



NHS Lanarkshire

Summary Financial Report

Month 9

Period Ending 31 December 2025

SECTION 1: NHS LANARKSHIRE (OVERALL POSITION INCLUDING IJBs)

- INTRODUCTION**

This financial report provides a review of the revenue position for the nine months of 2025-26 including an estimate of the 2025-26 forecast position as at 31 March 2026.

- 2025-26 FINANCIAL PLAN (APPROVED BY SCOTTISH GOVERNMENT)**

NHS Lanarkshire Board (excluding IJBs) opening Financial Plan projected a **-£82.4m** gap between its recurring budget and ongoing expenditure, offset by a net £55.3m of non-recurring Scottish Government funding leaving a **-£27.1m** in year gap to be resolved by efficiencies or other means. NHS Lanarkshire Board identified £27.1m of in year savings within the 2025-26 Financial Plan to target a balanced financial position.

The narrative and figures described above only apply to the budgets directly managed by the NHS Lanarkshire Board with other health budgets delegated to the North Lanarkshire IJB and South Lanarkshire IJB.

The IJBs have a different cost and income profile including the absence of a carried forward recurring gap. IJBs also have an ability to build up reserves and have a degree of insulation from some of the higher risk budget items e.g. energy.

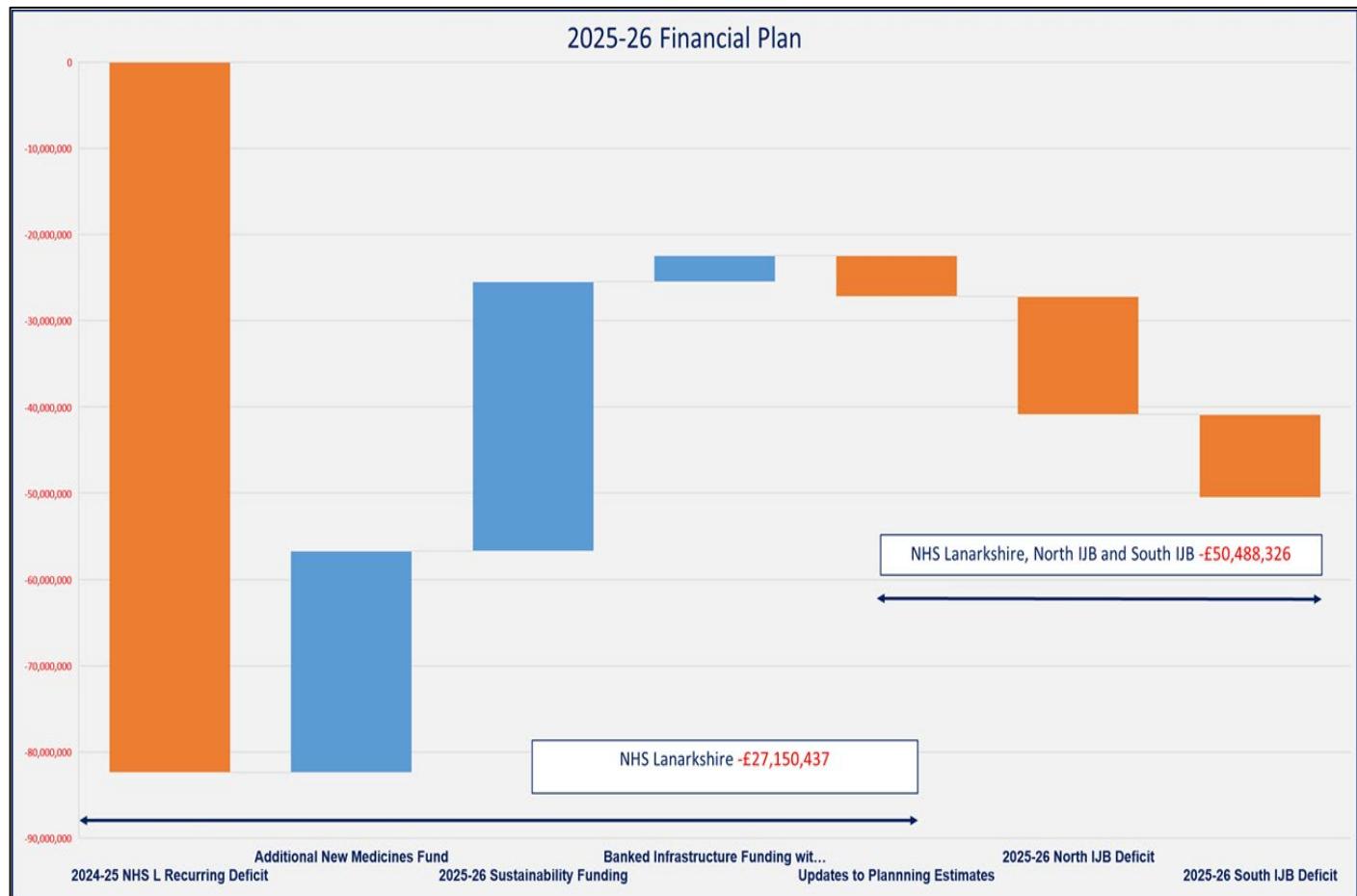
The Financial Plan included a combined opening 2025-26 deficit for both IJBs of **-£23.4m** (North - **£13.7m** and South **-£9.7m**). Both IJBs have Sustainability and Value programmes identified to bridge their gaps and therefore are targeting break-even.

Prior to savings delivery, the starting position for the whole of NHS Lanarkshire is an overall deficit of **-£50.5m** being:

- NHS Lanarkshire Board **-£27.1m**
- North IJB **-£13.7m**
- South IJB **-£9.7m**

Chart 1 below provides details on the Financial Plan movements.

Chart 1: 2025-26 Financial Plan Movements



SECTION 2: SUMMARY OF FINANCIAL POSITION AT 31 DECEMBER 2025 (MONTH 9)

INCOME V EXPENDITURE BUDGETS

At Month 9, the expected total Income for the year is £2,293.3m with corresponding expenditure budgets of £2,293.3m. Appendix 1 provides further detail on the components within the expenditure budget

NET EXPENDITURE POSITION AT MONTH 9

Table 1 below provides a summary of the Month 9 position across each of the Divisions within NHS Lanarkshire and both North Lanarkshire IJB and South Lanarkshire IJB.

Table 1: Net Expenditure (Divisions)

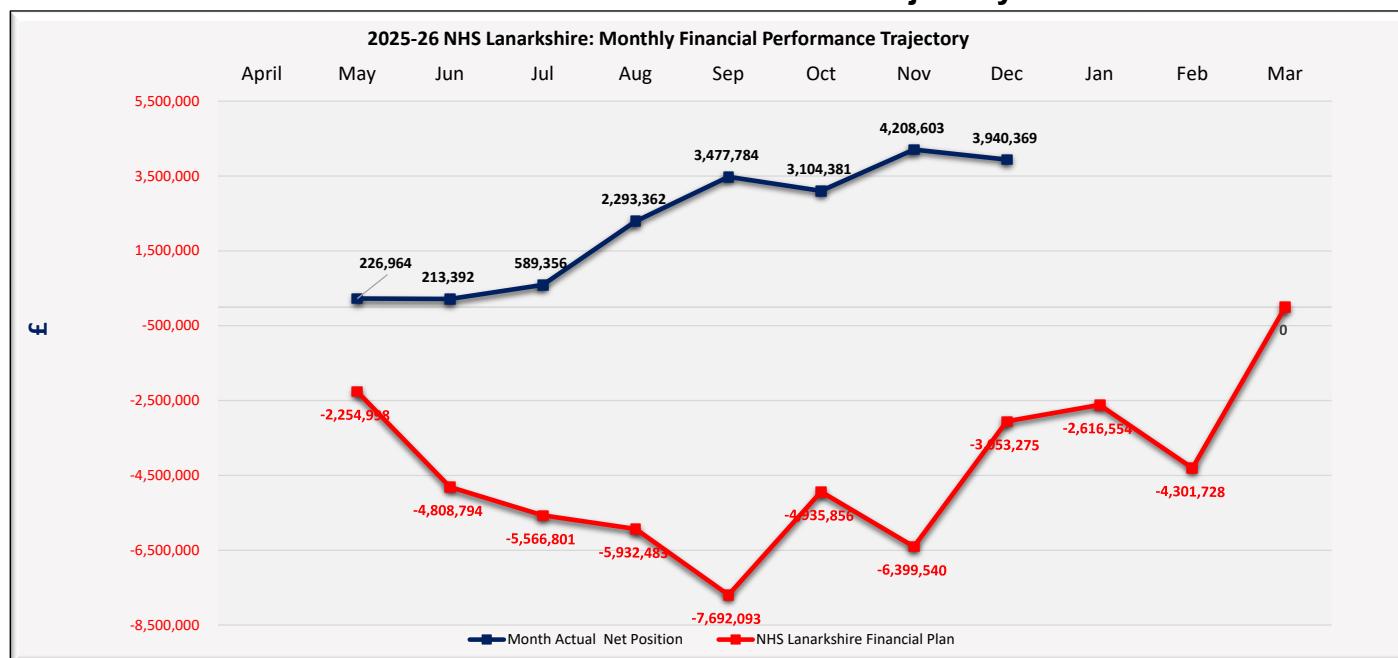
NHS LANARKSHIRE	NET ANNUAL BUDGET (£m)	NET BUDGET TO DATE (£m)	NET ACTUAL TO DATE (£m)	VARIANCE (£m)
Acute Operating Division	685.8	508.5	508.6	-0.1
Interface Division	7.6	5.4	4.7	0.6
Estates, Digital & Other Corporate Functions	250.0	184.2	180.9	3.3
SLAs/Other Healthcare Providers	275.8	202.4	201.6	0.8
NHSL - Wide Services	120.1	28.1	28.7	-0.5
NHSL-Contingency	-3.2	-0.3	0.0	-0.3
NHS LANARKSHIRE BOARD POSITION	1,336.1	928.3	924.4	3.9
North Lanarkshire IJB	384.4	287.9	287.2	0.7
South Lanarkshire IJB	572.7	429.2	427.8	1.4
TOTAL NET EXPENDITURE	2,293.3	1,645.5	1,639.5	6.0

NHS Lanarkshire Board Budgets

At the end of Month 9, NHS Lanarkshire is reporting a **net expenditure** underspend of £3.9m (excluding IJBs), a decrease of **-£0.3m** from the Month 8 underspend of £4.2m. The Estates, Digital & Other Corporate Functions account for 78% of the overall underspend.

