Item: 6

Asset Management Sub-committee: 1 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 Asset Management Sub-committee is responsible, for scrutiny.

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 Asset Management Sub-committee is responsible, for the period 1 April 2025 to 31 March 2026, attached as Annex 1 to this report, indicating a budget overspend position of £380,900.

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 2025 to 31 March 2026, 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 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 **March 2026**

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	6,928.5	6,547.6	380.9	105.8	6,547.6
Repairs & Maintenance	2,362.0	2,362.0	0.0	100.0	2,362.0
	9,290.5	**8,909.6**	**380.9**	**105.8**	**8,909.6**
Service Totals	**9,290.5**	**8,909.6**	**380.9**	**105.8**	**8,909.6**

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

The following tables show the spending position by service function

Non-General Fund

Sundry Accounts	PA	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Utilities Holding A/C	**1C**	5,439.5	5,173.3	266.2	105.15	5,173.3
Insurance Holding A/C	**1C**	1,367.1	1,253.7	113.4	109.04	1,253.7
Telephone Holding A/C		41.2	36.7	4.5	112.30	36.7
Photocopiers Holding A/C	**1B**	9.1	20.7	(11.6)	44.01	20.7
Postages Holding A/C		71.6	63.2	8.4	113.23	63.2
Service Total		**6,928.5**	**6,547.6**	**380.9**	**105.8**	**6,547.6**

Repairs & Maintenance	PA	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
R & M General Fund		1,866.5	1,866.5	0.0	100.0	1,866.5
Ground Maintenance		495.5	495.5	0.0	100.0	495.5
Service Total		**2,362.0**	**2,362.0**	**0.0**	**100.0**	**2,362.0**

Sundry Accounts

Service Function	Service Description	Responsible Officer	Variance Reason	Action Notes
R45C	**Utilities Holding Account** More than anticipated expenditure by £266.2K	Kenny MacPherson	For information – the actual invoiced expenditure on energy and utilities was £5.778m, comprised of £4.049m (electricity), £1.2m (oil), £0.114m (LPG), £0.37m (water). This was offset by account income including RHI and Feed-in-Tariff leading to a net accounted expenditure of £5.439m. Electricity usage actually dropped to 13.8m units (previous year 14.2m units) and unit prices came down. However, despite being more efficient in the Council's usage and while a service pressure bid increased the amount in budget this did not fully cover the increase in actual expenditure. Some of that was due to forecast reductions in oil prices not materialising and instead increasing, which meant the savings expected did not materialise. In addition, there was increased non-commodity prices such as standing charges and capacity charges.	Action has been taken on non-commodity factors which has reviewed capacities and is expected to reduce these costs. The supplier however does not permit a review of Banding in non-commodity prices unless a reduction of usage of over 50% is achieved per site which limits some of the opportunity to reduce structural costs. The structural costs continue to be monitored, and energy-efficiencies continue to be progressed as far as possible.

Sundry Accounts

Service Function	Service Description	Responsible Officer	Variance Reason	Action Notes
R45E	**Insurance Holding Account** More than anticipated expenditure by £113.4K	Erik Knight	The insurance renewal costs for financial year 2025/26 came in higher than originally estimated. At the time of budget setting the renewal figures are still unknown and can be affected by claims history and the wider insurance markets.	Insurance costs and claims history continue to be monitored by the Finance team and reported to Corporate Leadership Team and it may be necessary in future financial years to consider increasing this budget and the property cost budgets across the Services.
R45G	**Photocopiers Holding Account** Less than anticipated expenditure by £11.6K	Kenny MacPherson	Work to reduce costs of printing and copying continues to achieve expenditure below budget.	No action required. – noting that work continues to ensure efficiencies.