

Committee Name and Date of Committee Meeting

Cabinet – 06 July 2026

Report Title

Financial Outturn 2025/26

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 provides a detailed outline of the final revenue and capital outturn position for 2025/26.

The Council set a balanced budget position for 2025/26 as part of the Budget and Council Tax Report 2025/26 approved at Council on 5th March 2025. A Revenue Budget of £359.0m was set for General Fund services, this excludes schools' budgets and the Housing Revenue Account (HRA). The Budget and Medium Term Financial Strategy (MTFS) position was based on sound financial assumptions at the time, factoring in budget contingencies for service demand pressures, in particular within Social Care, Home to School Transport and the impact of the Local Government Pay Award.

However, 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 have continued to increase. Market prices have increased at above inflation levels, which in turn has placed further pressures on the Council's Budget.

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

The December Financial Monitoring Report 2025/26 submitted to Cabinet on 9th February 2026 outlined that the Council anticipated an overspend of £3.4m. This forecast position was also outlined in the Budget and Council Tax 2026/27 report which was submitted to the same Cabinet meeting and also to Council on 4th March 2026. The overspend was proposed to be funded from Council Reserves. However, the report noted the Council's intention to further improve the outturn position, if possible, which would see a lower value call on reserves.

The actual financial outturn position reflects an overspend of £0.3m, an improvement of £3.1m from the December Financial Monitoring reported to February Cabinet. This improvement was a result of service areas delivering further savings ahead of year-end, maximising grant allocations, improvements in income and the Council generating further savings in Treasury Management.

The Council's final overspend position of £0.3m has been funded by £0.3m of the Budget and Financial Strategy Reserve as approved within the Budget and Council Tax Report 2026/27.

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, and commentators anticipate a growing risk of inflation. These financial challenges are being regularly reviewed as part of the Council's ongoing Medium Term Financial Planning.

The Housing Revenue Account had an underspend of £4.3m. As a result of this the HRA use of reserves was able to be reduced from £7.2m to £2.9m. This will help the HRA to mitigate the financial challenges presented by increased maintenance requirements over the medium term.

The Capital Programme outturn position shows slippage and underspend of £15m against the Budget for 2025/26. Capital expenditure (programme delivery) in the year increased from the previous years to £150.6m (2024/25 outturn was £140.6m).

Recommendations

That Cabinet:

1. Note the revenue outturn position for 2025/26.
2. Note the required transfer from HRA reserves decreased by £4.3m following the revenue and capital outturn position.
3. Note the carry forward of the combined surplus schools balance of £2.395m in accordance with the Department for Education regulations.
4. Note the reserves position set out in paragraphs 2.15 to 2.16.
5. Note the capital outturn, funding position and programme variations as set out in paragraphs 2.17 to 2.25.

List of Appendices Included

Appendix 1A to 1D – Capital Programme 2026/27 to 2029/30

Appendix 2 – Equalities Impact Assessment

Appendix 3 – Carbon Impact Assessment

Background Papers

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

Budget Monitoring, May 2025 to Cabinet July 2025

Budget Monitoring, July 2025 to Cabinet September 2025

Budget Monitoring, September 2025 to Cabinet November 2025

Budget Monitoring, November 2025 to Cabinet January 2026

Budget Monitoring, December 2025 to Cabinet February 2026

Budget and Council Tax 2026/27 Report to Council on 4th March 2026

Finance Update to Cabinet on 8th June 2026

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Financial Outturn 2025/26

1. Background

- 1.1 This report sets out the Council's revenue, capital, HRA and schools outturn position in 2025/26. It also describes the details of the Council's reserves balances as at the end of the financial year. The Council set a revenue budget for 2025/26 of £359.0m and a 5-year Capital Programme of £750.138m.
- 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 final report in a series of financial monitoring reports to Cabinet for 2025/26, setting out the year end revenue budget outturn position in light of actual costs and income.

2. Key Issues

- 2.1 The Council's directorates had an overspend position of £5.7m. This position was largely due to the following pressures and mitigating actions:
 - Underlying placement pressures within Children and Young People's Services (CYPS), £6.2m.
 - Grant maximisation, including the use of in-year funding slippage within Children and Young People's Services, £3.2m.
 - Savings achieved through staff vacancies and turnover within CYPS, £0.4m.
 - Underlying and rising demand and complexity of care packages within Adult Social Care (ASC), £7m.
 - Reduced cost of staffing in ASC due to vacancies and grant maximisation, £1m.
 - Reduced spend on homelessness, furnished homes and employment support as vacancies and grants offset spend, £1m.
 - Within Regeneration and Environment (R&E), overspends in Waste of £0.9m, Markets £0.5m and Home to School Transport £0.4m offset by overachievement of income in Streetworks £0.7m, vacancies £0.6m and capitalisation of staff costs £0.3m.
 - Finance and Customer Services (F&CS) generated savings from higher income in Registrars, maximisation of grants and contributions and savings in relation to vacancies.
- 2.2 Central Services delivered an underspend of £5.4m. This was a result of the £5.4m Social Care contingency approved within the Council's Budget and Council Tax Report 2025/26 being used to offset the £6.2m placement overspend within the CYPS outturn position, as planned. In addition, savings generated within the Council's Treasury Management Strategy offset the impact of the Local Government Pay Award and in year inflationary pressures.

2.3 The final outturn was an overspend of £0.3m funded by the Budget and Financial Strategy Reserve. Whilst there were no plans to use the Budget and Financial Strategy Reserve in the Budget & Council Tax Report 2025/26, the final use was £3.1m less than anticipated in the approved Budget & Council Tax Report 2026/27. Overall, this reflects that whilst the Council has faced some significant challenges, through robust management and controls and careful financial planning, the Council's overall financial position continues to improve.

