AUDITED ANNUAL ACCOUNTS

North Lanarkshire Integration Joint Board

For the Year Ended 31 March 2026



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Management Commentary

Role of the Integration Joint Board (IJB)

The Public Bodies (Joint Working) (Scotland) Act 2014 requires Health Boards and Local Authorities to integrate the planning and delivery of adult health and social care services. This agreement sets out how the Health Board and Local Authority work together to deliver these responsibilities through an integrated partnership.

The IJB was established as a corporate body by Scottish Government and became operational in June 2015 with integrated delivery of health and social care services commencing on 1 April 2016. It is a joint venture between NHS Lanarkshire (NHSL) and North Lanarkshire Council (NLC).

The functions delegated to the IJB, under 2014 Act, are detailed in the formal partnership agreement between the two partner organisations, NLC and NHSL referred to as the Integration Scheme.[1]

These include:

- Accident and emergency services provided in a hospital
- Inpatient services related to general, respiratory and rehabilitation medicine
- Palliative care services
- Community health services including Lanarkshire wide hosted services
- Social care services.

The IJB will be responsible for the Strategic Planning of the functions delegated to it and for ensuring the delivery of its functions through the locally agreed operational arrangements set out within the Integration Scheme. The Strategic Direction is detailed within the Strategic Commissioning Plan.[2]

The IJB comprises of eight voting members, made up of four Elected Members appointed by NLC and four Non-Executive Directors appointed by NHSL. Non-voting members include the Chief Officer, Chief Finance Officer, service professionals, third sector representatives, service users, carers, and staff representatives.

[1] NL IJB Integration Scheme 2025
[2] Strategic Commissioning Plan 2023-26

National Health & Wellbeing Outcomes

The Partnership's central purpose is to improve outcomes for people who use health and social care services, and for their carers, by focusing on delivery of the nine National Health and Wellbeing Outcomes, which are set by the Scottish Government and apply consistently across all Integration Joint Boards in Scotland.

