

Item: 4.3

Policy and Resources Committee: 19 September 2023.

Revenue Expenditure Outturn – Summary.

Report by 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 2022/23.

2. Recommendations

The Committee is invited to note:

2.1.

The revenue expenditure outturn statement for financial year 2022/23, attached as Annex 1 to this report, indicating the following:

- A total General Fund surplus of £3,238,100.
- A deficit in Sources of Funding for General Fund Services of £555,600.
- A net Non-General Fund deficit of £4,256,900.

3. Background

3.1.

On 10 March 2022, the Council set its overall revenue budget for financial year 2022/23. On 21 June 2022, the Policy and Resources Committee recommended approval of the detailed revenue budgets for 2022/23, 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 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

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.

7. Legal Aspects

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

8. Contact Officer

Erik Knight, Head of Finance, extension 2127, Email erik.knight@orkney.gov.uk

9. Annex

Annex 1: Financial Detail by Service Area.

Annex 1: Revenue Expenditure Summary

March 2023

General Fund Service Area	Spend £000	Budget £000	Over/(Under) Spend		Annual Budget £000
			£000	%	
Roads	5,235.7	4,237.4	998.3	123.6	4,237.4
Transportation	3,678.0	3,524.0	154.0	104.4	3,524.0
Operational Environmental Services	3,587.4	3,262.1	325.3	110.0	3,262.1
Environmental Health & Trading Standards	1,088.4	1,062.6	25.8	102.4	1,062.6
Development	2,678.1	2,878.0	(199.9)	93.1	2,878.0
Planning	1,186.6	1,343.2	(156.6)	88.3	1,343.2
Development & Infrastructure	17,454.2	16,307.3	1,146.9	107.0	16,307.3
Education	41,686.0	40,503.6	1,182.4	102.9	40,503.6
Leisure & Cultural Services	5,223.8	4,866.5	357.3	107.3	4,866.5
Other Housing	1,594.0	1,953.1	(359.1)	81.6	1,953.1
Education, Leisure & Housing	48,503.8	47,323.2	1,180.6	102.5	47,323.2
Social Care	27,086.5	25,244.8	1,841.7	107.3	25,244.8
Orkney Health & Care	27,086.5	25,244.8	1,841.7	107.3	25,244.8
Central Administration	(1,025.6)	268.1	(1,293.7)	(382.5)	268.1
Law, Order & Protective Services	120.9	125.9	(5.0)	96.0	125.9
Other Services	4,503.7	10,612.3	(6,108.6)	42.4	10,612.3
Policy & Resources	3,599.0	11,006.3	(7,407.3)	32.7	11,006.3
Total Service Spending	96,643.5	99,881.6	(3,238.1)	96.8	99,881.6
Sources of Funding					
Non-Domestic Rates	(12,954.0)	(12,954.0)	0.0	100.0	(12,954.0)
Council Tax	(10,571.6)	(10,480.0)	(91.6)	100.9	(10,480.0)
Revenue Support Grant	(59,570.4)	(59,412.9)	(157.5)	100.3	(59,412.9)
Movement in Reserves	(13,547.7)	(14,352.4)	804.7	94.4	(14,352.4)
Total Income	(96,643.7)	(97,199.3)	555.6	99.4	(97,199.3)
Net Service Spending	(0.2)	2,682.3	(2,682.5)	0.0	2,682.3

Annex 1: Revenue Expenditure Summary

March 2023

<u>Non-General Fund</u>	Spend	Budget	Over/(Under) Spend		Annual
Service Area	£000	£000	£000	%	Budget
					£000
Sundry Accounts	0.0	0.0	0.0	0.0	0.0
Repairs & Maintenance	2,447.5	2,448.3	(0.8)	100.0	2,448.3
Asset Management Sub-Committee	2,447.5	2,448.3	(0.8)	100.0	2,448.3
Housing Revenue Account	(0.1)	2.0	(2.1)	(5.0)	2.0
Orkney College	(0.1)	0.0	(0.1)	0.0	0.0
Education, Leisure & Housing	(0.2)	2.0	(2.2)	(10.0)	2.0
Scapa Flow Oil Port	0.1	(539.0)	539.1	0.0	(539.0)
Miscellaneous Piers & Harbours	0.0	1,936.1	(1,936.1)	0.0	1,936.1
Harbour Authority Sub-Committee	0.1	1,397.1	(1,397.0)	0.0	1,397.1
Strategic Reserve Fund	(0.1)	(5,665.0)	5,664.9	0.0	(5,665.0)
Investments Sub-Committee	(0.1)	(5,665.0)	5,664.9	0.0	(5,665.0)
IJB	0.0	8.0	(8.0)	0.0	8.0
Policy & Resources	0.0	8.0	(8.0)	0.0	8.0
Net Service Spending	2,447.3	(1,809.6)	4,256.9	(135.2)	(1,809.6)