Agenda Item	**8**
Report No	**HCW/18/26**

The Highland Council

Committee: **Health Social Care & Wellbeing Committee**

Date: **19 August 2026**

Report Title: **Revenue Budget Monitoring Report - Q1 2026-2027 Monitoring and 2025-2026 Final Out-turn**

Report By: **Assistant Chief Executive - People**

1. Purpose/Executive Summary

1.1 This report sets out the revenue budget monitoring forecast for the Health and Social Care Service for the final outturn of the previous financial year – 2025/2026 and the first quarter of 2026/2027. Details are provided in **Appendix 1a** and **1b** (2025/2026 final outturn) and **Appendix 2a and 2b** to this report (2026/2027 Quarter 1).

The Service is reporting an overspend of £3.162m in terms of the final outturn position for 2025/2026. The overspend relates to the delivery of Children's Services. The pressures are a combination of historic savings targets that had not been delivered and cost pressures relating to service delivery, particularly in relation to Looked After Children. The Committee will recall that the Service has developed a three-year plan to address the wider financial challenges. There is confidence that this plan will lead to an improved financial position. Further details are provided later in this report and have been part of a rapid review exercise carried out which has included realignment of budget lines to better reflect spend.

The report also sets out the position in relation to adult services. The monitoring statement presents the quantum provided to NHS Highland for the delivery of adult social care services under the lead agency model and shows no material variance against the Council's budget for the delivery of these services. This is the standard reporting and does not reflect the potential of an in year overspend. Members will recall in terms of the budget papers presented to the Council that the end of year position is such that the overspend was £21.84m taking into account the payment of £5m made by the Council to support that. **Appendix 3** ought to be considered in that regard which does anticipate an end of year overspend in the region of £27.1m against the NHSH ASC budget based on the current level of spend. The transformation agenda and a further associated Earmarked Reserve is intended to support the ongoing work in terms of pressures mitigation and savings delivery. Members will also be aware that there is work underway to review the current model of integration and that too is expected to have a positive impact on the budget challenge.

1.2 The purpose of this report is to support the Council's overall financial management and budgetary control arrangements. This report also supports the Committee and its Members in fulfilling the Scheme of Delegation in relation to financial management and remit of Strategic Committees which includes: *"to scrutinise the management of the Revenue and Capital Budgets for the Services included in the Committee's remit and monitor and control these budgets, including dealing with over- expenditure."*

1.3 This report provides Members with commentary on any material variances within the forecast, and actions taken or proposed in relation to those variances.

1.4 The report also provides a forecast position regarding all budget savings within the remit of the Service.

1.5 The position in terms of Quarter 1 seeks to show a balanced forecast position following the investment of £3.5m for Shifting the Balance of Care. That investment is one off and has been made on the basis that the Children's Services recovery plan recognises that service re balancing will take some time. The investment this year is to support work across that period. That position is shown in the monitoring statements at **Appendix 2a and 2b** and is further considered in section 6 and 7 of this report.

2. Recommendations

2.1 Members are asked to:

i. **note** the 2025/2026 final end of year out-turn **(Appendix 1a and 1b);**
ii. **scrutinise** and **agree** the forecast financial position for 2026/2027 as set out in this report and appendices **(Appendix 2a, 2b & 3)**;
iii. **note** the explanations provided for material variances and actions taken and proposed; and
iv. **note** the update provided regarding savings delivery **(Appendix 4).**
v. **note** the numbers of children accommodated by the Council and the nature of those placements in terms of the delivery of the recovery plan. **(Appendix 5)**

3. Implications

3.1 **Resource** – This report provides key financial information regarding the Service budget and forecast financial performance against that budget, including progress with Service delivery. As noted below in the risk section and in terms of the figures reported, there remains ongoing uncertainty and challenge in terms of the delivery of care at a time where there are significant financial and workforce challenges. This is the case in terms of both children's and adult social care services. Both require to be carefully monitored.

3.2 **Legal** – The Committee will be aware that the model of integration in Highland is currently being considered by the Partnership. At present the "lead agency" model is in place which has an impact on how both children's and adult care services are delivered. In the event that there is a change to what would be a body corporate model there would be legal implications in terms of management of resources.