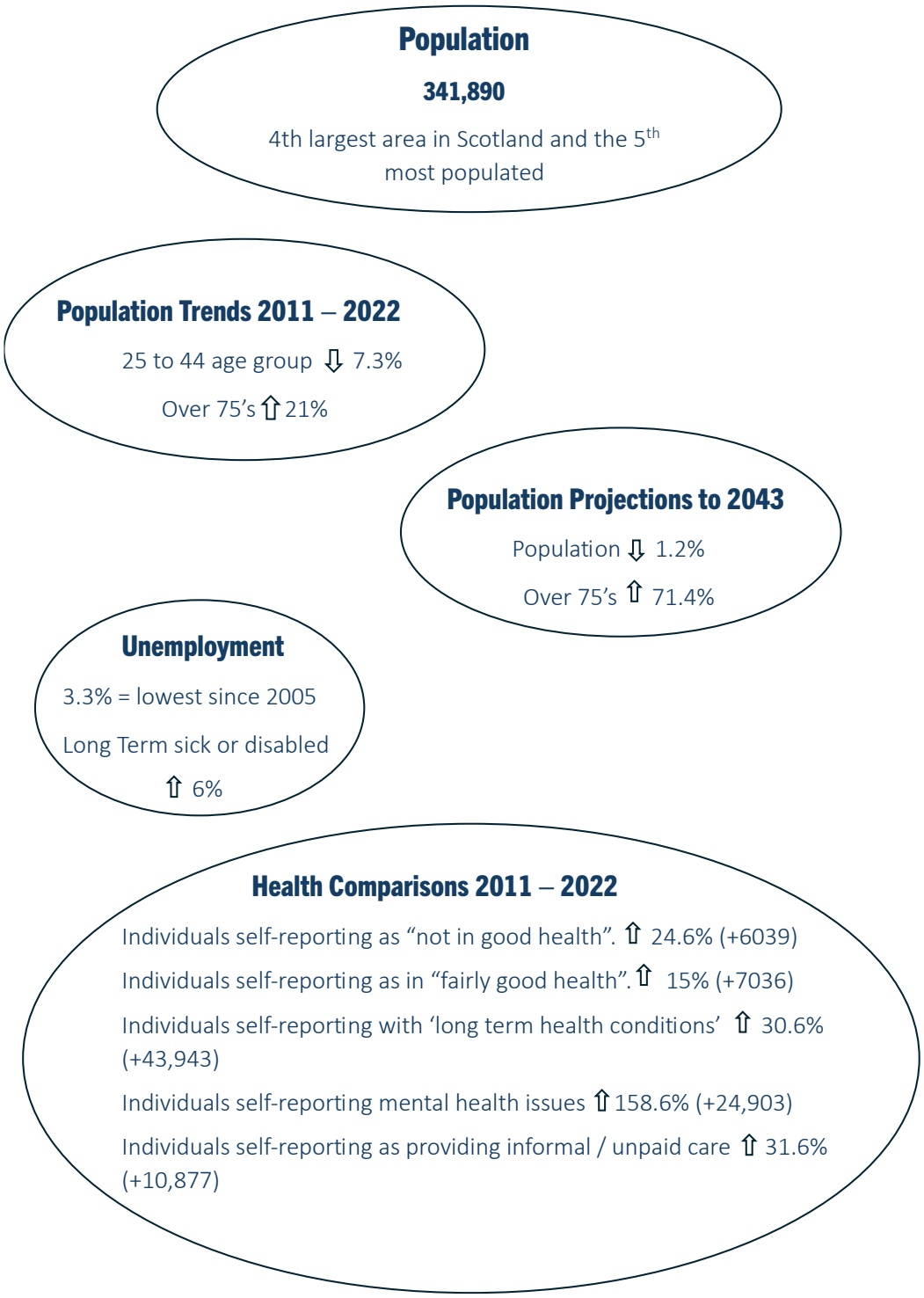
Outcome 1	People are able to look after and improve their own health and wellbeing and live in good health for longer
Outcome 2	People, including those with disabilities or long-term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community
Outcome 3	People who use health and social care services have positive experiences of those services and have their dignity respected.
Outcome 4	Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.
Outcome 5	Health and social care services contribute to reducing health inequalities.
Outcome 6	People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and wellbeing.
Outcome 7	People using health and social care services are safe from harm.
Outcome 8	People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.
Outcome 9	Resources are used effectively and efficiently in the provision of health and social care services.

Whilst many older people are expected to experience better health than previous generations at the same age, a significant proportion will continue to live with complex and multiple long-term conditions. This will contribute to a sustained increase in demand for health and social care services, including home support, care home provision, community-based healthcare, equipment and adaptations, and increased demand for GP services and prescribing.

These demographic and demand pressures are reflected in the activity and performance information presented in the following section.

A profile of North Lanarkshire

The 2022 census provided a number of updated statistics pertaining to the population of North Lanarkshire. The diagram below shows the percentage movements in each category since the 2011 census.



University Health & Social Care Partnership

Within North Lanarkshire, NHSL and NLC deliver integrated services as the Partnership. It is therefore essential staff from both organisations working together to plan and deliver services under the direction of the IJB.

Purpose

The long-term vision for the Partnership was set out in the original Strategic Plan 2016- 2026 and continues as the over-arching vision of the Strategic Commissioning Plan 2023-26. This states that the people of North Lanarkshire will achieve their full potential through:

- Living safe, healthy and independent lives in their communities.
- Receiving the information, support and care they need, efficiently and effectively, at the right time, in the right place and in the right way.
- Ensuring North Lanarkshire is the best place in Scotland to grow up.

Ambitions

To implement the vision, the Partnership has 5 key ambitions which were revised in 2023, following engagement with stakeholders, taking experience gained since 2016 and looking at the current and future challenges facing the Partnership.

KEY AMBITIONS

1. Do the right thing first time
2. Increased focus on prevention, early intervention and tackling inequalities by working with communities and people
3. Develop and support a workforce for the future
4. Improve mental health and wellbeing
5. Support people through a whole family approach

2025/26 Achievements

The Integration Joint Board continues to monitor progress against its strategic commissioning intentions and key performance indicators through regular performance reporting and periodic updates on progress with change and improvement activity. Delivery throughout 2025/26 has been characterised by continued implementation of the Strategic Commissioning Plan 2023-2026 alongside the development of a new Strategic Commissioning Plan for 2026-2029. This has reflected an ongoing focus on prevention, tackling inequalities and strengthening community-based supports, with our activity aligned to the national priorities and our local learning derived from the current planning cycle.