2.4 **Table 1: Revenue Outturn 2025/26**

Table 1 below provides a summary of the Revenue Outturn for 2025/26. This is followed by a summary of the position by Directorate which includes an explanation of the key variances.

Directorate	Budget 2025/26	Outturn 2025/26	Variance over/under (-)
	£m	£m	£m
Children and Young People Services	76.5	79.1	2.6
Adult Care, Housing & Public Health	147.4	152.2	4.8
Regeneration and Environment Services	55.8	55.3	-0.5
Finance and Customer Services	37.7	37.0	-0.7
Assistant Chief Executive	9.2	8.7	-0.5
Central Services	32.4	27.0	-5.4
Directorate Forecast Outturn	359.0	359.3	0.3
Use of Reserves			-0.3
Final Outturn Position			0.0
Dedicated Schools Grant			2.3
Housing Revenue Account (HRA)			-4.3

2.5 **Children and Young People Services Directorate (£2.6m overspend)**

2.5.1 The Children & Young People Services had a budget pressure of £2.6m at the end of March 2026. In the main the overall budget pressures in CYPS relate to continued demands on children in care placements.

2.5.2 The reported year-end position includes the impact of in-year actions implemented to mitigate overall cost pressures, including maximising or redirecting the use of grant funding and delay in recruitment. The following section summarises the key budget variances across CYPS for the year.

2.5.3 Children's Social Care was overspent by £4.7m and is mainly attributable to cost pressures within the children in care placements budget. The following are key points to note relating to the children in care placement budgets:

- The number of children in care is 475 at the end of March 2026 – this is a reduction of 6 compared to 481 at the beginning of the year. This continues the downward trend in children in care numbers since 2022.
- The final placement budget pressure was £4.9m. This includes several one-off mitigations applied during the year (e.g. grant maximisation, funding slippage and additional income). Excluding these, the underlying pressure was £6.2m.
- External residential placements remain the primary cost driver. At year end, 44 children were in external residential provision, against a budgeted number of 24. Pressures are compounded by a growing proportion of children with complex needs requiring high-cost placements.
- Occupancy in RMBC-owned residential homes was 81% (3x vacant beds) at year end, down from 87% the previous month. The aim is to be fully occupied at all times, to mitigate the call on external placements, though this will not always be possible.
- The number of children in foster care (including RMBC carers, family and friends, and independent fostering agencies) increased to 306 at the end of March, up from 289 in February.
- The year-end placement numbers and underlying recurrent costs continue to present a significant financial risk for 2026/27. Work is underway to strengthen placement budget projections, alongside clearer actions to mitigate cost pressures.

2.5.4 An overall underspend of £2.1m is reported across other service areas in CYPS including Education & Inclusion, Family Help, and Commissioning, Performance & Quality. The underspend is mainly attributable to staffing turnover / vacancies, increased external income, reduced home to school transport costs and reduction in locum and agency staff spend and grant maximisation measures.

2.6 Dedicated Schools Grant (DSG) Budgets

2.6.1 A surplus balance position of £2.4m is reported for 2025/26 for all maintained schools with delegated budgets (including 3 stand-alone nursery schools). Under the regulations, the surplus balance will be carried forward and is ring-fenced for use by maintained schools. The reported position is inclusive of 3 schools that reported a year-end deficit. A budget recovery plan will be agreed with these schools to bring the budget back in balance over an agreed timescale.

2.6.2 A year-end deficit of £2.3m is reported across centrally retained DSG budgets, primarily driven by High Needs / Special Educational Needs and Disability (SEND) pressures. The following explain the main budget variances for the year:

- High Needs (£3.6m overspend) – Reflects increased demand within the SEND system, including rising numbers of pupils with Education, Health and Care Plans (EHCP) in mainstream and specialist settings, alongside inflationary cost pressures.
- Other Central DSG (£1.3m underspend) – this is mainly attributable to increased early years funding for childcare and nursery entitlement for 2-year-olds and under 2's.

The above centrally retained DSG overspend of £2.3m has been transferred into the DSG Reserve account. The overall DSG reserve position as at 31st March 2026 is a cumulative deficit of £2.9m, which will be carried forward to 2026/27 under the DSG statutory override regulation. Work has been completed on agreeing the 2026/27 high needs budget, which shows a planned deficit of £5.5m for the year. However, this will be updated on completion of the SEND Reform Plan.

2.7 Adult Care, Housing & Public Health (£4.8m overspend)

2.7.1 The overall directorate is reporting a £4.8m overspend at the end of March 2026. This is made up of a £1m underspend in Neighbourhoods, a £5.9m overspend in Adult Social Care and £0.1m underspend in Public Health. Neighbourhoods covers the non-HRA housing services that the Council provides, such as homelessness and temporary accommodation.

2.7.2 The Adult Social Care (ASC) overspend of £5.9m was caused by a £7m overspend on rising demand and complexity of care packages. The main area of overspend was working age adults, especially people with learning disabilities and people with mental health need as packages increased significantly in the year in terms of demand and cost. There was a 14% rise in the number of people needing mental health support compared to 1% increase overall.

2.7.3 The overspend on placements was mitigated in part by staffing budgets that were under budget by £1m.

2.7.4 The Housing service (non-HRA) underspend of £1m consists of an underspend on homelessness and temporary accommodation of £0.5m and furnished homes of £0.3m and £0.2m on salary costs. This has arisen largely due to additional grant income that was received in year, therefore not allowing new homelessness schemes to be delivered across the full financial year, creating an underspend.

