forecast outturn of £3.4m, the key reasons for forecast under or overspends within directorates and the progress of savings delivery.

## **2.9 Children and Young People Services Directorate (£5.0m forecast overspend)**

2.9.1 Children & Young People Services has a budget pressure of £5.0m at the end of December 2025 (an increase of £0.1m compared to November's reported position). The overall forecast continues to be driven by pressures in Children's Social Care placements of £5.7m and Education Inclusion Services of £0.4m. These pressures are offset in part by grant maximisation measures and staff vacancies and turnover savings.

2.9.2 The children in care placements forecast overspend of £5.7m remains unchanged to the position reported in November and is mainly attributable to external residential care placements.

2.9.3 The following are key points to note in the latest children in care placements forecast:

- The overall number of children in care has increased to 467 at the end of December, from 461 in November. The increased placements during the month were in council-owned foster carers and supported accommodation.

- Overall placement costs for December remain unchanged from last month, however costs have risen sharply since the last quarter (September), which has been driven primarily by higher expenditure on external residential placements.
- External residential placements remain the main driver of the placement budget pressures, with 39 children placed in external children's homes in December against a budgeted target of 33. This pressure is further compounded by the proportion of children (12) placed in high-cost residential provision (at an average cost of £12,891 per week) due to the complexity of their needs.
- Occupancy levels in Council-owned children's homes currently stand at 93%, an improvement compared to the last reported position of 87%. Efforts continue to place and support more children and young people within council-owned homes.
- The number of children placed in foster care (i.e. in-house carers, with families & friends and independent fostering agencies) currently stands at 302, an increase compared to 297 in November.

Despite the reported forecast overspend, the Council has made year-on-year progress in reducing underlying placement costs and demand. However, the mix of placement types, increasing unit cost and complexity of care needs remain significant challenges.

2.9.4 A forecast overspend of £0.4m (unchanged from last month) 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 element of Home to School Transport budgets that are managed within CYPS (for children in care and post 16 learners with Education, Health and Care Plans).

2.9.6 The CYPS pressures detailed above have been partly mitigated through staff turnover and vacancy 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 (£2.6m forecast deficit)**

2.9.7 A net surplus of £1.2m is forecast across all 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 £0.4m (including the Aspire Pupil Referral Unit). Budget recovery plans have been 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 £2.6m (a reduction of £0.7m compared to the November position) is currently forecast against the central DSG budgets, of which a deficit of £3.3m relates to the Special Educational Needs and Disabilities (SEND) / High Needs Block. The high needs budget deficit reflects sustained cost / demand pressures across the SEND system. The latest forecast for the DSG reserve is a £3.4m cumulative deficit at year-end, which will be carried forward to 2026/27 under the DSG statutory override rule.

2.9.9 Work has been completed on the 5-year DSG Financial Plan - informed by the recent SEND needs and sufficiency analysis. The 5-year financial plan showed

continuing annual deficits over the medium term with a cumulative DSG deficit of £16.1m projected at the end of 2030/31. These financial projections exclude the impact of anticipated reforms or additional funding by the Government to address financial sustainability concerns in the SEND system.

## **2.10 Adult Care, Housing and Public Health (£4.4m overspend)**

- 2.10.1 The directorate is forecast to overspend by £4.4m, a £400k increase since the previous period. High demand and complexity of care packages make up all the projected overspend. The cost of care packages is forecast to overspend by £4.8m within Adult Care, offset by a forecast underspend in Housing.
- 2.10.2 The areas of biggest overspend are older people, learning disabilities and mental health services. The increase in costs is due to rising complexity of care need leading to an increased cost of care packages and an increase in volume of people qualifying for support. There has been a significant volume of back-payments confirmed across Older People and Physical and Sensory Disabilities packages. Back-payments occur when an individual has been accepted for a care package but the funding of that care package has not been agreed. This is in part due to the complex nature and variety of how care packages can commence, with some commencing from the NHS and some via the Council; there is a period where service is provided whilst an assessment of liability is worked through between the NHS and the Council. In addition, there has been a growth in Mental Health placements.
- 2.10.3 The increase in the period is due to increased Mental Health costs following settlement of where the responsibility for funding a number of care package resides. This process is used when different Councils are involved in the care of an individual.
- 2.10.4 Housing is forecast to underspend by £400k, representing no change since the previous period. Additional grant has been received in year to deal with homelessness that has offset some of the costs of providing the service.
- 2.10.5 Public Health continues to be forecast to budget.