The position at Month 9 remains an improvement on the 2025-26 Financial Plan year to date trajectory where the expected position (without savings identified) was **-£3.0m**. **Chart 2** below tracks the actual monthly position against the Financial Plan.

Chart 2: NHS Lanarkshire Board Financial Performance Trajectory

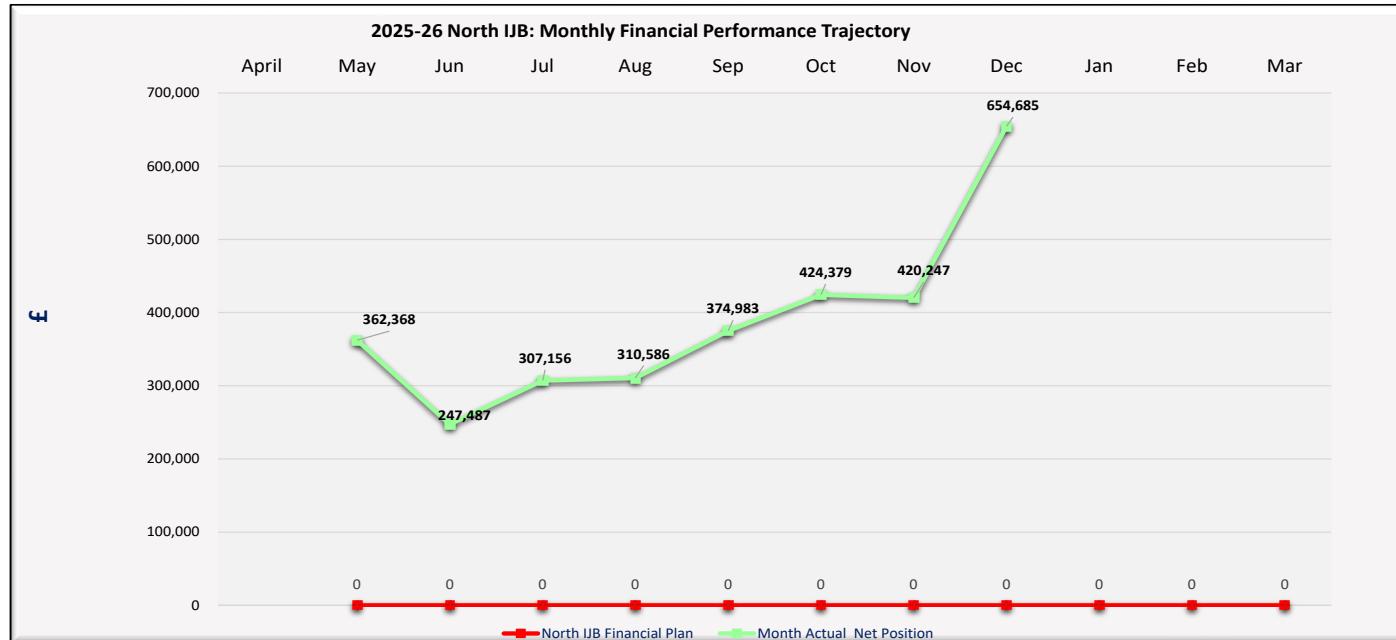
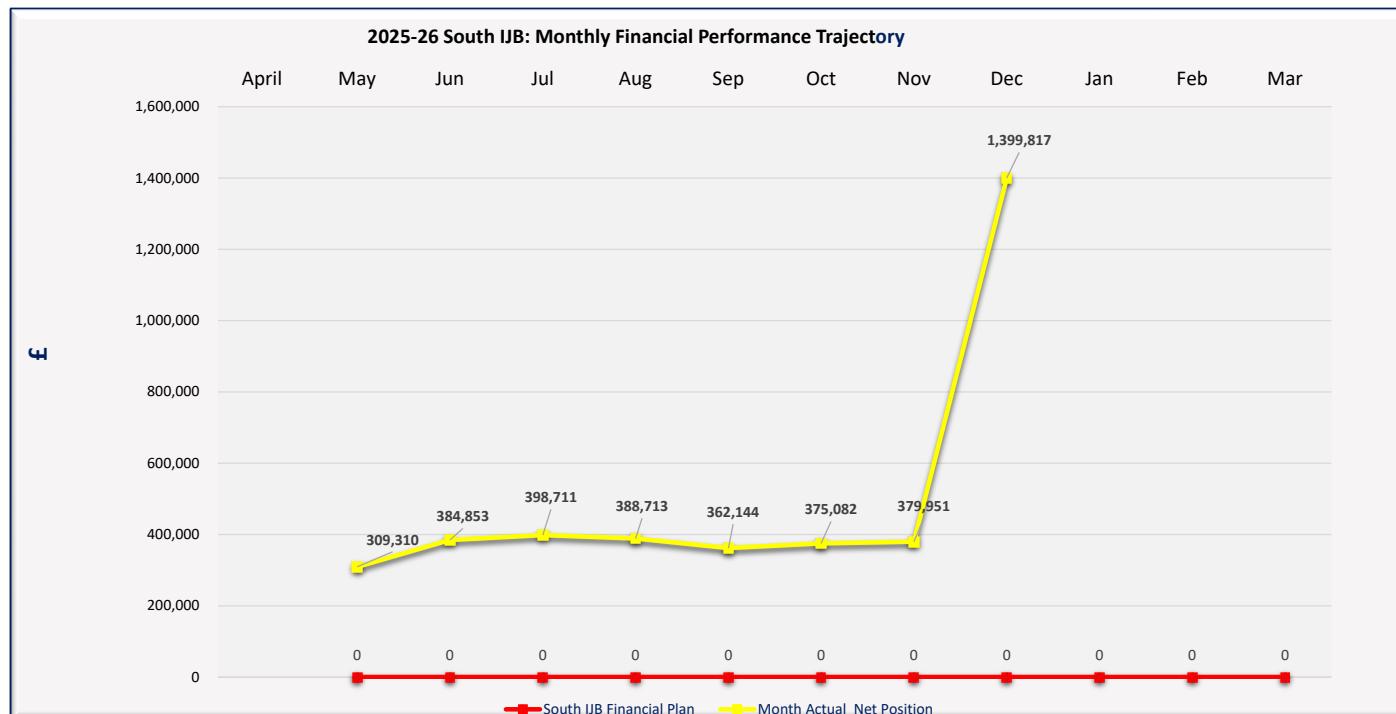


North Lanarkshire IJB and South Lanarkshire IJB

At the end of Month 9, both North Lanarkshire and South Lanarkshire IJBs are reporting net expenditure underspends on the management of their delegated health budgets. North Lanarkshire IJB is reporting £0.7m and South Lanarkshire IJB £1.4m.

The combined underspend position of £2.1m has increased in Month 9 by £1.3m from Month 8 (£0.8m). This favourable movement is split £0.3m for North Lanarkshire and £1.0m for South Lanarkshire. The bulk of this increase relates to a timing issue where a national change in practice was implemented for the charging mechanism of vaccinations. A transfer was required in month 9 moving costs from the locality budget lines to the prescribing budget where costs were already accounted for.

Charts 3 and 4 below track the actual Monthly positions for both North IJB and South IJB against their break even Financial Plan.

Chart 3: North IJB**Chart 4: South IJB****SECTION 3: 2025-26 INCOME POSITION**

- CORE REVENUE RESOURCE LIMIT (RRL)

Key Points at Month 9

At the end of the reporting month, the Core Revenue Resource Limit (RRL) for NHS Lanarkshire was £2,008m (Appendix 2 provides further details).

In Month 9 NHS Lanarkshire's allocation increased by £1.6m driven by the following allocations:

Open University backfill - Q1&2 academic year 25/26	£123,333
Centre for excellence for children's care and protection - NSS	£14,283
Resident Doctors 25-26 Pay Award - Tranche 2	£855,933
Systemic anti-cancer therapy and acute oncology services	£160,379
Improving flow - NHS renewal	£488,132

Anticipated Allocations – Core Revenue Resource Limit

Looking forward NHS Lanarkshire is anticipating at least a net £4.2m reduction in specific Scottish Government core revenue resource allocations including a technical accounting adjustment (£17.0m) moving sums from our core to non-core revenue resource limit in respect of depreciation to comply with Scottish Government funding and accounting treatment.

This is offset against £12.8m of further allocations to come including £7.3m for the PFI rebate, £3.3m the return of last year's surplus, £3.0m of previously banked funding with Scottish Government for Infrastructure Projects and a combined £96k for IJB programmes. NHS Lanarkshire is also planning to transfer £958k from revenue to capital to support IJB capital expenditure.

Anticipated Allocations – Non Core Revenue Resource Limit

As at Month 9, NHS Lanarkshire is anticipating £33.8m in non-core allocations a reduction of **- £0.2m** in respect of medical negligence provisions.

NHS Lanarkshire is also anticipating £129.0m of funding to match Family Health Services (FHS) non-discretionary expenditure an increase of £9.6m on last month's forecast.