2.7.5 The Public Health underspend of £0.093m was caused mainly by reduced administrative costs.

2.8 Regeneration and Environment (£0.5m underspend)

2.8.1 The Directorate's final outturn was a £0.5m underspend, which is a £1.3m improvement from the December financial monitoring update. The main underspends, overspends and reasons for movement are explained below.

2.8.2 The Markets service had a £0.5m overspend because of income shortfalls which is a similar position to previous years. This is likely to continue into next financial year as the development of the markets complex continues.

2.8.3 The Waste service did not fully deliver the £0.5m route optimisation 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. The Service overspent by £0.9m overall, with £0.3m relating to the saving and

£0.6m to refund garden waste customers, which was not included in the previous report.

2.8.4 The final outturn for Home to School Transport was a £0.4m overspend. As at the 31st March 2026, the service was operating 345 routes for 1,293 passengers and there were 211 parental payment travel solutions in place.

2.8.5 These overspends are offset by a £0.4m underspend in Community Safety and Regulation owing to vacancies and delays in implementation of the new Street Safe Team. Licensing also had 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 £0.3m underspend.

2.8.6 The Directorate utilised an additional £0.3m of grants to improve its position compared to the December forecast, to support the overall Council position. Streetworks and Enforcement had income higher than budget by £0.7m, largely generated from road closure fees, which improved by £0.2m in the final quarter as utility companies carried out more work. There was also £0.4m improvement in Culture, Sport and Tourism as the income outturn was higher than expected in Country Parks and cafés.

2.9 Finance and Customer Services (£0.7m underspend)

2.9.1 Corporate Services was underspent by £0.86m at year-end. There are a number of financial pressures across the services, particularly around Post and Print and recruitment challenges within Legal Services leading to continued use of Locums at a premium. However, there have been savings achieved in relation to vacancy management, higher income in Registrars and maximisation of grants and contributions. These actions have mitigated the financial pressures and delivered an overall underspend to support the wider Council outturn.

2.9.2 As well as the above, Property and Facilities Services (PFS) had a broadly balanced outturn of £0.1m overspent. This was a £0.3m worsening from the previous report to Cabinet as delays in capital programmes caused the Building Consultancy service's income to decrease by £0.6m, which was largely offset by a £0.3m improvement in Catering Services income.

2.9.3 Overall the Finance & Customer Services (FCS) position has improved since December monitoring as the service has looked to generate further savings to support the Council's attempts to balance the budget.

2.10 Assistant Chief Executive (£0.5m underspend)

2.10.1 The underspend at outturn is the consolidated result of underspends in-year from vacancies and savings on non-staff expenditure, despite a number of underlying budget pressures.

2.11 Central Services (£5.4m underspend)

- 2.11.1 Central Services delivered an underspend of £5.4m resulting from the £5.4m social care contingency approved within the Council's Budget and Council Tax Report 2025/26. Savings were made in year from the Treasury Management function totalling more than £7.6m, however, these savings have been used to offset wider Council impacts such as inflationary pressures in year and the impact of the Local Government Pay Award. The treasury outturn position reflects the Council's approach to only borrow for cash flow purposes when required and maximise the benefits of the local authority lending market. It is also linked to slippage on the Capital Programme that has reduced the need to borrow during 2025/26.
- 2.11.2 Central Services has continued to see pressures as a result of higher base costs, high and volatile inflation, high real living wage increases and the impact of the 2025/26 Local Government Pay Award. However, the Council was able to build into the Council's Budget and Council Tax Report 2025/26 greater levels of funding to manage the impact of inflation, energy and pay. As such these impacts have been controlled within the existing budgetary provision.
- 2.11.3 Central Services is made up of several corporate budgets for levies and charges such as the Integrated Transport Levy (ITL), 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 2025/26, approved at Council 5th March 2025. The costs within this area are largely fixed costs, set out prior to the start of a financial year, not specific to a particular Directorate and are therefore not controllable by the directorates and thus held centrally. For example, the cost of levies for 2025/26 was set at £13.5m at the outset of 2025/26.
- 2.11.4 The budget as approved at Council on 5th March 2025 included provisions, allocations for inflation, pay award and anticipated cost pressures. These budgets were held centrally at the start of the year and allocated to services as costs were confirmed and incurred. The table below sets out the headline reasons for the movement between opening budgets and the final budget that has been reported 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	Final Budget 2025/26
	£m	£m	£m	£m	£m
CYPS	68.8	2.0	5.7	-0.0	76.5
ACH&PH	135.9	2.0	9.5	-0.0	147.4
R&E	48.6	2.5	4.9	-0.2	55.8
FCS	35.1	2.4	1.3	-1.1	37.7
ACX	8.3	0.6	0.1	0.2	9.2
CS	62.3	-9.5	-21.5	1.1	32.4
TOTAL	359.0	0.0	0.0	0.0	359.0

2.12 Housing Revenue Account (HRA) (£4.3m underspend)

2.12.1 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 has underspent by £4.3m.

2.12.2 The overall underspend largely relates to £0.3m increased rental income, £0.1m fee income and £3.8m shared savings in repairs and maintenance. The shared savings are a contractual refund from repairs contractors based on the profits they made during the previous year, once those have been confirmed and audited. The income for shared savings covers two years as it is the confirmed element for 2024/25 and an estimate of what will be receivable in 2025/26. As there is a degree of uncertainty around these savings the Council is not able to set spending plans against them; as such they are transferred to reserves and used to benefit the HRA Business Plan over the medium term.

2.13 Delivery of Savings

2.13.1 A total of £7.494m of savings were scheduled to be delivered in 2025/26. It is confirmed that £7.054m of delivery was secured in 2025/26.

