

Committee Name and Date of Committee Meeting

Cabinet – 6th July 2026

Report Title

May 2026/27 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 May 2026 and forecast for the remainder of the financial year, based on actual costs and income for the first two months of 2026/27.

Financial performance is central to the Council's overall performance framework and the delivery of its policy objectives. As such, this is the first in a series of regular financial monitoring reports for the current financial year to be presented to Cabinet.

As of May 2026, the Council's forecast outturn for 2026/27 is an overspend of £4.6m, made up of a Directorates overspend of £7.6m, offset by a projected Central Services underspend of £3.0m. The main pressures driving this forecast are within Social Care, largely due to market prices and the increasing number of people receiving support and care who have complex needs. Detailed explanations of the reasons for variances within each Directorate are provided in the main body of this report.

Following approval of the 2026/27 Budget, the global economic position has remained volatile. Economic market sentiment has been heavily influenced by the Middle East conflict leading to steepening energy costs impacting the wider economy and economic commentators anticipating a growing risk of inflation. These financial challenges are being regularly reviewed as part of the Council's ongoing Medium Term Financial Planning.

The report also provides an updated position on the Council's Capital Programme including a number of programme variations.

Recommendations

That Cabinet:

1. Note the current General Fund Revenue Budget forecast overspend of £4.6m.
2. Note the updated position of the Capital Programme.
3. Approve the capital budget variations as detailed in section 2.17 of the report.

List of Appendices Included

Appendix 1 Equalities Impact Assessment

Appendix 2 Carbon Impact Assessment

Background Papers

[Budget and Council Tax 2026/27 Report to Council on 4th March 2026](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

May 2026/27 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 first in a series of financial monitoring reports to Cabinet for 2026/27, setting out the projected year end revenue budget financial position in light of actual costs and income for the first two 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 2026/27 as at May 2026

| Directorate | Budget 2026/27 | Forecast Outturn 2026/27 | Forecast Variance over/under (-) |
|--|-------------------|--------------------------------|---|
| | £m | £m | £m |
| Children and Young People Services (CYPS) | 84.9 | 90.0 | 5.1 |
| Adult Care, Housing & Public Health (ACH&PH) | 157.1 | 159.3 | 2.2 |
| Regeneration and Environment Services (R&E) | 56.2 | 56.5 | 0.3 |
| Corporate Services (CORP) | 43.0 | 43.0 | 0.0 |
| Policy Strategy & Engagement (PSE) | 6.0 | 6.0 | 0.0 |
| Central Services (CS) | 47.1 | 44.1 | -3.0 |
| Directorate Forecast Outturn | 394.3 | 398.9 | 4.6 |
| | | | |
| Dedicated Schools Grant | | | 5.5 |
| Housing Revenue Account (HRA) | | | 0.0 |

- 2.2 As at May 2026, there is a forecast overspend of £4.6m. This position is made up of a Directorates overspend of £7.6m, offset by a projected Central Services underspend of £3.0m. The Council's overspend position at this point is largely due to placement pressures within Children and Young People Services (£5.1m), and the high demand and complexity of care packages in Adult Social Care (£2.2m). As has been the case in previous years, the Council will need to put in place actions to mitigate the projected

overspend position and mitigate the need for the Council to call on reserves at the financial year end. It is anticipated that the Council will be able to manage this situation and reduce the projected overspend during the course of the financial year, given successful management in previous years; however, the Council cannot forecast that improvement until clear actions have been identified. Work to identify actions will need to be carried out over the summer and implemented at pace for maximum effect. This work will primarily focus on the pressures identified within social care placements and care packages.

2.3 The budget as approved at Council on 4th March 2026 included provisions and 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.

2.4 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.