- OPERATING INCOME**

NHS Lanarkshire

NHS Lanarkshire estimates receipt of £126.6m of operating income during 2025-26. At Month 9, the expected income budget is £98.275m with actuals of £98.266m resulting in a small adverse income variance.

North Lanarkshire IJB and South Lanarkshire IJB

North Lanarkshire IJB and South Lanarkshire IJB have a combined estimated receipt of £17.3m of operating income for 2025-26. At Month 9, the expected budget is £15.3m and is matched to actual income received.

SECTION 4: 2025-26 EXPENDITURE POSITION

This section provides details on the **gross expenditure** position for NHS Lanarkshire at Month 9.

- **EXPENDITURE POSITION: ANALYSED BY DIVISION**

Table 2 below describes the Total Expenditure position across the Divisions:

Table 2 - Gross Expenditure (Divisions)

NHS LANARKSHIRE	ANNUAL BUDGET (£m)	BUDGET TO DATE (£m)	ACTUAL TO DATE (£m)	VARIANCE (£m)	PREVIOUS MONTH (£m)
Acute Operating Division	685.8	508.5	508.6	-0.1	-0.1
Interface Division	7.6	5.4	4.7	0.6	0.5
Estates, Digital & Other Corporate Functions	250.0	184.2	180.9	3.3	3.1
SLAs/Other Healthcare Providers	275.8	202.4	201.6	0.8	1.0
NHSL - Wide Services	120.1	28.1	28.7	-0.5	-0.4
NHSL-Contingency	-3.2	-0.3	0.0	-0.3	0.1
NHS LANARKSHIRE POSITION	1,336.1	928.3	924.4	3.9	4.1
North Lanarkshire IJB	384.4	287.9	287.2	0.7	0.4
South Lanarkshire IJB	572.7	429.2	427.8	1.4	0.4
TOTAL EXPENDITURE	2,293.3	1,645.5	1,639.5	6.0	4.9

The overall **gross expenditure** position is £6.0m underspent and is ahead of expected trajectory at Month 9.

The Divisions, which make up NHS Lanarkshire Board report a combined underspend of £3.9m at Month 9. Of the total underspend **-£0.1m** overspend relates to the Acute Division.

IJB's are reporting a combined underspend of £2.1m (North IJB £0.7m and South IJB £1.4m).

- **EXPENDITURE POSITION: ANALYSED BY COST CATEGORY (INCLUDING IJBs)**

Table 3 below describes the total expenditure position across the different cost categories (including IJBs)

Table 3 – Gross Expenditure (Categories)

CATEGORY	ANNUAL BUDGET (£m)	BUDGET TO DATE (£m)	ACTUAL TO DATE (£m)	VARIANCE (£m)	PREVIOUS MONTH (£m)
Pay	975.3	728.3	717.7	10.7	10.0
SLA / Other Healthcare	275.8	202.4	201.6	0.8	1.0
Family Health Services	279.2	210.6	210.6	0.0	0.0
Prescribing	162.2	120.3	120.2	0.1	0.0
IJB Healthcare Purchases	144.6	108.7	111.2	-2.5	-1.5
Drugs	91.0	69.3	68.7	0.7	-0.4
Financial Planning Reserves	52.7	0.0	0.0	0.0	0.0
SG Allocations Held	13.3	0.0	0.0	0.0	0.0
PFI	71.2	52.1	51.5	0.6	0.5
Supplies	62.2	49.5	49.6	0.0	-0.6
Surgical Supplies	37.8	28.7	30.9	-2.2	-1.9
Medical Comp & CNORIS	18.3	6.8	7.3	-0.4	-0.4
Depreciation	36.9	23.1	23.1	0.0	0.0
Primary Care Other Services	15.7	11.3	11.1	0.2	0.2
Equipment	25.4	19.8	19.7	0.1	-0.8
Property	15.5	11.6	13.4	-1.8	-1.3
Energy	9.1	6.1	5.1	1.0	0.9
Other Costs	-1.1	-1.8	-1.7	-0.1	-0.1
Contingency	8.0	-1.6	-0.4	-1.2	-0.7
Total Expenditure	2293.3	1645.5	1639.5	6.0	4.9

Table 3 above includes both IJB positions.

SECTION 5: NHS LANARKSHIRE DIVISIONAL PERFORMANCE (EXPENDITURE)

The following section of the report details expenditure at Month 9 across each of the reporting Divisions.

- **ACUTE DIVISION**

The Acute Division is reporting an overspend of **-£0.1m** for Month 9 as detailed in **Table 4** below.

The improved position from last year recognises new 2025-26 funding of (£16.4m) issued to address historic unfunded posts and other pressures (this was included within the overall 2025-26 Financial Plan). Progress has been made with the disbursement of this additional funding, with funding being aligned more specifically to budget lines than previously reported this year. Whilst this remains provisional, it is expected that this exercise will be concluded early in the New Year.

Table 4 - Expenditure (Acute Division)

CATEGORY	ANNUAL BUDGET (£m)	BUDGET TO DATE (£m)	ACTUAL TO DATE (£m)	VARIANCE (£m)	PREVIOUS MONTH (£m)
Admin & Clerical	28.3	21.3	20.2	1.0	0.9
Allied Health Professionals	18.0	13.6	13.8	-0.2	-0.2
Ambulance Services	0.0	0.0	0.0	0.0	0.0
Budget Reserves-Pay	1.1	0.7	0.7	0.0	0.0
Healthcare Sciences	28.6	21.6	21.9	-0.3	-0.3
Medical & Dental	177.0	133.3	130.9	2.4	2.2
Medical Dental Support	2.4	1.8	1.8	0.0	0.0
Nursing & Midwifery	246.4	184.9	184.9	0.0	0.0
Other Therapeutic	12.7	9.7	9.6	0.2	0.2
Personal Social Care	0.1	0.1	0.0	0.0	0.0
Senior Managers	1.3	1.0	0.9	0.1	0.1
Support Services	0.2	0.2	0.2	0.0	0.0
Total Pay	516.3	388.2	385.0	3.2	2.9
Budget Reserves-Non Pay budgets still to be allocated	12.0	0.0	0.0	0.0	0.0
CSSD/Diagnostic Supplies	16.9	13.0	12.6	0.4	0.3
Drugs	83.5	63.2	63.2	0.0	0.0

Equipment	7.1	5.6	6.1	-0.4	-0.4
Hotel Services	3.4	2.5	3.3	-0.8	-0.7
Other Admin Supplies	5.7	5.1	5.6	-0.6	-0.5
Other Supplies	1.1	0.8	0.7	0.0	0.1
Other Therapeutic Supplies	4.4	3.3	3.8	-0.5	-0.5
Property	0.1	0.1	0.2	-0.1	0.0
Surgical Sundries	33.0	25.0	25.8	-0.8	-0.7
Healthcare Purchases	2.3	1.7	2.4	-0.6	-0.5
Total Non-Pay	169.5	120.3	123.6	-3.3	-3.0
Total Gross Expenditure	685.8	508.5	508.6	-0.1	-0.1

Pay Costs

The overall pay underspend at Month 9 is £3.2m or 0.8% of budget to date.

Additional budget from the (£16.4m) issued to address historic unfunded posts and additional non pay pressures has been provisionally allocated to the relevant pay and non pay categories primarily Medical & Dental and Nursing & Midwifery for Month 9.

Medical and Dental

The total Medical and Dental spend is now £2.4m underspent for the nine months to December 2025. As can be seen from Table 4 above, we have provisionally moved budget from the 'Budget Reserves' lines in both Pay and Non-Pay budgets into Medical and Dental budget lines to recognise previously unfunded posts.

Agency costs at £4.2m are lower than the comparable period last year of £4.6m.

Nursing and Midwifery

The total Nursing and Midwifery spend is breakeven for the nine months to December 2025. Similar to Medical staffing, budget has been provisionally moved into Nursing budget lines in recognition of previously unfunded posts.

Nurse agency spend totals £5.1m for the nine months of the year, which is an improvement against a higher Agency spend for the comparable period last year of £7.3m.

Other Pay Costs

Healthcare Scientists is **-£0.3m** overspent for the nine months to December 2025, reflecting staffing pressures within Laboratories.

Non Pay Costs

Non Pay costs are reported as being overspent by **-£3.3m** for the year to date and whilst Medicines costs are reporting breakeven and remain below expected levels of growth, volatility in Theatres and general supplies costs sourced from the National Distribution Centre (NDC) have driven up the Non Pay overspend.

NHS Lanarkshire's hospitals drug expenditure is £63.2m for the year to date. Additional funding has been released from financial planning reserves to match the expenditure profile.

Savings to the value of £2.3m for Medicines, £1.0m for non-pay and £1.0m for pay management has been released from Acute Division budgets and returned to the Board, further improving the overall position with no detriment to the Acute Division's position.

- **INTERFACE DIVISION**

The Interface Division is reporting an underspend of £0.6m for the period to the end of December 2025 as detailed in **Table 5** below.