2.13.2 Table 3: Delivery of Agreed Savings:

Directorate	2025/26 Plan (Total)	Secured as at 31 st March 2026	2026/27 Still to be Delivered
Children and Young People Services	6,163	6,163	0
Adult Care, Housing and Public Health	600	600	0
Regeneration and Environment	731	291	440
Total	7,494	7,054	440

2.13.3 All outstanding savings will be carried forward to 2026/27 and delivery will continue to be reported to Cabinet on a regular basis. There has been a shortfall in the delivery on the Route Optimisation saving within Waste Management, that has meant that the full value of the saving has not been achievable in 2025/26. However, the key actions to deliver the saving have been completed and the full value of the saving should be deliverable in 2026/27. There has been a shortfall in savings to be generated from increased income within Culture, Sport and Tourism across the Country Parks. However, given the completion of the new Café at Rother Valley Country Park and refurbished Café at Thrybergh Country Park it is expected that this income stream will continue to grow.

2.14 Schools Outturn 2025/26

2.14.1 School balances at the end of 2025/26 for the Council's maintained schools was £2.395m. This represents the net surplus balances (i.e. unspent budgets), for all

maintained schools (excluding the Pupil Referral Unit). This represents a reduction of £0.069m on the previous year.

2.15 Reserves

2.15.1 The Budget and Council Tax Report 2025/26 approved the use of £0.4m from Treasury Management Savings Reserve to support the Budget Strategy. The Financial Monitoring Report 2025/26 submitted to Cabinet on 9th February 2026 was based on the financial monitoring position as at December 2025, which outlined that the Council anticipated an overspend of £3.4m. The overspend was to be funded from Reserves as approved at Council as part of the Budget and Council Tax 2026/27 report, though the report noted the Council's intention was to further improve that outturn position, if possible, which would see a lower value call on reserves.

2.15.2 The table below sets out movements in reserves and the reserves position as at the outturn 2025/26 compared against the updated expected position set out in the Budget and Council Tax Report 2026/27.

2.15.3 The bullet points below explain the reasons for movements in reserves.

- Whilst there were no plans to use the Budget and Financial Strategy Reserve in the original Budget & Council Tax Report 2025/26, the Budget and Council Tax Report 2026/27 approved the use of £3.4m to fund the 2025/26 outturn position. However, given the final outturn position was an overspend of £0.3m, the actual use was £3.1m less than anticipated in the approved Budget & Council Tax Report 2026/27.
- A new PFI Leisure Reserve was created to manage the requirement to carry over between years balances in relation to the Leisure PFI, to ensure payments are made within the requirements set out in the contract. It was anticipated that a drawdown would be required from this reserve to fund in-year costs. However, the contract had a small underspend at year-end and as such this was moved to the reserve to fund future years' expenditure.
- The estimated Local Council Tax Support (LCTS) Grant scheme costs were between £1.7m and £1.9m, to be funded by a combination of the Household Support Fund and the Local Council Tax Support Grant Reserve. The final cost was £1.7m, which was primarily met from the Household Support Fund. This has reduced the 2025/26 call on the LCTS Grant Reserve.
- The Council has used £0.4m from Treasury Management Savings Reserves as planned, and an additional £0.4m was used to fund the cost of staff time relating to capital projects, funded from the allocation transferred to reserves in 2024/25 to cover future years' costs.
- The Selective Licensing Reserve is held through the lifetime of the scheme to ensure that fees from landlords are used to fund the administrative costs of the scheme. A small surplus from 2025/26 will be carried forward into 2026/27 to fund future years' costs.

2.15.4 In summary, this means that the total of Corporate Reserves balance at the Financial Outturn 2025/26 is £53.8m, which is £3.3m more than the £50.5m estimated in the Budget and Council Tax 2026/27 report. The individual reserve balances are shown in the table below. The Budget and Council Tax Report 2026/27 planned for a £2.8m increase to reserves in 2026/27. Based on the 2025/26 financial outturn position, that will leave a total of £56.6m Corporate Reserves at the end of the 2026/27 financial year.

2.15.5 The Corporate Reserve balances are shown in the table below.

Table 4: Total Corporate Earmarked Reserves as at 31 March 2026

	Projected Balance at 31 March 2026 (per Budget Report 26/27)	Actual Balance as at 31 March 2026	Variance
	£m	£m	£m
General Fund Reserves			
Budget and Financial Strategy	8.0	11.1	3.1
Business Rates	4.0	4.0	0.0
PFI Reserve - Leisure	0.2	0.6	0.4
Corporate Revenue Grants Reserve	3.1	3.1	0.0
Local Council Tax Support Grant	0.6	0.8	0.2
Collection Fund Income Guarantee Grant	0.0	0.0	0.0
Treasury Management Savings	7.4	7.0	-0.4
Local Plan Reserve	2.2	2.2	0.0
Selective Licensing Reserve	0.0	0.1	0.1
Total	25.5	28.8	3.3
General Fund Minimum Balance			
	25.0	25.0	0.0
Total General Fund	50.5	53.8	3.3

2.16 Capital Reserves

2.16.1 The total earmarked and un-earmarked capital reserve balances at the end of 2025/26 are shown in Table 5 below.

Table 5 Capital Reserves as at 31 March 2026

	Balance as at 31 March 2026	Committed Resources	Un-earmarked as at 31 March 2026
	£m	£m	£m
Capital Receipts Reserve			
General Fund	0.0	0.0	0.0
Housing (Corporately held)	26.4	26.4	0.0
HRA	8.5	8.5	0.0
Sub-Total	34.9	34.9	0.0

Capital Grants – Unapplied			
General Fund	80.6	80.6	0.0
HRA	6.6	6.6	0.0
Sub-Total	87.2	87.2	0.0
Major Repairs Reserve – HRA	10.9	10.9	0
Total	133.0	133.0	0.0

2.17 CAPITAL OUTTURN 2025/26

2.17.1 The outturn on the Capital Programme was £150.614m (2024/25 £140.590m). The final Capital Programme Budget was £165.620m split between the General Fund £98.555m and HRA £67.065m with underspend and slippage of £15m.

