Public Report
Cabinet

Committee Name and Date of Committee Meeting
Cabinet – 16th November 2026

Report Title
September 2026/27 Financial Monitoring Report

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

Executive Director Approving Submission of the Report
Judith Badger, Executive Director of Corporate Services

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Ward(s) Affected
Borough-Wide

Report Summary

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

Following the projected £5.9m overspend position reported to Cabinet in September 2026 within the July Financial Monitoring report, the Council has been working hard to mitigate this position and reduce any potential call on reserves at the year end. The position reported as of September 2026 factors in the mitigations that have been identified so far; further work will be needed to address the remaining overspend. Actions taken to date include grant maximisation, removal of non-essential spend where possible and balance sheet reviews to identify any historical grants and contributions held that are no longer required. The aim of this work has been to mitigate the financial overspend position, whilst minimising the impact on service delivery.

As of September 2026, the Council's forecast outturn for 2026/27 is a projected overspend of £2.9m, made up of a Directorates overspend of £7.9m, 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 impacting high cost residential placements and the increasing number of people receiving support and care who have complex needs. There is also an overspend in Regeneration and Environment Directorate due to overspends in Waste Management and Home to School Transport. Detailed explanations 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 escalating energy and fuel costs impacting the wider economy and creating uncertainty around inflation. These financial challenges are being regularly reviewed as part of the Council's ongoing Medium Term Financial Planning.

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

Recommendations

That Cabinet:

1. Note the current General Fund Revenue Budget forecast overspend of £2.9m.

2. Note the updated position of the Capital Programme.

3. Approve the capital budget variations as detailed in Section 2.17 of the report.

4. Note early payment of £3.052m grant from the Transport for City Regions (TCR) fund, as detailed in section 2.18.5 of the report.

5. Note the allocation of City Region Sustainable Transport Settlement (CRSTS) Revenue Fund grant from South Yorkshire Mayoral Combined Authority (SYMCA) as detailed in 2.24 and delegate the decision to allocate and spend all future tranches to the Service Director of Planning, Regeneration and Transport in consultation with the Section 151 Officer and the Cabinet Member for Transport, Jobs and the Local Economy.

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
Financial Monitoring Report to Cabinet, 14th September 2026

Consideration by any other Council Committee, Scrutiny or Advisory Panel
No
Council Approval Required
No
Exempt from the Press and Public
No

September 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 third 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 half 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 September 2026

Directorate	**Budget 2026/27**	**Forecast Outturn 2026/27**	**Forecast Variance over/under (-)**
	£m	**£m**	**£m**
Children and Young People Services (CYPS)	85.4	89.1	3.7
Adult Care, Housing & Public Health (ACH&PH)	157.6	159.5	1.9
Regeneration and Environment Services (R&E)	56.4	58.8	2.4
Corporate Services (CORP)	42.7	42.7	0.0
Policy Strategy & Engagement (PSE)	6.2	6.1	-0.1
Central Services (CS)	46.0	41.0	-5.0
Directorate Forecast Outturn	**394.3**	**397.2**	**2.9**
Dedicated Schools Grant			8.1
Housing Revenue Account (HRA)			(0.3)

2.2 As at September 2026, there is a forecast overspend of £2.9m. This position is made up of a Directorates overspend of £7.9m, 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 (£3.7m), the demand and high complexity of care packages in Adult Social Care (£1.9m) and overspends in the Regeneration and Environment Directorate (£2.4m), mostly in Waste Management and Home to School Transport.

2.3 Following the projected £5.9m overspend position reported to Cabinet in September 2026 within the July Financial Monitoring report, the Council has been working hard to mitigate this position and reduce any potential call on reserves at the year end. The position reported as of September 2026 factors in the mitigations that have been identified so far; further work will be needed to address the remaining overspend. Actions taken to date include grant maximisation, removal of non-essential spend where possible and balance sheet reviews to identify any historical grants and contributions held that are no longer required. The aim of this work has been to mitigate the financial overspend position, whilst minimising the impact on service delivery.

2.4 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 is being implemented at pace for maximum impact and will primarily focus on the pressures identified within social care placements and care packages.

2.5 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. 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.

