Rotherham Metropolitan Borough Council

Public Report
Cabinet

Committee Name and Date of Committee Meeting
Cabinet – 14 September 2026

Report Title
July 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
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Ward(s) Affected
Borough-Wide

Report Summary

The report sets out the financial position as at the end of July 2026 and forecast for the remainder of the financial year, based on actual costs and income for the first four 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 second in a series of regular financial monitoring reports for the current financial year to be presented to Cabinet.

As of July 2026, the Council's forecast outturn for 2026/27 is an overspend of £5.9m, made up of a Directorates overspend of £10.9m, offset by a projected Central Services underspend of £5.0m. 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, and an overspend in Regeneration and Environment Directorate increased by £2.9m, mostly due to additional overspends in Waste and Home to School transport. 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 unsettled. Economic market sentiment has been heavily influenced by the Middle East conflict leading to steepening energy and fuel costs impacting the wider economy and creating uncertainty around inflation, which has risen to 2.9% in July. 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 £5.9m.

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
Financial Monitoring Report to Cabinet, 6th July 2026

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

Council Approval Required
No

Exempt from the Press and Public
No

July 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 second 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 four 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 July 2026

Directorate	**Budget 2026/27**	**Forecast Outturn 2026/27**	**Forecast Variance over/under (-)**
	£m	**£m**	**£m**
Children and Young People Services (CYPS)	85.0	90.5	5.5
Adult Care, Housing & Public Health (ACH&PH)	157.1	159.3	2.2
Regeneration and Environment Services (R&E)	56.3	59.5	3.2
Corporate Services (CORP)	42.7	42.7	0.0
Policy Strategy & Engagement (PSE)	6.0	6.0	0.0
Central Services (CS)	47.2	42.2	-5.0
Directorate Forecast Outturn	**394.3**	**400.2**	**5.9**
Dedicated Schools Grant			6.4
Housing Revenue Account (HRA)			0.0

2.2 As at July 2026, there is a forecast overspend of £5.9m. This position is made up of a Directorates overspend of £10.9m, offset by a projected Central Services underspend of £5.0m. The Council's overspend position at this point is largely due to placement pressures within Children and Young People Services (£5.5m), the high demand and complexity of care packages in Adult Social Care (£2.0m) and overspends in the Regeneration and Environment Directorate (£3.2m), mostly in Waste and Home to School Transport. 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 be carried and implemented at pace for maximum effect. This work will primarily focus on the pressures identified within social care placements, care packages and across Home to School Transport and Waste.

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	8.3	-0.1	85.0
ACH&PH	**149.1**	-1.4	9.5	-0.1	157.1
R&E	**56.7**	-1.3	1.2	-0.3	56.3
CORP	**41.3**	-1.2	0.6	2.0	42.7
PSE	**6.3**	-0.4	-0.0	0.1	6.0
CS	**62.5**	5.9	-19.6	-1.6	47.2
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 July 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 Working Age Adults £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 £5.9m, the key reasons for forecast under or overspends within Directorates and the progress of savings delivery.

2.9 Children and Young People Services Directorate (£5.5m forecast overspend)

2.9.1 Children and Young People Services is forecasting a budget pressure of £5.5m at the end of July 2026, an increase of £0.4m compared with the May position reported. The overspend is primarily driven by continued pressures relating to Children in Care placement costs, partially offset by the slippage of grant-funded expenditure. The main budget pressures within the Directorate are outlined below.

2.9.2 A budget pressure of £6.0m is currently forecast against the Children in Care (CiC) placement budget, representing an improvement of £0.2m compared with the May position. This reduction reflects the earlier than planned ending of a secure placement and lower than anticipated costs associated with a high-cost placement.

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 reduced to 481 at the end of July, from 486 in May. The reduction was in placements with independent foster agency carers and in supported accommodation.
- External residential placements remain the main driver of the placement budget pressures, with 48 children placed in external children's homes in July against a budgeted profile of 40. This pressure is further compounded by the increasing number of children placed in high-cost

residential provision (at a weekly cost of £10,000 and above) due to the complexity of their needs.

