

North Lanarkshire Council Report

Adult Care and Social Work Committee

Does this report require to be approved? Yes No

Ref CR/MD/PH/LH

Date 19/05/26

Revenue & Capital Budget Monitoring Report: Adult Social Care Period 12: 01/04/2025 to 27/02/2026

From Morag Dendy, Chief Officer (Planning, Performance and Quality Assurance)

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Executive Summary

This report provides a summary of the revenue financial performance of the Health & Social Care Partnership (H&SCP) – North Lanarkshire (Adult Social Care & Housing) and the financial performance of the Social Work capital programme.

The report incorporates the period 1 April 2025 to 27 February 2026 (Period 12) and includes projected outturn forecasts for the financial year ended 31 March 2026, with major outturn variances highlighted and explained per the approved Financial Regulations.

H&SCP – North Lanarkshire (Adult Social Care & Housing) has a gross revenue expenditure budget of £282.896m and is currently projecting an overspend of £0.735m. This adverse variance is predominantly the result of overspends relating to Overtime, Independent Care Homes and 'Care at Home' costs, all of which are partially offset by underspends in relation to vacancies, mileage and less than anticipated spend in equipment and adaptations. This overspend represents a positive movement of £1.810m since that previously reported to committee. This favourable movement is primarily due to projected in-year slippage within the Care Home and 'Care at Home' budgets, coupled with anticipated reductions in home support overtime costs. Any overspend presented for the financial year ended 31 March 2026, will be fully funded by IJB reserves.

The Social Work capital programme has a total budget of £2.364m and is anticipated to outturn with slippage of £0.553m.

Recommendations

It is recommended that the Adult Care and Social Work Committee:

- (1) Acknowledge the revenue financial outturn position; and
- (2) Acknowledge the capital financial outturn position.

The Plan for North Lanarkshire

Priority	Improve North Lanarkshire's resource base
Ambition statement	(25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning
Programme of Work	Statutory / corporate / service requirement

1. Background

- 1.1 The Council's approved Financial Regulations require the Chief Executive to remain within the approved budgetary provision, and to report all significant deviations - defined as the higher of £100,000 or 5% - within budget monitoring reports. Where significant deviations are identified, the Chief Executive must provide explanatory commentary, outline the action required to rectify such deviations and where relevant, must also highlight the impact this has on other budget headings.

2. Report

Revenue: Summary of Financial Position

- 2.1 The Council approved its General Revenue Fund Budget on 20 February 2025, and the Integration Joint Board (IJB) approved its Financial Plan on 19 March 2025. The approved Gross Expenditure Budget for the H&SCP – NL (Adult Social Care and Housing) is £282.896m. The current 2025/26 budget incorporates £10.385m of savings for Adult Social Care.
- 2.2 The overall projected outturn position of the Service is an overspend of £0.735m. Appendices one to four provide further information in respect of this position. Further information regarding savings is included at Appendix 4.
- 2.3 Any overspend presented for the financial year ended 31 March 2026, will be fully funded by IJB reserves.

Revenue: Analysis of Significant Variances

- 2.4 Within Employee costs, the Service currently anticipates an underspend of £1.518m. This is in relation to slippage linked to the recruitment of posts across the Service, which is being partially offset by higher than anticipated home support overtime costs.
- 2.5 Property Costs are anticipated to be underspent by £0.150m. This is predominantly due to lower than anticipated spend on Adaptations, via the HRA budget, all of which is offset by lower contributions from NLC Housing, shown as income.
- 2.6 Supplies and Services is anticipated to be underspent by £0.489m. This is predominately due to reduced spend in the equipment and adaptations budget.
- 2.7 Transport and Plant is anticipated to be underspent by £0.076m. This is mainly due to less than anticipated costs in relation to staff mileage and vehicle contract hire costs, partially offset by increased charges from Internal Transport.
- 2.8 Administration costs are anticipated to be underspent by £0.045m. This is across all general admin budgets.
- 2.9 Payments to Other Bodies and Transfer Payments are detailed in Appendix 2. This expenditure accounts for £177.452m of the annual budget and is forecast to have an in-year net overspend of £2.940m (1.7%). This is primarily in relation to anticipated spend in 'Care at Home' and Independent Care Homes. These projections are demand led and are based on full year costs for both current clients and those anticipated, therefore projections will alter as the year progresses. Updates will be provided in future reports.

- 2.10 The Service anticipates a total under recovery of income of £0.094m, this is predominantly due to an under-recovery relating to Adaptations (HRA budget) as highlighted in paragraph 2.5, which is partially offset by an over recovery of income in relation to the recovery of private sector housing grants.

