

# North Lanarkshire Council Report

## Finance and Resources Committee

Does this report require to be approved?  Yes  No

Ref GT/PH/PF

Date 04/03/26

## Revenue Budget Monitoring Report; Chief Executive's Service 01.04.25 – 02.01.26 (Period 10)

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### Executive Summary

This report provides a summary of the Chief Executive's Service financial performance for the Period 1 April 2025 to 2 January 2026 (Period 10). The report illustrates the provisional outturn as at 31 March 2026, with major outturn variances highlighted and explained per the Council's approved Financial Regulations.

The Council approved its General Fund Revenue Budget on 20 February 2025, of which £109.553m currently represents the net revenue budget for the Chief Executive's Service.

Incorporated within the revenue budget are approved service savings totalling £0.793m.

The Service is currently projecting a year-end underspend of £0.897m for the financial year predominately as a result of employee vacancies, reduced training costs and over-recoveries of income relating to VAT interest and the NLP Financial Guarantee offset by approved additional spend in relation to ICT improvements within the Civic Centre and Corporate Communications.

### Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Acknowledge the financial position of the 2025/26 Chief Executive's Service revenue budget.

### 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.

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## **2. Report**

### **Summary of Financial Position**

- 2.1 The Council approved its General Fund Revenue Budget on 20 February 2025, of which £113.897m (10.93%) represented the approved Revenue Budget for the Chief Executive's Service. In-year transfers to/from Enterprise and Communities and Corporate Strategy coupled with the removal of budgets relating to the Improvement Service due to a change in accounting treatment results in a revised budget of £109.553m.
- 2.2 The overall projected outturn position of the Service is a year-end underspend of £0.897m. Appendices one to five provide further information in respect of this position.
- 2.3 As at Period 10 the position on Council Tax Reduction Scheme remains under review along with other elements of the Council Tax Product including household numbers and Council Tax collection for the year. The Council Tax Product will then be assessed for expected credit losses as part of the year end process. It is currently anticipated there will be no material variance overall.
- 2.4 The 2025/26 budget incorporates £0.793m of service savings which have been fully delivered at Period 10. Further information regarding savings is included in Appendix 5.

### **Analysis of Significant Variances**

- 2.5 The service currently anticipates a projected underspend of £1.291m within Employee costs as a result of actual and projected vacancies.
- 2.6 The service is projecting a year-end overspend of £0.283m within Supplies and Services due to approved additional spend for ICT improvements within the Civic Centre and digital upgrades within Corporate Communications.
- 2.7 The service is currently anticipating an overspend of £0.289m within Administration Costs predominately due to increased insurance premiums and postages offset by underspends within training and other administration costs.
- 2.8 The service is currently projecting an underspend of £0.022m within Payments to Other bodies due to the prioritisation of UKSPF, lower than anticipated costs within Agency Fees and Local Tax Paypoint Commission costs partially offset by increased costs for medical fees.
- 2.9 The projected outturn for income is an over-recovery of £0.166m predominately attributable to VAT interest, the impact of the NLP Financial Guarantee and Rent Allowances / Rent Rebates Overpayments.

2.10 There are various minor variances across other budget areas resulting in the Service forecasting an underspend of £0.897m as at 31 March 2026.

### **Earmarked and One-off Reserves**

2.11 In finalising the Council's draft accounts to 31 March 2025, the service was given approval to earmark £3.045m of resources to fund key projects and initiatives profiled over a number of years. It is anticipated that £1.780m of the reserves balances will be utilised in 2025/26, a balance of £0.124m to be returned to reserves and the remaining balance required for future years. Details of the Service's earmarked funds are provided in Appendix 4.

2.12 The Service has incurred £0.290m of severance costs relating to previous approved savings/restructures. Therefore, there is a requirement to utilise the Corporate Change Management fund at this time. Any further costs arising will be reported in future reports as they are incurred. These costs are not included in the Service outturn position.

### **2025/26 Budget Savings**

2.13 The Council approved service savings of £0.793m savings have been fully delivered as at Period 10. Further information regarding savings is included in Appendix 5.