- Occupancy levels in Council-owned children's homes stood at 76% at the end of July (4 beds remain unoccupied) – a reduction compared to the last reported position of 82%. 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, in kinship care with families & friends and independent fostering agencies) currently stands at 313 a reduction compared to 317 in May.

The mix of placement types, limited placement options, increasing unit costs and the growing complexity of children's care needs continue to present significant challenges. Despite these pressures, work is underway to ensure that non-complex external residential placements are regularly reviewed and that progress against the wider step-down plan is closely monitored to identify opportunities to reduce costs while ensuring that children's needs continue to be met.

2.9.4 A forecast underspend of £0.5m is currently estimated against the Family Help Services budget. This is mainly attributed to slippage across several grant-funded programmes to date as well as through vacancy and staff turnover savings.

Dedicated Schools Grant (DSG) budgets (£6.4m forecast deficit)

2.9.5 A net surplus balance of £1.5m is forecast for all maintained schools in Rotherham for 2026/27 based on submitted budget plans. There is currently 1 school with a forecast budget deficit. A budget recovery plan has been agreed to bring the budget back into a surplus position by next year.

2.9.6 The Council is forecasting an in-year DSG deficit of £6.4m, primarily within the High Needs Block, representing a £0.9m deterioration since May due to continued cost and demand pressures across the SEND system. The DSG reserve is forecast to reach a cumulative deficit of £9.3m by the end of 2026/27, rising to £19.9m by March 2028 when the statutory override is due to end. Without further Government funding, the Council would need to absorb this deficit within its General Fund, creating a significant financial pressure.

2.9.7 Financial support provided through the Safety Valve Agreement ended in 2025/26, the final year of the programme. The Government has replaced this with a High Needs Stability Grant, which will fund 90% of DSG deficits accrued by local authorities up to 31 March 2026. Access to this funding is conditional on the submission (submitted 19 June) and Department for Education approval of Rotherham's Local SEND Reforms Plan. The reforms are intended to support a more sustainable SEND system through earlier intervention and increased inclusion in mainstream education settings.

2.9.8 The Council's DSG cumulative deficit is projected to reach £19.9m by March 2028 when the statutory protection ends and could increase by around £10m per year thereafter if current demand and inflationary pressures continue. While no decision has been confirmed, it is anticipated that the DfE will continue to provide financial support to local authorities, potentially through an extension of the High Needs Stability Grant (which currently funds 90% of eligible deficits). If this level of Government support were maintained, the Council's financial liability at the end of 2027/28 (when the statutory override protection ceases) is estimated to be in the region of £4m. As these assumptions remain subject to future DfE policy decisions and the implementation of SEND reforms, the position will need to be closely monitored. The financial implications will remain a key consideration in the Council's budget-setting process and Medium-Term Financial Strategy.

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

2.10.1 The Directorate is forecast to overspend by £2.2m, the same as the May position. High demand and complexity of care packages make up 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 and overtime spend is higher than budget to cover gaps in service for in-house care provision and other staffing pressures. Work continues to identify options to address the increased use of agency and difficulties experienced in recruitment.

2.10.2 The area of biggest overspend is working age adults with Learning Disabilities. The overspend in Learning Disabilities is largely made up of a small number of individuals with high-cost needs, including Out of Borough placements that cater for individuals with the most complex needs. Work is underway to understand the drivers behind these costs given the Council spends more per working age adult than the national average. The work will assess where there are opportunities to ensure the most cost efficient process is in place, to support the delivery of services within budget and the delivery of the saving of £0.900m approved as part of the Budget and Council Tax Report 2026/27.

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

2.10.4 Housing is underspent slightly at this stage.

2.11 **Regeneration and Environment Directorate (£3.2m forecast overspend)**

2.11.1 The Directorate is forecasting a £3.2m overspend, which is a worsening of £2.9m from the last report to Cabinet. The key variances and movements are detailed below.

2.11.2 The Waste service is forecasting to be £1.5m overspent, which is a worsening of £0.9m. This is largely caused by overspends on transport, as the service continues to operate with a high number of hire and spare vehicles, required as the new Council owned, more cost effective vehicles, will not arrive until March 2026 and the route optimisation programme has yet to be delivered in full. It is therefore expected this position will improve once new refuse collection vehicles arrive, though the impact will be seen for the 2027/28 financial year.. Work is continuing 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 two routes has not yet been possible, though is still intended.