Revenue: Earmarked Reserves

- 2.11 The Integration Joint Board have total reserves of £25.278m, for specific Adult Social Care commitments as detailed in Appendix 3.
- 2.12 The Service intends to utilise £2.243m of reserves during the year for specific projects and initiatives. As previously stated, any overspend for the financial year will be fully funded from reserves, therefore a year-end drawdown of £0.735m is anticipated. Overall, a total of £2.978m of reserves are expected to be used during 2025/26.
- 2.13 The remaining £22.299m will be carried forward to 2026/27. Of this, £7.283m has been assessed by the Service and set aside for specific projects and initiatives as detailed in Appendix 3. This leaves a balance of £15.015m, specifically for 'social care demand risk', which has been earmarked to offset any budget pressures, including shortfalls in savings, and any unanticipated increase in demand.
- 2.14 All expenditure to be met from earmarked reserves are excluded from the outturn position.

Revenue: Savings

- 2.15 The Financial Plan of the Health & Social Care Partnership was approved by the Integrated Joint Board in March 2025 which identified an overall cost pressure for 2025/26 of £14.729m of which £10.385m relates to Adult Social Care.
- 2.16 To address this cost burden the Service has developed a savings delivery plan which aims to deliver this saving value in 2025/26, details of which, and progress made to date are outlined in Appendix 4.
- 2.17 Updates on these savings will be provided in future reports; however, Members should note that the current projected overspend (referenced at 2.2 above) should reduce as progress towards the achievement of these savings is made.

Capital: Summary of Financial Position and Analysis of Significant Variances

- 2.18 The Council approved its 5-year Strategic Capital Investment Programme on 14 March 2024. Financial Year 2025/26 is the second year of the programme, with £2.200m approved for Social Work for the current year. Net reprofiling from 2024/25, results in a revised budget of £2.364m, as demonstrated by Appendix 5.
- 2.19 The Integrated Equipment and Adaptation (IEAS) capital programme funds equipment for individuals and adaptations to properties to allow those individuals to live independently at home.
- 2.20 The Service currently anticipates an outturn with slippage of £0.553m. There remain uncertainties in respect of demand and complexity of need and therefore this budget will continue to be monitored closely, and any forecast movements will be highlighted in future reports.

2.21 Appendix 6 outlines the Service's total capital budget, outturn position and current contractual commitments.

3. Measures of success

3.1 The Service operates within approved budget resources.

4. Supporting documentation

Appendix 1	Revenue – Subjective Analysis
Appendix 2	Revenue – Payments to Other Bodies & Transfer Payments Analysis
Appendix 3	Revenue – Status of Earmarked Reserves
Appendix 4	Revenue – Savings Monitoring
Appendix 5	Capital – Budget Movements 2025/26
Appendix 6	Capital – Summary Expenditure by Thematic Category



Morag Dendy
Chief Officer (Planning, Performance and Quality Assurance)

5. Impacts

<p>5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact? The Adult Social Care management team will continue to review and implement management action and initiatives, with the aim of remaining within approved budget resources. This action will include vacancy management, curtailment of non-essential expenditure, and maximising income. This report has been prepared by service-based Finance personnel in consultation with budget managers, in accordance with the Financial Regulations.</p>
<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p>

<p>5.6 Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)? Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.7 Environmental / Carbon impact Does the report / project / practice contain information that has an impact on any environmental or carbon matters? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.8 Communications impact Does the report contain any information that has an impact on the council's communications activities? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.9 Risk impact Is there a risk impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?</p> <p>All activities undertaken by the Council are subject to risk, and in acknowledging the Council's approved Risk Management Strategy, Services manage these as part of their overall corporate and service planning processes. The demands and restrictions resulting from Covid, and the current economic climate has the potential to impact upon the Council's ability to provide quality services within approved budget levels.</p> <p>The Service continues to face increasing demand pressures for provision within the home support, 'care at home' and independent care home arenas. To mitigate these pressures the Service reviews and considers data and trends in relation to current and anticipated demand on an ongoing basis to underpin projections of need and cost, and to agree appropriate operational and management action.</p>
<p>5.10 Armed Forces Covenant Duty Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.</p>

5.11 Children's rights and wellbeing impact

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes No

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes No

NORTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report - Subjective Analysis
Period 12 (01 April 2025 - 27 February 2026)
Adult Social Care & Housing - INTEGRATED