2.6 **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	8.7	-0.1	**85.4**
ACH&PH	**149.1**	-1.4	10.0	-0.1	**157.6**
R&E	**56.7**	-1.2	1.1	-0.2	**56.4**
CORP	**41.3**	-1.2	0.6	2.0	**42.7**
PSE	**6.3**	-0.3	-0.0	0.2	**6.2**
CS	**62.5**	5.7	-20.4	-1.8	**46.0**
TOTAL	**394.3**	**0.0**	**0.0**	**0.0**	**394.3**

2.7 The Council's Financial Outturn report 2025/26 reported that £0.4m of prior year savings remained undelivered. In addition, the Budget and Council Tax report 2026/27 included the delivery of £3.2m of new savings, giving £3.6m to be delivered during 2026/27. Currently, £2.5m 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 30th September 2026 £'000**	**Still to be delivered £'000**
Corporate Services	704	704	0
Adult Care, Housing and Public Health	1,089	237	852
Children's and Young People Services	800	800	0
Regeneration and Environment	1,040	720	320
Total	**3,633**	**2,461**	**1,172**

2.8 Activity is ongoing to deliver the remaining £1.2m of savings that relate to Working Age Adults £0.9m, Waste Route Optimisation £0.3m and Waleswood £40k. The following sections provide further information regarding the Council's current forecast overspend of £2.9m, the key reasons for forecast under or overspends within Directorates and the progress of savings delivery.

2.9 **Children and Young People Services Directorate (£3.7m forecast overspend)**

2.9.1 Children and Young People Services is forecasting a budget pressure of £3.7m at the end of September 2026, a reduction of £1.8m compared with the July position reported. The improved forecast position is attributable to the budget recovery actions put in place to mitigate CYPS cost pressures. The overall forecast overspend is primarily driven by continued pressures relating to Children in Care placement costs. 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, which is consistent with the position reported in July 2026.

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

- The number of children in care reduced from 481 in July to 475 at the end of September, as a number of children have exited the care system. The decrease was primarily attributable to reductions in the use of external residential children's homes and supported accommodation placements.

- External residential placements remain the main source of placement budget pressure, with 43 children placed in external children's homes compared with 48 in July. This reflects continued progress in step-down and permanence planning; however, increasing demand for high-cost residential provision for children with complex needs continues to impact the budget.
- Occupancy levels in Council-owned children's homes stood at 72% at the end of September, compared with 76% previously. Four beds remain vacant to ensure appropriate matching and maintain placement stability for existing occupants. Work continues to maximise occupancy and support more children and young people within Council-owned provision.
- The number of children placed in foster care (i.e. RMBC's own carers, with families & friends and independent fostering agencies) currently stands at 313 and remains unchanged to the July reported numbers.
- 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 £2.3m is projected across Family Help, Education & Inclusion, and other Directorate-wide services. This mainly reflects the impact of budget recovery actions to mitigate placement cost pressures, including the re-direction and slippage of grant funding, where permitted under grant conditions, together with vacancy and staff turnover savings.

Dedicated Schools Grant (DSG) budgets (£8.1m 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 in July 2026. There are currently no schools reporting a forecast budget deficit for the year.

2.9.6 The Council is forecasting an in-year Dedicated Schools Grant (DSG) deficit of £8.1m, comprising £7.7m within the High Needs Block and £0.4m within the Early Years Block. This is £1.7m worse than the position reported in July and reflects ongoing pressures across the SEND system. Demand for special school and Independent Specialist Provider (ISP) placements for pupils with Education, Health and Care Plans (EHCPs) is higher than expected. Demand for Tier 3 SEND Inclusion Support in early years settings is also above forecast.

2.9.7 The Government has replaced the former Safety Valve programme with the High Needs Stability Grant (HNSG), which will fund 90% of DSG deficits accrued up to 31 March 2026. Following approval of Rotherham's Local SEND Reform Plan, the Council's 2025/26 HNSG allocation of £0.4m has been confirmed; this relates to the deficit as at the end of 2025/26 and is not for the current deficit's 90% as the Department for Education (DfE) has factored into the grant calculation the £20.5m of Safety Valve grant the Council has already received. In respect of 2025/26, the

Council will be left with a deficit of £2.3m. The Council will only have to fund this deficit position at the end of the Statutory Override which ends March 2028. Taking account of the latest forecast deficit and HNSG funding, the DSG Reserve is forecast to have a cumulative deficit of £10.4m by 31 March 2027.

