

Committee Name and Date of Committee Meeting

Cabinet – 09 June 2025

Report Title

Finance Update

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

Yes

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

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Ward(s) Affected

Borough-Wide

Report Summary

This report provides an update to Cabinet on a number of financial matters. The report is provided as an interim update for Cabinet, following on from the approval of the Budget and Council Tax 2025/26 report at Council on 5 March 2025 and in advance of the Financial Outturn 2024/25 report and May Financial Monitoring 2025/26 report to be submitted to Cabinet in July 2025.

This report also provides an update on the Council's administration of the Local Council Tax Support Top Up payments.

Recommendations

That Cabinet:-

1. Note the update on the revenue budget financial outturn 2024/25.
2. Note the Council's progress on the delivery of the Local Council Tax Support Top Up payment.

List of Appendices Included

Appendix 1 – Initial Equality Screening Assessment (Part A)

Appendix 2 – Carbon Impact Assessment

Background Papers

Budget and Council Tax Report 2024/25 to Council on 28 February 2024

December Financial Monitoring Report to Cabinet 10 February 2025

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

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Finance Update

1. Background

- 1.1 This report is provided to update Cabinet on a number of financial and budget matters following on from the approval of the Budget and Council Tax 2025/26 report at Cabinet on 10 February 2025 and at Council on 5 March 2025.
- 1.2 The report provides an interim update to Cabinet in advance of the more detailed Financial Outturn 2024/25 and Financial Monitoring 2025/26 reports which will be submitted to Cabinet on 7 July 2025.

2. Key Issues

2.1 Revenue Budget Financial Outturn 2024/25

- 2.1.1 The Financial Outturn 2024/25 report to Cabinet in July 2025 will set out the full details of expenditure against budget for 2024/25, revenue and capital, along with an updated analysis of revenue reserves and an updated position of the Capital Programme.
- 2.1.2 The Financial Monitoring Report 2024/25 submitted to Cabinet on 10 February 2025 was based on the financial monitoring position as at December 2024, which outlined that the Council anticipated an overspend of £3.1m. This forecast position was also outlined in the Budget and Council Tax 2025/26 report which was submitted to the same Cabinet meeting and to Council on 5 March 2025. The overspend was to be funded from Reserves as approved at Council as part of the Budget and Council Tax 2025/26 report. However, the report noted that the Council's intention was to further improve that outturn position in the remainder of the financial year, if possible, to help reduce the call on reserves.
- 2.1.3 The actual financial outturn position reflects an overspend of £0.3m for the financial year 2024/25. This position includes a final overspend of £12.8m across the core directorates services, however, the directorate overspend was partially offset by the planned £6.9m corporate budget risk contingency within Central Services approved within the Council's Budget and Council Tax Report 2024/25. Taken with savings delivered from the Council's Treasury Management Strategy, the final underspend in Central Services was £12.5m, which reduced the Council's overall outturn to a £0.3m overspend. This was an improvement of £2.8m from the December Financial Monitoring reported to February Cabinet, as service areas delivered savings ahead of year-end, maximised grant allocations, improvements in income were recognised and the Council generated further savings in Treasury Management.

2.1.4 The main reasons for the improvement in the Directorate outturn position are as follows, though more detailed narratives will follow in the Financial Outturn report to Cabinet in July 2025:

- Children & Young People Services' overspend for the year of £5.0m is lower (by £0.4m) than the position reported in December 2024. The reduction is due to increased staffing vacancies and maximising the use of grant funding to support the directorate's position. The reported position is inclusive of recovery plan savings implemented since Autumn 2024 and achieved without adverse impact on services.
- Adult Care, Housing & Public Health overspend has increased by £0.2m to £6.2m, as additional staffing costs and placement costs were offset by slippage in some Public Health programmes.
- Regeneration and Environment Services' outturn position has decreased, with a final outturn of £3.2m; £1.7m lower than December's forecast. This position is due to various improvements across the Directorate, particularly due to increased income, grant maximisation and lessening of key overspends such as Waste and Home to School Transport.
- Assistant Chief Executive underspend has increased by £0.2m to £0.5m due to vacancy control and maximisation of grant usage to support the overall Council position without adversely impacting service delivery.
- Finance and Customer Services underspend has increased by £0.3m to £1.1m due to maximisation of grants, further vacancies and work undertaken to reduce print and post costs in Corporate Services.