2.17.2 The level of slippage on the Capital Programme is low given the scale and size of the programme. The outturn position shows that 91% of the planned expenditure has been delivered. The Council continues on its improvement journey in terms of Capital delivery, with work underway to review the delivery side of the Capital Programme, in order to identify areas for improvement which is starting to filter through to the outturn position reported.

Table 6 Capital Outturn 2025/26

Directorate	2025/26 Budget	2025/26 Outturn	2025/26 Variance
	£m	£m	£m
General Fund Capital			
Children and Young People Services	9.894	7.949	-1.945
Assistant Chief Executive	0.439	0.267	-0.172
Adult Care & Housing	11.727	10.017	-1.710
Finance & Customer Services	11.057	8.439	-2.618
Regeneration & Environment	65.438	60.657	-4.781
Total General Fund Capital	98.555	87.329	-11.226
Total HRA Capital	67.065	63.285	-3.780
Total RMBC Capital Programme	165.620	150.614	-15.006

2.18 Children and Young People Services

2.18.1 The CYPS Capital Programme outturn has a variance of £1.945m against the approved budget of £9.894m. The main items contributing to this position are:

- Children's Residential Homes, £0.113m slippage. The Council have one property due to have work started in quarter 1 2026/27 following some delays in finalising the design to then allow for planning approvals.
- Primary Schools, £0.77m slippage. This relates to one project where work is completed but the Council needs to agree the final account payment to be made in July 2026.
- Special schools, £1.115m slippage. The budget has slipped on special schools due to delays in delivery on Wales Residential Centre and Newman Whiston as the schemes are awaiting final approval from Department for Education so work will now take place in 2026/27.
- Schools Private Finance Initiative (PFI) Life Cycle Programme, £0.595m budget brought forward. Positively and through strong contract management by the Council, there has been increased spend on capital upgrade works by the PFI provider during the year. The budget has been amended to reflect expenditure for 2025/26.
- School condition works, £0.723m slippage. The Council has a number of schemes which came to light later in the year; the complexity of the work content means the Council need to carry out design work and procure an external contractor to deliver. In addition, the work itself is major work, meaning that it needs to be completed during school holidays so it was adjusted to take place in the Easter and Summer holidays in 2026.

2.18.2 As part of the outturn position the following key outputs have been delivered.

Schools Condition works

- Broom Valley School – concrete window repairs in 2 phases.
- Blackburn Primary – basement damp proofing works.
- Eastwood Village – defective work rectification.
- Herringthorpe Junior & Infants – extraction system.
- Herringthorpe Primary – access control security gates and security improvements to vehicle access / pedestrian gate.
- Rawmarsh Aspire – roofing works.
- Rawmarsh Rosehill – fencing and repointing works.
- Todwick Primary – asbestos removal.

Places at mainstream schools

- Provided an additional 210 school places at Waverly Junior Academy.

Special Educational Needs and Disabilities (SEND) Sufficiency

- New SEND provision created on mainstream sites was finalised in year with Thurcroft Junior Academy, Winterhill and Maltby Manor Academy provisions successfully opening.

- Installation of modular classrooms at Kelford School and the development of a second site at Elements Academy. In total this resulted in an increase of 54 special school places.
- Improvement works have commenced across the three sites occupied by Aspire Pupil Referral Unit. This has included works to improve accessibility, and the curriculum offer at Catcliffe and Hutton Park. Further works are planned in 2026/2027 at the main Rawmarsh site.
- 36 successful capital accessibility small grants schemes from mainstream schools, improving mainstream school provision for pupils with SEND.

2.19 Adult Care & Housing

2.19.1 The Adult Care & Housing Capital Programme outturn had a variance of £1.710m against the approved budget of £11.727m. The main items contributing to this position are:

- Fair Access to All (Aids and Adaptations Privates – Disabled Facilities Grants), slippage £0.2m. This project provides physical adjustments and equipment to properties such as level access showers, ramps and handrails to support people to continue to live in their homes. This is due to slow progress with work delivery which is dictated in part by the customer.
- Rothercare Digital Switchover, slippage of £1.036m. The Council's external provider did not achieve delivery plan targets, resulting in spend slipping into 2026/27.
- Castle View care units, £0.732m slippage. The properties are completed and are in the progress of being furnished with a view to being ready to occupy by the end of April 2026.
- Furnished Homes, overspend by £0.231m due to increased demand for this service in year.

2.19.2 As part of the outturn position the following key outputs have been delivered.

- 4,042 adaptations works completed to private properties. Works include installation of level access showers, ramps, ceiling hoists, stairlifts, extensions, handrails, door widening and dropping of kerbs.

2.20 Assistant Chief Executive

2.20.1 The Assistant Chief Executive Capital Programme outturn had £0.171m of underspend and slippage against the approved budget of £0.439m.

