Item: 3

Pension Fund Sub-committee: 16 September 2026.

Revenue Expenditure Outturn.

Report by Head of Finance.

1. Overview

1.1. This report presents the revenue financial outturn position as at 31 March 2026, in respect of service areas for which the Pension Fund Sub-committee is responsible.

1.2. 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.

1.3. 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.

1.4. 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.

1.5. 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).

1.6. 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.

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

1.8. 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 Pension Fund Sub-committee is responsible, for the period 1 April 2025 to 31 March 2026, attached as Annex 1 to this report, indicating a budget surplus position of £9,829,800.
ii. Note the revenue financial service area statement in respect of service areas for which the Pension Fund Sub-committee is responsible, for the period 1 April 2025 to 31 March 2026, 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 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 Pension Fund Sub-committee.
4. **Human Resources** N/A.
5. **Equalities** An Equality Impact Assessment is not required for financial monitoring.
6. **Island Communities Impact** An 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, 4 March 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 **March 2026**

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

Service Area	Spend £000	Budget £000	Over/(Under) Spend £000	%	Annual Budget £000
Pension Fund	(38,435.6)	(28,605.8)	(9,829.8)	0.0	(28,605.8)
	(38,435.6)	**(28,605.8)**	**(9,829.8)**	**0.0**	**(28,605.8)**
Service Totals	**(38,435.6)**	**(28,605.8)**	**(9,829.8)**	**0.0**	**(28,605.8)**

Annex 2: Financial Detail by Service Area **March 2026**

The following tables show the spending position by service function

Pension Fund	**PA**	**Spend £000**	**Budget £000**	**Over/(Under) £000**	**Spend %**	**Annual Budget £000**
Pensions Fund Operations	**1B**	1,269.5	(1,314.9)	2,584.4	N/A	(1,314.9)
Pension Fund Admitted Bodies	**1B**	(298.1)	(635.7)	337.6	46.9	(635.7)
Pension Fund Administration		471.5	477.2	(5.7)	98.8	477.2
Pension Fund Investments	**1B**	(39,878.5)	(27,132.4)	(12,746.1)	147.0	(27,132.4)
Service Total		**(38,435.6)**	**(28,605.8)**	**(9,829.8)**	**0.0**	**(28,605.8)**

Pension Fund

Service Function	Service Description	Responsible Officer	Variance Reason	Action Notes
R81A	**Pension Fund Operations** More than anticipated expenditure by £2,584.4K.	Erik Knight	More transfers from pension fund than anticipated. It is difficult to accurately budget in the area as we have no control over when members may transfer in or out of the fund.	None.
R81B	**Pension Fund Admitted Bodies** More than anticipated expenditure by £337.6K.	Erik Knight	More transfers from the pension fund than anticipated. It is difficult to accurately budget in this area as we have no control over when members may transfer in or out of the fund.	None.
R81D	**Pension Fund Investments** More than anticipated income by £12,746.1K.	Erik Knight	Markets were particularly volatile at the turn of the financial year with the US conflict in the Middle East. However, returns up to end of February were very positive. The snapshot of the investment valuations at the end of March was significantly ahead of budget expectations for the year.	Investments are considered long term. Continue to move towards Pension Fund Investment Strategy mix of investments, which has been agreed, with the intention of reducing volatility.