2.1.5 Central Services delivered an underspend of £12.5m resulting from the £6.9m corporate budget risk contingency approved within the Council's Budget and Council Tax Report 2024/25, along with savings made in year from the Treasury Management function.

2.1.6 The improvement in the treasury outturn position reflects the Council's approach to only borrow for cash flow purposes when required and maximise the benefits of the local authority lending market. It is also linked to slippage on the Capital Programme that has reduced the need to borrow during 2024/25.

2.1.7 The improvements in the Directorate forecast outturns represent a positive direction of travel for the Council's finances and a significant improvement from the £3.1m forecast overspend reported in the December Financial Monitoring to Cabinet in February. This prudent financial management will be important in managing future budget pressures given the known volatility in external factors and key financial challenges that were highlighted in the Council's Budget and Council Tax Report 2025/26. This improved position means the Council's Reserve balances also remain stronger than had been

projected when setting the 2024/25 and 2025/26 revenue budgets, this helps to ensure the Council has a robust financial position.

- 2.1.8 The Council's Budget and Council Tax report 2024/25 included the delivery of £9.904m savings, to be delivered across the Directorates. The Council can confirm that £5.002m of delivery has been secured in year. The biggest challenge on delivery related to CYPS Placements which has resulted in the Council being unable to fully deliver it's savings programme by 31st March 2025.

Table 1: Delivery of Savings agreed as part of the 2024/25 Budget and MTFS

Directorate	2024/25 Plan (Total Permanent and Temporary)	2024/25 Total delivered	Variance To Be Delivered in 2025/26
	£000	£000	£000
ACHPH	1,998	1,998	-
CYPS	5,850	1,059	4,791
R&E	1,411	1,300	111
FCS & ACX	645	645	-
Total Savings	9,904	5,002	4,902

- 2.1.9 Children in Care placement savings within CYPS have not been delivered due to the following factors:
- The number of external residential care placements is higher than planned for the year, with costs exacerbated by a number of unexpected high tariff and costly placements in the year;
 - The in-house residential programme is behind planned schedule due to planning issues and subsequent delay in adaptation works to properties.
- 2.10 Children in Care placement projections for 2025/26 are currently being reviewed with operational leads which should give a clearer position on the timeframe for delivering this saving in full.
- 2.11 The economic climate during 2024/25 remained challenging. Inflation has reduced significantly; however, this doesn't mean that prices are falling, just that the rate of increase is slowing, and higher prices have become embedded in the Council's base costs. These financial challenges are being regularly reviewed as part of the Council's ongoing Medium Term Financial Planning.

2.2 CYPS Fostering Allowances and Skills Payments 2025/26

- 2.2.1 Fostering Allowances are statutorily uplifted annually each year by Government and for 2025/26 the confirmed uplift rate is 3.55%. This uplift will result in an increase in the following payments: Foster Care Allowances, Special Guardianship Orders, Child Arrangements Orders and Adoption Allowances. The total uplift cost is estimated at £341k, which compares favourably to the inflation cost (£669k) agreed for 2024/25 - based on a 6.88% uplift rate.
- 2.2.2 In addition, it was agreed at Cabinet in October 2022 that the skills payments annual uplift would also be uplifted at the same rate as the Fostering Allowances. As a result, skills payments would be uplifted in 2025/26 by 3.55% at a cost of £58k.
- 2.2.3 In addition to the above, budget provision was made for inflation on CYPS LAC placement costs. Work is still ongoing with residential care home and fostering agency providers to confirm uplift rates for 2025/26. Whilst the outcome is largely unknown, early indication is that actual inflation uplift cost would be within the budget provision. This will be closely monitored through the Council's management of the Medium Term Financial Strategy.

