

Item: 15.1

Policy and Resources Committee: 23 September 2025.

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 Committee:

- i. Note the revenue expenditure monitoring statement in respect of service areas for which the Policy and Resources Committee is responsible, for the period 1 April to 30 June 2025, attached as Annex 1 to this report, indicating a budget underspend position of £394,000.
- ii. Note the revenue financial detail by service area statement in respect of service areas for which the Policy and Resources Committee is responsible, for the period 1 April to 30 June 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, on a quarterly basis, the levels of revenue expenditure incurred against approved budgets, in respect of each of the service areas for which the Committee is responsible, is referred to the Policy and Resources 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.

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

General Fund					
Service Area	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Central Administration	3,443.8	3,755.1	(311.3)	91.7	13.2
Law, Order & Protective Services	9.2	30.2	(21.0)	30.5	183.1
Other Services	617.2	678.9	(61.7)	90.9	12,353.3
	4,070.2	4,464.2	(394.0)	91.2	12,549.6
Service Totals	4,070.2	4,464.2	(394.0)	91.2	12,549.6

Compared to last month, the total number of PAs has changed as follows:

Service Area	No. of PAs		Service Functions	PAs/ Function
	P02	P03		
Central Administration	3	4	8	50%
Law, Order & Protective Services	1	1	1	100%
Other Services	9	7	17	41%
Totals	13	12	26	46%

Annex 2: Financial Detail by Service Area

June 2025

The following tables show the spending position by service function

General Fund

		Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Central Administration	PA					
Chief Executive		980.0	1,027.5	(47.5)	95.4	0.0
Corporate Services	1B	298.6	353.0	(54.4)	84.6	0.0
Finance	1B	516.8	618.5	(101.7)	83.6	0.0
Development & Infrastructure	1B	524.0	664.2	(140.2)	78.9	0.0
I.T. and Facilities		870.2	843.1	27.1	103.2	0.0
Legal Services		144.1	152.6	(8.5)	94.4	0.0
Cleaning Holding Account	1B	110.1	96.2	13.9	114.4	0.0
Movement in Reserves		0.0	0.0	0.0	0.0	13.2
Service Total		3,443.8	3,755.1	(311.3)	91.7	13.2

		Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Law, Order & Protective Services	PA					
Civil Contingencies	1B	9.2	30.2	(21.0)	30.5	183.1
Service Total		9.2	30.2	(21.0)	30.5	183.1

		Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Other Services	PA					
Corporate Management	1B	184.8	145.9	38.9	126.7	4,220.1
Corporate Priorities		256.7	264.2	(7.5)	97.2	1,690.0
Area Support Team (CP)		7.3	4.4	2.9	165.9	20.7
Registration		7.2	9.6	(2.4)	75.0	63.8
Miscellaneous Property		14.7	16.1	(1.4)	91.3	247.6
Payments to Joint Boards		0.0	0.0	0.0	0.0	575.5
Elections		16.0	11.6	4.4	137.9	43.7
Licensing	1B	(50.2)	11.9	(62.1)	N/A	5.7
Grants	1B	71.0	82.5	(11.5)	86.1	205.3
Publicity	1B	17.7	3.6	14.1	491.7	21.4
Twinning		(12.7)	(8.9)	(3.8)	142.7	0.0
Community Councils	1B	54.4	145.7	(91.3)	37.3	523.3
Interest on Loans and Balances		(2.5)	0.0	(2.5)	0.0	(500.0)
Miscellaneous - OS		(6.5)	3.1	(9.6)	N/A	336.9
Movement in Reserves		0.0	0.0	0.0	0.0	763.4
Cost of Collection	1B	47.7	(10.8)	58.5	N/A	635.9
Finance Charges	1B	11.6	0.0	11.6	0.0	3,500.0
Service Total		617.2	678.9	(61.7)	90.9	12,353.3

Central Administration

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R10B	Corporate Services Less than anticipated expenditure by £54.4K This underspend is due to vacancies.	No action required The underspend due to these vacancies will be used to put the staffing structures in place that are required as part of the recently approved management restructure.	Alex Rodwell	30/09/2025	Ongoing
R10C	Finance Less than anticipated expenditure by £101.7K Some staff vacancies, including secondment have led to under spend position. Other factors include IT costs where timing of invoices has resulted in profile being out of line.	Raise virements request Raise virements where necessary.	Erik Knight	31/07/2025	New
R10D	Development & Infrastructure Less than anticipated expenditure by £140.2K Variance in this Service Function chiefly arise from vacancies in the establishment. Recruitment of specific roles, especially in specialist posts, can be challenging and places additional pressures on managers and officers to cover the workload.	Monitor the situation The situation will be monitored.	Kenny Macpherson	31/12/2025	Ongoing

Central Administration

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R100	Cleaning Holding Account More than anticipated expenditure by £13.9K The variance in this case was due to changes in establishment being processed but a minor delay in the accompanying virement to reallocate the expenditure and align with the profile.	Raise virements request This action is now completed and the virements have been processed.	Kenny Macpherson	01/08/2025	New

Law, Order & Protective Services

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R23F	Civil Contingencies Less than anticipated expenditure by £21.0K This underspend is due to a reduction in staff costs relating to a change in working hours.	No action required No action required.	Kenny Macpherson	01/08/2025	Ongoing

Other Services

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R10G	Corporate Management More than anticipated expenditure by £38.9K This overspend is due to staff costs within one of the budget lines.	Management input required The service is working with Finance to align the staffing budget for the relevant cost centre.	Alex Rodwell	30/09/2025	New
R39G	Licensing Less than anticipated expenditure by £62.1K The increase in anticipated income is due to a short-term let fee surplus which is being carried forward in order to fund a post in the Licensing Team, and also due to an increase in applications for licences for the Island Games.	Monitor the situation Monitor the situation.	Gavin Mitchell	31/01/2026	Ongoing
R39H	Grants Less than anticipated expenditure by £11.5K Community Care Grants are behind budget profile.	Raise virements request Raise virements where required.	Erik Knight	31/07/2025	Ongoing

Other Services

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R39K	Publicity More than anticipated expenditure by £14.1K Due to a change in supplier, the annual payment for hosting of the Council website has been required earlier than in previous years. This has resulted in an overspend showing against the budget profile.	Raise virements request A virement has been processed to reprofile the budget in line with the revised date when the annual hosting fee is payable.	Gavin Mitchell	31/08/2025	Ongoing
R39M	Community Councils Less than anticipated expenditure by £91.3K Confirmation was required of any increase/decrease in Community Councils annual grants before transactions posted.	No action required This action is now complete.	Alex Rodwell	31/07/2025	Ongoing
R39X	Cost of Collection Less than anticipated income by £58.5K Summary warrant cost of collection high in first quarter.	Monitor the situation Chasing debt is ongoing but will keep these costs under review.	Erik Knight	31/07/2025	Ongoing

Other Services

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R39Y	Finance Charges More than anticipated expenditure by £11.6K Cost relates to capital project appraisal work. Virements required to create these budgets.	Raise virements request Raise virements where necessary.	Erik Knight	31/07/2025	New