Table 5 – Expenditure (Interface Division)

CATEGORY	ANNUAL BUDGET (£m)	BUDGET TO DATE (£m)	ACTUAL TO DATE (£m)	VARIANCE (£m)	PREVIOUS MONTH (£m)
Admin & Clerical	1.1	0.8	0.8	0.0	0.0
Allied Health Professionals	0.2	0.1	0.1	0.1	0.1
Medical & Dental	0.5	0.4	0.3	0.1	0.1
Nursing & Midwifery	2.3	1.5	1.1	0.3	0.2
Other Therapeutic	0.1	0.0	0.0	0.0	0.0
Senior Managers	0.2	0.2	0.1	0.1	0.1
Support Services	0.0	0.0	0.0	0.0	0.0
Total Pay	4.4	3.0	2.4	0.5	0.5
Budget Reserves - budgets still to be allocated	0.0	0.0	0.0	0.0	0.0
Cssd/Diagnostic Supplies	0.0	0.0	0.0	0.0	0.0
Drugs	0.2	0.1	0.1	0.0	0.0
Equipment	0.3	0.2	0.2	0.0	0.0
Hotel Services	0.6	0.5	0.6	-0.1	-0.1
Other Admin Supplies	2.1	1.6	1.3	0.2	0.2
Other Supplies	0.0	0.0	0.0	0.0	0.0
Other Therapeutic Supplies	0.0	0.0	0.0	0.0	0.0
Property	0.0	0.0	0.0	0.0	0.0
Surgical Sundries	0.0	0.0	0.0	0.0	0.0

Healthcare Purchases	0.1	0.1	0.1	0.0	0.0
Total Non-Pay	3.2	2.4	2.3	0.1	0.0
Total Gross Expenditure	7.6	5.4	4.7	0.6	0.5

Pay Costs and Non Pay Costs

Additional funding of (£2.2m) from the Financial Plan has been provided to fund the agreed expansion plan within the Interface Division (Approved in March 2025). The expanded structure has still to reach full capacity with additional posts continuing to be filled on a monthly basis.

Work has progressed well over the months to match costs against budget within areas of the Division's expanded structure and following a mid-year financial review including budget re-profiling has resulted in an underspend of £0.6m as at Month 9.

• ESTATES, DIGITAL AND OTHER CORPORATE FUNCTIONS

Estates, Digital and Other Corporate Functions are reporting an underspend of £3.3m or 1.8% for the period to the end of December 2025. This is an increase of £0.2m (Month 8 £3.1m or 1.9%) as detailed in **Table 6** below.

The overall underspend is spread across the Division:

- Corporate Departments are underspent by c. £1.8m
- Estates (Property and Support Services) are underspent by c. £0.9m
- Occupational Health (SALUS) are underspent by c. £0.7m

Table 6 - Expenditure (Estates, Digital and Corporate)

CATEGORY	ANNUAL BUDGET (£m)	BUDGET TO DATE (£m)	ACTUAL TO DATE (£m)	VARIANCE (£m)	PREVIOUS MONTH (£m)
Admin & Clerical	49.0	36.6	34.6	2.0	1.8
Allied Health Professionals	0.9	0.7	0.8	0.0	0.0
Budget Reserves-Pay	0.5	0.5	0.0	0.5	0.3
Healthcare Sciences	0.1	0.1	0.1	0.0	0.0
Medical & Dental	3.8	2.7	3.1	-0.3	-0.4
Medical Dental Support	0.0	0.0	0.0	0.0	0.0
Nursing & Midwifery	21.4	15.7	15.8	-0.1	-0.2
Other Therapeutic	1.0	0.7	0.7	0.0	0.0
Personal Social Care	2.3	1.7	1.7	0.0	0.0

Senior Managers	2.7	2.1	2.1	-0.1	-0.1
Support Services	42.3	31.8	30.6	1.1	1.1
Total Pay	124.0	92.6	89.6	3.0	2.5
Budget Reserves-Non Pay	-0.7	-1.3	-0.4	-0.9	-0.8
CSSD/Diagnostic Supplies	0.0	0.0	0.0	0.0	0.0
Drugs	0.3	0.2	0.2	0.0	0.0
Equipment	10.5	8.6	8.5	0.1	-0.1
Hotel Services	10.2	7.7	8.4	-0.8	-0.8
Other Admin Supplies	5.7	4.2	3.9	0.3	0.2
Other Supplies	3.2	1.8	0.1	1.7	2.0
Other Therapeutic Supplies	0.1	0.1	0.1	0.0	0.0
Property	15.4	11.5	13.1	-1.7	-1.2
Surgical Sundries	0.1	0.1	0.2	-0.1	-0.1
Healthcare Purchases	1.1	0.5	0.5	0.1	0.1
PFI	71.2	52.1	51.5	0.6	0.5
Heating Fuel and Power	9.1	6.1	5.1	1.0	0.9
Total Non-Pay	126.0	91.6	91.2	0.4	0.7
Total Gross Expenditure	250.0	184.2	180.9	3.3	3.1

Pay Costs

Month 9 total pay costs across many of the reporting areas are underspent by £3.0m or 3.2%, (Month 8 £2.5m or 3.0%).

Non Pay Costs

Month 9 total non-pay costs are underspent by £0.4m or 0.4%, (Month 8 £0.7m or 0.8%).

Additional funding from the financial plan has been released as follows:

- £1.8m to PFI & HUBs for non pay uplift
- £1.0m to Digital for Q3 MS Office charges
- £17.3m to Public Health for resident doctors pay uplift

The main financial challenges within non-pay budgets is to balance the removal of CRES from the budget reserves-non pay line **-£0.9m** and overspends in Hotel Services **-£0.8m** and Property **-£1.7m**. This is largely due to enabling works carried out to remove asbestos and legionella using specialist contractors and the rising costs within maintenance due to the age of some assets and

2026-01-29 – NHSL Board – Item 6.3c – Summary Financial Report (Month 9) the requirement to remain statutory compliant. A change in practice where NHS Lanarkshire is directing the work of contractors prevents the reclaiming of VAT adding to the cost pressure.

Underspends in Other Supplies (£1.7m), Heating, Fuel and Power (£1.0m) and PFI (£0.6m) help offset the cost pressure within Property and the requirement to achieve non recurring savings (3%) across Estates, Digital and Corporate Functions.

- SERVICE LEVEL AGREEMENTS (SLAs) / OTHER HEALTHCARE PROVIDERS**

Service Level Agreements and Other Healthcare Providers are reporting an underspend of £0.8m for the period to the end of December 2025, (Month 8 £1.0m) as detailed in **Table 7**.

Table 7 - Expenditure (SLA / Other Healthcare Providers)

CATEGORY	ANNUAL BUDGET (£m)	BUDGET TO DATE (£m)	ACTUAL TO DATE (£m)	VARIANCE (£m)	PREVIOUS MONTH (£m)
Service Level Agreements	234.3	171.5	171.3	0.2	0.5
Unpacs and Oats	40.8	30.6	30.2	0.4	0.2
Independent Sector	0.7	0.3	0.1	0.2	0.2
Total Non-Pay	275.8	202.4	201.6	0.8	1.0
Total Gross Expenditure	275.8	202.4	201.6	0.8	1.0

The underspend of £0.2m being reported against Service Level Agreements is based on the continuation of the 2024-25 position.

National discussions on the agreed uplift to be applied across Board SLAs has taken place and output from the Finance Liaison Group (FLG) has been shared with Corporate Finance Network and Directors of Finance which recommended a 4.33% uplift for 2025-26. This has been agreed subject to a final adjustment on conclusion of the resident doctors pay award.

Most Boards are expected to revise their charges based on a three year rolling average of activity to 2024-25. It is also expected any specific uplift provided by Scottish Government for pay deals beyond 3% will be factored into SLAs. If SLAs are uplifted for other pressures this will become a cost pressure for NHS Scotland Boards.

- NORTH LANARKSHIRE IJB AND SOUTH LANARKSHIRE IJB**

Across the health budgets delegated to both North Lanarkshire IJB and South Lanarkshire IJB there is combined underspend of £2.0m for the period to the end of December 2025 (North Lanarkshire IJB £0.7m and South Lanarkshire IJB £1.4m).

Pay Costs

Both IJBs continue to have significant levels of underspends within their pay cost categories at a combined £4.0m (North Lanarkshire IJB £1.9m and South Lanarkshire IJB £2.1m). This is due to a combination of vacancies, reduced levels of supplementary staffing, workforce management and service model review.

Non Pay Costs

A budget realignment process was undertaken in Month 2 in response to the cost pressure review that formed part of the 2025-26 financial planning process. As a result, funding has been realigned to offset the previously reported pressures within the IJB non-pay budgets and will form part of the Sustainability and Value reporting.

In 2024-25 both IJBs ended the year with a prescribing overspend (North Lanarkshire c.-£4.8m and South Lanarkshire c.-£7.5m).

Month 9 prescribing is currently showing a combined £0.1m surplus position, North IJB (£34k) and South IJB (£82k). The estimated expenditure has been calculated based on a combination of actual data received for April to October 2025 and estimated data for November and December 2025. In 2024-25, both IJBs ended the year with a combined overspend of -£12.2m (North -£4.8m and South -£7.5m) despite additional funding of £8,196,000 being added throughout the year. Therefore, to recognise historical pressures and anticipate a level of further growth in 2025-26 the overall budget has been increased by (17%).

Based on the data received to date the cost per item is £10.29 (**Chart 5**) and the number of items being dispensed has increased by 1.10% based on the same period in 2024-25 (**Chart 6**).