2.20.2 As part of the outturn position the following key outputs have been delivered:

- 102 projects supported across the borough through the ward allocations, broken down as follows:-
 - North – 32 projects
 - South – 40 projects
 - Central – 30 projects

2.21 Finance and Customer Services

2.21.1 The Finance & Customer Services Capital Programme outturn had £2.618m of underspend and slippage against the approved budget of £11.057m. The main items contributing to this position are:

- Building Decarbonisation, slippage of £0.627m. This is due to additional design work which has needed approval. The Riverside House Canopy has been designed but is being reviewed due to site concerns relating to the turning circles at the far end of the canopy. This is therefore being reviewed with technical colleagues in the Design Team.
- Electric Vehicle charging infrastructure, slippage of £0.216m. This is due to delays in awarding the contract and additional work required by Northern Powergrid.
- Rotherham Markets solar panels, £0.1m saving. The Council held a small contingency for this scheme which has not been required.
- Education Information Technology (IT) replacement project, £0.77m slippage. This is an ongoing 2 year programme of work and initial recruitment to the project team took longer than expected.
- Financial Information Technology (IT) replacement project, £0.220m slippage. This is an ongoing 2 year programme of work and project go live has slipped into Autumn 2026.
- Community Facilities, £0.299m slippage. This scheme is making improvements to community facilities; additional design work and additional asbestos surveys have been required.
- Strategic Acquisitions, £0.151m slippage. This funding is being held to support work to deliver the Gateway Station.
- Waverley Medical Centre, £0.509m slippage. Work is fully completed but agreement on the final account is yet to be finalised and paid.

2.21.2 As part of the outturn position the following key outputs have been delivered:

Information and Communication Technology (ICT) and Digital Investment

- Replacement of the Council's data back-up capability, providing a single, robust, and secure data recovery solution aligned with industry best-practice.
- Procurement and installation of a replacement virtual compute platform, providing server/data processing capacity for the next 5 years.
- Delivered a programme of end-user laptop, monitor and mobile phone refresh, alongside provision of new equipment totalling over £1.2m.
- Procured and implemented a replacement IT Service Desk system, with a scheduled go-live in quarter 1 2026/27.
- Introduced new and standardised hybrid meeting room capability within Riverside House.
- Implemented a digital social care records system for use in adult social care settings and the Reablement Service.

Property and Facilities

- Civic Theatre – flat roof, windows to annexe and theatre renewed and new LED lighting installed.
- Cranworth Centre - windows replaced.
- Herringthorpe Stadium – track repairs completed.
- Waleswood Caravan Park – pitch repairs completed.
- Holy Trinity Church – boundary wall works completed.
- Moorgate Crofts – roofing repairs completed.
- Rotherham Markets – solar panels installed.
- Waverley Medical Centre - now built and operational.

2.22 Regeneration & Environment

2.22.1 The Regeneration & Environment Capital Programme outturn had slippage of £4.781m against the approved budget of £65.438m. The main variances contributing to this position were:

Planning, Regeneration and Transport

- Major road schemes, £1.783m slippage. There are a number of major road schemes that are ongoing and will run into 2026/27 due to more challenging requirements for design and consultation.
- Forge Island Commercial Development, slippage of £0.962m. The project is complete and the slippage relates to the fit out of the remaining unoccupied units which is driven by the successful delivery of new tenants.
- Business Centres at Century and Matrix, £0.348m slippage. Work is ongoing to install fire stopping works, lighting, toilet refurbishment and roofing works. The cost of the firestopping works was higher than expected once work was scoped and procured and this required additional approval before work could be awarded. In addition, the roofing works were more extensive than expected and it was advised by the contractor that work is not carried out until there was better weather.
- Wath Regeneration £0.363m and Healthcare Hub Phase 1 £0.541m, accelerated spend. Both projects had budget slipped into 2026/27 earlier in the year but have now commenced delivery sooner than planned.

Culture, Sport and Tourism

- Treeton Saint Helen's Church, £0.139m slippage. Work is completed but the final account is to be agreed and paid.
- Playgrounds, £0.133m slippage. One site is completed and three more will complete in 2026/27.

Community Safety & Streetscene

- Drainage and flood alleviation programme, slippage of £1.66m. This has been caused by unexpected complexities in the design process and ongoing negotiations for access to land for surveys.
- Street Lighting Programme, £0.306m slippage. This is an ongoing programme to replace street lighting and signs which become obsolete during the year.

2.22.2 As part of the outturn position the following key outputs have been delivered:

Planning, Regeneration and Transport

- Landscaping works have been completed at Snail Yard Pocket Park and the site has been opened to the public.
- Thrybergh Country Park's Lakeside Cafe opened to the public 12th February 2026. The inside has been extensively refurbished, with a new outdoor terrace looking out across the lake. The refurbished building includes fully accessible toilets and entrances for people with mobility needs.
- Park and Ride facility at Parkgate became operational in May 2025.
- Town Centre Regeneration – Opening of the first eateries at Forge Island in April and July 2025 respectively.
- Completion of the phase one £4 million Towns and Villages Fund programme. Work at Brinsworth has now completed which concludes the Towns & Villages programme.
- 50 shopfront grants have been offered to businesses, to help boost appearance of high streets and encourage business footfall. 48 have been accepted across the town centre, Dinnington and Maltby. This greatly exceeds the target of 20.
- Work with regional partners to support South Yorkshire Mayoral Combined Authority (SYMCA) in their work to develop the Outline Business Case for the new railway station at Waverley has taken place, and work is on track with expected completion of an outline business case in March 2027.
- A new tram-train stop opened at Magna on 9th April 2026, with long-term aims of increasing access to economic activity. The station provides a modern and accessible gateway to the Magna Science Adventure Centre in Rotherham and strengthens public transport links between Rotherham and Sheffield.
- City Region Sustainable Transport Settlements (CRSTS) Broom and Fitzwilliam Transport schemes have both gone out to second rounds of consultation, including proposals for investment in neighbourhood streets.