3.4 **Risk** - There is a risk in terms of the delivery of children's services with regard to the overspend position which requires to be mitigated and is being addressed by the recovery plan. The risk in relation to the adult care service delivered by NHS Highland is also ongoing and is likely to result in a projected significant overspend against NHSH's budget, the terms of which are regularly discussed at the Joint Monitoring Committee and at Chief Executive level. The Committee will be aware too that a savings target was set against in 2025/2026 the delivery of Adult Social Care which has been implemented through the reduction of the quantum to NHS Highland. There is a risk that NHS Highland cannot reduce their costs to satisfy the funding reduction which together with additional pressures culminates in the reported forecast overspend which provides a significant risk to the Partnership financial position. NHS Highland reported an overspend of £26m in 2025/2026 and the risk of that overspend continuing is reflected in the current stated position.

There remains a risk in relation to certain elements of care delivery as referenced within the Council's Corporate Risk Register and this remains relevant. The Partnership has also developed its own risk register which has been shared at this Committee and is available online as part of the papers to the JMC. This Committee is also sighted on the risk in relation to recruitment challenges which creates a risk in terms of service delivery and is also reflected in the Council's Corporate Risk Register.

3.5 **Health and Safety** (risks arising from changes to plant, equipment, process, or people) - There are no immediate health and safety implications arising from this report.

3.6 **Gaelic** - There are no Gaelic implications arising from this report.

4. Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is a monitoring and update report and therefore an impact assessment is not required.

5. Outturn 2025/2026

5.1 The Service is reporting an overspend of £3.162m which is an improvement from the previous year when the final outturn amounted to £4.012m albeit it is accepted that investment has been provided in that time. Targeted action in terms of the Children's Recovery Plan remains essential. Members will recall from previous reports that the number of children in out of authority residential provision had been consistently at the lowest level it had been at for some years. Whilst that is no longer the case the overall trend remains downward which is to be welcomed. The delivery plan now reflects the need to deliver in terms of that recovery plan and is referred to as

"Improving Children's Care & Support" and has shown some savings in terms of the 'Looked After Children' elements of the budget which require to continue. Historically the service has shown significant overspends against these budget lines and it is those lines which have been targeted by the Children's Recovery Plan and the associated investment.

Overall, the position in relation to Looked After Children is challenging and contributes to the overspend in terms of the following areas in particular: -

- Independent and 3rd Sector placements - £4.256m over
- Home in Highland (education provision) - £0.541m over

Unallocated savings from previous years have now been allocated against relevant cost centres. Underspends – principally in terms of vacancies shown in the Family Teams – offset some of these pressures resulting in a net out turn position of £3.162m overspent.

There are no areas to highlight relating to other service areas reflected in the attached monitoring statements. Spend in terms of Justice is ringfenced and hence balanced and other areas of the service showing underspends are generally as a result of vacancy levels – youth action for example. The Mental Health Officer service is currently operating and delivering service within budget.

5.2 In terms of delivery of adult care services Members will be aware of the significant challenges which exist in terms of the cost of delivery of those services by NHS Highland. At the present time delayed hospital discharges and the availability of care continue to be a significant focus for the Scottish Government. The Committee will be aware that the delivery of adult social care and the associated funding is discussed at the Joint Monitoring Committee, and that there remain regular and ongoing discussions on financial matters between Senior Officials within both organisations. Due to current significant pressures within adult social care, close partnership working is necessary to seek to deliver financial sustainability. A carried forward savings target of £2.6m for 2025/2026 had been set by the Council and delivered through a reduction in the quantum and then this has been balanced by the availability of a reserve which will be allocated to seek to deliver change in terms of the model of future service delivery set out in the Strategic Plan. As a result of those challenges Members will recall that in March 2026 the Council agreed a draw down of £5m from that reserve. That further draw down of £5m was agreed in terms of managing the outturn for 2025/2026 on the basis of an overspend position of £26m

6. Commentary on Variances

6.1 In terms of the variances shown in **Appendix 1a and 1b** for 2025/2026 relating to the delivery of children's services, Members are asked to note the following in terms of those 2 particular areas identified in paragraph 5.1 as contributing to the final outturn which relate to the looked after children lines: -