## **2.11 Regeneration and Environment Directorate (£0.8m forecast overspend)**

- 2.11.1 The Directorate is forecasting an overspend of £0.8m which is in line with the last report to Cabinet. There are a number of overspends within the forecast which are being offset to some extent by assorted underspends, some of which are detailed below.
- 2.11.2 The Markets service is forecasting a £0.5m overspend because of income shortfalls which is a similar position to previous years. It is hoped this position improves in future years as the redevelopment continues.
- 2.11.3 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 also £0.2m overspent due to increased disposal costs. These positions are both in line with the previous report.

- 2.11.4 The Home to School Transport forecast remains the same as last month with spend of £9.4m and a £0.4m overspend. The service is operating 343 routes for 1,295 passengers.
- 2.11.5 These overspends are offset by a £0.3m 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 (£0.6m underspend)**

- 2.12.1 The directorate is currently forecasting an overall underspend of £0.6m. 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 £0.2m. Within this net position there is an underspend of £1.1m 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 £1.4m overspend due to assorted building costs, mostly repairs and maintenance, being above budget. There is also a £0.5m overspend within the Catering Service and £0.4m in Asset Management due to income under-recovery.
- 2.12.3 Within Customer, Information and Digital Services, activity is ongoing 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 and service demand in this area, that impacts on call waiting times.
- 2.12.4 A piece of work to review the Schools' PFI contract is underway. Improvements have been made in how the Council manages these contracts, but there is further work to do.

## **2.13 Assistant Chief Executive (£0.4m underspend)**

- 2.13.1 The directorate is currently forecasting an underspend of £361k, which is a further reduction in projected spend of £85k from November due to recruitment delays. 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 (£5.8m underspend)**

- 2.14.1 Central Services has a £5.8m 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 alongside additional Treasury Management savings and New Burdens grant income.

- 2.14.2 There continue to be significant financial challenges as a result of increased market costs causing pressure on the Council's inflation budgets and the impact of the 2025/26 Local Government Pay Award. Ongoing uncertainty in the global and UK economy remains a significant budget risk.
- 2.14.3 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. This approach will see the Council generate savings to support Council wide pressures. 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. It should be noted that the Council's Budget and Council Tax Report 2025/26 approved a requirement for the Treasury Management Strategy to generate a saving of at least £3m in 2025/26; this is on track.
- 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) (£2.3m 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 £2.3m in the year due to reduced energy costs, higher rental income than forecast and the impact of savings from contractor gainshare agreements. The increase in the period of £1.6m is due to estimates of savings receivable from contractors through a gainshare agreement.

## **2.16 Capital Programme Update**

- 2.16.1 The revised Capital Programme for 2025/26 is £168.389m split between the General Fund £101.324m and HRA £67.065m. This is a decrease of £1.529m from the position as at the end of November 2025 reported to Cabinet on 19th January 2026. The movement for the current financial year is based on the latest profiles of expenditure against schemes, including slippage and re-profiles. It should also be noted that the full Capital Programme has been extended to five years to include 2029/30. The 2029/30 financial year as shown below represents the approved HRA Programme. In addition, the 2029/30 year reflects the impact of adding the cyclical General Fund capital schemes and the capital investments proposals included within the Budget and Council Tax Report 2026/27.

2.16.2 **Table 4: Variations to the Capital Programme 2025/26 to 2029/30**

	Total Impact	2025/26 Impact	Post 2025/26 Impact
	£m	£m	£m
Corporate Resources – General Fund	21.322	0.000	21.322
Corporate Resources – HRA	120.107	0.000	120.107
Revised Grant and Funding Estimates	0.000	0.000	0.000
Slippage / reprofiling	0.000	-1.528	1.528
<b>Total</b>	<b>141.429</b>	<b>-1.528</b>	<b>142.957</b>

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

- **Warm Homes**, £127k slippage. The scheme was delayed pending grant funding agreement being sent and surveying of properties is currently taking place for work requirements. Work to properties will commence in 2026/27 and funding of £950k is brought forward into 2026/27 to commence programme delivery.
- **Council operational buildings**, £510k slippage on the recurring budget for maintenance requirements as a lower volume of work has been identified that requires completion in this financial year. The Council is working towards a planned maintenance approach and is undertaking comprehensive surveys of the estate.
- **Electric vehicle charging infrastructure**, £423k slippage. Work on this scheme is not expected to start until quarter 4 of 2025/26 meaning costs will fall into next financial year. There have been delays getting elements of the work approved by Northern Powergrid.
- **Education IT system replacement**, £140k. The project team was not recruited to as quickly as was anticipated therefore the funds have been slipped into year two of the programme.
- **Newman (including Dinnington site) school refurbishment**, £1.175m slippage. Project is at feasibility / design stage and work will not be on site this financial year.
- **Rawmarsh PRU**, £68k slippage. When work was completed on phase 1 additional work was identified to the roof so work had to be delayed to allow for a new specification to be developed. It is now intended to tender in Spring and then deliver the work over the Summer of 2026.
- **In house residential complex needs**, £98k slippage. This project was reviewed following approval as part of the Budget and Council Tax Report 2025/26.