2.11.3 Home to School Transport is forecasting a £1.1m overspend, which was previously reported as balanced. This position assumes that all children using the service at the end of the academic year will continue to do so in September, so further changes are possible once the 2026/27 cohort is known. Detailed work is underway to understand and quantify which factors have caused this overspend.

2.11.4 As in the last report, the Markets service is forecasting an £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, following the successful move of traders from the indoor covered market into the new Market Hall.

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 £1.0m overall, a worsening of £0.7m since the last report. Facilities Management is forecast to overspend by £1.2m due to assorted building costs, largely repairs and maintenance, which has worsened by £0.2m since the last report. The Catering Service is now forecasting to overspend by £0.3m (previously balanced) as the service is affected by lower-than-expected income. These overspends are offset by an underspend of £0.7m within Cleaning Services as income is greater than budgeted. Following a review of the Capital Programme, the Building Consultancy service is now forecasted to balance to budget which is a worsening of £0.3m from the last report.

2.12.3 Within the wider Directorate, budget pressures are primarily attributable to a managed over-recruitment within the Customer Services Contact Centre and the continued reliance on locums and external suppliers within Legal Services to address ongoing recruitment challenges. These measures have been implemented deliberately to maintain service continuity and performance in key areas.

2.12.4 Regarding Legal Services a substantial amount of the additional demand for solicitors arises from Children's and Adult Social Care activity and demand. Further pressures are also anticipated following a Supreme Court ruling that has significantly changed the approach to Deprivation of Liberty applications, alongside costs associated with ongoing litigation against the Council and legal support required to help with the National Grooming Gang Inquiry. Meanwhile, recruitment to permanent legal posts remains challenging despite ongoing campaigns, reflecting a wider local government workforce issue. As a result, the service continues to rely on locums and external providers, including King's Counsel where necessary, to maintain capacity and meet statutory and operational requirements. Although some costs are offset by savings from vacant posts, the July forecast outturn remains an overspend of £0.4m, including £0.1m relating to Children's Social Care and £0.2m relating to Adult Social Care.

2.12.5 There are underspends within the Directorate that are helping to mitigate these pressures. Reduced costs on some ICT contracts that have renewed, capitalisation where possible and a number of vacant posts that have been challenging to fill are helping to mitigate the pressures. However, further savings and mitigating actions will be required to achieve a balanced financial position.

2.13 Policy, Strategy and 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 (£5.0m underspend)

2.14.1 Central Services has a £5.0m forecast underspend, primarily reflecting savings from Treasury Management activity and underspends on the Councils inflation provision.

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 a budget risk.

2.14.4 Regarding Legal Services a substantial amount of the additional demand for solicitors arises from Children's and Adult Social Care activity and demand. Further pressures are also anticipated following a Supreme Court ruling that has significantly changed the approach to Deprivation of Liberty applications, alongside costs associated with ongoing litigation against the Council and legal support required to help with the National Grooming Gang Inquiry. Meanwhile, recruitment to permanent legal posts remains challenging despite ongoing campaigns, reflecting a wider local government workforce issue. As a result, the service continues to rely on locums and external providers, including King's Counsel where necessary, to maintain capacity and meet statutory and operational requirements. Although some costs are offset by savings from vacant posts, the July forecast outturn remains an overspend of £0.4m, including £0.1m relating to Children's Social Care and £0.2m relating to Adult Social Care.

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 revised Capital Programme is £206.483m split between the General Fund £120.891m and HRA £85.592m. The total change to the programme in 2026/27 is an increase of £25.802m from the previously reported budget of £180.682m to Cabinet on 6th July 2026. The movement is based on revised profiles of expenditure against schemes, including slippage re-profiles and corrections and new grant funding added to the programme.