Supporting People Earlier and Closer to Home

The Partnership has continued to develop its whole system approach to supporting people to access the right support at the right time, reducing reliance on hospital-based and reactive services. This has been underpinned by the continued development of the "Getting It Right for Everyone" approach, which focuses on improving coordination of support through principles such as a single shared assessment, a lead professional, and a "no wrong door" approach.

This approach has supported a stronger emphasis on prevention, early intervention and independence. In practice, this has been demonstrated through the continued development of community-based models of care, including Home Assessment Teams and the wider "Home First" approach being employed across the partnership. These models support people to be assessed and receive care within their own homes wherever possible, reducing unnecessary hospital and care admissions whilst also supporting timely discharge from hospital.

There is evidence of positive progress in shifting the balance of care. The number of days people experience delayed discharge remains lower in North Lanarkshire than the national average, while national data indicates that delayed discharge bed days have increased compared to pre-pandemic levels. Falls rates for older people have also remained below the national average.

These developments have been reinforced through continued collaboration across health, social care and community partners, as well as through engagement with national stakeholders. External engagement, including ministerial visits, has recognised the role of locally developed models in supporting improved discharge and admission avoidance.

Improving Access and Delivering Person Centred Care

The Partnership has continued to strengthen its focus on person centred care, ensuring that services are accessible, responsive and shaped around the needs of individuals and communities.

Progress has been made in expanding Self-Directed Support, with increasing numbers of people directing their own care through individual budgets. This reflects a continued commitment to promoting choice, control and independence. Activity to support this has included local engagement initiatives and partnership events, including a Self-Directed Support roadshow which brought together partners, staff, carers and people with lived experience to share learning, recognise progress and strengthen the collective approach across North Lanarkshire.

Further progress has been made through the development and launch of the Lanarkshire Advocacy Plan, which supports a rights-based approach and strengthens access to independent advocacy for individuals who require additional support to make their views known.

At a national level, survey data indicates that satisfaction across a number of health and care experience measures remains lower than pre-pandemic levels. The position in North Lanarkshire reflects these wider trends, reinforcing the importance of continued focus on access, communication and coordination of care.

Strengthening Services for Children and Young People

Significant progress has been delivered in modernising services for children and young people, particularly in relation to mental health and neurodevelopmental services.

The CAMHS and Neurodevelopmental Services Recovery and Renewal Programme has delivered substantial changes to service pathways, including the establishment of a single, consistent pathway for neurodevelopmental assessment and the full implementation of the Choice and Partnership Approach model. These changes have improved consistency, transparency and the ability to plan service capacity over time, supported by more robust data and the use of electronic patient records.

Performance has improved, with waiting times reducing and national referral-to-treatment standards largely achieved. Governance arrangements have now transitioned from a programme structure to business-as-usual operational and clinical governance.

At the same time, demand for neurodevelopmental assessment continues to exceed capacity, reflecting national trends. Work is ongoing to address this through service redesign, additional capacity and collaboration with national partners.

Broader service modernisation has also been progressed through the Paediatric Modernisation Programme. This has included stabilisation of medical staffing rotas, development of Hospital at Home pathways, and continued improvement in care assurance and service delivery models. These developments support more sustainable services and improved outcomes for children and families.

Supporting People with Complex Needs and Reducing Inequalities

The Partnership has continued to take forward work to support individuals with complex needs and reduce inequalities in outcomes across communities.

Implementation of the national “Coming Home” agenda has led to improvements in the management of delayed discharges and inappropriate placements for people with learning disabilities and complex care needs. The introduction of the Dynamic Support Register has improved visibility and oversight of individuals at risk, supporting more proactive and coordinated interventions.

Targeted investment has enabled the establishment of a specialist team to support complex discharge planning and improve outcomes for individuals, including reducing unnecessary hospital stays and supporting people to live closer to home.