Independent and 3rd sector placements – This budget has been historically overspent and that overspend continues. That overspend arises as a result of the cost of beds which has increased over time (beyond inflation) and has been generally offset by underspends elsewhere in the service. Seeking to address that overspend is a key part of the children's recovery plan referenced by the Delivery Plan. That element of the work is reflected in terms of seeking to deal with the need for residential service provision in terms of an in-house service. Whilst the overspend is not the desired financial position, it reflects the service's requirement to respond to growing levels of demand and ensure that Children with assessed needs continue to receive appropriate support. Demand for placements has increased over the last year, with the number of beds purchased rising by three compared with the previous year. This upward trend in service demand demonstrates both the continued need for Children's House provision and the importance of ongoing service development and capacity planning to meet future demand effectively.

The *number* of beds being purchased by the service is generally reducing – from 30 in 2019/2020 to 28 currently (which is a rise of 11 from last year). Notwithstanding work being undertaken, demand for residential placements is not decreasing and as such the service have agreed in principle to both the purchase and renovation of 5 properties in terms of supporting such a need internally. The demand is also impacted by continuing care requests as well as over 18s who although meeting criteria for input from adult social care has taken some time for NHSH to source appropriate packages. Placements made by the Children's Hearing System are also factors which contribute to increased demand for residential/secure high-cost provision. This is an area which forms a key element of the Children's Recovery plan and will deliver change as well as having a positive financial impact.

Home in Highland Provision (now referred to as Improving Children's Care and Support) – This budget supports the educational provision of those young people who are not educated within mainstream education – many of whom have returned from out of area placements. As Members will be aware the intention is to expand the Person-Centred Portfolio to include the Learning Without Boundaries workstream which will involve the appointment of a Virtual Headteacher which is expected to have a positive impact on (learning) outcomes and the associated costs.

A further significant impact to the net position arises as a result of unallocated savings from previous years. Those savings have however now been allocated across the relevant budget streams in terms of the following paragraph.

6.2 The budget lines in **Appendices 1 & 2** in terms of adult social care show a nil variance because they simply reflect the budget that is passed across to NHS Highland for the delivery of delegated services under the lead agency model; they do not reflect NHS Highland spend. This is shown in figures provided by NHS Highland which are attached at **Appendix 3**. In terms of the ongoing financial position going into 2026/2027 the figures presented are for Month 2 and these refer to an anticipated variance of £27.108m. It ought be noted that in terms of the delivery plan savings are anticipated in the sum of £8.993m which represents £9m as anticipated less those recurrent savings delivered last year. Positive discussions in relation to the need for a cost containment plan are underway at Chief Executive and senior officer level.

7. Quarter 1 and Actions Taken or Proposed in terms of 2026/2027

7.1 In terms of the Quarter 1 position shown for the current financial year at **Appendix 2**, Members will note that notwithstanding the fact that a balanced position is presented as a result of the one off investment this year that there are likely to be future pressures in terms of looked after children which the service will seek to manage in terms of the recovery plan. The balanced forecast position takes into account the investment of £3.5m. This requires to be taken into account going forward particularly given that in terms of the recovery plan achieving balance is anticipated over 3 years such that by year end progress requires to be shown. The investment this year will require to support such progress beyond this financial year.

Accordingly, mitigating actions are required by the service to address the overspends in children's services identified in section 6 above and these are set out in a focussed action and recovery plan. That plan addresses the financial challenge and the investment provided by the Council in the budget looks to support that. The key elements include:-

- Respite provision and associated SDS delivery.
- Out of area costs and associated costs returning children to Highland.
- Expansion of Fostering and Kinship options.
- Educational provision for children and young people returning to Highland and those unable to access mainstream provision.

7.2 The variations listed above at section 6 have required significant actions by senior management in terms of that recovery plan. In line with the Annual Accounts Outturns reported to Council on 25 June, these actions have included:-

1. A Rapid Review through the Officer Budget Review Group during June 2026;
2. Chief Officer implementation of actions as a matter of urgency and priority in June and July 2026.

