



Item: 3.3

Policy and Resources Committee: 24 September 2024.

Revenue Expenditure Outturn – Summary.

Report by Head of Finance.

1. Overview

- 1.1. On 7 March 2023, the Council set its overall revenue budget for financial year 2023/24. On 20 June 2023, the Policy and Resources Committee recommended approval of the detailed revenue budgets for 2023/24, 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. Annex 1 to this report combines the individual service revenue expenditure monitoring reports and summarises the position for the Council.
- 1.3. In terms of sources of funding revenue monitoring, the income position at function level is attached as Annex 2, with explanation of the causes of each material variance and corrective actions, attached at Annex 3.

2. Recommendations

- 2.1. It is recommended that members of the Committee:
- i. Note the summary revenue expenditure outturn statement for financial year 2023/24, attached as Annex 1 to this report, indicating the following:
 - A total General Fund overspend of £1,205,600.
 - A surplus in Sources of Funding of £87,100.
 - A net Non-General Fund deficit of £1,001,800.
 - ii. Note the sources of funding statement for financial year 2023/24, attached as Annex 2 to this report,
 - iii. Scrutinise 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, in order to obtain assurance that appropriate action was taken with regard to significant budget variances.

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.
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.
- 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 general levels of revenue expenditure incurred against approved budgets, across all service areas of the Council, is referred to the Policy and Resources Committee for scrutiny.
- 4. Human Resources** N/A
- 5. Equalities** Equality Impact Assessment is not required for financial monitoring.
- 6. Island Communities Impact** 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.
- 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, 23 February 2023, Budget and Council Tax Level for 2023/24.

Policy and Resources Committee, 20 June 2023, Detailed Revenue Budgets

Annexes

Annex 1: Financial Summary.

Annex 2: Financial Detail by Service Area.

Annex 3: Budget Action Plan.

Annex 1: Revenue Expenditure Summary

March 2024

General Fund	Spend	Budget	Over/(Under)	Spend	Annual
Service Area	£000	£000	£000	%	Budget
					£000
Roads	5,253.2	3,821.5	1,431.7	137.5	3,821.5
Transportation	3,867.7	3,564.8	302.9	108.5	3,564.8
Operational Environmental Services	3,379.9	3,171.2	208.7	106.6	3,171.2
Environmental Health & Trading Standards	1,145.6	1,101.7	43.9	104.0	1,101.7
Development	1,761.6	1,923.5	(161.9)	91.6	1,923.5
Planning	1,541.3	1,567.8	(26.5)	98.3	1,567.8
Development & Infrastructure	16,949.3	15,150.5	1,798.8	111.9	15,150.5
Education	43,856.3	43,334.8	521.5	101.2	43,334.8
Leisure & Cultural Services	5,464.1	5,124.5	339.6	106.6	5,124.5
Other Housing	2,364.0	2,320.6	43.4	101.9	2,320.6
Education, Leisure & Housing	51,684.4	50,779.9	904.5	101.8	50,779.9
Social Care	30,885.4	26,942.3	3,943.1	114.6	26,942.3
Orkney Health & Care	30,885.4	26,942.3	3,943.1	114.6	26,942.3
Central Administration	(1,286.3)	(243.0)	(1,043.3)	529.3	(243.0)
Law, Order & Protective Services	124.4	135.4	(11.0)	91.9	135.4
Other Services	6,479.3	10,865.8	(4,386.5)	59.6	10,865.8
Policy & Resources	5,317.4	10,758.2	(5,440.8)	49.4	10,758.2
Total Service Spending	104,836.5	103,630.9	1,205.6	101.2	103,630.9
Sources of Funding					
Non-Domestic Rates	(11,473.0)	(11,473.0)	0.0	100.0	(11,473.0)
Council Tax	(11,834.1)	(11,571.0)	(263.1)	102.3	(11,571.0)
Revenue Support Grant	(65,147.0)	(65,147.0)	0.0	100.0	(65,147.0)
Movement in Reserves	(16,469.5)	(15,439.9)	(1,029.6)	106.7	(15,439.9)
Total Income	(104,923.6)	(103,630.9)	(1,292.7)	101.2	(103,630.9)
Net Service Spending	(87.1)	0.0	(87.1)	0.0	0.0