Chart 5: Cost per item

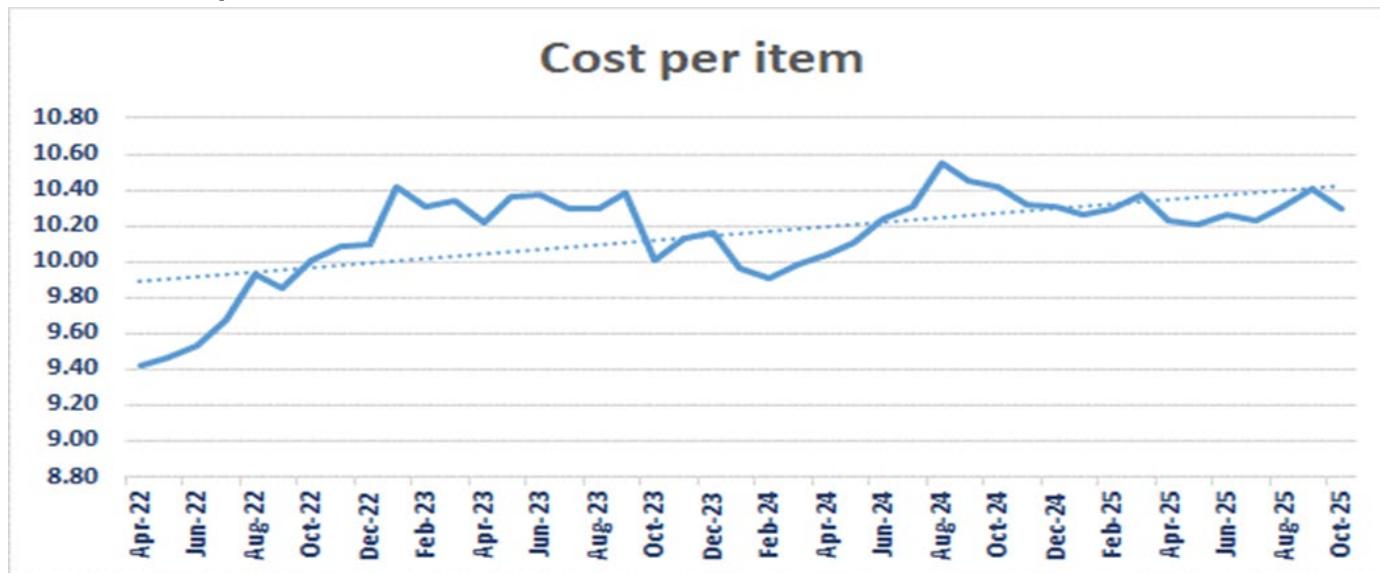


Chart 6: Volume of items dispensed



Scottish Government IJB Specific Allocations

Both IJBs receive a high proportion of funding through specific ring fenced allocations for designated services or programmes. For these allocations, budgets are released throughout the financial year to match expenditure incurred and this avoids any distortion to the underlying financial position for both IJBs. Any specific allocations which are not utilised and can be carried forward are released in Month 12 (March 2026) prior to a year end transfer to reserves.

Tables 8 and 9 show the position for North Lanarkshire IJB and South Lanarkshire IJB, respectively.

Table 8: Expenditure (North Lanarkshire IJB)

CATEGORY	ANNUAL BUDGET (£m)	BUDGET TO DATE (£m)	ACTUAL TO DATE (£m)	VARIANCE (£m)	PREVIOUS MONTH (£m)
Admin & Clerical	18.8	14.1	12.5	1.7	1.5
Allied Health Professionals	24.1	18.1	16.2	1.9	1.7
Ambulance Services	0.0	0.0	0.0	0.0	0.0
Budget Reserves-Pay	0.8	-0.8	0.5	-1.3	-1.0
Healthcare Sciences	0.0	0.0	0.0	0.0	0.0
Medical & Dental	32.6	25.3	25.1	0.3	0.3
Medical Dental Support	0.0	0.0	0.0	0.0	0.0
Nursing & Midwifery	97.5	71.6	73.8	-2.2	-1.5
Other Therapeutic	26.3	20.2	18.6	1.6	1.4
Personal Social Care	0.4	0.3	0.3	0.0	0.1
Senior Managers	0.1	0.1	0.1	0.0	0.0
Support Services	0.0	0.0	0.0	0.0	0.0
Total Pay	200.8	149.0	147.2	1.9	2.4

CSSD/Diagnostic Supplies	0.7	0.5	0.6	-0.1	-0.1
Drugs	5.8	4.8	4.4	0.4	-0.1
Equipment	2.9	2.2	2.2	0.0	-0.4
Hotel Services	0.4	0.3	0.4	-0.1	-0.1
Other Admin Supplies	3.5	2.7	1.8	0.9	0.8
Other Supplies	0.6	1.9	2.8	-0.9	-1.2
Other Therapeutic Supplies	1.2	0.9	1.0	-0.1	-0.1
Property	0.0	0.0	0.0	0.0	0.0
Surgical Sundries	3.7	2.8	2.9	-0.1	-0.1
Healthcare Purchases	74.6	56.1	57.5	-1.4	-0.8
Prescribing	81.9	60.7	60.7	0.0	0.0
Total Non-Pay	175.4	133.0	134.3	-1.3	-2.1
Share of Primary Care Other Services	8.2	5.9	5.8	0.1	0.1
Family Health Services	0.0	0.0	0.0	0.0	0.0
Total Gross Expenditure	384.4	287.9	287.2	0.7	0.4

Table 9 – Expenditure (South Lanarkshire IJB)

CATEGORY	ANNUAL BUDGET (£m)	BUDGET TO DATE (£m)	ACTUAL TO DATE (£m)	VARIANCE (£m)	PREVIOUS MONTH (£m)
Admin & Clerical	10.4	7.8	8.2	-0.4	-0.3
Allied Health Professionals	31.0	23.0	22.7	0.3	0.3
Ambulance Services	0.2	0.1	0.0	0.1	0.1
Budget Reserves-Pay	-1.3	-1.8	0.0	-1.8	-1.9
Healthcare Sciences	0.1	0.1	0.1	0.0	0.0
Medical & Dental	10.1	7.7	8.8	-1.1	-0.9
Medical Dental Support	5.0	3.7	3.6	0.1	0.1
Nursing & Midwifery	58.5	43.1	39.4	3.6	3.3
Other Therapeutic	13.6	10.2	9.4	0.8	0.8
Personal Social Care	1.0	0.7	0.4	0.3	0.3
Senior Managers	0.5	0.4	0.3	0.1	0.1
Support Services	0.9	0.6	0.6	0.1	0.0
Total Pay	129.8	95.6	93.5	2.1	1.8
CSSD/Diagnostic Supplies	0.2	0.1	0.2	-0.1	-0.1
Drugs	1.2	0.9	0.7	0.2	-0.3

Equipment	4.6	3.2	2.7	0.5	0.2
Hotel Services	0.2	0.1	0.2	0.0	0.0
Other Admin Supplies	2.8	2.1	1.5	0.5	0.5
Other Supplies	-1.2	0.1	0.3	-0.2	-0.3
Other Therapeutic Supplies	0.5	0.3	0.4	-0.1	0.0
Property	0.0	0.0	0.0	0.0	0.0
Surgical Sundries	1.0	0.8	2.0	-1.2	-1.0
Healthcare Purchases	66.6	50.3	50.8	-0.5	-0.3
Prescribing	80.3	59.6	59.5	0.1	0.0
Total Non-Pay	156.2	117.6	118.4	-0.8	-1.5
Share of Primary Care Other Services	7.6	5.4	5.3	0.1	0.1
Family Health Services	279.2	210.6	210.6	0.0	0.0
Total Gross Expenditure	572.7	429.2	427.8	1.4	0.4

SECTION 6: 2025-26 SUSTAINABILITY AND VALUE PROGRAMME REQUIREMENT

- SUSTAINABILITY AND VALUE PROGRAMME**

OVERVIEW

NHS Lanarkshire Board

The Financial Plan forecast that for the NHS Lanarkshire Board costs would exceed income by **-£27.1m**. Balancing in year would require efficiencies that either reduced costs or increased income. At the time of submitting the Financial Plan to Scottish Government a Sustainability and Value programme of £27.1m was agreed leaving a balanced position.

North IJB and South IJB

The Financial Plan also has a combined opening deficit for both IJBs of **-£23.4m** (North **-£13.7m** and South **-£9.7m**). Both IJBs have Sustainability and Value programmes identified to bridge their gaps and therefore are targeting a break-even outturn.

In relation to savings, the target issued by Scottish Government to all NHS Scotland Boards is to deliver 3% recurring savings. This would equate to £51.4m (based on 2025-26 Recurring RRL) for NHS Lanarkshire across all budgets including those delegated to the two IJBs.

Sustainability and Value (S&V) Programme

The total value of the 2025-26 S&V Programme is £50.5m. The S&V Programme of **-£50.5m** has been risk assessed using a combination of criteria e.g. delivery risk and phasing risks.

The following Tables 10, 11 and 12 provides further details on the S&V Programme across the Savings Type, Recurring / Non-Recurring and Risk Levels respectively.

Table 10: S&V (Category Type)

Saving Type	NHS Lanarkshire (£m)	North IJB (£m)	South IJB (£m)	Total (£m)
Budget Management-Non Pay	0.3	0.2	0.2	0.7
Budget Management-Pay	5.2	4.2	4.8	14.3
Energy	1.9	0.0	0.0	1.9
Financial Management	11.4	0.5	0.5	12.4
Medicines	2.3	4.3	4.2	10.9
Reserves	0.0	4.4	0.0	4.4
Procurement Drug Rebates	3.0	0.0	0.0	3.0
Supplementary Staff Reduction	3.0	0.0	0.0	3.0
Total	27.1	13.7	9.7	50.5

Table 11 – S&V (Analysis Recurring / Non Recurring)

Saving Type	Total Recurring (£m)	Total Non-Recurring (£m)	Grand Total (£m)
Budget Management-Non Pay	0.4	0.3	0.7
Budget Management-Pay	0.0	14.3	14.3
Energy	1.9	0.0	1.9
Financial Management	0.0	12.4	12.4
Medicines	10.9	0.0	10.9
Reserves	0.0	4.4	4.4
Procurement Drug Rebates	2.0	1.0	3.0
Supplementary Staff Reduction	3.0	0.0	3.0
Total	18.2	32.3	50.5

Table 12 - Risk Level

Risk Category	NHS Lanarkshire (£m)	North IJB (£m)	South IJB (£m)	Total (£m)

High	3.0	8.7	4.2	15.9
Medium	5.7	0.0	0.0	5.7
Low	18.4	5.0	5.4	28.9
Total	27.2	13.7	9.7	50.5

S&V Savings Achieved (Month 9)

Please note that other savings have been achieved in the period to date but only agreed savings between Finance and the relevant Executive Director are included within the monthly report. This month, £1.5m drug rebates and £0.1m pay management savings has been removed from financial planning and Acute Divisional budgets.