In terms of Children's Services actions have already been developed to support those key areas of work. These actions are supported by:-

- Budget Investment of £3.5m this year to support transformational change in Shifting the Balance of care
- Capital investment of £1.8m to redevelop 3 properties and purchase 2 new properties as Children's Houses across Highland. These 5 Projects are currently being prioritised to increase Children's Houses capacity from 28 to 44.
- Continuing to Work with NHS Highland to move eligible over-18s from children's units. This work has reduced the number of young adults awaiting NHS Highland care provision from 5 to 2 since 2025.
- Review all young people in Highland residential to fast track moves if appropriate.
- Opening of a Children's House in Thurso and the re-opening of short-break disability units in Inverness and Caithness with increased day support in Skye.
- Support Social Work and Residential staff to manage risk and retain children at home when safe to do so.
- Development of Virtual Headteacher role to address educational spend.
- Formation of a Kinship Team with increased family finding remit.
- Additional support staff to Kinship and foster carers to enhance retention and recruitment across Highland.

7.3 On a more long-term basis it is recognised that the financial challenge is unlikely to be dealt with within this financial year and the recovery plan and the associated investment seeks to address that and will be reported on at Quarter 2 where the emerging picture will inform the pace of the anticipated recovery.

7.4 Mitigating actions are also required in terms of the delivery of adult social care and that of course requires close partnership working with NHS Highland. This is ongoing and is reported to both the Joint Monitoring Committee and is also a key part of the Council's Delivery Plan in terms of the programme of work associated with the Person-Centred Solutions Portfolio. This is reported upon as part of a separate report to this Committee. Members should be aware as already noted in this report that the financial position is challenging. NHS Highland are currently forecasting an overspend of £27.108 means that the financial challenge is greater and mitigating actions and associated cost containment plans are urgently required to address this.

It should also be noted that going forward the work to consider the lead agency model in place is likely to be critical in terms of increased control in relation to the financial position for all services included under the integration scheme.

8. Savings Delivery

8.1 Details in relation to required savings are set out in **Appendix 4** to this report. Members will note that the position is challenging and the work being carried out by Children's Services to address that is set out in the preceding paragraphs. Work will also be required to realign the budgets for the Family Teams to take account of the savings being carried forward. In terms of the required savings there are 2 "ragged" as green and 2 currently "ragged" as red.

There is a risk in relation to delivering the required saving in terms of the work anticipated by both the delivery plan and the associated recovery plan. Although there is confidence that the mitigation work referred to in preceding paragraphs will have a positive impact in year, that must also be considered in the light of a challenging position given the overspend from previous years which will require to be managed in terms of realignment of budgets and the Action Plan referenced above. This will be kept under close scrutiny in HSW management team meetings and reported regularly to the Budget Review Group, chaired by the Chief Executive. Members will be aware that a key part of that plan is the shift from expensive placements (independent residential care) to such care in house and then into fostering and ultimately kinship placements where at all possible. Numbers of children and young people who are accommodated are set out in **Appendix 5.**

The targets showing red are significant and relate to Adult Social Care. They amount to £8.993m in terms of the savings required of NHS Highland in terms of the reduced quantum and associated EMR investment. There are ongoing conversations with NHS Highland in terms of their cost containment plans and those are being pursued at high level and involve the respective Chief Executives and Chief Financial Officers of both agencies.

Designation: Assistant Chief Executive - People

Date: 21 July 2026

Author: Fiona Malcolm – Chief Officer Integrated People Services

Background Papers: N/A

Appendices: Appendix 1a & 1b - Final Out-turn statements 2025/26
Appendix 2a & 2b – Quarter 1 Budget Monitoring 2026/27
Appendix 3 – NHS Adult Social Care Month 2 Statement
Appendix 4 – Savings Q1
Appendix 5 – Shifting Balance of Care Progress

HEALTH, WELLBEING AND SOCIAL CARE MONITORING STATEMENT 2025-26 APPENDIX 1a

31/03/26	£'000 Actual YTD	£'000 Annual Budget	£'000 Year End Estimate	£'000 Year End Variance
BY ACTIVITY				
Service Management and Support				
Management Team	2,716	2,625	2,716	91
Business Support	1,439	1,689	1,439	(250)
Adult Services				
Delegated Adult Social Care	154,245	154,245	154,245	0
Mental Health Teams	1,806	1,893	1,806	(88)
Criminal Justice Service	63	62	63	0
Other Services for Vulnerable Adults	1,884	2,159	1,884	(275)
Children's Services				
Looked After Children	30,839	25,922	30,839	4,917
Family Teams	21,740	21,740	21,740	(0)
Other Services for Children	13,494	14,568	13,494	(1,074)
Delegated Child Health	(11,696)	(11,536)	(11,696)	(160)
Grand Total Health, Wellbeing and Social Care	**216,529**	**213,368**	**216,529**	**3,162**