2.16.2 **Table 4: Variations to the Capital Programme 2026/27 to 2029/30**

	Total Impact	**2026/27 Impact**	**Post 2026/27 Impact**
	£m	**£m**	**£m**
Corporate Resources – General Fund	0.144	0.144	0.000
Corporate Resources – HRA	-0.194	-0.135	-0.059
Revised Grant and Funding Estimates	3.194	3.194	0.000
Slippage / Reprofiling	0.033	22.467	-22.434
Budget corrections	0.132	0.132	0.000
Total	**3.309**	**25.802**	**-22.493**

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

- **Laughton Gate Housing Scheme, 42 units**, £0.953m, slippage. The Council will now see completion of 5 units this financial year and a further 7 units will now complete in 2027/28 as the properties will not be built and ready for handover by 31st March 2027.

- **Community Facilities**, £0.570m, slippage of the initial funding allocation due to replacement funding being available. Work has been carried out and is ongoing on the upgrade of Community Facilities across the Borough and the projected spending by the end of 2026/27 is £0.600m as per the original budget. However, due to the opportunity to utilise Pride in Place grant funding in the current year and the need for that grant to be spent by 31st March 2027, the corporate borrowing originally intended for the Community Facilities will be slipped into 2027/28. Further surveying works to The Black Hut site are required and this slipped budget will be available to contribute towards the resulting works required.

- **Rotherham Station Quarter**, £0.490m, slippage. This scheme originally had a small budget in 2026/27 but scoping is not yet completed so budget moved into 2027/28 until there is a clearer spend profile for the scheme.

- **Poppyfield Phase 2 Housing Scheme**, £2.175m, acceleration. The Council has now agreed and paid the deposit for 30 properties in this scheme so budget will be brought forward to cover this cost in 2026/27.

- **West Melton pedestrian crossing**, £0.287m, slippage. There are ongoing negotiations between The Council and South Yorkshire Combined Mayoral Authority (SYMCA) regarding a funding agreement for this scheme so there will be lower costs incurred this financial year.

- **Ulley Country Park main building**, £0.200m, slippage. Options for the main building works are currently being completed for consultation and once a preferred option has been agreed the project will commence.

- **ICT Data Storage and Backup**, £0.115m, acceleration. The Council have completed procurement, and the first placed supplier withdrew from the tender exercise. This has resulted in an increased tender price so budget will be brought forward to cover this additional cost. The project will still deliver within this full four-year programme budget allocation.

- **Health Hub Phase 1**, £0.367m, acceleration. This project is due to complete in the summer and the programme has completed sooner than originally planned.

- **Templeborough**, £2.122m, acceleration. This project is progressing well and at pace and additional costs will now fall in 2026/27.

- **Wath Regeneration**, £2.800m, acceleration. The budget for this project has now been updated to reflect the latest position for this scheme as reported to Cabinet in a separate report on 11th May 2026.

- **Hurley Croft Housing Scheme**, £0.794k, acceleration. This scheme is currently being tendered and it is expected that work will now be on site in October 2026 so additional costs will be incurred in 2026/27.

- **Brampton Vale Phase 2 Housing Scheme**, £2.172m, acceleration. The Council has now agreed and paid the deposit for 33 properties in this scheme so budget will be brought forward to cover this cost in 2026/27.

- **Warm Homes Phase 1**, £1.863m, acceleration. This programme was originally due to deliver thermal efficiency upgrades to 462 properties, but the contractor has additional capacity and can now deliver 613 units this year, so budget is being brought forward to cover this spend in 2026/27.

- **York Road, Eastwood Housing Scheme**, £2.945m, acceleration. This scheme has progressed quicker than planned and preparatory work has commenced on site in July for construction to commence.

- **Netherfield Court, Eastwood Housing Scheme**, £4.686m, acceleration. Site clearance work has been completed sooner than planned and foundations have been completed to a quarter of the plots included on this scheme.

- **Poppyfields, Ravenfield Housing Scheme**, £1.053m, acceleration. Many of the units on this scheme will be completed earlier than planned with just 4 units now being carried forward into early 2027/28.

- **Corporate Resources General Fund,** £0.144m, adjustment. The budget for the Furnished Homes programme has been increased by £0.357m to reflect additional demand for this service, the cost is fully recovered from income the service generates.

- **Corporate Resources HRA.** £0.194m, adjustment. The budget for the removal of asbestos from properties has been taken out of the Capital Programme and the cost of this work will now be funded from the HRA revenue budget.