NHS Lanarkshire Board

Identification at Month 9 of £17.6m (Month 8 £15.9m) of S&V schemes (phased into budget) against a total of £27.2m. The following Table 13, 13.1, 14 and 15 detail the savings achieved to date across NHS Lanarkshire Board, North IJB and South IJB.

Table 13 - NHS Lanarkshire Board S&V: savings achieved to date (recurring)

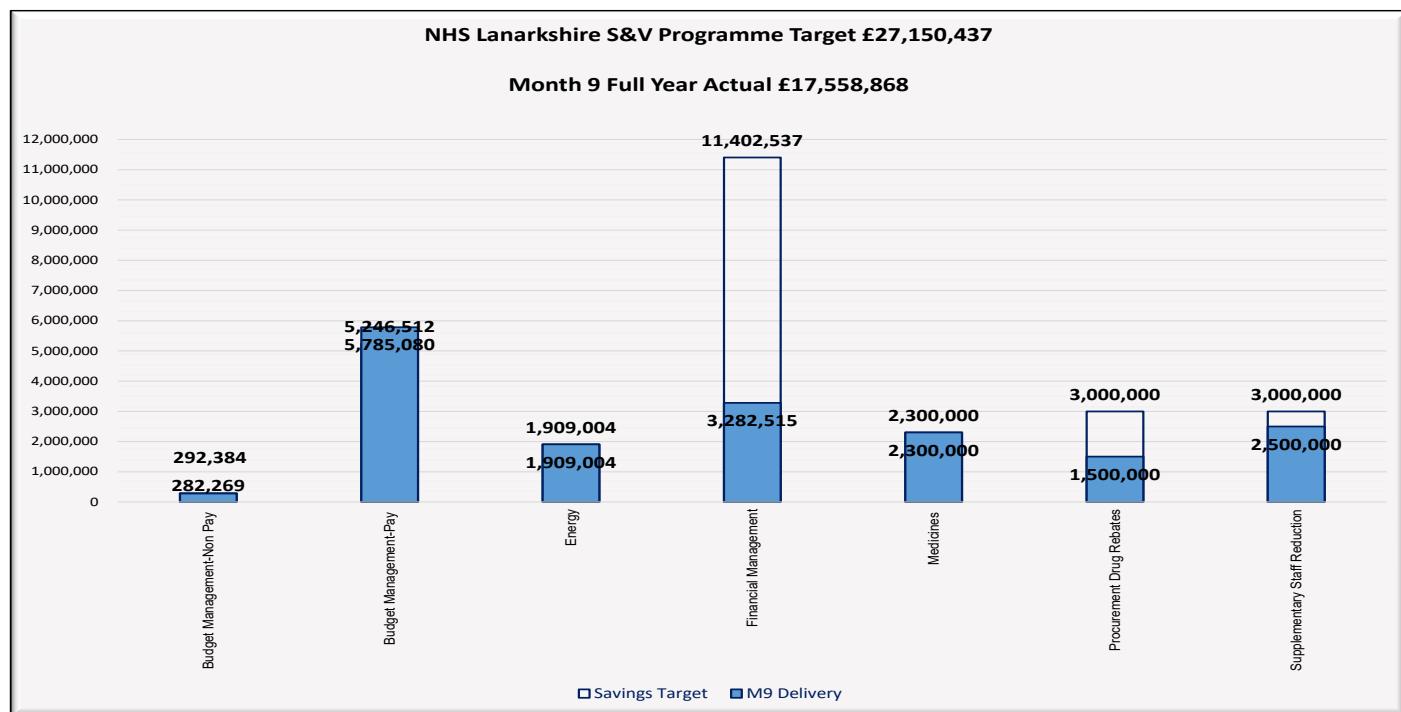
Saving Type	NHS Lanarkshire Target (£m)	NHS Lanarkshire Achieved (£m)	NHS Lanarkshire Remaining (£m)
Budget Management-Non Pay	0.0		0.0
Energy	1.9	1.9	0.0
Medicines	2.3	2.3	0.0
Procurement Drug Rebates	2.0		2.0
Supplementary Staff Reduction	3.0	2.5	0.5
Total	9.2	6.7	2.5

Table 13.1 - NHS Lanarkshire Board S&V: savings achieved to date (non-recurring)

Saving Type	NHS Lanarkshire Target (£m)	NHS Lanarkshire Achieved (£m)	NHS Lanarkshire Remaining (£m)
Budget Management-Non Pay	0.3	0.3	0.0
Budget Management-Pay	5.2	5.8	-0.6
Financial Management	11.4	3.3	8.1
Procurement Drug Rebates	1.0	1.5	-0.5
Total	17.9	10.8	7.1

Chart 7 below provides an analysis of the Health Board S&V savings identified to date (£17.6m) against the programme target of £27.1m for 2025-26.

Chart 7: S&V Performance



North Lanarkshire IJB

Identification at Month 9 of £9.5m of S&V schemes (phased into budget) against a total of £13.7m.

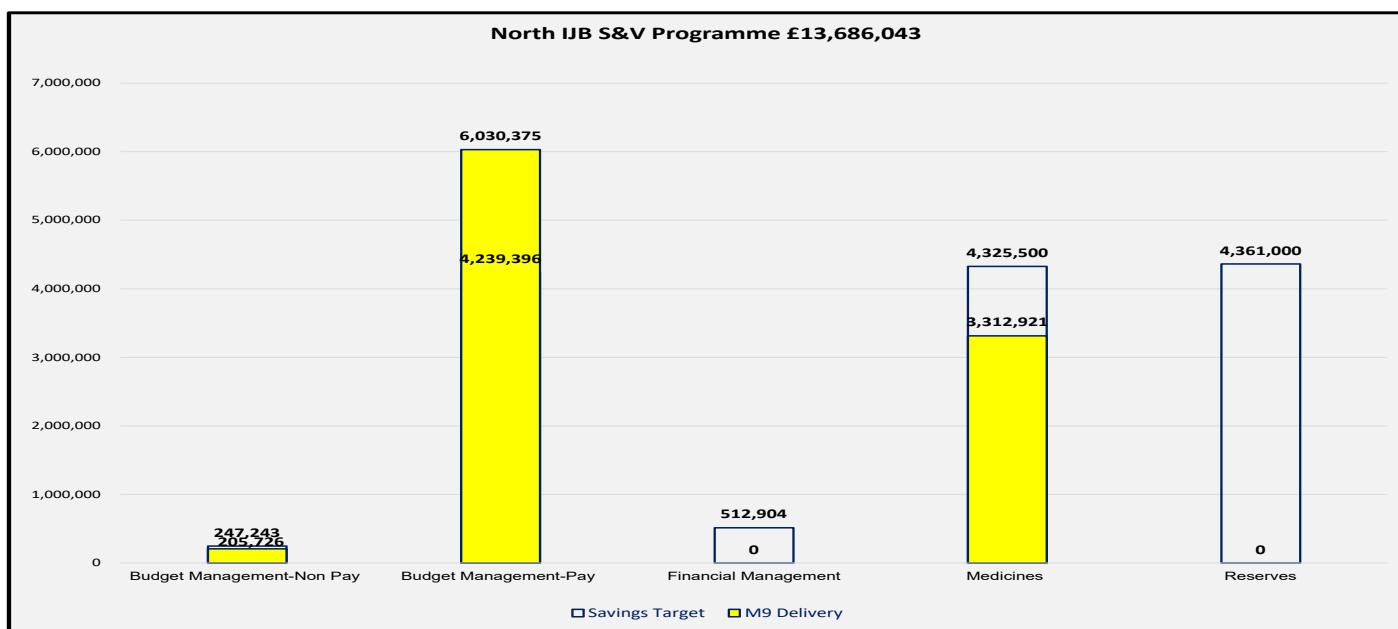
Table 14 – North Lanarkshire IJB S&V savings achieved to date

Saving Type	North IJB Target (£m)	North IJB Achieved (£m)	North IJB Remaining (£m)
Budget Management-Non Pay	0.2	0.2	0.0
Budget Management-Pay	4.2	6.0	-1.8

Financial Management	0.5	0.0	0.5
Medicines	4.3	3.3	1.0
Reserves	4.4	0.0	4.4
Total	13.7	9.5	4.1

Chart 8 below provides an analysis of the North Lanarkshire IJB S&V savings identified to date (£9.5m) against the programme target of £13.7m for 2025-26.

Chart 8: S&V North IJB Performance



South Lanarkshire IJB

Identification at Month 9 of £7.4m of S&V schemes (phased into budget) against a total of £9.7m.