### **Management Actions**

2.14 The Service is being pro-active to ensure expenditure is contained within its approved 2025/26 budget.

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### **3. Measures of success**

3.1 The Service continues to operate within approved budget resources.

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### **4. Supporting documentation**

- 4.1 Appendix 1 Objective Summary
- 4.2 Appendix 2 Subjective Summary
- 4.3 Appendix 3 Payments to Other Bodies
- 4.4 Appendix 4 Earmarked Reserves
- 4.5 Appendix 5 Budget Savings



**Greg Telfer**  
**Chief Officer (Finance and Technology)**

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## 5. Impacts

<p><b>5.1 Public Sector Equality Duty and Fairer Scotland Duty</b> 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? <a href="https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments">https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments</a> Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p><b>5.2 Financial impact</b> 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?</p> <p>As stated in the main body of the report.</p>
<p><b>5.3 HR policy impact</b> 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><b>5.4 Legal impact</b> 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><b>5.5 Data protection impact</b> 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 <a href="mailto:dataprotection@northlan.gov.uk">dataprotection@northlan.gov.uk</a> Yes <input type="checkbox"/> No <input type="checkbox"/></p>

<p><b>5.6</b></p>	<p><b>Technology / Digital impact</b>  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><b>5.7</b></p>	<p><b>Environmental / Carbon impact</b>  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><b>5.8</b></p>	<p><b>Communications impact</b>  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><b>5.9</b></p>	<p><b>Risk impact</b>  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 current economic climate, in particular, has the potential to impact upon the Council's ability to provide quality services within approved budget levels.</p> <p>To minimise risk, this report has been prepared by service based Finance personnel in consultation with budget managers, in accordance with the Financial Regulations.</p>
<p><b>5.10</b></p>	<p><b>Armed Forces Covenant Duty</b>  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 - Objective Analysis**  
**Period 10 (01 April 2025 - 02 January 2026)**  
**A - Chief Executives Service**

DIVISION OF SERVICE	ANNUAL BUDGET	PROJECTED OUTTURN	PROJECTED OUTTURN VARIANCE	%	PERIOD MOVEMENT	ANALYSIS
[1]	[2]	[3]	[4]	[5]	[6]	[7]
DIRECTORATE & SUPPORT	1,287,897	1,231,441	56,456 FAV	4.4%	55,084	Vacant Chief Officer offset by higher duties within Strategy & Engagement.
FINANCE & TECHNOLOGY	72,003,091	71,594,534	408,557 FAV	0.6%	200,976	Underspend in employee costs as a result of vacancies, over-recovery of income within government grants, offset by overspends in relation to Insurance premiums and postages and ICT Improvements.
AUDIT & RISK	495,586	444,254	51,332 FAV	10.4%	31,340	Underspend within employee costs as a result of vacancies.
LEGAL & DEMOCRATIC	3,099,478	2,952,576	146,902 FAV	4.7%	59,123	Underspend within employee costs as a result of vacancies offset by overspends within medical fees and an under-recovery in licensing income.
PEOPLE RESOURCES	9,754,789	9,688,462	66,327 FAV	0.7%	24,155	Underspend within employee costs as a result of vacancies plus projected underspends in training offset by medical fees.
STRATEGY & COMMUNICATIONS	7,287,985	7,388,444	(100,459) ADV	(1.4%)	(100,459)	Approved overspends relating to S&E Improvements, overtime within Customer Service Hub and higher duties for vacant CO post coupled with non achievement of turnover to static workforce.
OTHER COPORATE SERVICES	7,946,920	7,678,617	268,303 FAV	3.4%	127,654	Over-recovery of income relating to VAT Repayment interest and the NLP Financial Guarantee plus underspends relating to historic pension charges.
JOINT BOARDS	7,677,643	7,677,643	0	0.0%	0	On target
<b>NET EXPENDITURE</b>	<b>109,553,389</b>	<b>108,655,970</b>	<b>897,418 FAV</b>	<b>0.8%</b>	<b>397,873</b>	

**NORTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report - Subjective Analysis**  
**Period 10 (01 April 2025 - 02 January 2026)**  
**A - Chief Executives Service**