- **Budget corrections,** £0.132m, adjustment. The budgets for Brampton Vale Strategic Acquisitions, Local Authority Housing Fund (LAHF) Acquisitions and the Wickersley North ward budget, were incorrect and have now been adjusted to show the correct budgets for 2026/27.

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. Grant schemes added or reduced since the July Cabinet report are listed below:

Table 5: New Grant/HRA funded Schemes added to the programme

Directorate/Scheme	**2026/27** **£m**
Corporate Services	
Community Infrastructure Levy (CIL) – additional funding for ward schemes	0.053
Regeneration and Environment	
CRSTS (City Region Sustainable Transport Scheme) - Cortonwood pedestrian crossing	0.010
CRSTS (City Region Sustainable Transport Scheme) - Highways Maintenance allocations - carriageways, structures and potholes.	1.242

SYMCA (South Yorkshire Mayoral Combined Authority) - Network North Fund	2.120
Department for Transport - Clean Air Zone Bellows Road	-0.146
Department for Transport - Clean Air Zone electric charging points	-0.085
Total	**3.194**

2.17 Capital Programme Variations Requiring Cabinet Approval

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.

A) Our Places Fund (Swinton Development and pedestrian movement)

Swinton Development

2.17.2 The initial two phases of work including the redevelopment of the Civic Hall, refurbishing the Customer Service Centre into a library and additional reading garden along with the demolition of the previous library, have been completed. The final phase is centred on delivering targeted public realm improvements to create a more attractive, accessible, and better-connected environment around the civic core. At Cabinet in December 2024, as part of the Council's Our Places Fund programme, the scope of the public realm works was expanded from cleaning to full replacement of all paving thus securing an indicative allocation of £300,000 to the Swinton scheme. Subsequently, the scope of Swinton public realm intervention was further increased to include planting and an electrical connection in the precinct centre. This expanded scope of works has introduced some additional technical requirements, including structural assessments of surrounding retaining walls, trees and drainage, which have all contributed to a current requirement for additional funding. The variation seeks to allocate an additional £182,850 from the Our Places fund, which will cover the budget deficit arising out of the increased scope and bring the Swinton project to completion.

Pedestrian Movement

2.17.3 There are two main interventions intended for delivery within the Pedestrian Movement scheme, improvements to the underpasses at College Road roundabout and improvements to bus stops. It is proposed to allocate £600,000 of currently unallocated Mayoral Sustainability Fund (MSF) funding and £7,050 Our Places fund (OPF) funding to the 'Pedestrian movement' element of the OPF programme. The reallocation of £607,050 to the Pedestrian movement scheme will allow greater flexibility of the budget for the delivery of a much-needed multi-disciplinary intervention to the College Road roundabout underpasses and improvements to a number of bus stops. Importantly, an increased overall allocation to this scheme will allow delivery of the wider project aspirations, which are aligned with the needs of the residents of the borough and, also, with the priority areas for improvements identified by SYMCA through their current work.

2.17.4 **B) Ickles Roundabout improvement works**

The Ickles Roundabout project was awarded SYMCA development funding of £1,050,000 for the development of this site. There is no beneficial scheme at Ickles Roundabout at this time on which the development funding could be usefully spent. Therefore, the variation seeks to reallocate a proportion of this funding as this is no longer required to develop this project on account of its reduced scope. The variation seeks approval to reallocate funding of £490,000 to the Rotherham Gateway Station project. The development funding for the Ickles Roundabout scheme has already been released by SYMCA. The movement of funding between the two schemes has been approved by SYMCA through their change control process.

The Station at Rotherham Gateway is now a key priority for the Council. The mainline and tram-train station will be a catalyst for growth, improving local, regional, and national rail connectivity for all communities and businesses across the Borough, creating employment, and supporting the development of high-quality new homes. Therefore, it is recommended that the funding is transferred to support this scheme.

2.17.5 **C) Clean Air Plan (CAP) funding reallocation**

The Transport Capital Programme 2025/26 was approved at Cabinet in March 2025. The report included the approval for the delivery of Rotherham Clean Air Plan measures to be reallocated to the Sheffield Council's managed Clean Air Fund. The available Clean Air Plan (CAP) capital funding has a balance of £848,721 and so to ensure the contribution available is as set out in the Transport Capital Programme, a contribution of £25,730 is made from the City Region Sustainable Transport Settlement (CRSTS) Revenue grant fund.