2.5 Table 2: Budget Movements during 2026/27

| | Opening Budget 2026/27 | Pay Budget Changes / Fees & Charges Income Inflation | Contract Inflation & Central Provision Allocations to Services | Service Transfers between Directorates | Latest Budget 2026/27 |
|--------------|------------------------|--|--|--|-----------------------|
| | £m | £m | £m | £m | £m |
| CYPS | 78.4 | -1.6 | 8.2 | -0.1 | 84.9 |
| ACH&PH | 149.1 | -1.4 | 9.5 | -0.1 | 157.1 |
| R&E | 56.7 | -1.3 | 1.1 | -0.3 | 56.2 |
| CORP | 41.3 | -1.2 | 0.5 | 2.4 | 43.0 |
| PSE | 6.3 | -0.4 | -0.1 | 0.2 | 6.0 |
| CS | 62.5 | 5.9 | -19.2 | -2.1 | 47.1 |
| TOTAL | 394.3 | 0.0 | 0.0 | 0.0 | 394.3 |

2.6 The Council's Financial Outturn report 2025/26 reported that £0.440m of prior year savings remained undelivered. In addition, the Budget and Council Tax report 2026/27 included the delivery of £3.193m of new savings, giving £3.633m to be delivered during 2026/27. Currently, £2.413m of delivery has been secured. The table below shows the total amount of all savings to be delivered during 2026/27 and the amount that has been delivered to date.

Table 3: Delivery of Agreed Savings

| Directorate | 2026/27 Saving to be delivered £'000 | Secured as at 31st May 2026 £'000 | Still to be delivered £'000 |
|---------------------------------------|---|---|------------------------------------|
| Corporate Services | 704 | 704 | 0 |
| Adult Care, Housing and Public Health | 1,089 | 189 | 900 |
| Children's and Young People Services | 800 | 800 | 0 |
| Regeneration and Environment | 1,040 | 720 | 320 |
| Total | 3,633 | 2,413 | 1,220 |

2.7 Activity is ongoing to deliver the remaining £1.220m of savings that relate to Extra Care Housing £0.900m, Waste Route Optimisation £0.280m and Waleswood £0.040m.

2.8 The following sections provide further information regarding the Council's current forecast overspend of £4.6m, the key reasons for forecast under or overspends within directorates and the progress of savings delivery.

2.9 Children and Young People Services Directorate (£5.1m forecast overspend)

2.9.1 Children and Young People Services has a forecast budget pressure of £5.1m at the end of May 2026. This forecast is mainly driven by pressures in Children's Social Care placements.

2.9.2 The latest forecast overspend is reflective of the latest projections for Looked After Children (LAC) placements across the financial year, factoring in a growth in the number of placements and challenges in the placement mix with a greater reliance on external residential care. The placement plan reflects expected actions and measures to manage children in care numbers and costs for the year across the different placement provision types such as residential care, fostering and supported accommodation. Work is underway between finance and the service to ensure the plan can be delivered and identify opportunities to further reduce the financial impact. In addition, further work is needed to identify options and actions that can be carried out to reduce this projected overspend.

2.9.3 The actual children in care number at the end of May 2026 is 486, which represents an increase of 11 when compared to the number at the beginning of the financial year. The increase in placements since 1st April mainly relates to low cost foster care placements with families and friends. Other placement types continue to track positively against budget profile at this early stage, except for external residential care where there is an increase of 3 placements against profile plan.

2.9.4 External residential placements continue to be the primary driver of placement budget pressures. As of May 2026, 44 children were placed in external children's homes,

compared with a budgeted profile of 41. This pressure is further compounded by the high proportion of children requiring high-cost residential provision due to the complexity of their needs. Occupancy levels within available council-owned children's homes stood at 82% at the end of May 2026, with three beds unoccupied. This is, however, projected to increase to 87% by the end of the following month. Work is ongoing to place and support more children and young people within council-owned provision. It is also important to note that there are a further 4 new internal residential placements to become available during the course of 2026/27. The financial impact of making these beds available in 2026/27 has already been factored into the forecast.

- 2.9.5** The forecast position will continue to be closely monitored throughout the year. Opportunities to mitigate these pressures, such as through staff vacancies and the utilisation of grant funding slippage, will be explored where there is sufficient scope and flexibility to do so.