2.3 Local Council Tax Support Top Up Scheme

- 2.3.1 Council approved, as part of the Council's Budget and Council Tax Report on the 5 March 2025, continuation of Local Council Tax Support Top Up Scheme to run during 2025/26. The scheme will provide an additional award during 2025/26 of up to £126.12 additional support to low income households most vulnerable to rising household costs, through reduced Council Tax bills. The application of the scheme includes all those becoming eligible up to and including 31 March 2026. The 2025/26 scheme has commenced and at the time of writing a total of £1.486m has been awarded across 14,632 accounts, with 12,681 of these accounts being reduced to nil. Those bill payers in receipt of this award have been provided with a Council Tax bill that shows the top up support from the Council along with a letter explaining the reason for the award.
- 2.3.2 The estimated scheme costs are between £1.7m and £1.9m. As agreed in the Budget Report to Council 5 March 2025, this will be funded by a combination of the Household Support Fund for 2025/26 and the Local Council Tax Support Grant Reserve.
- 2.3.3 The 2024/25 Local Council Tax Support Top Up scheme provided additional support of up to £121.96 to low income households most vulnerable to rising household costs, through reduced Council Tax bills. A total of £1.696m has been awarded across 17,422 accounts with 10,684 being reduced to nil in 2024/25.

3. Options considered and recommended proposal

3.1 This report is retrospectively updating on outcomes and outputs from the Councils revenue outturn position and a host of key schemes where the approach has already been approved by Cabinet.

3.2 Cabinet are asked:

1. That the update on the revenue budget financial outturn 2024/25 be noted.

2. That the Council's progress on the delivery of the Local Council Tax Support Top Up payment be noted.

No alternative options have been considered.

4. Consultation on proposal

4.1 Consultation with residents, business and partners was undertaken as part of the development of the 2024/25 budget setting and then again as part of budget setting for 2025/26.

4.2 Officers in relevant Council services along with VCS partners have been engaged in producing the recommended options for allocation of HSF.

5. Timetable and Accountability for Implementing this Decision

5.1 The report is mainly an update on a range of financial matters.

6. Financial and Procurement Advice and Implications

6.1 The financial implications are contained within the main body of the report.

6.2 There are no direct procurement implications arising from this report.

7. Legal Advice and Implications

7.1 There are no direct legal implications arising from this report.

8. Human Resources Advice and Implications

8.1 There are no direct HR implications with the content in this report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 The report includes reference to the cost pressures on both Children's and Adult Social care budget.

10. Equalities and Human Rights Advice and Implications

- 10.1 The objectives for the use of Household Support Fund targets towards vulnerable households including families with children and people with disabilities. The fund will contribute to addressing economic and social inequalities. It will have a positive equalities impact. Equalities data will be collected as part of administering the programme of support.
- 10.2 An Initial Equality Screening Assessment (Part A) has been completed and is attached as Appendix 1.

11. Implications for CO2 Emissions and Climate Change

- 11.1 There are no direct climate change implications arising from this report.

12. Implications for Partners

- 12.1 The report includes reference to partnership working with the voluntary sector as part of the Household Support Fund.

13. Risks and Mitigation

- 13.1. Budget management and spending controls remain as set out within the Council's Financial and Procurement Procedure Rules.

14. Accountable Officers

Rob Mahon - Assistant Director, Financial Services

Approvals obtained on behalf of Statutory Officers:-

	Named Officer	Date
Chief Executive	Sharon Kemp	23/05/2025
Assistant Director, Financial Services (Deputy S.151 Officer)	Judith Badger	21/05/2025
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	21/05/2025

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