BY SUBJECTIVE	£'000 Actual YTD	£'000 Annual Budget	£'000 Year End Estimate	£'000 Year End Variance
Staff Costs	48,520	51,160	48,520	(2,640)
Other Expenditure	192,107	182,433	192,107	9,675
Gross Expenditure	**240,628**	**233,593**	**240,628**	**7,035**
Grant Income	(23,524)	(20,195)	(23,524)	(3,329)
Other Income	(574)	(30)	(574)	(544)
Total Income	**(24,098)**	**(20,225)**	**(24,098)**	**(3,873)**
NET TOTAL	**216,529**	**213,368**	**216,529**	**3,162**

HEALTH, WELLBEING AND SOCIAL CARE MONITORING STATEMENT 2025-26 **Appendix 1b**

31/03/26	STAFF COSTS				OTHER COSTS				GRANT INCOME				OTHER INCOME				NET TOTAL			
BY ACTIVITY	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance
Service Management and Support																				
Management Team	1,354	1,310	1,310	(44)	1,271	1,406	1,406	135	0	0	0	0	0	0	0	0	2,625	2,716	2,716	91
Business Support	1,605	1,432	1,432	(173)	84	8	8	(77)	0	0	0	0	0	0	0	0	1,689	1,439	1,439	(250)
Adult Services																				
Delegated Adult Social Care	0	0	0	0	154,245	154,245	154,245	0	0	0	0	0	0	0	0	0	154,245	154,245	154,245	0
Mental Health Teams	1,916	1,747	1,747	(169)	(23)	71	71	94	0	(13)	(13)	(13)	0	0	0	0	1,893	1,806	1,806	(88)
Criminal Justice Service	4,631	4,292	4,292	(339)	1,162	1,619	1,619	457	(5,728)	(5,843)	(5,843)	(115)	(2)	(6)	(6)	(3)	62	63	63	0
Other Services for Vulnerable Adults	614	634	634	20	1,555	1,585	1,585	29	(11)	(11)	(11)	0	0	(325)	(325)	(325)	2,159	1,884	1,884	(275)
Looked After Children																				
Family Based Care	956	1,347	1,347	391	5,091	6,852	6,852	1,762	0	0	0	0	(9)	0	0	9	6,037	8,199	8,199	2,162
Residential (In house)	5,754	5,198	5,198	(556)	1,607	2,159	2,159	553	(1,638)	(3,957)	(3,957)	(2,319)	0	(2)	(2)	(2)	5,724	3,399	3,399	(2,325)
Respite, In house	2,500	3,063	3,063	563	239	323	323	84	0	0	0	0	0	(2)	(2)	(2)	2,739	3,384	3,384	645
Independent and 3rd Sector placements	0	0	0	0	8,607	12,863	12,863	4,256	0	(360)	(360)	(360)	0	0	0	0	8,607	12,504	12,504	3,896
Through care & aftercare	72	43	43	(29)	1,229	1,128	1,128	(102)	0	0	0	0	0	0	0	0	1,301	1,170	1,170	(131)
Home in Highland	1,097	1,638	1,638	541	388	630	630	242	(327)	(320)	(320)	8	0	(119)	(119)	(119)	1,158	1,829	1,829	671
LAC Management and Support	349	336	336	(13)	7	18	18	11	0	0	0	0	0	0	0	0	355	354	354	(2)
Family Teams																				
Family Teams - North	3,253	3,396	3,396	142	309	582	582	273	0	(1)	(1)	(1)	(1)	(2)	(2)	(1)	3,561	3,975	3,975	414
Family Teams - Mid	3,635	2,814	2,814	(821)	577	661	661	84	0	0	0	0	0	0	0	0	4,212	3,475	3,475	(737)
Family Teams - West	2,966	2,674	2,674	(293)	461	529	529	68	0	(2)	(2)	(2)	(2)	(6)	(6)	(5)	3,426	3,195	3,195	(231)
Family Teams - South	8,070	7,107	7,107	(962)	1,303	1,768	1,768	465	(15)	(2)	(2)	13	0	(33)	(33)	(33)	9,358	8,840	8,840	(518)
Self Directed Support	83	85	85	2	1,101	2,170	2,170	1,069	0	0	0	0	0	0	0	0	1,184	2,255	2,255	1,071
Other Services for Children																				
Child Protection	1,073	1,070	1,070	(3)	56	207	207	152	(227)	(443)	(443)	(216)	0	0	0	0	902	835	835	(67)
Health and Health Improvement	1,438	1,263	1,263	(175)	90	113	113	22	(713)	(731)	(731)	(18)	0	0	0	0	816	645	645	(171)
Allied Health Professionals	4,218	4,111	4,111	(107)	223	322	322	99	0	(86)	(86)	(86)	(15)	(15)	(15)	(1)	4,426	4,332	4,332	(94)
Primary Mental Health Workers	771	750	750	(21)	10	9	9	(1)	0	0	0	0	0	0	0	0	781	759	759	(21)
Specialist Services	146	145	145	(1)	171	176	176	5	0	0	0	0	0	0	0	0	316	321	321	5
Youth Action Services	1,356	1,182	1,182	(174)	412	419	419	7	0	(8)	(8)	(8)	0	(42)	(42)	(42)	1,769	1,551	1,551	(218)
Other Services for Children	2,518	2,177	2,177	(341)	2,256	2,221	2,221	(35)	0	(52)	(52)	(52)	(1)	(2)	(2)	(1)	4,773	4,344	4,344	(429)
Staff Training	785	707	707	(79)	(0)	17	17	17	0	0	0	0	0	(16)	(16)	(16)	785	707	707	(78)
Independent Funds	0	0	0	0	0	4	4	4	0	0	0	0	0	(4)	(4)	(4)	0	0	0	0
Delegated Child Health	0	0	0	0	0	(0)	(0)	(0)	(11,536)	(11,696)	(11,696)	(160)	0	0	0	0	(11,536)	(11,696)	(11,696)	(160)
Grand Total Health, Wellbeing and Social Care	**51,160**	**48,520**	**48,520**	**(2,640)**	**182,433**	**192,107**	**192,107**	**9,675**	**(20,195)**	**(23,524)**	**(23,524)**	**(3,329)**	**(30)**	**(574)**	**(574)**	**(544)**	**213,368**	**216,529**	**216,529**	**3,162**
Reconciled to Appendix 1	**0**	**0**	**0**	**(0)**	**0**	**0**	**0**	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**	**(0)**	**(0)**	**0**	**0**	**0**	**(0)**