In addition, it is now proposed that the funds are transferred to the South Yorkshire Mayoral Combined Authority (SYMCA) for delivery on behalf of the Council, rather being transferred to Sheffield City Council. This change has arisen as a result of the development of bus franchising which now means the Mayoral Combined Authority will be procuring the buses as part of this scheme. At the point of Cabinet approval, it was envisaged Sheffield City Council would operate a scheme of grants to which bus operators would apply analogous to the original Clean Air Fund scheme.

2.18 MCA Approvals

2.18.1 The South Yorkshire Mayoral Combined Authority (SYMCA) acts as accountable body for a number of different Government funding streams and as the accountable body for Gainshare. There are no new approvals to report to Cabinet at this time.

2.19 Capital Programme 2026/27 to 2029/30

2.19.1 The proposed updated Capital Programme to 2029/30 is shown by Directorate below.

Table 6: 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					
Adult Care & Housing	7.807	7.760	6.927	1.760	24.254
Children and Young People	11.728	10.399	14.389	7.020	43.536
Corporate Services	15.455	16.480	17.103	7.157	56.195
Policy, Strategy and Engagement	0.685	0.210	0.210	0.210	1.315
Regeneration & Environment	85.216	60.392	10.834	2.582	159.024
Total General Fund Capital	**120.891**	**95.241**	**49.463**	**18.729**	**284.324**
Total HRA Capital	**85.592**	**62.804**	**59.911**	**109.257**	**317.564**
Total RMBC Capital Programme	**206.483**	**158.045**	**109.374**	**127.986**	**601.888**

2.19.2 The Capital Programme for 2026/27 remains ambitious even with a significant level of re-profiling of schemes into 2027/28. The Council will therefore need to keep close control of project spend profiles and delivery milestones to keep these projects on track. The Council will also need to review the deliverability of this increased Capital Programme and potentially, re-profile some schemes into future financial years.

2.20 Funding Position of Capital Programme 2026/27 to 2029/30

2.20.1 **Table 7: 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
Capital Receipts	0.215	0.000	0.000	0.000	0.215
Grants and Contributions	65.096	38.376	13.967	3.400	120.839
Revenue Contribution	0.140	0.143	0.146	0.000	0.429
Unsupported Borrowing	55.440	56.722	35.350	15.329	162.841
Total Funding - General Fund	**120.891**	**95.241**	**49.463**	**18.729**	**284.324**
Capital Receipts	16.512	3.347	1.327	11.774	32.960
Grants and Contributions	11.100	7.129	0.000	15.246	33.475
Housing Major Repairs Allowance	38.234	28.905	28.768	28.555	124.462
Revenue Contribution	15.029	7.549	7.000	12.137	41.715
Unsupported Borrowing	4.717	15.874	22.816	41.545	84.952
Total Funding - HRA	**85.592**	**62.804**	**59.911**	**109.257**	**317.564**
Total	**206.483**	**158.045**	**109.374**	**127.986**	**601.888**

2.21 Capital Receipts

2.21.1 To date General Fund useable capital receipts of £4.497m have been generated. Although loan repayments will be received during the financial year, these cannot be used to support the revenue budget as only those receipts by the disposal of property, plant and equipment can be used in that way.

Description	Total as at 31st July 2026
	£m
Miscellaneous	-0.016
Land at Worrygoose Lane	-4.481
Total Capital Receipts (Excluding loan repayments)	**-4.497**
Repayment of Loans	-0.008
Total Capital Receipts	**-4.505**

2.22 Capital Achievements

2.22.1 The following outputs have been achieved during the 2026/27 financial year to date:

Corporate Services

Property and Facilities Services

- Completion of the installation of solar panels on the outdoor covered markets and library.
- Improvement works to Clifton Learning Partnership building
- Remedial works to Mecca Bingo
- Toilet upgrade at Rother Valley Country Park
- Clifton Park Museum boiler replacement
- Kiveton Park Depot structural works to outbuilding