- West Bawtry Road structure was completed on 6th March 2026.

Culture, Sport and Tourism

- Waleswood Caravan and Camping Park - Tent Field Drainage, with extra drainage added due to wet spots and 10 x caravan pitches resurfaced.
- Water Splash facility at Clifton Park - The water splash facility at Clifton Park opened to the public on the week commencing 21st July 2025.
- Redevelopment works at Rother Valley Country Park have been completed, with the Waterfront Café and Events Space now open to the public. The new venue, offering stunning waterfront views and a first-floor events space with balcony, has been warmly received by visitors and is currently nominated for two design awards. Parking facilities have also been expanded and upgraded.
- Redevelopment works at Thrybergh Country Park have been completed, including improved access and play facilities, with new accessible pathways around the lake and a fully refurbished play area. The refurbished café also opened in February 2026, offering a contemporary breakfast, brunch and afternoon menu, alongside afternoon tea, Sunday lunches and event catering.
- The target to plant 500 trees was exceeded, with 710 planted in quarters three and four, an increase on the previous year's total of 597.
- Herringthorpe and Rosehill Tennis Courts have been surfaced with fencing completed, and nets, posts and line markings installed.
- As a part of the Children's Playground Programme, Thrybergh Country Park and Rosehill are now complete. Facilities are fully accessible and free, so provide an affordable day out option for families to enjoy.

Community Safety & Streetscene

- The Closed Circuit Television (CCTV) Team has progressed with the development of two Video Management Software (VMS) prototypes, which will be installed and tested over the early part of 2026/27. The learning gained from this work will directly inform and strengthen the final procurement exercise and delivery.
- The CCTV Team have collaborated with The Council's Principal Drainage Officer to purchase and deploy cameras across nine locations within the borough, with the purpose of monitoring and recording flood-risk areas to inform planning and strengthen flood response. A further ten locations are now being considered following the success of the initiative.

- Rotherham Council has been named one of the best in the country for pothole repairs, road condition, smart investment and best practice.
- The Council has repaired 94 footways including Micro Asphalt surface treatment and resurfacing schemes, as a part of the Highway Repair Programme 2025/26.
- The repair of 124 unclassified roads has been delivered this year. Unclassified roads are rated 70.97% in good (green) condition status, above the 65% target and better than national average.
- Completed new CCTV installations at College Road (9th March), improving visibility at Vicarage Lane and enhancing town centre coverage.
- In the last 12 months delivered 220 CCTV installations borough-wide, improving crime deterrence, supporting investigations and convictions, and providing strong value for money by aligning investment with risk, intelligence and community safety priorities.

2.23 Housing Revenue Account (HRA)

2.23.1 The HRA Capital Programme outturn had a variance of £3.780m against the approved budget of £67.065m. The main variances contributing to this position were:

- Adaptations to public sector homes, £0.510m overspend. This is a demand led service delivering mandatory major adaptations to Council owned homes. Demand has been higher than budgeted for and the Council have also seen an increase in material costs and the complexity of jobs.
- Environmental work, £0.262m slippage. Excessive bad weather has caused phase 4 of the programme to be delayed and work will now take place slightly later than planned and carry into 2026/27.
- External works, £2.186m underspend. The Council commenced the Warm Homes scheme delivery in early 2026. This was delayed due to Department for Energy Security and Net Zero (DESNZ) providing the grant agreements later than expected. It is expected that the Council would need to repay the grant that it has not spent in year to DESNZ.
- Structural works, £0.667m overspend. There has been an increased number of properties requiring structural works during the year.
- Information Communication Technology (ICT) upgrade, £0.362m slippage. The upgrade of the ICT system for document management is ongoing and will now be completed in 2026.
- Major Voids, £1.781m overspend. This spend is required to bring properties back to a lettable standard. The overspend is due to higher void costs than

anticipated due to a need to replace high value items such as kitchens and bathrooms.

- New Build programme, £2.153m slippage. A number of schemes including Addison Road, Maltby, Bushfield Road and Valley Drive are underway and will continue into 2026-27, however they have not progressed as quickly as hoped.
- Refurbishments of existing homes, £1.142m underspend. The programme has seen some savings due to lower cost for work, omitted properties and right to buy properties which are excluded from the programme once an application is made to buy the property.
- Strategic Acquisitions, £0.342m underspend. This is an ongoing programme to purchase properties completed on the open market. Some schemes will see the properties complete in 2026/27 including those at Poppyfields and Sorby Park. The Council does not control when private developers complete the schemes.

2.23.2 As part of the outturn position the following key outputs have been delivered:

Strategic Housing Growth and Development Programme

- Over £12m secured in external grant funding to support the Housing Delivery Programme. This represents a 100% success rate and exceeds the Housing Revenue Account (HRA) Business Plan Assumption for non-HRA funding by more than £2m.
- 114 homes delivered in year with HRA capital investment. The Strategic Housing And Development Team had a target to deliver 100 new homes this financial year, which has been exceeded. This was made up of 41 Market Acquisitions, 44 Section 106 Acquisitions, and 29 new homes delivered by the Council on Council Owned sites.
- The Council new build schemes at West Melton (10 homes) and Ship Inn (4 homes) delivered over 100% of their commitment on Social Value. Developers supported the growth of responsible regional businesses and invested in the local supply chain as part of the project.
- Delivery of 13 new homes at Canklow, Warden Street as part of a joint development with Adult Social Care. The scheme included a 4-bedroom bungalow for families on the Housing Register with acute needs. The strategic assets will not only provide rental income but fit-for-purpose accommodation to meet the needs of vulnerable residents.
- Days to let reduced for new build homes (Small and Medium Enterprise (SME), Section 106, Council Build) has reduced to 12.4 days, compared to 25.8 days in July. This decreases risk, increases income to the Housing Revenue Account, and decreases additional costs related to empty sites (for example, site security).