HEALTH, WELLBEING AND SOCIAL CARE MONITORING STATEMENT 2026-27 APPENDIX 2a

30/06/2026	£'000 Actual YTD	£'000 Annual Budget	£'000 Year End Estimate	£'000 Year End Variance
BY ACTIVITY				
Service Management and Support				
Management Team	133	429	399	(30)
Business Support	416	1,661	1,598	(62)
Adult Services				
Delegated Adult Social Care	24,442	156,285	156,285	0
Mental Health Teams	420	1,921	1,921	0
Criminal Justice Service	(56)	62	62	(0)
Other Services for Vulnerable Adults	621	1,317	1,330	13
Children's Services				
Looked After Children	7,082	27,491	31,634	4,143
Family Teams	5,564	21,690	21,500	(191)
Other Services for Children	2,883	14,915	14,540	(375)
Recovery Plan Investment	0	3,500	0	(3,500)
Delegated Child Health	(52)	(11,696)	(11,696)	0
Grand Total Health, Wellbeing and Social Care	**41,452**	**217,574**	**217,573**	**(1)**

BY SUBJECTIVE				
Staff Costs	12,326	50,863	49,676	(1,188)
Other Expenditure	32,317	187,868	189,831	1,963
Gross Expenditure	**44,642**	**238,731**	**239,507**	**776**
Grant Income	(3,187)	(21,153)	(21,931)	(777)
Other Income	(4)	(3)	(3)	0
Total Income	**(3,191)**	**(21,157)**	**(21,934)**	**(777)**
NET TOTAL	**41,452**	**217,574**	**217,573**	**(1)**
Reconciled	-	-	-	- 0.00