2.9.8 The Council's cumulative DSG deficit is forecast to reach £20.4m by March 2028, when the current statutory protection ends, and could increase by around £10m per year thereafter if demand and cost pressures continue. While no decision has yet been made, it is expected that the Department for Education may continue to provide the High Needs Stability Grant, which is expected to fund 90% of eligible deficits in the years 2026/27 and 2027/28. If this level of support continues, the Council's remaining liability at March 2028 would be around £4m. As the position depends on future Government decisions and the impact of SEND reforms, it will continue to be closely monitored and reflected in the Council's budget planning and Medium-Term Financial Strategy.

2.10 Adult Care, Housing and Public Health (£1.9m forecast overspend)

2.10.1 The Directorate is forecast to overspend by £1.9m, an improvement of £0.3m since the previous period. Demand and high complexity of care packages within Adult Social Care make up the projected overspend. The cost of care packages is forecast to overspend by £1.9m within Adult Care. There is also an overspend of £0.5m for staffing costs as agency spend and overtime spend is higher than the 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 staff 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 in Out of Borough placements that cater for individuals with the most complex needs and high-cost residential care. 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 £0.9m approved as part of the Budget and Council Tax Report 2026/27.

2.10.3 Public Health is expected to underspend by £0.1m as a result of staffing vacancies.

2.10.4 Housing is forecast to underspend by £0.4m on non-Housing Revenue Account activity. The main drivers behind this are fewer people sleeping rough in need of support and additional grant provision.

2.11 Regeneration and Environment Directorate (£2.4m forecast overspend)

2.11.1 The Directorate is forecasting a £2.4m overspend, which is an improvement of £0.8m from the last report to Cabinet. The key variances and movements are detailed below.

2.11.2 The Waste Management service is forecasting to be £1.5m overspent, which is in line with the last report. This is largely caused by overspends on transport, as the service continues to operate with a high number of hire and spare vehicles. It is hoped this position will improve once new refuse collection vehicles arrive next 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 have 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 is in line with the last report. This position assumes that all children using the service at the end of the academic year will continue to do so from September 2026, so further changes are possible once the implications from the 2026/27 cohort are worked through; the impacts of new routes will be fully understood as efficiencies are identified, allowing a revised financial position to be determined in due course.

2.11.4 The Markets service is forecasting a £0.7m overspend because of income shortfalls which is a similar position to previous years but a worsening of £0.1m since the last report as rent-free periods have been extended. 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.

2.11.5 The position across the Directorate has improved by £0.8m following a review of the balance sheet, grants and in-year income generation. These are mostly temporary savings and unlikely to carry forward into 2027/28.

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 as explained below, 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, which is in line with the last report. This is broadly because Facilities Management is forecast to overspend by £1.4m due to assorted building costs, largely repairs and maintenance, offset in part by additional income generation within cleaning services.

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 legal costs associated with ongoing litigation against the Council. In

addition, the Council's engagement in support of the National Grooming Gang Inquiry brings additional legal costs. 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 September forecast outturn remains an overspend of £0.5m, including £0.1m relating to Children's Social Care and £0.3m relating to Adult Social Care. Further savings and mitigating actions will be required to achieve a balanced financial position.

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, amounting to £1.2m in total. However, further savings and mitigating actions will be required to achieve a balanced financial position.

2.13 **Policy, Strategy and Engagement (£0.1m underspend)**

2.13.1 The service is currently forecasting a small underspend. Overspends due to the cost of the interim Director of PSE at the start of the year are being 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.

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 from the Capital Programme in 2025/26, means that the level of financing costs for 2026/27 are less than anticipated. This is because the Council builds in the financial impact of all capital investment decisions into the revenue budget, at the point those decisions are made. This is an approach that will see the Council generate savings to support Council wide pressures.

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

2.14.4 The Central Services budgets are made up of a number of corporate budgets for levies and charges such as the Transport Levy, Private Finance Initiative (PFI) Financing, and Treasury Management. A list of the main budget areas within Central Services was provided as part of the Council's Budget and Council Tax Report 2026/27, approved at Council on 4th March 2026. The costs within this area are largely fixed costs, set out prior to the start of a financial year, not specific to a particular Directorate and are therefore not controllable by the Directorates and thus held centrally.

