Item: 7

Asset Management Sub-committee: 1 September 2026.

Revenue Expenditure Monitoring.

Report by Head of Finance.

1. Overview

1.1. This report presents the revenue financial summary position of expenditure incurred as at 30 June 2026, in respect of service areas for which the Asset Management Sub-committee is responsible, for scrutiny.

1.2. On 3 March 2026 the Council set its overall revenue budget for financial year 2026/27. On 16 June 2026, the Policy and Resources Committee recommended approval of the detailed revenue budgets for 2026/27, 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 to 30 June 2026, attached as Annex 1 to this report, indicating a budget overspend position of £75,700.

ii. Note the revenue financial detail by service area statement in respect of service areas for which the Asset Management Sub-committee is responsible, for the period 1 April to 30 June 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, 3 March 2026, Budget and Council Tax Level for 2026/27.

Policy and Resources Committee, 16 June 2026, Detailed Revenue Budgets.

Annexes

Annex 1: Financial Summary.
Annex 2: Financial Detail by Service Area.
Annex 3: Budget Action Plan.

Annex 1: Financial Summary **June 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	53.3	45.4	7.9	117.4	0.0
Repairs & Maintenance	422.2	354.4	67.8	119.1	2,439.5
	475.5	**399.8**	**75.7**	**118.9**	**2,439.5**
Service Totals	**475.5**	**399.8**	**75.7**	**118.9**	**2,439.5**

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

Service Area	**No. of PAs P02**	**P03**	**Service Functions**	**PAs/ Function**
Sundry Accounts	2	0	5	0%
Repairs & Maintenance	2	2	2	100%
Totals	4	2	7	29%

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		9.1	0.0	9.1	0.0	0.0
Insurance Holding A/C		35.7	35.8	(0.1)	99.7	0.0
Telephones Holding A/C		0.3	0.0	0.3	0.0	0.0
Photocopiers Holding A/C		5.6	3.1	2.5	180.6	0.0
Postages Holding A/C		2.6	6.5	(3.9)	40.0	0.0
Service Total		**53.3**	**45.4**	**7.9**	**117.4**	**0.0**

Repairs & Maintenance	PA	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
R & M General Fund	**1B**	286.3	253.3	33.0	113.0	1,918.4
Ground Maintenance	**1B**	135.9	101.1	34.8	134.4	521.1
Service Total		**422.2**	**354.4**	**67.8**	**119.1**	**2,439.5**

Repairs & Maintenance

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R41A	**R & M General Fund** More than anticipated expenditure by £33.0K. In most cases cost centres are underspent due to seasonal variations, so alternative profiles are being considered and appropriate action being taken. Additionally, there are repairs and maintenance costs yet to be recharged showing as an overspend.	**Raise virements request** If a seasonal profile will better reflect costs, virements will be applied accordingly. Once the journal has been processed to recharge the repairs and maintenance costs, this part of the variance will be resolved.	Kenny Macpherson	31/08/2026	Ongoing
R41G	**Ground Maintenance** More than anticipated expenditure by £34.8K. Grounds maintenance costs are hard to profile with work reflecting actual conditions.	**Monitor the situation** Costs are monitored throughout the year and fully recovered from the services that use the Grounds Maintenance contract. Therefore, no action is required in this case.	Lorna Richardson	30/06/2026	Ongoing