<u>Non-General Fund</u>	Spend	Budget	Over/(Under) Spend	Annual	Budget
Service Area	£000	£000	£000	%	£000
Sundry Accounts	7,460.4	5,713.6	1,746.8	130.6	5,713.6
Repairs & Maintenance	2,235.5	2,235.8	(0.3)	100.0	2,235.8
Asset Management Sub-Committee	9,695.9	7,949.4	1,746.5	121.9	7,949.4
Housing Revenue Account	(303.3)	0.0	(300.3)	0.0	0.0
Orkney College	415.7	0.0	415.7	0.0	0.0
Education, Leisure & Housing	115.4	0.0	115.4	0.0	0.0
Scapa Flow Oil Port	(426.6)	(181.0)	(245.6)	0.0	(181.0)
Miscellaneous Piers & Harbours	982.6	175.7	806.9	0.0	175.7
Harbour Authority Sub-Committee	556.0	(5.3)	561.3	0.0	(5.3)
Strategic Reserve Fund	(16,787.1)	(15,365.7)	(1,421.4)	0.0	(15,365.7)
Investments Sub-Committee	(16,787.1)	(15,365.7)	(1,421.4)	0.0	(15,365.7)
Net Service Spending	(6,419.8)	(7,421.6)	(1,001.8)	0.0	(7,421.4)

Annex 2: Financial Detail by Service Area

March 2024

The following table shows the spending position by service function

Sources of Funding	PA	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Non-Domestic Rates		(11,473.0)	(11,473.0)	0.0	100.0	(11,473.0)
Council Tax	1C	(11,834.1)	(11,571.0)	(263.1)	102.3	(11,571.0)
Revenue Support Grant		(65,147.0)	(65,147.0)	0.0	100.0	(65,147.0)
Movement in Reserves	1C	(16,469.5)	(15,439.9)	(1,029.6)	106.7	(15,439.9)
Service Total		(104,923.6)	(103,630.9)	(1,292.7)	101.2	(103,630.9)

Changes in original budget position:

Original Net Budget	(100,981.0)
Marine Planning Partnership	(2.8)
Embedded Officer Post	(27.0)
ELC Furniture from R&R Fund	(154.5)
Tempt PT2 Post - KGS	(27.0)
Business Support Grant	(10.0)
Kickstart Scheme	(20.9)
Cost of Living Crisis	(22.2)
Temporary Budget - Summer of Play	(16.6)
SNCT Teachers Pay	(455.1)
Business Support Fund	(162.6)
Transport Infrastructure from R&R Fund	(9.9)
THAW Funding - Budget Creation	(40.0)
Redetermination - Pay Settlement	(282.9)
Redetermination - Rapid Rehouse Transition Plans	(54.0)
Islands Cost Crisis Fund	(218.0)
Covid Recovery Fund	(240.0)
Civica Sypdus Library Management System	(25.0)
School Investment Programme	(881.4)
	(103,630.9)

Annex 3: Budget Action Plan

<u>Service Function</u>	<u>Service Description</u>	<u>Responsible Officer</u>	<u>Variance Reason</u>	<u>Action Notes</u>
R37C	Council Tax More than anticipated income by £263.1K	Erik Knight	Recovery of prior year debt has helped deliver this positive budget variance in the current year.	Continue to pursue current and overdue Council Tax debt.
R37U	Movement in Reserves More than anticipated income by £1,029.6K	Erik Knight	Variance has occurred through the processing of year end transactions, which are not budgeted, for example capital transactions like depreciation, revaluation, impairment, profit and loss on disposal. These transactions are applied to their relevant non-useable reserve through the Movement in Reserves budget area. This also includes £1,016.7K actual additional draw on reserves due to General Fund overspend in year.	No action required