HEALTH, WELLBEING AND SOCIAL CARE MONITORING STATEMENT 2026-27 **Appendix 2b**

	STAFF COSTS				OTHER COSTS				GRANT INCOME				OTHER INCOME				NET TOTAL			
30/06/2026	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance
BY ACTIVITY																				
Service Management and Support																				
Management Team	1,063	323	1,040	(23)	(634)	(191)	(641)	(6)	0	0	0	0	0	0	0	0	429	133	399	(30)
Business Support	1,657	408	1,595	(62)	3	8	3	0	0	0	0	0	0	0	0	0	1,661	416	1,598	(62)
Adult Services																				
Delegated Adult Social Care	0	0	0	0	156,285	24,776	156,285	0	0	0	0	0	0	(429)	0	0	156,285	24,347	156,285	0
Mental Health Teams	1,839	460	1,861	22	82	20	60	(22)	0	(60)	0	0	0	0	0	0	1,921	420	1,921	0
Criminal Justice Service	4,831	1,102	4,400	(431)	1,653	149	2,084	431	(6,419)	(1,307)	(6,419)	0	(2)	(1)	(2)	0	62	(56)	62	0
Other Services for Vulnerable Adults	600	147	583	(17)	728	571	758	30	(11)	(432)	(11)	0	0	429	0	0	1,317	715	1,330	13
Looked After Children																				
Family Based Care	1,250	346	1,424	175	6,003	1,704	6,710	707	0	0	0	0	0	0	0	0	7,253	2,050	8,134	882
Children's Houses	8,187	1,901	8,626	439	767	119	767	0	(300)	(81)	(700)	(400)	0	0	0	0	8,655	1,938	8,694	39
Independent and 3rd Sector placements	0	0	0	0	8,775	2,128	12,286	3,511	0	0	0	0	0	0	0	0	8,775	2,128	12,286	3,511
Through care & aftercare	318	87	323	6	2,639	589	2,639	0	(1,448)	(395)	(1,798)	(350)	0	0	0	0	1,509	281	1,164	(344)
LAC Management and Support	516	318	520	4	18	9	14	(4)	(315)	0	(315)	0	0	(2)	0	0	219	324	219	0
Family Teams																				
Family Teams - North	4,491	1,048	4,426	(65)	662	247	662	0	0	0	0	0	(1)	(0)	(1)	0	5,152	1,295	5,087	(65)
Family Teams - West	4,546	979	4,087	(459)	498	163	498	0	0	0	0	0	0	(1)	0	0	5,044	1,141	4,585	(459)
Family Teams - South	6,918	1,550	6,565	(353)	1,003	406	1,003	0	0	(1)	0	0	0	0	0	0	7,921	1,955	7,568	(353)
Highland Outreach	1,001	264	1,058	56	80	96	80	0	0	0	0	0	0	0	0	0	1,081	361	1,137	56
Disability Teams (incl SDS)	2,130	517	2,067	(63)	1,443	656	2,193	750	0	0	0	0	0	0	0	0	3,573	1,174	4,260	687
Other Services for Children																				
Child Protection	1,164	298	1,191	27	38	44	138	100	(306)	(258)	(333)	(27)	0	(0)	0	0	896	84	996	100
Health and Health Improvement	1,438	338	1,297	(141)	58	10	19	(40)	(658)	(600)	(658)	0	0	0	0	0	839	(252)	658	(180)
Allied Health Professionals	4,098	989	4,006	(92)	270	69	270	0	0	0	0	0	0	0	0	0	4,368	1,057	4,276	(92)
Primary Mental Health Workers	805	197	781	(25)	13	2	13	0	0	0	0	0	0	0	0	0	818	199	794	(25)
Specialist Services	196	61	239	42	71	99	71	0	0	0	0	0	0	0	0	0	267	161	310	42
Youth Action Services	1,330	296	1,159	(171)	424	110	424	0	0	0	0	0	0	0	0	0	1,754	406	1,583	(171)
Other Services for Children	1,586	511	1,559	(27)	3,457	526	3,464	7	0	0	0	0	0	0	0	0	5,043	1,037	5,023	(20)
Staff Training	898	186	868	(30)	33	5	33	0	0	0	0	0	0	0	0	0	930	191	900	(30)
Recovery Plan Investment	0	0	0	0	3,500	0	0	(3,500)	0	0	0	0	0	0	0	0	3,500	0	0	(3,500)
Delegated Child Health	0	0	0	0	0	(0)	0	0	(11,696)	(52)	(11,696)	0	0	0	0	0	(11,696)	(52)	(11,696)	0
Grand Total Health, Wellbeing and Social Care	**50,863**	**12,326**	**49,676**	**(1,188)**	**187,868**	**32,317**	**189,831**	**1,963**	**(21,153)**	**(3,187)**	**(21,931)**	**(777)**	**(3)**	**(4)**	**(3)**	**0**	**217,574**	**41,452**	**217,573**	**(1)**
Reconciled to Appendix 1	**0**	**0**	**0**	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(0)**	**(0)**	**0**	**0**	**0**	**(0)**