CATEGORY	ANNUAL BUDGET	PROJECTED OUTTURN	PROJECTED OUTTURN VARIANCE	%	PERIOD MOVEMENT	ANALYSIS
[1]	[2]	[3]	[4]	[5]	[6]	[7]
EMPLOYEE COSTS	46,038,094	44,746,617	1,291,477 FAV	2.8%	1,096,828	Underspends due to vacancies.
PROPERTY COSTS	2,052,397	2,095,198	(42,800) ADV	(2.1%)	(31,492)	Building repair costs and approved spend for ICT improvements within Civic Centre, Libraries and schools.
SUPPLIES & SERVICES	10,647,562	10,930,137	(282,575) ADV	(2.7%)	(323,028)	Approved spend for ICT improvements within Civic Centre, Libraries and schools.
TRANSPORT & PLANT	1,533,105	1,509,100	24,004 FAV	1.6%	18,189	Minor.
ADMINISTRATION COSTS	7,966,051	8,254,987	(288,936) ADV	(3.6%)	(348,834)	Overspends relating to increased insurance premiums and postages offset by underspends within training and other admin costs.
PAYMENTS TO OTHER BODIES	12,892,830	12,870,770	22,060 FAV	0.2%	5,758	Underspend due to prioritisation of UKSPF funding, reduced spend within Agency Fees and local tax paypoint charges.
TRANSFER PAYMENTS	103,209,963	103,209,963	0	0.0%	0	On target.
CAPITAL FINANCING COSTS	6,873,574	6,873,574	0	0.0%	0	On target.
REVENUE FINANCING COSTS	0	0	0	0.0%	0	On target.
OTHER EXPENDITURE	2,797,690	2,789,230	8,460 FAV	0.3%	5,000	Minor.
<b>TOTAL EXPENDITURE</b>	<b>194,011,266</b>	<b>193,279,575</b>	<b>731,690 FAV</b>	<b>0.4%</b>	<b>422,421</b>	
INCOME	(84,457,877)	(84,623,605)	165,728 FAV	(0.2%)	(24,548)	Over-recovery of income relating to VAT Repayment interest, the NLP Financial Guarantee coupled with Rent Allowances and Rent Rebates overpayments.
<b>NET EXPENDITURE</b>	<b>109,553,389</b>	<b>108,655,970</b>	<b>897,418 FAV</b>	<b>0.8%</b>	<b>397,873</b>	

**NORTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report - Payments to Other Bodies**  
**Period 10 (01 April 2025 - 02 January 2026)**  
**A - Chief Executives Service**

CATEGORY [1]	ANNUAL BUDGET [2]	PROJECTED OUT-TURN [3]	PROJECTED OUT-TURN VARIANCE [4]	% [5]	PERIOD MOVEMENT [6]	ANALYSIS [7]
PAYMENTS TO OTHER BODIES GENERAL	415,214	426,584	(11,370) ADV	(2.7%)	(11,370)	Costs associated with work visas.
MEDICAL FEES	11,037	39,297	(28,260) ADV	(256.1%)	(22,873)	Increased costs in relation to medical fees.
AGENCY FEES	167,686	157,996	9,690 FAV	5.8%	25,000	Underspends within Agency Fees
TOWN TWINNING	0	0	0	0.0%	0	
CHILDRENS PANEL	25,035	25,035	0	0.0%	0	
COSLA ANNUAL LEVY	207,942	207,942	0	0.0%	0	
COMMUNITY COUNCIL GRANTS	125,222	120,222	5,000 FAV	4.0%	5,000	Minor
GRANTS TO ORGANISATIONS	773,242	773,242	0	0.0%	0	
EXTERNAL AUDIT FEE	644,389	644,389	0	0.0%	0	
ELECTION PROVISION	0	0	0	0.0%	0	
TOURISM - VISIT NORTH LANARKSHIRE	77,000	40,000	37,000 FAV	48.1%	0	Prioritisation of UKSPF funding
SCOTTISH WELFARE FUND	3,375,940	3,375,940	0	0.0%	0	
SUB-CONTRACTOR PAYMENTS	1,869	1,869	0	0.0%	0	
LOCAL TAX PAYPOINT COMMISSION	35,000	25,000	10,000 FAV	28.6%	10,000	Underspend within local tax paypoint charges offset by Agency staff costs within L&D.
LANDS VALUATION CONTRIBUTION	1,541,000	1,541,000	0	0.0%	0	
SPT CONTRIBUTION	5,554,325	5,554,325	0	0.0%	0	
SPT CONCESSIONARY FARES CONTRIBUTION	582,318	582,318	0	0.0%	0	
<b>TOTAL EXPENDITURE</b>	<b>13,537,219</b>	<b>13,515,159</b>	<b>22,060 FAV</b>	<b>0.2%</b>	<b>5,757</b>	

**NORTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report - Status of Earmarked Reserves**  
**Period 10 (01 April 2025 - 02 January 2026)**  
**A - Chief Executives Service**

		FINANCIAL YEAR - 2025/26									
DESCRIPTION OF EARMARKED RESOURCE	DIVISION	Reserve Allocation	Profiled in Future Years	Approved Reserve Total	Spend to Date	Projected Spend Value	%	Reprofile to Future Years	No Longer Required	Reserves Required In Year	Commentary Regards Usage
<b>Service Specific Earmarked Reserves:</b>											
<b>Workforce Strategy</b>											
Modern Apprentices	AB1	53,813		53,813	20,882	20,882	38.8%	0	32,931	20,882	No longer required due postholders successfully gaining employment prior to the end of their placement.
Redundancy costs for staff (includes additional)	AB3	250,000	0	250,000	0	174,011	69.6%	0	75,989	174,011	Proposal taken to Oct WSCG with a release date of 06/04/26. Balance no longer required.
Brighter Futures	AF	342,335	(57,498)	284,837	158,435	280,700	98.6%	4,137	0	280,700	Balance required in future years to support Employee Costs
Training	AC1	12,000		12,000	3,000	4,000	33.3%	8,000	0	4,000	Balance required in future years to support 3 year CIAP Training
<b>Scottish Welfare Fund</b>											
SWF Grant (Core and Admin)	AB2	616,096		616,096	616,096	616,096	100.0%	0	0	616,096	
<b>Digital Improvements</b>											
Civica Procurement Implementation	AB2	500,000	(500,000)	0	0	0	0.0%	0	0	0	
Investment model replacement of funds	AB3 / AG	380,033		380,033	117,362	380,032	100.0%	0	0	380,032	
Backfill for EUC Infrastructure Team (Windows 11)	AB3	26,552		26,552	26,552	26,552	100.0%	0	0	26,552	
Equipment	AD	15,000		15,000	0	0	0.0%	0	15,000	0	Reserve no longer required.
Customer Service Hub - Single Number	AG	470,968	(464,426)	6,542	6,542	6,542	100.0%	0	0	6,542	
<b>Community Grants</b>											
SC&E - Grant Award Programme	AG	265,787	(54,000)	211,787	131,787	211,787	100.0%	0	0	211,787	
SC&E - Cumbernauld Community Grant	AG	112,345	(53,322)	59,023	59,023	59,023	100.0%	0	0	59,023	
<b>TOTAL</b>		<b>3,044,928</b>	<b>(1,129,246)</b>	<b>1,915,683</b>	<b>1,139,679</b>	<b>1,779,625</b>	<b>92.9%</b>	<b>12,137</b>	<b>123,920</b>	<b>1,779,625</b>	

**NORTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report - Savings**  
**Period 10 (01 April 2025 - 02 January 2026)**  
**A - Chief Executives Service**

Ref.	DESCRIPTION OF APPROVED SAVING	APPROVED SAVINGS			
		Target Value	Value Deliverable	Savings Gap	Reasons for Savings Gap
		£000	£000	£000	
27CEX - a	Chief Officer Review	140	140	0	
04CEX	Finance (5%)	71	71	0	
	Trend in recovery of rent allowances / rent rebates	200	200	0	
12CEX	Business & Digital - Technology Solutions - restructure and review of contracts	290	290	0	
13CEX	Business & Digital - Business Strategy	35	35	0	
08CEX	Registrars	57	57	0	
	<b>TOTAL</b>	<b>793</b>	<b>793</b>	<b>0</b>	