

Item: 4

Asset Management Sub-committee: 2 September 2025.

Revenue Expenditure Monitoring.

Report by Head of Finance.

1. Overview

- 1.1. On 4 March 2025 the Council set its overall revenue budget for financial year 2025/26. On 17 June 2025, the Policy and Resources Committee recommended approval of the detailed revenue budgets for 2025/26, which form the basis of the individual revenue expenditure monitoring reports.
- 1.2. Individual revenue expenditure monitoring reports are circulated every month to inform elected members of the up-to-date financial position. Quarterly revenue expenditure monitoring reports are presented to individual service committees.
- 1.3. In terms of revenue spending, at an individual cost centre level, budget holders are required to provide an explanation of the causes of each material variance and to identify appropriate corrective actions to remedy the situation.
- 1.4. Material variances are identified automatically as Priority Actions within individual budget cost centres according to the following criteria:
 - Variance of £10,000 and more than 110% or less than 90% of anticipated position (1B).
 - Not more than 110% or less than 90% of anticipated position but variance greater than £50,000 (1C).
- 1.5. Priority Actions can be identified at the Service Function level according to the same criteria and these are shown in the Revenue Expenditure Statements. As with individual cost centre variances, each of these Priority Actions requires an explanation and corrective action to be identified and these are shown in the Budget Action Plan.
- 1.6. The details have been provided following consultation with the relevant Directors and their staff.
- 1.7. The figures quoted within the Budget Action Plan by way of the underspend (-) and overspend position will always relate to the position within the current month.

2. Recommendations

2.1. It is recommended that members of the Sub-committee:

- i. Note the revenue financial summary statement in respect of service areas for which the Asset Management Sub-committee is responsible, for the period 1 April to 30 June 2025, attached as Annex 1 to this report, indicating a budget surplus position of £229,700.
- ii. Note the revenue financial detail by service area statement in respect of service areas for which the Asset Management Sub-committee is responsible, for the period 1 April to 30 June 2025, attached as Annex 2 to this report.
- iii. Note the explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to this report.

For Further Information please contact:

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Implications of Report

1. **Financial** The Financial Regulations state that Corporate Directors can incur expenditure within approved revenue and capital budgets. Such expenditure must be in accordance with the Council's policies and objectives and subject to compliance with the Financial Regulations.
2. **Legal** Regular financial monitoring and reporting help the Council meet its statutory obligation to secure best value.
3. **Corporate Governance** In terms of the Scheme of Administration, monitoring, on a quarterly basis, the levels of revenue expenditure incurred against approved budgets, in respect of each of the service areas for which the Sub-committee is responsible, is referred to the Asset Management Sub-committee.
4. **Human Resources** N/A.
5. **Equalities** An Equality Impact Assessment is not required for financial monitoring.
6. **Island Communities Impact** An Island Communities Impact Assessment is not required for financial monitoring.
7. **Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
 - ☐ Growing our economy.
 - ☐ Strengthening our Communities.
 - ☐ Developing our Infrastructure.

- ☐ Transforming our Council.
- 8. Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
- ☐ Cost of Living.
- ☐ Sustainable Development.
- ☐ Local Equality.
- ☐ Improving Population Health.
- 9. Environmental and Climate Risk** N/A.
- 10. Risk** N/A.
- 11. Procurement** N/A.
- 12. Health and Safety** N/A.
- 13. Property and Assets** N/A.
- 14. Information Technology** N/A.
- 15. Cost of Living** N/A.

List of Background Papers

Policy and Resources Committee, 25 February 2025, Budget and Council Tax Level for 2025/26.

Policy and Resources Committee, 17 June 2025, Detailed Revenue Budgets

Annexes

Annex 1: Financial Summary.

Annex 2: Financial Detail by Service Area.

Annex 3: Budget Action Plan.

Annex 1: Financial Summary

June 2025

The table below provides a summary of the position across all Service Areas.

Non-General Fund					Annual
Service Area	Spend £000	Budget £000	Over/(Under) £000	Spend %	Budget £000
Sundry Accounts	525.2	846.0	(320.8)	62.1	0.0
Repairs & Maintenance	438.6	347.5	91.1	126.2	2,375.5
	963.8	1,193.5	(229.7)	80.8	2,375.5
Service Totals	963.8	1,193.5	(229.7)	80.8	2,375.5

Compared to last month, the total number of PAs has changed as follows:

Service Area	No. of PAs		Service Functions	PAs/ Function
	P02	P03		
Sundry Accounts	2	1	5	20%
Repairs & Maintenance	2	2	2	100%
Totals	4	3	7	43%

The following tables show the spending position by service function

Non-General Fund

		Spend	Budget	Over/(Under)	Spend	Annual
	PA	£000	£000	£000	%	Budget
Sundry Accounts						£000
Utilities Holding A/C	1B	(12.4)	312.9	(325.3)	N/A	0.0
Insurance Holding A/C		522.7	523.0	(0.3)	99.9	0.0
Photocopiers Holding A/C		6.8	3.7	3.1	183.8	0.0
Postages Holding A/C		8.1	6.4	1.7	126.6	0.0
Service Total		525.2	846.0	(320.8)	62.1	0.0

		Spend	Budget	Over/(Under)	Spend	Annual
	PA	£000	£000	£000	%	Budget
Repairs & Maintenance						£000
R & M General Fund	1B	319.9	248.3	71.6	128.8	1,866.5
Ground Maintenance	1B	118.7	99.2	19.5	119.7	509.0
Service Total		438.6	347.5	91.1	126.2	2,375.5

Sundry Accounts

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R45C	Utilities Holding A/C Less than anticipated expenditure by £325.3K The reason for this variance has been a delay in the processing of invoices due to absence and annual leave within the team delaying the submission. These have now been processed.	Raise journals request The journals have now been processed.	Kenny Macpherson	29/08/2025	Ongoing

Repairs & Maintenance

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R41A	<p>R & M General Fund</p> <p>More than anticipated expenditure by £71.6K</p> <p>The level of planned preventative maintenance repairs undertaken so far in the financial year have been high, along with high value planned works to allow campsites and public facing facilities to open for the summer season.</p> <p>The nature of repairs and maintenance expenditure can lead to higher spend than profile especially as some large scale repairs and one-off insurance transactions have been processed. However this cost centre is carefully scrutinised and if necessary, some future works may need to be curtailed.</p>	<p>Monitor the situation</p> <p>This is monitored carefully and future works may be curtailed.</p>	Kenny Macpherson	31/03/2026	Ongoing
R41G	<p>Ground Maintenance</p> <p>More than anticipated expenditure by £19.5K</p> <p>This is a very difficult cost centre to profile. Whilst it was attempted to reprofile 25/26 based on 24/25 there will always be variances due to differences in when work is carried out and then invoiced.</p>	<p>No action required</p> <p>Actual work is managed and monitored closely and there are no unexpected events to date. Therefore no action is required at the moment as it is anticipated that total spend will be in line with actual budget at year-end.</p>	Lorna Richardson	14/07/2025	Ongoing