APPENDIX 3

MONTH 2 2026/2027 – ADULT SOCIAL CARE

Services Category	Annual Budget £000's	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Outturn £000's	YE Variance £000's
Total Older People - Residential/Non Residential Care	66,465	11,060	11,902	(841)	73,295	(6,829)
Total Older People - Care at Home	40,946	6,833	7,919	(1,086)	48,173	(7,227)
Total People with a Learning Disability	53,625	8,959	9,996	(1,037)	62,484	(8,858)
Total People with a Mental Illness	11,384	1,898	1,728	170	11,114	270
Total People with a Physical Disability	10,263	1,721	1,232	489	11,779	(1,516)
Total Other Community Care	14,084	2,346	2,175	171	14,135	(51)
Total Support Services	(2,551)	(1,180)	1,165	(2,344)	147	(2,698)
Care Home Support/Sustainability Payments	-	-	109	(109)	199	(199)
Total Adult Social Care Services	194,218	31,638	36,226	(4,588)	221,326	(27,108)

ADULT SOCIAL CARE

- An overspend of £27.108m is forecast by the end of the financial year
- £0.857m of supplementary staffing costs within in-house care homes are included within the position

Health, Welbeing and Social Care - Savings Progress 2026/2027

Appendix 4

Saving / Income Generation	Latest Annual Forecast	Latest RAG	Annual Target	Forecast Under / Over Target	Comment
Children's Services: Family First Approach: Savings FY 24-28	£1,200,000	●	£1,200,000	£0	Allocated across staff budgets as "Vacancy Management" will be achieved by staff turnover and delayed recruitment
UASC Support Recharge - FY 26-29	£50,000	●	£50,000	£0	Staff budget amended, post now funded from UK Grant
Reduction in overtime and agency spend || Health, Wellbeing & Social Care	£124,141	●	£124,141	£0	Allocated across staff budgets as "Vacancy Management" will be achieved by staff turnover and delayed recruitment
Efficiency Savings: Realignment of expenditure to match grant - Justice Services - FY 25-27	£50,000	●	£50,000	£0	Achieved
Efficiencies from Social Work Procurement: Savings FY 24-27	£0	●	£100,000	-£100,000	Contract reviews on-going, unlikely to achieve saving in full in 2627

Appendix 5

Shifting the Balance of Care - Progress in 2026/27

	At Home (with SW support)	Kinship (Residency order)	Kinship	Provided Foster Carer	Purchased foster care	Children's Houses	Placements	Secure care	Total
Sep'25	109	127	99	96	53	26	34	2	546
Jan'26	103	127	99	113	48	26	41	5	562
Feb'26	94	127	102	117	47	26	41	5	559
Mar'26	90	128	100	117	48	26	42	4	555
Apr'26	89	129	102	117	47	26	38	3	551
May'26	96	127	104	117	48	26	40	0	558
Jun'26	100	129	105	115	49	27	40	0	565
Target Yr 1	109	127	101	96	53	26	35	3	550
RAG Status									

N.B. BRG Report had total of 578 which included UACS (no. 22) and Prospective Adopters (no. 6)