



Item: 4.3

Policy and Resources Committee: 24 September 2024.

Revenue Expenditure Monitoring – Summary.

Report by Head of Finance.

1. Overview

- 1.1. On 11 March 2024, the Council set its overall revenue budget for financial year 2024/25. On 18 June 2024, the Policy and Resources Committee recommended approval of the detailed revenue budgets for 2024/25, 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 monitoring statement the period 1 April to 30 June 2024, attached as Annex 1 to this report, indicating the following:
 - A total General Fund overspend of £1,916,000.
 - A surplus in Sources of Funding of £56,600.
 - A net Non-General Fund surplus of £874,900.
 - ii. Note the sources of funding statement for the period 1 April to 30 June 2024, 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:

Pat Robinson, Service Manager (Accounting), extension 2621, Email:

pat.robinson@orkney.gov.uk

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, 27 February 2024, Budget and Council Tax Level for 2024/25.

Policy and Resources Committee, 18 June 2024, 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

June 2024

General Fund	Spend	Budget	Over/(Under) Spend		Annual
Service Area	£000	£000	£000	%	Budget
					£000
Roads	1,107.0	1,130.4	(23.4)	97.9	3,778.2
Transportation	5,602.1	5,690.1	(88.0)	98.5	7,463.6
Operational Environmental Services	6.8	(8.7)	15.5	(78.2)	3,186.1
Environmental Health & Trading Standards	199.1	202.2	(3.1)	98.5	1,122.6
Development	(1,441.9)	(381.2)	(1,060.7)	378.3	1,844.6
Planning	61.0	203.1	(142.1)	30.0	1,407.1
Development & Infrastructure	5,534.1	6,835.9	(1,301.8)	81.0	18,802.2
Education	11,795.9	11,744.4	51.5	100.4	46,463.5
Leisure & Cultural Services	1,476.9	1,718.8	(241.9)	85.9	4,993.3
Other Housing	713.5	921.5	(208.0)	77.4	2,295.6
Education, Leisure & Housing	13,986.3	14,384.7	(398.4)	97.2	53,752.4
Social Care	8,718.4	4,750.0	3,968.4	183.5	28,697.8
Orkney Health & Care	8,718.4	4,750.0	3,968.4	183.5	28,697.8
Central Administration	3,392.4	3,581.2	(188.8)	94.7	13.2
Law, Order & Protective Services	20.8	27.8	(7.0)	74.8	170.7
Other Services	486.2	642.6	(156.4)	75.7	10,873.0
Policy & Resources	3,899.4	4,251.6	(352.2)	91.7	11,056.9
Total Service Spending	32,138.2	30,222.2	1,916.0	106.3	112,309.3
Sources of Funding					
Non-Domestic Rates	(3,044.0)	(3,044.0)	0.0	100.0	(12,176.0)
Council Tax	(1,754.1)	(1,810.7)	56.6	96.9	(12,228.0)
Revenue Support Grant	(16,967.8)	(16,967.8)	0.0	100.0	(67,871.0)
Movement in Reserves	(20,470.0)	(20,470.0)	0.0	100.0	(20,034.3)
Total Income	(42,235.9)	(42,292.5)	56.6	99.9	(112,309.3)
Net Service Spending	(10,097.7)	(12,070.3)	1,972.6	83.7	0.0

Annex 1: Revenue Expenditure Summary

June 2024

<u>Non-General Fund</u>	Spend	Budget	Over/(Under)	Spend	Annual
Service Area	£000	£000	£000	%	Budget
					£000
Sundry Accounts	425.2	784.2	(359.0)	54.2	0.0
Repairs & Maintenance	354.2	340.7	13.5	104.0	2,320.0
Asset Management Sub-Committee	779.4	1,124.9	(345.5)	69.3	2,320.0
Housing Revenue Account	1,056.3	1,586.5	(530.2)	66.6	(560.0)
Orkney College	83.3	107.9	(24.6)	77.2	0.0
Education, Leisure & Housing	1,139.6	1,694.4	(554.8)	67.3	(560.0)
Scapa Flow Oil Port	(181.4)	(963.1)	781.7	18.8	(1,238.5)
Miscellaneous Piers & Harbours	345.4	803.0	(457.6)	43.0	(682.5)
Harbour Authority Sub-Committee	164.0	(160.1)	324.1	(102.4)	(1,921.0)
Strategic Reserve Fund	18,685.3	17,234.2	1,451.1	108.4	14,817.0
Investments Sub-Committee	18,685.3	17,234.2	1,451.1	108.4	14,817.0
Net Service Spending	20,768.3	19,893.4	874.9	104.4	14,656.0

Annex 2: Financial Detail by Service Area

June 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		(3,044.0)	(3,044.0)	0.0	100.0	(12,176.0)
Council Tax	1C	(1,754.1)	(1,810.7)	56.6	96.9	(12,228.0)
Revenue Support Grant		(16,967.8)	(16,967.8)	0.0	100.0	(67,871.0)
Movement in Reserves		(20,470.0)	(20,470.0)	0.0	100.0	(20,034.3)
Service Total		(42,235.9)	(42,292.5)	56.6	99.9	(112,309.3)

Changes in original budget position:

Original Net Budget	112,303.0
Embedded Officer Post	<u>(6.3)</u>
	<u>112,309.3</u>

Sources of Funding

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R37C	Council Tax Less than anticipated income by £56.7K Prior year receipts for June not processed in month. Prior year recovery lower than anticipated in first quarter.	Monitor the situation Where appropriate process virements to amend profile to reflect actuals. Ensure month end adjustment for prior year receipts is carried out timeously.	Erik Knight	31/07/2024	Ongoing