Dedicated Schools Grant (DSG) budgets (£5.5m forecast deficit)

- 2.9.6** A net surplus balance of £1.3m is forecast for all 19 maintained schools in Rotherham for 2026/27 based on submitted budget plans. Within this there are 3 schools with forecast budget deficits totalling £30k. A budget recovery plan would be agreed with these schools to bring the budget back into a surplus position.
- 2.9.7** The Council is currently forecasting an in-year deficit of approximately £5.5m across its centrally managed DSG budgets, mainly relating to high needs. This deficit reflects an ongoing structural gap between available funding and demand-led expenditure. This position is driven by sustained cost and demand pressures across the Special Education Needs & Disability (SEND) system. The latest forecast for the DSG reserve indicates a cumulative deficit of £8.4m by the end of March 2027, which will be carried forward into the following financial year (2027/28) in line with the statutory override regulations. Based on latest modelling, the cumulative DSG deficit is projected to rise to £19.9m by March 2028, when the statutory override is due to end. At this point, the Council would be required to address the cumulative deficit from its General Fund resources, creating a substantial financial pressure.
- 2.9.8** Financial support previously received under the Safety Valve Agreement ended in 2025/26, the final year of the programme. In its place, the Government has introduced a High Needs Stability Grant, which will meet 90% of DSG deficits accumulated by local authorities up to 31 March 2026. This funding forms part of the transition towards a reformed SEND system, which requires a system-wide shift towards earlier intervention and greater inclusion within mainstream education settings. Payment of the High Needs Stability Grant is contingent upon the submission by 19th June and subsequent approval by the Department for Education (DfE) of Rotherham's Local SEND Reforms Plan.
- 2.9.10** The projected position against DSG budgets and the removal of the statutory override from April 2028 will mean that the Council's DSG deficit will be £19.9m, which will rise year on year by around £10m a year based on current demand and inflationary projections. However, whilst it is not confirmed, it is expected the DfE will continue to support Councils, potentially continuing the 90% High Needs Stability grant funding for deficits post 2025/26. This would potentially reduce the impact on the £19.9m deficit at the point of the statutory override by £18m, leaving the Council with £2m to fund itself, then reducing the ongoing annual impact by £9m a year with the Council picking up the

remaining £1m. This is a projected position that will need to be closely monitored as the SEND reforms and associated funding is further implemented and confirmed. This will be a key consideration in the Council's Budget and Medium Term Financial Strategy planning moving forwards.

2.10 Adult Care, Housing and Public Health (£2.2m overspend)

2.10.1 The directorate is forecast to overspend by £2.2m. High demand and complexity of care packages make up all the projected overspend. The cost of care packages is forecast to overspend by £2.0m within Adult Care. There is also an overspend of £0.2m for staffing costs as agency spend is higher than budget to cover gaps in service for in-house care provision. Work is underway to identify options to address the increased use of agency and difficulties experienced in recruitment.

2.10.2 The areas of biggest overspend are Older People and Learning Disabilities. The cost of older people homecare is offset partly by an underspend in Older People Residential Care, reflecting the priority of keeping people at home longer. The overspend in Learning Disabilities is largely made up of complex Out of Borough placements that cater for individuals with the most complex needs.

2.10.3 Public Health is expected to come in on budget at this stage.

2.10.4 Housing is expected to come in on budget at this stage.

2.11 Regeneration and Environment Directorate (£0.3m forecast overspend)

2.11.1 The Directorate is forecasting an overspend of £0.3m. 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 £0.6m overspend because of income shortfalls which is a similar position to previous years. This position will be monitored carefully as the development works continue, and traders move out of the indoor covered market into the new Market Hall.

2.11.3 The Waste service is forecasting a £0.6m overspend. There are a number of pressure points across the Waste Service. Work continues to achieve the route optimisation saving approved as part of the Budget and Council Tax Report 2025/26, however, difficulties in collection experienced during Autumn 2025/26 has meant that the planned removal of 2 routes has not yet been possible, though is still intended. There has been a requirement for additional resources to keep on top of rounds. The key pressure in the current forecast is the number of spare vehicles required at the moment (17) to complete routes, which should improve once new refuse collection vehicles arrive.