2.15 **Housing Revenue Account (HRA) (£0.3m underspend)**

2.15.1 The Housing Revenue Account is a statutory ring-fenced account that the Council has to maintain in respect of the income and expenditure incurred in relation to its council dwellings and associated assets. The HRA is currently forecast to underspend by £0.3m as the requests for repairs so far in the year have been lower than budgeted for.

2.16 **Capital Programme Update**

2.16.1 The revised Capital Programme is £214.931m split between the General Fund £125.434m and HRA £89.497m. The total change to the programme in 2026/27 is an increase of £8.448m from the previously reported budget of £206.483m to Cabinet on 14th September 2026. The movement is based on revised profiles of expenditure against schemes, including slippage / re-profiles, 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	0.100	-0.050	0.150
Corporate Resources – HRA	0.000	0.000	0.000
Revised Grant and Funding Estimates	9.058	3.905	5.153
Slippage / Reprofiling	0.000	4.590	-4.590
Budget corrections	0.212	0.003	0.209
Total	**9.370**	**8.448**	**0.922**

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

- **Tenter Street, Thornhill**, £0.812m slippage. This scheme has been reviewed at outline business case stage and the spend profile amended to align with a revised programme delivery.

- **Warm Homes Phase 1**, £1.133m slippage. The Council has reviewed the programme of works with the contractor and this has now been amended to take into account inclement weather over the winter period which will impact on work that can be delivered as well as reflecting average costs being lower than budgeted. Overall, the programme is still delivering ahead of the original plan.

- **ICT Data Back up and Storage**, £0.100m slippage. The Council had completed a procurement process; however, the first placed supplier withdrew from the tender exercise which has delayed delivery of works and means less expenditure this financial year than was originally planned.

- **Bushfield Road Site B, Wath-Upon-Dearne**, £0.517m slippage. The Council is currently navigating some delays on site due to unknown ground conditions; the budget has been slipped into 27-28 as a result of these delays.

- **Former Miners Welfare, Maltby**, £2.528m acceleration. This is a new addition to the programme to buy 15 properties and bring into the housing stock this financial year.

- **St James Close, Wath**, £1.130m acceleration. This is a new addition to the programme to buy 6 properties and bring into the housing stock this financial year.

- **Brampton Vale Phase 2, Wath-Upon-Dearne,** £0.261m slippage. The developer has confirmed a slightly revised delivery profile. 7 units have been completed so far with 2 more units to be completed this financial year. The remaining units are now due in 2027/28 and 2028/29.

- **Cranworth Centre underpinning**, £0.097m slippage. We had been expecting to carry out remedial works in 2026/27 but it has been recommended that we carry out a period of monitoring for 12 months to monitor the building so that an appropriate scope of works can be developed. Therefore, work will now take place in 2027/28 once the monitoring and scoping has been completed.

- **Catcliffe Treeton Flood Alleviation Scheme**, £0.500m slippage. Design work is now expected to take around one year to complete before construction work can commence. It is anticipated that there is a need for some road closures during the construction works, with diversion routes implemented throughout this period. The Council is currently undertaking highway modelling work to better understand the wider impacts this closure may have on the surrounding road network so the slippage of budget into 2027/28 better reflects programme delivery.

- **Business Centre upgrade work (firestopping, toilet upgrades and gate),** £0.304m slippage. These works have been delayed as the roofing works will need to be completed first. Roofing works commenced in October 2026 and will last for 6 months.

- **Larch Road, Maltby**, £0.243m acceleration. The programme is now expecting some earlier completed properties than expected and budget is brought forward from 2027/28 to cover this cost this year.

- **Building Decarbonisation**, £0.096m acceleration. The budget for 2026/27 has been adjusted accordingly to reflect expected in year spend following

an updated spend estimation from the contractor for the Riverside House canopy works.

- **Riverside Gardens**, £1.264m acceleration. Work is continuing to be delivered at pace and sooner than expected following the completion of the commissioning process. Budget has been brought forward to cover this.

- **Rotherham Markets**, £0.617m acceleration. Work is continuing to be delivered at pace and sooner than expected following the completion of the commissioning process, and budget has been brought forward to cover this.

- **Bassingthorpe Farm**, £.0.090m acceleration. Work is progressing on bringing the land forward for residential development and there are higher costs in 2026/27 for legal and commercial consultancy than originally planned.

- **Denman Road, Wath**, £2.987m acceleration. The budget for this scheme was incorrectly loaded and has now been corrected.

