

Item: 5

Asset Management Sub-committee: 27 January 2026.

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 31 December 2025, attached as Annex 1 to this report, indicating a budget overspend position of £368,600.
- ii. Note the revenue financial service area statement in respect of service areas for which the Asset Management Sub-committee is responsible, for the period 1 April to 31 December 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 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** 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.

☐ 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**December 2025**

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

Non-General Fund

Service Area	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Sundry Accounts	15.0	18.4	(3.4)	81.5	0.0
Repairs & Maintenance	1,710.4	1,338.4	372.0	127.8	2,375.5
	1,725.4	1,356.8	368.6	127.2	2,375.5
Service Totals	1,725.4	1,356.8	368.6	127.2	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
	P08	P09		
Sundry Accounts	1	1	5	20%
Repairs & Maintenance	2	2	2	100%
Totals	3	3	7	43%

The following tables show the spending position by service function

Non-General Fund						Annual
Sundry Accounts	PA	Spend £000	Budget £000	Over/(Under) £000	Spend %	Budget £000
Utilities Holding A/C		(6.8)	0.0	(6.8)	N/A	0.0
Insurance Holding A/C		(1.2)	0.0	(1.2)	N/A	0.0
Telephones Holding A/C	1B	10.5	0.0	10.5	N/A	0.0
Photocopiers Holding A/C		9.3	12.8	(3.5)	72.7	0.0
Postages Holding A/C		3.2	5.6	(2.4)	56.3	0.0
Service Total		15.0	18.4	(3.4)	N/A	0.0

						Annual
Repairs & Maintenance	PA	Spend £000	Budget £000	Over/(Under) £000	Spend %	Budget £000
R & M General Fund	1B	1,260.5	950.8	309.7	132.6	1,866.5
Ground Maintenance	1B	449.9	387.6	62.3	116.1	509.0
Service Total		1,710.4	1,338.4	372.0	127.8	2,375.5

Sundry Accounts

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R45F	Telephones Holding A/C More than anticipated expenditure by £10.5K A journal to recharge the services had not yet been completed due to the timing of a BT bill which delayed the calculation to allow the journal to be processed.	Raise journals request Once the journal is processed the holding account will balance to zero again.	Kenny Macpherson	31/01/2026	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 £309.7K</p> <p>The level of planned preventative maintenance repairs undertaken so far in the financial year has been high, along with high value planned works to allow campsites and public facing facilities to open for the summer season.</p> <p>Along with this and the unpredictable nature of repairs expenditure can lead to higher spending than profiled especially as some large-scale repairs have been processed. However, this cost centre is carefully scrutinised and if necessary, some future planned works will be curtailed to emergency and safety repairs only.</p>	<p>Monitor the situation</p> <p>This is monitored carefully, and future planned works may be curtailed to bring budget back in line before financial year-end.</p>	Kenny Macpherson	31/03/2026	Ongoing
R41G	<p>Ground Maintenance</p> <p>More than anticipated expenditure by £62.3K</p> <p>This is a very difficult cost centre to profile. Whilst it was attempted to reprofile 2025/26 based on 2024/25 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	31/03/2026	Ongoing