- As of the end of March 2026, 788 new homes have been delivered. The Council are on track to deliver their 800th new home in April 2026.

Improvements and investment in Council Housing stock

(note - outputs subject to slight change pending agreement on final account)

- 266 properties had replacement kitchens and/or bathrooms and associated electric works.
- A total of 1,654 properties have had replacement boilers and/or central heating systems. A total of 5 properties had work carried out to their district heating system and one site had boiler house upgrade works.
- 492 properties had their thermal efficiency increased by loft insulation top ups.
- 460 properties received over £5,000 investment to bring them back to a lettable standard via the major void process.
- 628 properties have had external work improvements which can include work to the roof, rainwater goods and soffits and facias.
- 134 properties have had structural works undertaken.
- 2,104 properties have had additional ventilation work and an additional 75 properties have had damp and mould treatment / works. A further 60 properties have had humidity sensors installed which will prevent and give early warning of potential damp and mould issues in future.
- 104 fire doors have been replaced across the estate.
- 2,497 properties have received adaptations work which can include handrails and grabrails to a full level access wet room / shower facility. The adaptations will allow customers to remain living independently in their homes.
- The environmental programme delivered 8 schemes across the borough. These included redesigning paths and steps around stock, repairing of boundary walls, resurfacing housing owned parking areas, landscaping of communal planting and relocation of bin pads away from properties to reduce potential fire spread to properties.

2.24 Funding of the Capital Programme 2025/26

2.24.1 £150.614m of capital expenditure was funded as shown in the table below:

Table 7 Funding of the Capital Programme 2025/26

Funding Stream	Outturn £m
Grants and Contributions	40.867
Unsupported Borrowing	43.466
Capital Receipts	0.867
Revenue Contributions	0.138
Total Funding - General Fund	85.338
Grants and Contributions	7.474
Unsupported Borrowing	20.986
Housing Major Repairs Allowance	23.551
Useable Capital Receipts	3.808
Revenue Contributions	9.457
Total Funding - HRA	65.276
Total	150.614

2.24.2 Capital Receipts Outturn 2025-26

2.24.3 The Council is continuing to undertake a comprehensive review of its assets and buildings portfolio with the aim of rationalising both its operational and non-operational asset holdings. This may contribute future capital receipts which are earmarked to support the revenue budget, in accordance with the Council's approved flexible use of capital receipts strategy.

2.24.4 In 2025/26 General Fund Capital receipts of £0.938m have been generated as shown in the table below. Although £0.074m of this was for loan repayments, these cannot be used to support the revenue budget as only those receipts for the disposal of property, plant and equipment can be used in that way.

Table 8 – General Fund Capital Receipts Received in 2025/26

Description	Total as at 31st March 2026 £m
Miscellaneous	-0.864
Total Capital Receipts (Excluding loan repayments)	-0.864
Repayment of Loans	-0.074
Total Capital Receipts	-0.938

2.24.5 Although capital receipts were generated in this financial year they were utilised to fund the expenditure on short life assets in order to reduce borrowing costs which is a more favourable overall outcome for the Council.

2.25 Updated Capital Programme 2026/27 to 2029/30

2.25.1 The Capital Programme 2026/27 has been reset at £180.682m split between the General Fund £109.727m and HRA £70.955m.

2.25.2 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.

Table 9: 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's 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

Table 10: 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

3. Options considered and recommended proposal

3.1 This detail is set out in Section 2 above.

4. Consultation on proposal

4.1 None identified.

5. Timetable and Accountability for Implementing this Decision

5.1 The Executive Director of Corporate Services is responsible for implementing any actions arising from the supported recommendations in this report.

5.2 These should be actioned at the earliest opportunity to aid the monitoring of the 2026/27 Revenue Budget and Capital Programme.

6. Financial and Procurement Advice and Implications

6.1 As set out in the sections above.

6.2 Project specific procurement implications are included in the main body of this report. 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 No direct HR implications arising from this report. It is noted that there are some recruitment challenges in some specialist areas which will continue to be considered further as part of workforce planning.

9. Implications for Children and Young People and Vulnerable Adults

9.1 No direct implications.

10. Equalities and Human Rights Advice and Implications

10.1 This is a finance update report, providing a review of the Council's outturn position for 2025/26. Any equalities and human rights impacts from service delivery have been or are detailed as service budgets and capital projects are pulled together for inclusion within the Council's revenue budget or Capital Programme.

10.2 An Initial Equality Screening Assessment (Part A) has been completed and is attached as Appendix 2.

11. Implications for CO2 Emissions and Climate Change

11.1 No direct implications.

12. Implications for Partners

12.1 No direct implications.

13. Risks and Mitigation

13.1 There are increasing cost pressures associated with the rising demand for social care services. The Council will continue to closely monitor its financial position throughout the year and if required will implement appropriate mitigations.

13.2 The Council's Medium Term Financial Strategy will be revised and updated later in the year to reflect the estimated outcomes of any economic pressures that are impacting the Council's costs such as inflation and energy prices along with revised resources.

14. Accountable Officers

Rob Mahon, Service Director – Financial Services

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	John Edwards	19/06/26
Executive Director of Corporate Services (S.151 Officer)	Judith Badger	12/06/26
Service Director of Legal Services (Monitoring Officer)	Phil Horsfield	17/06/26

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

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