- **Corporate Resources General Fund,** £0.100m net adjustment. A budget to complete work for the Sisters Gate project has now been added into the programme £150k and the remaining balance of funding for the Property floor resilience scheme £50k has been removed from the programme.

- **Budget corrections,** £0.211m adjustment. The budgets for schemes at Bushfield Road and Valley Drive 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 September Cabinet report are listed below:

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

Directorate/Scheme	**2026/27** **£m**
Children and Young People	
Department for Education – Strategic School Improvement Capital Budget (SSICB) - Newman Whiston	3.219
Regeneration and Environment	
South Yorkshire Mayoral Combined Authority (SYMCA) - UK Shared Prosperity Fund	0.557
South Yorkshire Mayoral Combined Authority (SYMCA) - Pedestrian Movement	0.200
South Yorkshire Mayoral Combined Authority (SYMCA) - Transforming Cities	0.070

CRSTS (City Region Sustainable Transport Scheme) - Green Arbour Rd Laughton Common Road	-0.013
South Yorkshire Mayoral Combined Authority (SYMCA) - Active Travel Fund	-0.208
Section 106 - Dalton & Thrybergh Pump Track	0.080
Total	**3.905**

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.

2.17.2 **Bassingthorpe Farm Development**

As part of the 2019/20 budget a provision was included in the capital programme to cover a value of up to £910,000 for the purchase of land off Fenton Road to be used for a housing development.

The development of the Fenton Road land plot together with the Bassingthorpe Farm strategic site aims to make a significant contribution to the Council's housing delivery target of 1,111 new homes per year.

The purchase of the freehold of the land plot (title nr. SYK41499) was formally concluded in March 2023. The budget allocated for the purchase of the Fenton Road site for a residential development had not been spent in full with the overall spend totalling at £420,183.50.

It is proposed to reassign the remaining budget of £489,816.50 to be used on the delivery of the development of the Bassingthorpe site. These funds will be spent alongside an already existing capital allocation to progress the scheme through the negotiations with the majority landowner to the procurement for a developer partner, and, subsequently to the delivery on site.

	Bassingthorpe Farm Land Acquisition Scheme	Bassingthorpe Farm Scheme
Original Budget	910,000.00	673,072.00
Spend to Date	420,183.50	186,440.00
Remaining Budget	489,816.50	486,632.00
Virement Proposed	-489,816.50	489,816.50
Updated Remaining Budget	0.00	976,448.50

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.

2.18.2 SYMCA is proposing to bring forward a limited proportion of the future Transport for City Regions (TCR) Highway Capital Maintenance allocation into 2026/27.

2.18.3 For Rotherham, the current proposal is an early drawdown of £3.052m in 2026/27 from its overall TCR Highway Capital Maintenance allocation of £34.629m. This does not increase or reduce Rotherham's total TCR allocation, it simply changes the timing of when part of the funding becomes available. Rotherham's overall allocation is based on its 30.52% share of the relevant South Yorkshire road network. The grant received in advance will be applied to the existing capital programme highway capital maintenance projects, allowing other funding streams such as corporate borrowing to be carried forward.

2.18.4 The remaining TCR allocation would then be reprofiled across 2027/28–2031/32. Indicatively, this is around £5.9m per year during 2027/28–2029/30 and £6.9m per year during 2030/31–2031/32. The difference between the first three year and final two years of TCR funding is the early draw down value (£3.052m).

2.18.5 Cabinet are asked to note early payment of £3.052m grant from the Transport for City Regions (TCR) fund that will be considered by SYMCA's Board on 27th October 2026.

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	14.645	15.033	15.210	7.020	51.908
Corporate Services	15.343	16.592	17.103	7.157	56.195
Policy, Strategy and Engagement	0.670	0.210	0.210	0.210	1.300
Regeneration & Environment	86.969	60.056	10.218	2.582	159.825

Total General Fund Capital	**125.434**	**99.651**	**49.668**	**18.729**	**293.482**
Total HRA Capital	**89.497**	**67.957**	**59.911**	**100.411**	**317.776**
Total RMBC Capital Programme	**214.931**	**167.608**	**109.579**	**119.140**	**611.258**