Following an unsuccessful bid for match funding the scheme was halted. The need for a further complex needs residential home was assessed and it was decided that this was no longer the best approach, with these placement types best left to external provision. The remaining budget will be moved to the Capital Contingency.

- The variations to future financial years are to reflect the 2029/30 Capital Programme year. This includes the HRA Capital Programme and the General Fund capital investments that have been set out for approval within the Budget and Council Tax Report 2026/27. The detail of these allocations is provided in the separate Budget and Council Tax report on the agenda for this meeting.

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. There have been no Grant schemes added or reduced since the November Cabinet report.

## 2.17 Capital Programme Variations

2.17.1 The following variations to the Capital Programme cover significant movements between capital projects that are either a key decision value or a change in use of corporate resources and as such need reporting to Cabinet.

### A) Templeborough Business Zone

The original tender price for the project was issued back in December 2023. The project is large and has complex legal and contractual arrangements in place. There have been delays to the project due to these complex arrangements and protracted negotiations leading to increased costs due to inflation. This variation is to increase the budget for this project by £659k to achieve a new project budget of £9.070m.

The proposed source of finance for the identified gap is through reallocating unspent budget from other Local Regeneration - (Pathfinder) interventions.

### B) Health Hubs Phase 1 and 2

At the start of this project, a direct award procurement route was recommended on the basis of accelerating the procurement process and appointing a contractor as quickly as possible given the multi-million pound Market Redevelopment scheme is dependent on ensuring timely vacant possession of the Indoor Covered Market. Following receipt of tender prices and a full independent review of the project and its costs, the cost for Phase 1 will now be higher than the allocated budget. It is proposed that the increased costs for Phase 1 are funded by reducing the budget allocated for undertaking Phase 2 feasibility works, whilst still working within the same budget envelope for the overall scheme. This will mean the scope of works for Phase 2 will have to be reduced or further funding identified at a later stage for completion of Phase 2.

To maintain alignment with the wider town centre programme and avoid delays to the Markets project, it is recommended that Phase 1 proceeds on the basis of

the tendered figure. Sufficient flexibility exists within the overall £1.7m Health Hub allocation to accommodate the Phase 1 variance while still enabling Phase 2 feasibility work. Approval is therefore sought to utilise part of the Phase 2 envelope to meet the Phase 1 cost pressure.

A summary of the funding is as follows -

Funding - Pathfinder funds (now Local Regeneration Fund) allocated from unviable Town Centre Music Venue project. Approved by Town Board & Cabinet	£m
Phase 1	1,308,575.00
Phase 2	400,000.00
<b>Total</b>	<b>1,708,575.00</b>
Cost of Phase 1	1,478,983.18
Remainder for Phase 2	229,591.82

## 2.18 New Corporate Borrowing

The Council's corporate borrowing budget has been increased by £80.634m (made up of £21.322m General Fund and £59.312m HRA) to factor in the capital investments as proposed for approval within the Council's Budget and Council Tax report 2026/27 and Medium Term Financial Strategy report at Cabinet in February 2026 and HRA investments as previously approved within the HRA Business Plan by the Council in January 2026. The HRA programme has increased by £120.107m in total which includes £59.3m of new borrowing to support the programme.

## 2.19 New HRA Funding

As previously approved within the HRA Business Plan by the Council in January 2026, there is additional funding of £1.1m of Grants and Contributions, £37.995m of Major Repairs Allowance, £23.584m of capital receipts and £9.0m revenue contributions have been added to the HRA Capital Programme. This extends the HRA Capital Programme into 2029/30.

## 2.20 MCA Approvals

2.20.1 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. As reported to Cabinet in November a funding request of £2.050m was to be made for revenue Gainshare funding that SYMCA hold but is earmarked for the Council. This bid was to support further work on the Rotherham gateway mainline station. To maintain momentum on the scheme and ensure the Masterplan can progress in conjunction with the station development, RMBC propose utilising Gainshare funding. This will enable the development of three priority workstreams from the Masterplan, plus provide capacity to deliver the work. The workstreams will include the station area public realm, the gateway anchor building and the Effingham Street active travel route.

