

Item: 4.3

Policy and Resources Committee: 20 September 2022.

Summary Revenue Expenditure Outturn.

Joint Report by Chief Executive and Head of Finance.

1. Purpose of Report

To advise of the summary revenue outturn position across General Fund and Non-General Fund service areas for financial year 2021/22.

2. Recommendations

The Committee is invited to note:

2.1.

The revenue expenditure outturn statement for financial year 2021/22, attached as Annex 1 to this report, indicating the following:

- A total General Fund surplus of £2,824,500.
- A surplus in Sources of Funding for General Fund Services of £534,900.
- A net Non-General Fund deficit of £2,687,100.

3. Background

3.1.

On 2 March 2021, the Council set its overall revenue budget for financial year 2021/22. On 20 April 2021, the Council received the detailed revenue budgets which form the basis of the individual revenue expenditure monitoring reports.

3.2.

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.

3.3.

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.

3.4.

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).

3.5.

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.

3.6.

The details have been provided following consultation with the relevant Corporate Directors and their staff.

4. Financial Summary

The revenue expenditure outturn statement is attached as Annex 1 to this report.

5. Corporate Governance

This report relates to the Council complying with its governance and financial processes and procedures and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

6. Financial Implications

6.1.

The Financial Regulations state that service directors are able to incur expenditure within an approved revenue budget. Such expenditure must be in accordance with the Council's policies or objectives subject to compliance with these Financial Regulations and approved schemes of delegation.

6.2.

Additional expenditure requirements identified during the financial year can only be approved by means of a spending recommendation to the Policy and Resources Committee, subject to the use of emergency powers.

6.3.

The outturn statements include a number of accounting entries required to comply with proper accounting practice, including International Financial Reporting Standards. This includes accounting for the use of fixed assets, for example depreciation and revaluations, current service cost of pensions and accumulated staff absences.

7. Legal Aspects

Regular financial monitoring and reporting help the Council meet its statutory obligation to secure best value.

8. Contact Officers

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9. Annex

Annex 1: Summary Revenue Expenditure Outturn Statement.

Annex 1: Revenue Expenditure Outturn Statement for Financial Year 2021 to 2022

General Fund	Actual	Anticipated	Over/(Under)		Annual
Service Area	Net	Net	Spend	Spend	Net
	£000	£000	£000	%	£000
Roads	4,642.9	3,820.9	822.0	121.5	3,820.9
Transportation	8,146.7	8,094.9	51.8	100.6	8,094.9
Operational Environmental Services	2,937.9	2,919.6	18.3	100.6	2,919.6
E/Health and Trading Standards	957.8	935.4	22.4	102.4	935.4
Development	1,519.9	1,679.8	-159.9	90.5	1,679.8
Planning	918.5	1,115.0	-196.5	82.4	1,115.0
Development and Infrastructure	19,123.6	18,565.6	558.0	103.0	18,565.6
Education	37,462.1	38,314.2	-852.1	97.8	38,314.2
Leisure and Cultural Services	5,048.3	4,857.4	190.9	103.9	4,857.4
Other Housing	1,589.0	1,907.0	-318.0	83.3	1,907.0
Education, Leisure and Housing	44,099.4	45,078.6	-979.2	97.8	45,078.6
Social Care	22,337.0	22,337.0	0.0	100.0	22,337.0
Orkney Health and Care	22,337.0	22,337.0	0.0	100.0	22,337.0
Central Administration	78.4	45.1	33.3	173.7	45.1
Law, Order and Protective Services	668.9	677.7	-8.8	98.7	677.7
Other Services	8,546.3	10,974.1	-2,427.8	77.9	10,974.1
Policy and Resources	9,293.5	11,696.9	-2,403.4	79.5	11,696.9
Total Service Spending	94,853.6	97,678.1	-2,824.5	97.1	97,678.1
Sources of Funding					
Non-Domestic Rates	-9,788.0	-9,788.0	0.0	100.0	-9,788.0
Council Tax	-10,091.6	-10,059.4	-32.2	100.3	-10,059.4
Revenue Support Grant	-67,581.0	-67,581.0	0.0	100.0	-67,581.0
Movement in Reserves	-10,752.4	-10,249.7	-502.7	104.9	-10,249.7
Total Income	-98,213.0	-97,678.1	-534.9	100.5	-97,678.1

General Fund Surplus 2021/22

-3,359.4

Annex 1: Revenue Expenditure Outturn Statement for Financial Year 2021 to 2022

<u>Non-General Fund</u>	Actual Net Spend £000	Anticipated Net Spend £000	Over/(Under) Spend		Annual Net Budget £000
			£000	%	
Repairs and Maintenance	2,167.9	2,167.9	0.0	100.0	2,167.9
Sundry Accounts	4,698.0	4,359.7	338.3	107.8	4,359.7
Asset Management Sub-Committee	6,865.9	6,527.6	338.3	105.2	6,527.6
Scapa Flow Oil Port	0.0	-279.6	279.6	0.0	-279.6
Miscellaneous Piers	24.2	404.8	-380.6	6.0	404.8
Harbour Authority Sub-Committee	24.2	125.2	-101.0	19.3	125.2
Housing Revenue Account	-27.6	0.0	-27.6	n/a	0.0
Orkney College	-374.0	0.0	-374.0	n/a	0.0
Education, Leisure and Housing	-401.6	0.0	-401.6	n/a	0.0
Strategic Reserve Fund	436.4	-2,415.0	2,851.4	-18.1	-2,415.0
Investment Sub-Committee	436.4	-2,415.0	2,851.4	-18.1	-2,415.0
Pension Fund	12,317.3	-26,913.2	39,230.5	-45.8	-26,913.2
Pension Fund Sub-Committee	12,317.3	-26,913.2	39,230.5	-45.8	-26,913.2
Net Service Spending	19,242.3	-22,675.4	41,917.7	-84.9	-22,675.4
(Not including Pension Fund)	6,924.9	4,237.8	2,687.1	163.4	4,237.8