2.11.4 Within the Home to School Transport forecast there is a level of risk as the effect of the new cohort of students who will require home to school transport for the 2026/27 academic year is not yet known.

2.11.5 These overspends are offset by a £0.2m underspend in Regulatory Services as a result of vacancies, which is a similar position to last year. Business Growth is forecasting a £0.2m underspend as business centres continue to perform well. A review of grants in

Economic Strategy has realised a £0.2m underspend as staff can be funded through this.

2.12 Corporate Services (balanced forecast)

2.12.1 The directorate is currently forecasting an overall balanced outturn. Whilst there are pressures across individual services, it is expected that robust budget management across the whole directorate will be able to address these pressures in year.

2.12.2 Property and Facilities Services (PFS) is forecast to be overspent by £0.3m. There is an underspend of £0.7m within Cleaning as income is greater than budgeted and initial estimates for the 2026/27 Capital Programme mean the Building Consultancy service is expected to exceed its income budget by £0.3m. This is largely offset by Facilities Management £1.1m overspend due to assorted building costs, largely repairs and maintenance, being forecast above budget. There is also a £0.1m overspend in Asset Management due to income under-recovery.

2.12.3 Within Customer, Information and Digital Services, cost pressures currently exist as a result of temporary over-recruitment within the Customer Services contact centre. This is a proactive decision to address the challenges caused by high staff turnover and service demand in this area, both of which impact call waiting times. These pressures are partially mitigated by savings achieved through telephony contracts, alongside vacancies in other areas of the service.

2.12.4 Legal Services face ongoing demand for legal support with an increase in 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 Policy Strategy & Engagement (balanced forecast)

2.13.1 The service is currently forecasting a balanced outturn. Overspends due to the cost of the interim Director of PSE are offset by salary recharges to grant schemes along with part year vacancies.

2.14 Central Services (£3.0m underspend)

2.14.1 Central Services has a £3.0m forecast underspend, reflecting savings from Treasury Management activity.

2.14.2 The Council's Treasury Management Strategy is to minimise the level of borrowing and to borrow short term to ultimately minimise interest costs. This, along with slippage on the Capital Programme in 2025/26, means that the level of financing costs for 2026/27 will be less than anticipated. This is because the Council builds in the financial impact of all capital investment decisions into the revenue budget, at the point those decisions are made. This is an approach that will see the Council generate savings to support Council wide pressures.

2.14.3 There continue to be financial challenges as a result of increased market costs, however it is envisaged that the Council is well positioned to address these pressures in year due to actions taken as part of the budget setting process for 2026/27. Ongoing uncertainty in the global and UK economy remains an ongoing budget risk.

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), Private Finance Initiative (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 2026/27, approved at Council on 4th March 2026. 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) (balanced forecast)

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 come in on budget.

2.16 Capital Programme Update

2.16.1 The Capital Programme 2026/27 has been updated following the 2025/26 outturn and the latest information on project position and delivery plans. The Capital Programme 2026/27 has been reset at £180.682m split between the General Fund £109.727m and HRA £70.955m. This position will act as the original budget position for 2026/27; future reports will explain how this budget moves during the year due to project and programme variations, but this value will remain as the original budget.

2.16.2 The 2026/27 Programme has decreased overall by £30.224m from the position reported to Cabinet in February 2026. The movement is based on the latest profiles of expenditure against schemes, following the 2025/26 outturn position, factoring in slippage from 2025/26 and new grant funding. The main movements are explained in the Financial Outturn 2025/26 report on the same Cabinet agenda.