CATEGORY [1]	ANNUAL BUDGET [2]	PROJECTED OUTTURN [3]	PROJECTED OUTTURN VARIANCE [4]	% [5]	MOVEMENT [6]	VARIANCE ANALYSIS [7]
EMPLOYEE COSTS	92,554,570	91,036,391	1,518,179 FAV	1.6%	256,324	Anticipated underspend mainly as a result of slippage in relation to recruitment across the Service. This is partially offset by higher than anticipated costs in relation to home support overtime costs.
PROPERTY COSTS	3,612,510	3,462,679	149,831 FAV	4.2%	(20,693)	Lower than anticipated spend on Adaptations (Housing), partially offset by Dilapidations costs in relation to McGregor Road (Cumbernauld Locality Support Service) which are offset with the resultant in-year underspends across rents and utilities as a result of the Service moving out of McGregor Road.
SUPPLIES & SERVICES	6,642,194	6,153,232	488,962 FAV	7.4%	(84,504)	Underspends across the Service in all Supplies and Services budgets, including equipment and adaptations
TRANSPORT & PLANT	2,238,985	2,162,730	76,255 FAV	3.4%	(57,754)	Projected underspends in relation to Staff mileage and Vehicle Contract Hires, partially offset by increased charges from Internal Transport
ADMINISTRATION COSTS	366,331	320,911	45,420 FAV	12.4%	20,077	Underspend across all general admin budgets
PAYMENTS TO OTHER BODIES	62,380,075	64,284,263	(1,904,188) ADV	(3.1%)	506,180	Please refer to Appendix 2 for analysis
TRANSFER PAYMENTS	115,072,550	116,109,005	(1,036,455) ADV	(0.9%)	1,118,720	Please refer to Appendix 2 for analysis
CAPITAL FINANCING COSTS	0	0	0	0.0%	0	
REVENUE FINANCING COSTS	0	0	0	0.0%	0	
OTHER EXPENDITURE	28,858	7,923	20,935 FAV	72.5%	5,315	Minimal underspend
TOTAL EXPENDITURE	282,896,073	283,537,134	(641,061) ADV	(0.2%)	1,743,666	
NLC CONTRIBUTION	(218,419,035)	(218,419,035)	0	0.0%	0	
NLC CONTRIBUTION - HOUSING	(2,573,453)	(2,388,453)	(185,000) ADV	7.2%	15,000	In relation to lower than anticipated spend on Adaptations
INCOME FROM HEALTH	(59,458,679)	(59,452,545)	(6,134) ADV	0.0%	(12,212)	
FEES AND CHARGES	(1,462,818)	(1,420,265)	(42,553) ADV	2.9%	(5,697)	Lower than anticipated income in relation to charges for Integrated Day Services
OTHER LOCAL AUTHORITIES	0	(4,846)	4,846 FAV	0.0%	4,846	
BUDGETED USE OF IJB RESERVES	0	0	0	0.0%	0	
OTHER INCOME	(982,088)	(1,116,728)	134,640 FAV	(13.7%)	64,940	Overrecovery in relation to returned private sectors housing grants
INCOME	(282,896,073)	(282,801,872)	(94,201) ADV	0.0%	66,877	
NET EXPENDITURE	0	735,262	(735,262) ADV	0.0%	1,810,543	

anticipated Drawdown from IJB Reserves
Balance

735,262

0

NORTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report - Payments to Other Bodies & Transfer Payments Analysis
Period 12 (01 April 2025 - 27 February 2026)
Adult Social Care & Housing - INTEGRATED

CATEGORY [1]	ANNUAL BUDGET [2]	PROJECTED OUTTURN [3]	PROJECTED OUTTURN VARIANCE [4]	%	MOVEMENT [6]	VARIANCE ANALYSIS [7]
Care at Home (SDS Framework 1 & 2)	115,072,550	116,108,881	(1,036,331) ADV	(0.9%)	1,118,082	Demand led activity.
Independent Care Homes	48,938,868	51,872,359	(2,933,491) ADV	(6.0%)	543,135	Demand led activity.
Payments to NHS Lanarkshire	2,367,777	2,354,990	12,787 FAV	0.5%	(26,734)	Position reflects anticipated in-year payments
Other Local Authorities - General	92,132	85,977	6,155 FAV	6.7%	(41,335)	Position reflects anticipated in-year demand
Voluntary Organisations & Payments to Other Bodies - Gen	8,877,583	8,644,641	232,942 FAV	2.6%	(131,820)	Position reflects anticipated in-year demand
Locality Flexibility	218,068	144,951	73,117 FAV	33.5%	(1,745)	Position reflects anticipated Locality demand
Private Sector Housing Grants	1,763,012	1,033,693	729,319 FAV	41.4%	169,983	Position reflects anticipated in-year demand
Medical Fees	122,635	147,766	(25,131) ADV	(20.5%)	(4,666)	Position reflects Service's approach to absence management
Agency Fees	0	10	(10) ADV	0.0%	0	Position reflects anticipated in-year payments
Other	0	0	0	0.0%	0	
TOTAL EXPENDITURE	177,452,625	180,393,267	(2,940,643) ADV	(1.7%)	1,624,900	

NORTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report - Status of Earmarked Reserves
Period 12 (01 April 2025 - 27 February 2026)
Adult Social Care & Housing - INTEGRATED

DESCRIPTION OF EARMARKED RESOURCE	Approved Reserve Total	2025/26	2026/27	No Longer Required	TOTAL
Specific Service Earmarked Reserves					
Tech Improvements - SWIS	84,674	84,674	0	0	84,674
Tech Improvements - Comm Alarms	230,052	123,000	107,052	0	230,052
Tech Improvements - Home Scheduling System	3,331,742	291,116	3,040,626	0	3,331,742
MH 2 NL10s	149,374	0	149,374	0	149,374
Cost of Living Helpline	136,688	136,688	0	0	136,688
Home Support resilience	576,966	90,131	486,835	0	576,966
Staff Training Academy "grow your own"	704,161	277,547	426,614	0	704,161
Participation & Engagement Locality	6,000	5,859	141	0	6,000
Sessional - School summer placements	147,832	147,831	0	0	147,831
2026 Summer Students & Interns	181,924	0	181,924	0	181,924
Earmarked Reserves created from "funding received with direction"					
Carers Act 2018 - Support	2,603,618	185,874	2,417,744	0	2,603,618
MHO Building Capacity Funding	388,337	97,559	290,778	0	388,337
Statutory Appropriate Adults	160,738	0	160,738	0	160,738
The Winter Planning & Enhanced supports Business Case	374,012	352,012	22,000	0	374,012
Risk-based earmarked reserves					
Social Care Demand risk	16,202,468	1,186,485	15,015,983	0	16,202,468
TOTAL	25,278,586	2,978,777	22,299,809	0	25,278,586

NORTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report - Savings monitoring
Period 12 (01 April 2025 - 27 February 2026)
Adult Social Care & Housing - INTEGRATED

Ref.	DESCRIPTION OF APPROVED SAVING	APPROVED SAVINGS				REPLACEMENT SAVING / FUNDING			
		Target Value £	Value Deliverable £	Savings Gap £	Reasons for Savings Gap	DESCRIPTION	Value £	Revised Savings Gap £	Commentary
1	<u>Home Support:</u> Home Support re-design which will include the introduction of the dynamic scheduling tool to support the process of streamlining shift patterns alongside service provision. The re-design will further develop the enabling approach as the operating model.	2,838,245	14,369	2,823,876			2,823,876	0	All gaps are partially funded from in-year underspends and balance will be funded in 2025.26 from IJB reserves
2	<u>Independent Care Homes:</u> Focus the strategic direction to reduce both the length of stay in care homes and the number of people being placed.	4,709,274	1,775,783	2,933,491			2,933,491	0	
3	<u>Care at Home:</u> A review of the guided self-assessment process to align with a more strategic assessment and planning practice.	2,838,245	1,801,914	1,036,331			1,036,331	0	
TOTAL		10,385,764	3,592,067	6,793,697			6,793,697	0	

34.59%	65.41%
<i>Delivered</i>	<i>Gap</i>

65.41%	0.00%
<i>Replacement</i>	<i>Revised-Gap</i>

NORTH LANARKSHIRE COUNCIL
Capital Budget Monitoring Report - Budget Movements 2024/25
Period 12 (01 April 2025 - 27 February 2026)
Social Work Capital Programme

BUDGET MOVEMENTS 2025/26	£	Period	Division	Thematic Category	Theme
Approved: Year 2 budget (5 year Capital Program 2024/25 to 2028/29)	2,200,000				
Reprofiling from 2024/25	164,472	Included in opening budget	Social Work	Key Ambition	Integrated equipment & adaptations
REVISED CAPTIAL BUDGET 2025/26	2,364,472	0	0	0	

NORTH LANARKSHIRE COUNCIL
Capital Budget Monitoring Report - Summary Expenditure by Thematic Category
Period 12 (01 April 2025 - 27 February 2026)
Social Work Capital Programme

Theme	BUDGET	ACTUAL	COMMITTED	UNCOMMITTED	FINAL OUTTURN	OUTTURN VARIANCE
Social Work: Integrated Equipment and Adaptations	2,364,472	1,121,709	1,605,310	205,620	1,810,930	553,542
TOTAL	2,364,472	1,121,709	1,605,310	205,620	1,810,930	553,542