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	0.415	0.000	0.000	0.000	0.415
Grants and Contributions	69.208	42.301	14.788	3.400	129.697
Revenue Contribution	0.140	0.143	0.146	0.000	0.429
Unsupported Borrowing	55.671	57.206	34.734	15.329	162.940
Total Funding - General Fund	**125.434**	**99.651**	**49.668**	**18.729**	**293.482**
Capital Receipts	13.859	4.464	1.327	11.774	31.424
Grants and Contributions	12.421	8.541	0.000	15.246	36.208
Housing Major Repairs Allowance	37.101	30.038	28.768	28.555	124.462
Revenue Contribution	14.149	7.812	7.000	12.318	41.279
Unsupported Borrowing	11.967	17.102	22.816	32.518	84.403
Total Funding - HRA	**89.497**	**67.957**	**59.911**	**100.411**	**317.776**
Total	**214.931**	**167.608**	**109.579**	**119.140**	**611.258**

2.21 **Capital Receipts**

2.21.1 To date General Fund useable capital receipts of £4.648m 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 30th September 2026**
	£m
Miscellaneous	-0.016
Land at Worrygoose Lane	-4.481
Land at Ellis Street	-0.139
Total Capital Receipts (Excluding loan repayments)	**-4.636**
Repayment of Loans	-0.012
Total Capital Receipts	**-4.648**

2.22 **Capital Achievements**

2.22.1 The following outputs have been achieved during the period July – September 2026:

Corporate Services

Property and Facilities Services

- Oaklea Retreat - structural repairs to roof, accessibility (DDA compliance), energy efficiency measures
- The Meeting Place - painting / decorating, signage upgrades and energy efficiency measures
- Clifton Learning Partnership - condition works
- Kimberworth the Place - new roof
- Wellgate North Car Park - retaining wall rebuilt
- Badsley Moor Lane Primary - heating replacement
- Badsley Moor Lane Primary - flat roof works
- Rawmarsh Thorogate Primary - upgrade the fire alarm
- Todwick Primary - upgrade the fire alarm
- Wales Primary - nursery modular building roof
- Eastwood Village Primary - deck waterproofing works

Information Communication and Technology (ICT)

- Replacement of the Council's Compute platform that ensures that the Council can hold and store data from multiple Council systems and provides increased business continuity and resilience capability.

Regeneration and Environment

Planning, Regeneration and Transport

- Completed the demolition of Wath library which marks a significant step forward for the £9.9m scheme, which will deliver a modern library, improved public spaces and new opportunities for residents and businesses.
- The contracting strategy for the design and delivery of Rotherham Gateway rail infrastructure has been agreed, with Network Rail undertaking the rail and tram train elements.
- Carriageway works have been completed at Moorgate, adding to the improved roads across the borough.
- The repair works to the river wall at the Riverside Residential Quarter were also completed in August 2026, further future-proofing the area for future residents. The lighting columns have also been installed, pending opening of the footpath.

Culture, Sport and Tourism

- Works have commenced to renew the track at Herringthorpe Athletics Stadium. This is part of a wider programme of works to renew community parks and facilities, which has previously completed works at Herringthorpe Valley Park Tennis Courts. The resurfacing project will provide a modern, high-quality track that meets current performance and safety standards, benefiting local athletics clubs, schools, community groups and individual users. The investment will help ensure the stadium remains a valued venue for training, competition and participation opportunities for people of all ages, supporting wider ambitions to increase physical activity levels and improve health and wellbeing across the borough.

Community Safety & Street scene

- Ocular has been awarded a contract for additional works required to upgrade and enhance CCTV in the borough. This will support the council's work in migrating Public Realm CCTV from legacy BT analogue lines to fibre and wireless infrastructure.
- The Whiston Brook Flood Alleviation Scheme continues to progress well, with Esh Construction as the Contractor. The scheme remains on programme, with construction anticipated to be completed during the first half of 2027.
- Catcliffe and Treeton Flood Alleviation Scheme: Esh Construction has been appointed as the Design and Build Contractor. 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. The Council is currently undertaking highway modelling work to better understand the wider impacts associated closures may have on the surrounding road network, including potential

impacts at locations such as the Treeton Lane and Pleasley Road junction in Aughton.

- The Eel Mires Dike Flood Alleviation Scheme has achieved “Shovel Ready” status and the initial stages of the "Delivery" phase has begun with engagement with landowners to begin discussions regarding the land acquisitions necessary for delivery of the scheme. The Council is continuing to seek additional funding opportunities, including potential contributions from the Environment Agency and other external funding sources. At this stage, the construction start date remains unconfirmed and will depend upon securing the required funding package.