2.16.3 Table 4: Updated Capital Programme 2026/27 to 2029/30

| Directorate | 2026/27 | 2027/28 | 2028/29 | 2029/30 | Total |
|------------------------------------|----------------|----------------|----------------|----------------|---------------|
| | Budget | Budget | Budget | Budget | Budget |
| | £m | £m | £m | £m | £m |
| General Fund Capital | | | | | |
| Children and Young People Services | 12.132 | 9.962 | 14.389 | 7.020 | 43.503 |
| Regeneration and Environment | 74.427 | 56.381 | 10.834 | 2.582 | 144.224 |
| Adult Care & Housing | 7.449 | 7.760 | 6.927 | 1.760 | 23.896 |
| Policy, Strategy and Engagement | 0.630 | 0.210 | 0.210 | 0.210 | 1.260 |

| | | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Corporate Services | 15.089 | 27.305 | 17.868 | 7.805 | 68.067 |
| Total General Fund Capital | 109.727 | 101.618 | 50.228 | 19.377 | 280.950 |
| | | | | | |
| Total HRA Capital | 70.955 | 61.557 | 57.256 | 127.862 | 317.630 |
| | | | | | |
| Total RMBC Capital Programme | 180.682 | 163.175 | 107.484 | 147.239 | 598.580 |

2.16.4 Table 5: Funding of the approved Capital Programme

| Funding Stream | 2026/27 Budget | 2027/28 Budget | 2028/29 Budget | 2029/30 Budget | Total Budget |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | £m | £m | £m | £m | £m |
| Grants and Contributions | 56.032 | 44.460 | 13.967 | 3.400 | 117.859 |
| Unsupported Borrowing | 53.555 | 57.015 | 36.115 | 15.977 | 162.662 |
| Revenue Contribution | 0.140 | 0.143 | 0.146 | 0.000 | 0.429 |
| Total Funding - General Fund | 109.727 | 101.618 | 50.228 | 19.377 | 280.950 |
| Grants and Contributions | 6.536 | 6.188 | 0.000 | 15.246 | 27.970 |
| Unsupported Borrowing | 1.036 | 15.282 | 20.488 | 58.362 | 95.168 |
| Housing Major Repairs Allowance | 32.416 | 27.803 | 28.768 | 29.555 | 118.542 |
| Capital Receipts | 14.779 | 4.736 | 0.000 | 15.741 | 35.256 |
| Revenue Contribution | 16.188 | 7.548 | 8.000 | 8.958 | 40.694 |
| Total Funding - HRA | 70.955 | 61.557 | 57.256 | 127.862 | 317.630 |
| Total | 180.682 | 163.175 | 107.484 | 147.239 | 598.580 |

2.17 Capital Programme Variations

2.17.1 The following variations to the Capital Programme cover significant virements 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.

2.17.2 Local Regeneration Fund (LRF)

The Council submitted its latest progress update on the LRF Programme to Government in May 2025. As part of this update, it was identified that a number of variations on projects are required to reflect schemes that it is no longer possible to deliver. In addition, some schemes require additional funding from the LRF to ensure they can be delivered and to ensure that the Council maximises use of this fund and is not required to repay any of the grant back to Government. A summary of these variances is outlined below.

Local Regeneration Funded projects with savings or that are unable to be delivered:

2.17.3

| Project name | Amount | Narrative |
|--|-------------------|---|
| 3-7 Corporation Street | £52,059 | Acquisition of the site, demolition and clearance was completed in March 2025. With the redevelopment of the site being taken forward through the Strategic Sites project, the underspend on the demolition/clearance phase will be reallocated. |
| Eldon Road | £16,712 | Project completed in October 2024 having underspent. |
| Town Centre Music Venue | £1,989,182 | Following discussions with the potential operator the decision was taken not to proceed with the Town Centre Music Venue project at the former Alma Tavern. After retaining part of the budget allocation (£0.3m) to facilitate maintenance and repair to the building prior to its disposal, the remaining budget will be reallocated. |
| 30-36 Corporation Street | £1,177,825 | This funding was allocated for the acquisition of privately owned property. As the property has yet to be brought to the market the recent programme review has recommended that the remaining funds be reallocated to ensure the LRF grant can be maximised. |
| Riverside Residential Quarter Enabling | £620,113 | Project completed in July 2025 with an underspend. Following the completion of additional works outside the scope of the original scheme, the remaining funds will be reallocated. |
| LRF to be reallocated | £3,855,891 | |