- **Station Area (Floormat) Public Realm:** Further work is required to develop the outline designs for the space surrounding the station. These plans will ensure the Station area is a welcoming transit interchange with good design and high-quality

public realm that will create a ‘sense of place’ and act as a gateway into Rotherham.

- **Innovation Gateway Anchor Building:** To activate the Station area (floormat) and create a well-used, safe space, the Masterplan proposes the development of an anchor building on site. This should be a high-quality, flagship building of architectural merit with an anchor tenant to act as a gateway into Rotherham.
- **Effingham Street Active Travel Route:** The proposed Station site is located 15-20 minutes-walk outside of the town centre. It is essential that the town centre benefits from the development of the station, and key to this will be ensuring commuters can easily travel between the two locations.

The bid will be considered by SYMCA’s Board on 27<sup>th</sup> January 2026. This report seeks approval to delegate authority to the Service Director of Planning, Regeneration and Transport in consultation with the Service Director of Financial Services and the Cabinet Member for Transport, Jobs and the Local Economy to approve the specific allocations of the grant and any variations required through its delivery.

## 2.21 Capital Programme 2025/26 to 2029/30

2.21.1 The proposed updated Capital Programme to 2029/30 is shown by directorate below.

**Table 5: Proposed Updated Capital programme 2025/26 to 2029/30**

Directorate	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	Budget	Budget	Budget	Budget	Budget	Budget
	£m	£m	£m	£m	£m	£m
<b>General Fund Capital</b>						
Children and Young People’s Services	9.586	14.133	6.283	16.100	2.910	49.011
Regeneration and Environment	66.939	91.121	21.620	6.521	2.582	188.783
Adult Care & Housing	11.727	7.098	6.394	6.927	1.760	33.907
Assistant Chief Executive	0.439	0.255	0.210	0.210	0.210	1.324
Finance and Customer Services	12.633	19.456	12.791	19.451	7.615	71.946
<b>Total General Fund Capital</b>	<b>101.324</b>	<b>132.063</b>	<b>47.298</b>	<b>49.209</b>	<b>15.077</b>	<b>344.970</b>
<b>Total HRA Capital</b>	67.065	78.843	52.207	97.866	127.479	423.459

<b>Total RMBC Capital Programme</b>	<b>168.389</b>	<b>210.906</b>	<b>99.505</b>	<b>147.075</b>	<b>142.556</b>	<b>768.429</b>
-------------------------------------	----------------	----------------	---------------	----------------	----------------	----------------

2.21.2 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 review the deliverability of this increased Capital Programme and, where necessary, re-profile some schemes into future financial years

## 2.22 **Funding Position of capital programme 2025/26**

**Table 6: Funding of the Approved Capital Programme**

<b>Funding Stream</b>	<b>2025/26</b>
	<b>Budget</b> <b>£m</b>
Grants and Contributions	46.150
Unsupported Borrowing	54.111
Capital Receipts	0.926
HRA Contribution	0.137
<b>Total Funding - General Fund</b>	<b>101.324</b>
Grants and Contributions	8.842
Unsupported Borrowing	14.647
Housing Major Repairs Allowance	34.497
Capital Receipts	4.032
Revenue Contribution	5.047
<b>Total Funding - HRA</b>	<b>67.065</b>
<b>Total</b>	<b>168.389</b>

## 2.23 **Capital Receipts**

2.23.1 To date General Fund useable capital receipts of £0.789m 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.

2.23.2 **Table 7: Capital Receipts received in year**

<b>Description</b>	<b>Total as at 31<sup>st</sup> December 2025</b>
	<b>£m</b>
Miscellaneous	-0.024
Far Field Lane Wath upon Dearne	-0.765
<b>Total Capital Receipts (Excluding loan repayments)</b>	<b>-0.789</b>
Repayment of Loans	-0.018
<b>Total Capital Receipts</b>	<b>-0.807</b>

**2.24 Capital Achievements**

2.24.1 The following outputs have been achieved during the period of September to December 2025/26 financial year to date:

**Strategic Housing and Development**

- Completion of 10 new Council homes via HRA capital investment at Albert Road and Princess Street (HRA owned sites).
- The Albert Road and Princess Street scheme delivered over 100% of its committed Social Value. R H Fullwood & Co Ltd supported the growth of responsible regional businesses and invested in Rotherham by spending £145k in the local supply chain through the contract (e.g. kitchens, concrete, plastering and bricks).
- £4.6m external grant funding secured via the Homes England Affordable Homes Programme, which will contribute to the HRA capital investment in Maltby sites (Addison Road, Larch Road, Elm Tree Road). This external grant funding was vital in supporting the delivery of the 45 new homes, and the delivery of a balanced programme.
- Bid placed for £1.9m in external grant funding via the Brownfield Housing Fund to support the delivery of new homes in Maltby (Addison Road, Larch Road, Elm Tree Road) and Eastwood (York Road and Netherfield Court). This will contribute to the HRA capital investment in the schemes and will play a vital role (if secured) in the feasible delivery of new homes.
- Completion of 4 new Council build bungalows with HRA capital investment at the former Ship Inn site in Swinton.
- Completion of 4 Section 106 Council owned homes with HRA capital investment, which included our 750th new Council home milestone.
- Purchase of 5 properties as part of the HRA Market Acquisition Programme. These properties will now undergo capital void refurbishment before being allocated for social rent.
- Bid placed for £3.1m in external grant funding from the Homes England Affordable Homes Programme, to support the delivery of new homes across 3 sites in Wath (Denman Road, Bushfield Rad and Valley Drive).
- Overall, the Council has now delivered 755 new Council homes since January 2018.

## **Community Safety and Street Scene**

- The CCTV Team have collaborated with RMBC's Principal Drainage Officer to purchase and deploy cameras across nine locations within the borough. Drawing on data from multiple sources, alongside specialist knowledge, the cameras were strategically positioned in known flood-risk areas to capture visual evidence and enhance planning during periods of heavy rainfall or flooding. During the recent spell of heavy rain and snow, the Highways Service made effective use of these cameras, which proved invaluable in supporting planning and informing the Council's response efforts.
- Following the success and clear benefits of this initiative, the Drainage Team will explore an additional ten locations for further camera installations to strengthen future response capabilities.

## **2.25 Updated 2025/26 Capital Budget vs Original Budget**

2.25.1 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.

**Table 8: Comparison of the Original and Current Capital Programme**

<b>Directorate</b>	<b>Original Budget £m</b>	<b>Updated Budget £m</b>
<b>General Fund Capital</b>		
Children and Young People's Services	14.879	9.586
Regeneration and Environment	104.493	66.939
Adult Care & Housing	13.902	11.727
Assistant Chief Executive	0.441	0.439
Finance and Customer Services	15.561	12.633
<b>Total General Fund Capital</b>	<b>149.276</b>	<b>101.324</b>
<b>Total HRA Capital</b>	<b>61.749</b>	<b>67.065</b>
<b>Total RMBC Capital Programme</b>	<b>211.025</b>	<b>168.389</b>

## **2.26 Newman School**

2.26.1 The Department for Education (DfE) has made a request for the Council to become the grant recipient for the SSICB funding for Newman School. This is following the decision of the DfE to re-broker the existing Multi Academy Trust arrangements and bring in another Trust to run the School. In order to ensure that the Newman School project continues to be delivered and the key outcomes are still achieved, the Council proposes to accept this request. This request will be accepted on the basis that DfE confirm;

- The Multi-Academy Trust responsible for the school would complete the contract with the preferred bidder and then immediately novate this to the Council
- That any incoming Academy Trust would accept the current scope, design and specification for the scheme.

- 2.26.2 As part of becoming the grant recipient and to take into account the delays experienced through the approval process with the DfE, the Council recognises the increasing probability that costs will increase for the scheme; this includes both works on the main-site and those required at Dinnington. Therefore, the Council is seeking assurances that the in-principle funding arrangement from DfE remains in place for the main Whiston site with availability of the centrally held DfE contingency should this be required to mitigate against cost increases.
- 2.26.3 The Council's Building Design Team will continue to act as Technical Adviser for the scheme and will liaise with any potential new responsible body to ensure that the project progresses and achieves the required sufficiency solution for Newman School. In taking on this responsibility the Council does run the risk that any cost increases may need to be covered by the Council should the DfE not provide additional funding in order to complete the scheme over and above the existing budget provision.

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

- 3.1 With regard to the current forecast net revenue budget overspend of £3.4m, further management actions continue to be identified with the clear aim of ensuring a balanced budget position can be achieved. 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 Executive 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 (MTFS) has been provided to Cabinet in November 2025. This provided 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. It also provides details of a proposal from the Department for Education for the Council to become the grant recipient for the Strategic School Improvement Capital Budget funding for Newman School.

## **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 and 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, Service Director – Financial Services

Approvals obtained on behalf of Statutory Officers:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	John Edwards	23/01/2026
Executive Director of Corporate Services (S.151 Officer)	Judith Badger	23/01/2026
Service Director of Legal Services (Monitoring Officer)	Phillip Horsfield	21/01/2026

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

This report is published on the Council's [website](#).