Housing Revenue Account (HRA)

Strategic Housing Growth and Development Programme

- In September 2026 the Council entered the Stage 2 construction phase contract for the Tenter Street Council new-build scheme with RH Fullwood Ltd. This scheme will deliver 20 much needed new homes.
- In the same month the Council secured approval from Homes England for £2.57m in Social and Affordable Housing Grant funding for the Tenter Street scheme. This grant is crucial to the deliverability of the scheme.
- In August 2026 the Council secured a property through the Market Acquisitions workstream, meaning the Housing Delivery Programme has now delivered new housing in every ward in the borough.

Improvements and investment in Council Housing stock

The following outputs have been achieved during the 2026/27 financial year to 31st August	**Delivery in current period (July & August)**
Structural Repairs	38
Major Voids (voids with a replacement element such as kitchen, bathroom, heating system etc, or exceeding c. £5,000 in repair value)	75
The Lanes re-roofing scheme	0
East Herringthorpe re-roofing scheme	71
Brampton re-roofing scheme	0
Henley & Holmes re-roofing scheme	0
West Melton re-roofing scheme	67
Kimberworth Park re-roofing scheme	0
Internal Refurbishments (Kitchens or bathroom replacements) (not including replacements in Voids)	27
Ventilation Works (upgrade of existing, or installation of new mechanical extraction) (not including works in Voids)	507
Damp and Mould Preventative Works	0
Ad-Hoc Capital Investment (capital investment works that were unplanned for 26/27)	14

Thermal Improvements (solar panels, cavity wall insulation, loft insulation and/or ventilation)	109
Garage Investment	0
Boiler Replacements (not including replacements in Voids)	380
District Heating Investment	3
Capital Electrical Works (rewires, consumer unit changes etc) (not including works in Voids)	64
Window or Door Replacements (per property)	38
Fire Door Replacements	6
Fitzwilliam Estate (Swinton) replacement Windows & Doors scheme	0
Canklow replacement Windows & Doors scheme	25
Asbestos removals	0
Environmental schemes	0
Wharncliffe electrical upgrade works	0
Loft insulation increases in Void properties	45
Kitchens in Void properties	95
Bathrooms in Void properties	25
Electrical rewires in Void properties	24
Heating system/boiler replacements in Void properties	10

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	14.645
Corporate Services	15.089	15.343
Policy, Strategy and Engagement	0.630	0.670
Regeneration & Environment	74.427	86.969
Total General Fund Capital	**109.727**	**125.433**
Total HRA Capital	70.955	89.497
Total RMBC Capital Programme	**180.682**	**214.930**

2.24 **City Region Sustainability Transport Settlement (CRSTS) Revenue Fund**

2.24.1 In July 2025, Cabinet noted the position on the CRSTS grant and delegated the decision to allocate and spend the remaining grant to the (then) Assistant Director Planning Regeneration and Transport in consultation with the Section 151 Officer and the Cabinet Member.

2.24.2 Subsequently, the Council has been allocated a further tranche of this funding and delegation is sought for this and all future allocations as set out in Recommendation four. For this tranche the Council has been awarded £1,591,196 to spend by 31st March 2028. The funding is intended to ensure sufficient resource capacity is available to progress future transport schemes and business cases. It is intended to spend the grant on the following:

- Road safety measures
- Staff training and resilience
- Structures inspections, risk database
- Digitisation of Traffic Regulation Orders
- IT Software
- Feasibility and development
- Evidence base for future bids
- Local Plan Update

3. Options considered and recommended proposal

3.1 With regard to the current forecast net revenue budget overspend of £2.9m 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.

6.3 There are no direct procurement implications arising from the recommendations detailed in this report. Project specific implications have been addressed in the Key Issues section.

7. Legal Advice and Implications

7.1 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 As this report is a financial update on previous events, updates on levels of funding moving forwards and doesn't approve anything directly to happen, it does not have any carbon implications. 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	27/10/26
Executive Director of Corporate Services (S.151 Officer)	Judith Badger	23/10/2026
Service Director, Legal Services (Monitoring Officer)	Phillip Horsfield	20/10/2026

Report Author: Rob Mahon, Service Director – Financial Services

This report is published on the Council's website.