2.17.4 Proposed use of the LRF to support existing schemes requiring additional funding to progress or complete:

| Project name | Amount | Narrative |
|-------------------------------|-------------------|---|
| Strategic Sites | £2,420,439 | In order to move the Strategic Sites programme through to Stage 2, further funding is required. The specific detail of this variation is set out in a separate Cabinet report on this agenda. |
| Dinnington | £1,262,811 | See narrative below for information about why this budget increase is proposed. |
| Proposed LRF allocated | £3,683,250 | |

2.17.5 Dinnington

As set out above it is proposed to increase the Dinnington project budget by £1.263m in order to ensure that the scheme can be delivered to its original scope, following factoring in a number of challenges around inflation, construction, and market prices.

The Dinnington project was last approved at Cabinet in July 2024, with a Budget of £12.049m. At this point in time the project was based on estimated construction costs to redevelop a number of buildings on the site that the Council needed to acquire first. As such, previous Cabinet reports were clear that the projected costs were estimates only, given the uncertainty around the condition of the buildings and at the point all buildings were acquired a clearer cost position could be projected. As the key acquisitions have taken place on the project, further refinements have been made to the construction costs and wider project costs. Along with this, there has been a change to the management of the construction side of the scheme and a scope change that will see one of the buildings demolished and rebuilt rather than refurbished as originally planned.

These construction cost requirements have been reviewed and collated, with a revised budget requirement of £13.312m. Whilst there have been a variety of refinements to cost and scope, the main key changes that have led to the additional required funding of £1.263m are detailed below.

- A scope change to the building on Laughton Road which houses units 46 - 56. Following acquisition of the property an assessment was made on the level of work required to bring it up to an appropriate standard. However, following this assessment it was clear that a more appropriate and long-term cost-effective approach would be to change the plan for this building from a refurbishment to demolition and rebuild. This has increased the project budget by £735k.
- Works to address and build into the project thinking appropriate plans for basements identified on sites once acquired, £145k.
- Design development and specification enhancements across several elements including foundation design, fire protection, associated finishes and increased Mechanical and Electrical (M&E) works, £206k. These costs have largely been identified once the buildings have been acquired.

- Inflation impact on projected construction costs, revised following the time taken to acquire key buildings, review and finalise the project scope. £177k.

As detailed above, the additional funding ask can be met from the LRF programme. The project budget retains a 10% contingency budget of £805k. As such, if no further scope changes are made and there are no further challenges on site once the main capital works commence, it is possible that this revised budget will not be fully utilised.

3. Options considered and recommended proposal

- 3.1 With regard to the current forecast net revenue budget overspend of £4.6m 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.

4. Consultation on proposal

- 4.1 The Council consulted on the proposed budget for 2026/27, as part of producing the Budget and Council Tax Report 2026/27. Details of the consultation are set out in the Budget and Council Tax 2026/27 report approved by Council on 4th March 2026.

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 2026/27 will be taken to Cabinet in July 2027.

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.
- 6.3 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 Whilst there are no direct human resources implications arising from this monitoring report, there are ongoing workforce related pressures reflected in the financial position. These include recruitment and retention challenges in key services and use of agency and locum staffing. These factors will continue to be monitored as part of workforce planning.

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 Adults’ Social care budgets.

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:-

| | Named Officer | Date |
|---|----------------------|-------------|
| Chief Executive | John Edwards | 19/06/2026 |
| Executive Director of Corporate Services (S.151 Officer) | Judith Badger | 16/06/2026 |
| Service Director, Legal Services (Monitoring Officer) | Phillip Horsfield | 18/06/26 |

Report Author: Rob Mahon, Service Director – Financial Services

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