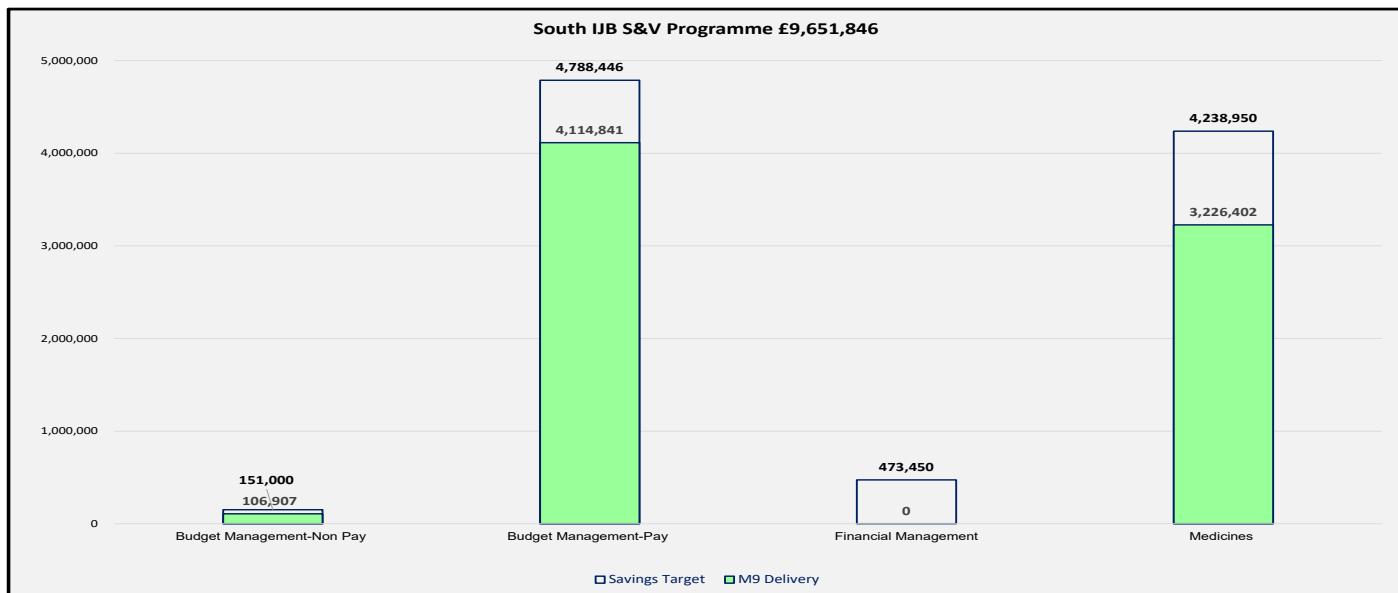
Table 15 – South Lanarkshire IJB S&V savings achieved to date

Saving Type	South IJB Target (£m)	South IJB Achieved (£m)	South IJB Remaining (£m)
Budget Management-Non Pay	0.2	0.1	0.0
Budget Management-Pay	4.8	4.1	0.7
Financial Management	0.5	0.0	0.5

Medicines	4.2	3.2	1.0
Total	9.7	7.4	2.2

Chart 9 below provides an analysis of the South Lanarkshire IJB S&V savings identified to date (£7.4m) against the programme target of £9.7m for 2025-26.

Chart 9: S&V South IJB Performance



SECTION 7: 2025-26 FORECAST

An early forecast of the 2025-26 position has been included as Appendix 3 for the NHS Lanarkshire Board budgets.

Table 16 below provides a summary of Appendix 3.

Table 16: Forecast (Month 9)

Category	£m

2025-26 Recurring Position	-82.4
2025-26 Non-Recurring Position	55.3
2025-26 Net Budget Deficit to be Resolved	-27.1

Gains / Losses (Post 1 April 2025)	3.3
S&V Schemes Achieved to Date	17.6
S&V Schemes Expected	2.1
Review of Financial Planning Estimates	0.2
Forecast Surplus / Deficit at Month 9	-3.9

Additional Savings Projected / Review of Financial Planning Estimates to 31 March 2026	3.9
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Forecast Surplus / Deficit at 31 March 2026	0
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S&V Schemes Achieved to Date (Recurring)	6.7	38%
S&V Schemes Achieved to Date (Non-Recurring)	10.8	62%
S&V Schemes Achieved to Date	17.6	100%

Given the net position of all other income and expenditure budgets being achieved the remaining gap at Month 9 to break even is **-£3.9m**

SECTION 8: CAPITAL ALLOCATIONS AND EXPENDITURE

- **CAPITAL ALLOCATIONS**

NHS Lanarkshire has received a Core Capital allocation of £13.7m for the year as of M9. The capital allocation is expected to be £144.2m including £4.3m from approved Business Continuity and Essential Investment Projects and a confirmed increase in the value available in year for Monkland's Replacement Project (**Table 17**).

Table 17: Capital Allocations (Expected)

Category	Original £m
Core Capital	13.7
Revenue to capital transfer and capital credits	2.5
BCP/NIB	4.3
Total Core	20.4

Monklands Replacement Project	120.0
GP Sustainability Loans	0.2
Leases (IFRS16)	2.4
Green Public Sector Estate Decarbonisation Scheme (GPSEDS)	1.1
Total Capital	144.2

At Month 9, the Capital Plan has been reviewed to take account of movements between 2024-25 and 2025-26 plans which were undertaken to maximise the capital expenditure. Additional funds have also been confirmed through the Business Continuity and Essential Investment Infrastructure Plans, which are being allocated.

Table 18: Capital Expenditure

Category	Capital Plan	YTD Actual	Variance to Current Plan
	£m	£m	£m
Total Estates	£14.4	£3.0	£11.4
Medical Equipment	£3.8	£0.8	£3.0
Digital	£2.2	£0.4	£1.8
Total Core Capital (including BCP / NIB)	£20.4	£4.2	£16.3
Monklands Replacement Project (Budget is ring-fenced and not time bound)	£120.0	£63.6	£56.4
GP Sustainability Loan Scheme - Anticipated	£0.2	£0.2	£0.0
Leases (IFRS16)	£2.4	£0.2	£2.2
Green Public Sector Estate Decarbonisation Scheme (GPSEDS)	£1.1	£0.0	£1.1
Total Non-Core Capital	£123.7	£63.9	£59.8
Total Capital	£144.2	£68.1	£76.1

SECTION 9: MONTHLY SUMMARY AND RISK ASSESSMENT

- RISK ASSESSMENT**

Based on the information at Month 9, Risk IP#82: Ability of NHS Lanarkshire to Deliver a Balanced Budget within Periods 2025/26 – 2027/28 has been reduced to Medium with a Risk score of 5 (Likelihood 1 Impact 5). For completeness, the risk assessment for IP#82 at Month 8 was High; 10

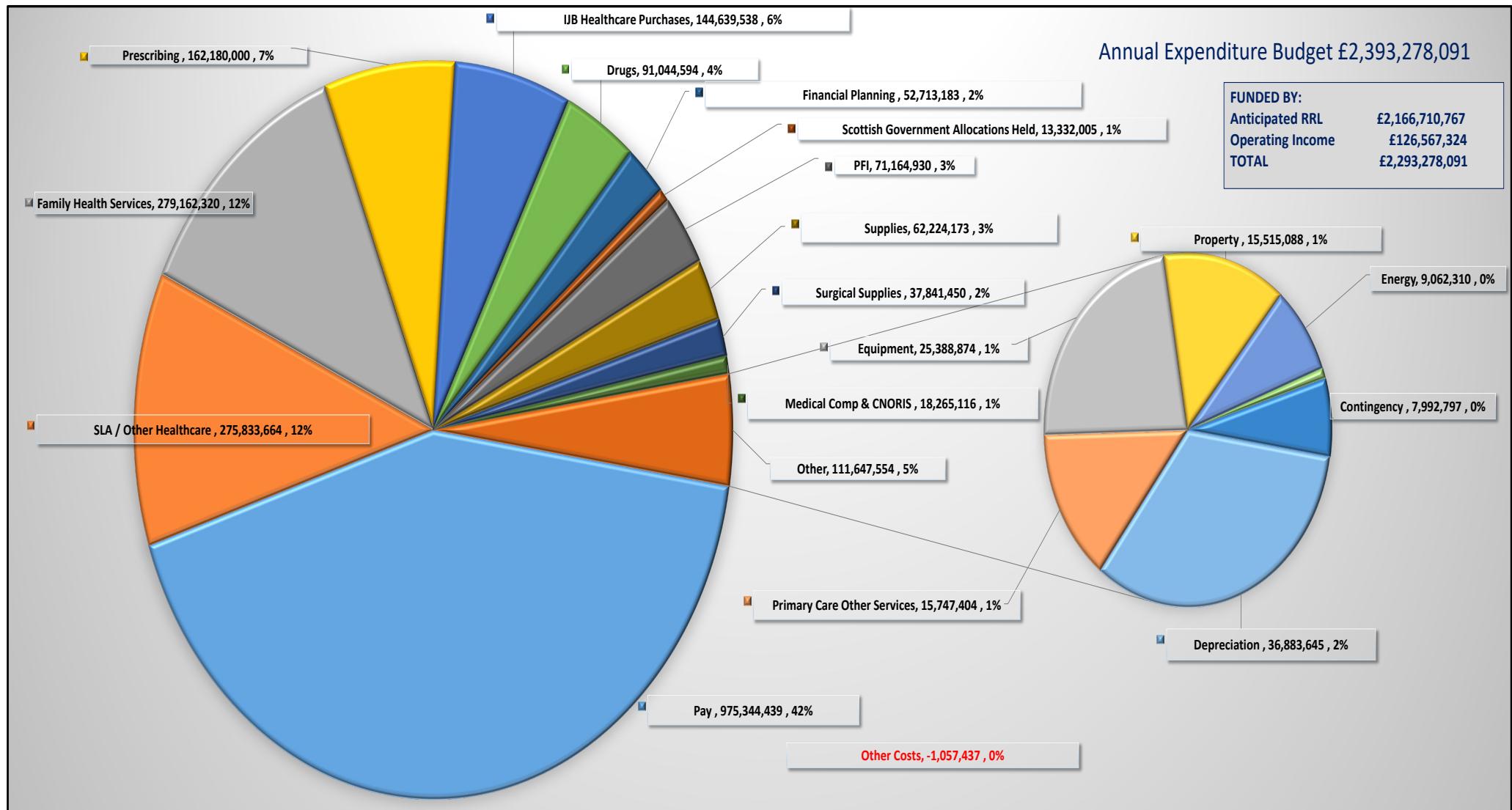
SECTION 10: RECOMMENDATION

Asked to note:

- NHS Lanarkshire net revenue underspend of £6.0m as at 31 December 2025
- NHS Lanarkshire Board net revenue underspend of £3.9m as at 31 December 2025
- North IJB and South IJB delegated Health budgets have a combined underspend of £2.1m as at 31 December 2025 (being North IJB £0.7m and South IJB £1.4m)
- Identification at Month 9 of £17.6m of full year S&V schemes against the NHS Lanarkshire Board total of £27.2m. Savings totalling £17.6m have been phased into the budget to date
- Combined IJB S&V Schemes achieved to date £17.0 (North IJB £9.5m and South IJB £7.5m)
- A total Capital allocation of £144.2m is expected for this financial year. Year to date capital expenditure of £68.1m.
- Risk IP#82 NHS Lanarkshire not achieving Scottish Government's financial targets in 2025-26 has been assessed and reduced to Medium based on the current forecast with a risk score of 5 (Likelihood 1 Impact 5)

Fiona McEwan
Director of Finance
NHS Lanarkshire

Appendix 1: Detailed Expenditure Budget (Month 9)



APPENDIX 2: 2025-26 CORE REVENUE RESOURCE LIMIT

ALLOCATIONS	RECURRING	EMARKED	NON-RECURRING	TOTAL
2025-26 CORE RECURRING REVENUE RESOURCE LIMIT	1,712,999,005	0	0	1,712,999,005
ADDITIONS TO CORE RECURRING REVENUE RESOURCE LIMIT	35,335,123	0	0	35,335,123
TOTAL MAY ADJUSTMENTS	22,470,053	141,202,321	37,490,124	201,162,498
TOTAL JUNE ADJUSTMENTS	1,455,418	3,591,815	4,592,333	9,639,566
TOTAL JULY ADJUSTMENTS	18,214,967	0	-3,683,796	14,531,171

AUGUST ADJUSTMENTS TO ALLOCATIONS CONFIRMED:

Alcohol & Drug Partnerships Tranche 2	0	799,287	0	799,287
£20m tariff adjustment - national resource allocation formula for prescribing	-2,549,879	0	0	-2,549,879
Managed Service Network neurosurgery	358,000	0	0	358,000
Core Golden Jubilee activity	-3,070,000	0	0	-3,070,000
Quarter 1 vanguard endoscopy	0	0	773,000	773,000
Long COVID - Myalgic encephalomyelitis / chronic fatigue syndrome and other similar conditions - new specialist support	0	0	195,304	195,304
New Medicines Fund	0	0	31,062,924	31,062,924
TOTAL AUGUST ADJUSTMENTS	-5,261,879	799,287	32,031,228	27,568,636

SEPTEMBER ADJUSTMENTS TO ALLOCATIONS CONFIRMED:

General medical services uplift 2025-26	0	8,550,000	0	8,550,000
Reverses ref. 276 - Long COVID, Myalgic encephalomyelitis / chronic fatigue syndrome and other similar conditions	0	0	-195,304	-195,304
Long COVID, Myalgic encephalomyelitis / chronic fatigue syndrome and other similar conditions - new specialist support	0	561,378	0	561,378
NSD - Non-Recurring Risk Share Top-Slice	0	0	-9,074,545	-9,074,545
NSD - Recurring Risk Share Top-Slice - SPVU	770,158	0	0	770,158
NSD - Recurring HB Top-Slice	-309,611	0	0	-309,611
NSD - Non-Recurring HB Top-Slice	0	0	-1,142,253	-1,142,253
TOTAL SEPTEMBER ADJUSTMENTS	460,547	9,111,378	-10,412,102	-840,177

OCTOBER ADJUSTMENTS TO ALLOCATIONS CONFIRMED:

Pharmacy foundation training year remaining values	0	-612,806	0	-612,806
Mental Health pharmacy recruitment	322,134	0	0	322,134
Shingles vaccination programme	0	0	1,203,802	1,203,802
RSV vaccination programme (older adults)	0	0	59,104	59,104
RSV (Maternal)	0	0	3,497	3,497
Community glaucoma service	0	0	50,000	50,000
Targeted endoscopy	0	0	279,866	279,866
£100 million investment in planned care	0	0	2,080,236	2,080,236
Optimal cancer diagnostic pathways	0	0	272,211	272,211
TOTAL OCTOBER ADJUSTMENTS	322,134	-612,806	3,948,716	3,658,044

NOVEMBER ADJUSTMENTS TO ALLOCATIONS CONFIRMED:

NHS Research Scotland infrastructure	0	0	1,359,000	1,359,000
HNC Backfill - Q1&2 academic year 25/26	0	0	28,000	28,000
£100 million investment in planned care	0	0	956,670	956,670
£5.5 million investment in planned care	0	0	31,939	31,939
Targeted endoscopy	0	0	142,304	142,304
TOTAL NOVEMBER ADJUSTMENTS	0	0	2,517,913	2,517,913

DECEMBER ADJUSTMENTS TO ALLOCATIONS CONFIRMED:

Open University backfill - Q1&2 academic year 25/26	0	0	123,333	123,333
Centre for excellence for children's care and protection - NSS	14,283	0	0	14,283
Resident Doctors 25-26 Pay Award - Tranche 2	855,933	0	0	855,933
Systemic anti-cancer therapy and acute oncology services	160,379	0	0	160,379
Improving flow - NHS renewal	0	0	488,132	488,132
TOTAL DECEMBER ADJUSTMENTS	1,030,595	0	611,465	1,642,060

CORE REVENUE RESOURCE LIMIT AS AT 31 DECEMBER 2025	1,787,025,963	154,091,995	67,095,881	2,008,213,839
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APPENDIX 3: FORECAST OUTTURN

SECTION	MONTH	TYPE	NHS LANARKSHIRE
1.OPENING DEFICIT AT 1 APRIL 2025	N/A	Recurring	-82,427,362

2.GAINS / LOSSES (PRE 31 MARCH 2025)

Sustainability Funding £250m	Pre 31 March 2025	Non-Recurring	31,200,000
Additional New Medicines Fund	Pre 31 March 2025	Non-Recurring	25,736,675
Banked Infrastructure Funding with SG	Pre 31 March 2025	Non-Recurring	3,069,806
Updates to Planning Estimates	Pre 31 March 2025	Recurring	4,729,556
TOTAL GAINS / LOSSES (PRE 31 MARCH 2025)			55,276,925

3. FINANCIAL PLAN POSITION

-27,150,437

4.GAINS / LOSSES (POST 1 APRIL 2025)

Carry Forward Surplus (2024/25)	Post 31 March 2025	Non-Recurring	3,333,000
TOTAL GAINS / LOSSES (POST 1 APRIL 2025)			3,333,000

5. POSITION PRIOR TO S&V PROGRAMME

-23,817,437

6. S&V PROGRAMME ACHIEVED TO DATE

Financial Management-HUB Dividend	May & Nov 2025	Non-Recurring	139,885
Financial Management-release of accruals & GRNI	May 2025	Non-Recurring	2,282,515
Energy	May 2025	Recurring	1,909,004
Medicines	June 2025	Recurring	2,300,000
Financial Management-Non Pay (Acute Division)	July 2025	Non-Recurring	1,000,000
Financial Management-Non Pay (Corporate Division)	July 2025	Non-Recurring	142,384
Budget Management-Pay (Corporate Depts)	August 2025	Non-Recurring	1,227,887
Budget Management-Pay (Digital Dept)	August 2025	Non-Recurring	638,965
Budget Management-Pay (Estates Dept)	August 2025	Non-Recurring	1,879,660
Supplementary Staff Reduction	September 2025	Recurring	2,500,000
Budget Management-Pay (Acute)	Apr-Dec 2025	Non-Recurring	1,125,000
Budget Management-Pay (NHS Wide)	October 2025	Non-Recurring	913,568
Financial Management-National Drugs Rebate	December 2025	Non-Recurring	1,500,000
			0
			0
TOTAL S&V PROGRAMME ACHIEVED TO DATE			17,558,868

7. FURTHER S&V PROGRAMME EXPECTED

Financial Management-HUB Dividend	November 2025	Non-Recurring	10,115
Financial Management-release of GRNI (2022-23)	Nov-Mar 26	Non-Recurring	1,732,624
Financial Management-release of GRNI (2023-24)	Nov-Mar 26	Non-Recurring	0
Budget Management-Pay (Acute)	Jan-Mar 2026	Non-Recurring	375,000
			0
			0
TOTAL FURTHER S&V PROGRAMME PLANNED			2,117,739

8. REVIEW OF FINANCIAL PLANNING ESTIMATES

Financial Management-Pay Reserve	Nov-Mar 26	Non-Recurring	75,053
Financial Management-Release of Allocations not required	Nov-Mar 26	Non-Recurring	164,284
			0
			0
TOTAL REVIEW OF FINANCIAL PLANNING ESTIMATES			239,337

9. FORECAST SURPLUS DEFICIT AT MARCH 2026

-3,901,493

APPENDIX 4: CAPITAL POSITION AT MONTH 9

Category	Capital Plan £	YTD Actual £	Variance to Current Plan
Total Estates	£14,414,371	£2,995,121	£11,419,250
Medical Equipment	£3,783,667	£769,594	£3,014,073
Digital	£2,244,000	£424,563	£1,819,437
Total Core Capital (including BCP / NIB)	£20,442,038	£4,189,278	£16,252,760
Monklands Replacement Project (Budget is ring-fenced and not time bound)	£120,000,000	£63,550,262	£56,449,738
GP Sustainability Loan Scheme - Anticipated	£195,613	£195,613	£0
Leases (IFRS16)	£2,417,000	£186,778	£2,230,222
Green Public Sector Estate Decarbonisation Scheme (GPSEDS)	£1,121,000	£0	£1,121,000
Total Non-Core Capital	£123,733,613	£63,932,653	£59,800,960
Total Capital	£144,175,651	£68,121,931	£76,053,720