Regeneration and Environment

Planning, Regeneration and Transport

- Work has commenced on the £8.4 million Templeborough Business Zone development, supporting the creation of new business space alongside an enhanced food and drink offer at one of Rotherham's iconic tourist attractions. Funded through a Government grant, the project will help drive economic growth, investment and employment opportunities in the borough.
- The new Market Hall in the Town Centre opened to the public in July. 96% of stalls are let, totalling 37 independent businesses having a home in the new venue. Reactions from the public and market traders have been extremely positive.
- On 6 July, a £2.42 million investment was approved by Cabinet to move plans to redevelop a cluster of prominent town centre sites to the next stage of detailed design and cost plans. The sites include Westgate Car Park, Sheffield Road, Statutes Car Park, Snail Yard and 3–7 Corporation Street.
- Works commenced on site on the Our Places Fund Public Realm Scheme at Swinton, in line with existing approvals. The target completion timeframe is Summer 2026.
- Construction works for Phase 1 of the Health Hub in the Town Centre were completed on 17 July 2026 and the new Abbey Pharmacy is now operational. The works included the refurbishment of part of the lower ground floor and will enable the continuation of pharmacy provision, as well as delivering the first element of the planned health facilities in Rotherham town centre.

Culture, Sport and Tourism

- A new play area at Rother Valley Country Park opened to the public in June. It has been very well received by residents.
- A new Creative Engagement Manager is now in post, allowing the Summer Arts Award programme to begin development.

- Rosehill Park and Herringthorpe Valley Park Tennis Courts refurbishment were completed in June. An opening event took place at Rosehill, and all courts are now back open for residents to enjoy.

Community Safety & Street scene

- The proportion of the "Unclassified" road network classed as "green status" (do not require repair) has increased from 69.84% at the beginning of the quarter to 70.56% at the end of the quarter.
- 95 footways across the borough have been included for repair (2026/2027), which includes resurfacing and treatment repairs.
- 23 fleet vehicles have been replaced with greener alternatives.
- Work has commenced on the Whiston Brook Flood Alleviation Scheme, a £7 million project being delivered in partnership with the Environment Agency to help reduce flood risk in Whiston and better protect homes, businesses and local roads. The scheme will provide a long-term reduction in flood risk by improving water flow through Whiston and increasing the capacity of the drainage system during periods of heavy rainfall.
- Esh Construction has been successful as the winning contractor for the 2 stage (Design and Build) contract for the Catcliffe & Treeton Flood Alleviation Scheme (Treeton Lane Bridge). Current programme estimates suggest that the design phase could take approximately one year, primarily due to the need for third-party approvals, after which construction works would commence.

<u>Housing Revenue Account (HRA)</u>

Strategic Housing Growth and Development Programme

- In April 2026, RMBC delivered the milestone 800th new home. This was delivered as part of the acquisition of 6 two-bedroom apartments at Waverley.
- In May 2026, the Council submitted a bid to Homes England under the Social and Affordable Homes Programme (SAHP) to support the delivery of 31 new homes in Eastwood. The bid was successful, securing £4,747,107 in grant funding to enable delivery of these homes for social rent, equating to approximately £153k per unit.
- This funding represents a significant achievement for the Housing Delivery Programme, as grant support is essential to ensuring the viability of new developments and enabling the provision of affordable homes for applicants on the housing register.
- The Eastwood scheme has successfully started on site under a single build contract with phased starts. The contractor has access to both sites. A "Spade in the Ground" event was held on the 25th of June. This scheme was identified as a Year Ahead delivery plan target, with a Q1 start on site, which has been successfully achieved.

- The final two homes at the Canklow Warden Street development were handed over in May 2026, completing the wider 15-home scheme. In addition to increasing affordable housing stock within the HRA, the development also delivered specialist accommodation, including a four-bedroom bungalow, to help meet identified housing needs within the borough.
- In Quarter 1, RMBC entered into contracts to acquire a further 63 Section 106 homes across two sites. Delivered by developers as part of their planning obligations, Section 106 properties represent good value for money as they are purchased at a discounted rate. They also provide high-quality new-build homes, helping to meet strong demand from applicants on the Council's housing register.

Improvements and investment in Council Housing stock

The following outputs have been achieved during the 2026/27 financial year to 30th June	**Units Delivered**
Structural Repairs	37
Major Voids (voids with a replacement element such as kitchen, bathroom, heating system etc, or exceeding c. £5,000 in repair value)	99
East Herringthorpe re-roofing scheme	50
West Melton re-roofing scheme	93
Internal Refurbishments (Kitchens or bathroom replacements) (not including replacements in Voids)	26
Ventilation Works (upgrade of existing, or installation of new mechanical extraction) (not including works in Voids)	755
Ad-Hoc Capital Investment (capital investment works that were unplanned)	21
Thermal Improvements (solar panels, cavity wall insulation, loft insulation and/or ventilation)	89
Boiler Replacements (not including replacements in Voids)	532
Capital Electrical Works (rewires, consumer unit changes etc) (not including works in Voids)	26
Window or Door Replacements (per property)	35
Environmental schemes	1
Loft insulation increases in Void properties	89
Kitchens in Void properties	261
Bathrooms in Void properties	74
Electrical rewires in Void properties	69
Heating system/boiler replacements in Void properties	14

2.23 Updated 2026/27 Capital Budget vs Original Budget

2.23.1 In order to enable effective monitoring and scrutiny of the movement in the capital budget during the year the below table shows the current 2026/27 capital budget against the original capital budget reported to Cabinet in July 2026.

Directorate	Original Budget £m	Updated Budget £m
General Fund Capital		
Adult Care & Housing	7.449	7.807
Children and Young People	12.132	11.728
Corporate Services	15.089	15.455
Policy, Strategy and Engagement	0.63	0.685
Regeneration & Environment	74.427	85.216
Total General Fund Capital	**109.727**	**120.891**
Total HRA Capital	70.955	85.592
Total RMBC Capital Programme	**180.682**	**206.483**

3. Options considered and recommended proposal

3.1 With regard to the current forecast net revenue budget overspend of £5.9m that the Council is forecasting, further management actions continue to be identified with the clear aim of ensuring a balanced budget position can be achieved.

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.

6.2 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 This report forms part of the Council's governance and financial management framework and supports Cabinet in the monitoring of the approved revenue budget and capital programme. In this context, the Council is required to make proper arrangements for the administration of its financial affairs pursuant to the requirements of the Local Government Act 1972 and associated legislation.

7.2 Subject to the paragraph above, there are no direct legal implications arising from the Recommendations within this 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. Risks and Mitigation

13.1 To any extent that the approved budget, budget savings or compensating mitigations are not achieved, this will require a drawdown on Reserves. The Council's approved Reserves strategy shows that there is a sufficient balance of Reserves to mitigate overall budget risk, however, a continued call on the Reserves over and above that planned over the medium term would be financially unstainable.

13.2 The Capital Programme is funded through a number of sources: Prudential borrowing, capital grants and contributions, revenue contributions and capital receipts. The Council will need to closely consider the level of prudential borrowing it incurs moving forwards post the 2026/27 Budget to ensure that the Council's overall debt position is manageable, can be financed within the Council's Treasury Management Budgets and to help guard against interest rate risk. There is also potential risk that the future years' funding from Government Grants and external sources may vary from that estimated.

13.3 Financial Services work closely with Senior Officers and Project Managers to monitor project expenditure and performance through the Capital Programme Monitoring and Delivery Board (CPM&DB). Improvements, like this, introduced to the Capital Programme governance arrangements and enhanced reporting requirements help to ensure that Members will receive early notice of any specific project issues. This will enable early intervention to take place to bring projects back on timetable and cost, or if necessary, agree an additional capital programme funding approval. Where elements of the Programme are reliant on future grant funding, future projects will be continually reviewed to match the programme against funding availability.

14. Accountable Officers

Rob Mahon, Service Director – Financial Services

Approvals obtained on behalf of Statutory Officers:-

	Named Officer	**Date**
Chief Executive	John Edwards	27/08/2026
Executive Director of Corporate Services (S.151 Officer)	Judith Badger	21/08/2026
Service Director, Legal Services (Monitoring Officer)	Phillip Horsfield	27/08/2026

Report Author: Rob Mahon, Service Director – Financial Services

This report is published on the Council's website.