Despite this progress, significant challenges remain. Increasing complexity of need, particularly among younger adults with neurodevelopmental conditions, combined with workforce and housing pressures, continues to impact on service delivery. Inequalities in outcomes across

deprived and more affluent communities also persist, reflecting both local and national challenges.

These issues continue to inform the Partnership's strategic priorities, with a strengthened focus on prevention, early intervention and community-based support.

Developing a Sustainable Workforce

Developing and sustaining a skilled workforce remains a key priority. Significant progress has been made through the continued development of the Lanarkshire Care Academy, a collaborative initiative across NHS Lanarkshire, North and South Lanarkshire Councils and wider partners.

The Care Academy provides a coordinated approach to workforce planning, focusing on attraction to the sector, recruitment, retention and development. Activity has included targeted recruitment campaigns, expansion of apprenticeships and school-based pathways, and development of employability programmes that support individuals into health and social care roles.

This includes work with schools, colleges and universities to create clear pathways into employment, alongside programmes supporting adults and those facing barriers to employment to access training and job opportunities within the sector.

These initiatives are set within the context of significant workforce demand, with health and social care continuing to represent the largest employment sector locally. The Care Academy's work is therefore critical in building capacity, addressing inequalities and supporting long-term sustainability of services.

Planning for the Future

Alongside delivery of current priorities, significant work has been undertaken to develop the next Strategic Commissioning Plan for 2026–2029. This has been informed by extensive engagement with staff, partners and communities and reflects learning from delivery of the current plan.

Emerging priorities include a strengthened focus on prevention and early intervention, tackling inequalities, supporting communities and improving access to services. These priorities align with national policy direction and will guide future transformation activity.

The Partnership has also continued to plan for seasonal pressures, including winter planning, with a focus on maintaining patient flow, strengthening community capacity and supporting people to remain at home wherever possible.

Ongoing improvement activity across a range of services continues to demonstrate the impact of collaborative working and system-wide approaches to improving outcomes for the people of North Lanarkshire.

Measuring Performance Under Integration

The Annual Performance Report for 2025/26 will be presented to the Integration Joint Board in September 2026, providing an opportunity to reflect on the progress made across the Partnership and to recognise the contribution of staff, partners and communities in delivering integrated health and social care services. The report highlights both key achievements and the ongoing challenges facing the Partnership, including sustained demand, increasing complexity of need, and wider demographic and socio-economic pressures.

Since 2016, Integration Joint Boards have been required to report against the Core Suite of Integration Indicators, which form part of a national framework used across Scotland. These indicators support the assessment of progress towards the National Health and Wellbeing Outcomes and provide a consistent basis for understanding how effectively services are improving outcomes for individuals and communities. The most recent published data relates to the 2024/25 reporting period and is presented in detail within the Annual Performance Report 2024/25. Use of this dataset ensures that analysis is based on the most complete and robust information available.

Comparative performance data indicates that outcomes across a number of indicators continue to reflect the impact of sustained system pressures. These include an ageing population, an increasing prevalence of long-term conditions, and the ongoing effects of deprivation across North Lanarkshire. Collectively, these factors continue to drive demand for both acute and community-based services, alongside persistent workforce recruitment and retention challenges.

During 2025/26, the Partnership has continued to respond to these challenges through delivery of key transformation programmes aligned to its Strategic Commissioning Plan. This includes further development of Home First approaches, alongside national recognition of local delivery models such as the Home Assessment Team. There has also been a sustained focus on early intervention, prevention and the expansion of community-based care.

Progress has also been made in strengthening community engagement and preventative approaches. A programme of local engagement activity has supported improved access to services and strengthened links between statutory services, communities and third sector partners. Targeted activity has also continued to address inequalities, including focused engagement with priority population groups to improve uptake of key prevention programmes.

The Partnership has continued to strengthen its governance, performance and assurance arrangements during the year. This has supported a more robust and transparent approach to monitoring performance and driving continuous improvement across services. Financial governance has also remained a key priority, with the approval of a balanced budget and Medium-Term Financial Plan for 2025/26 reflecting the ongoing focus on financial sustainability and delivery within available resources.

Service-level improvements have been delivered across a number of areas, including improved access to Psychological Therapies and Speech and Language Therapy, alongside the continued development of digital systems to support service delivery and performance reporting. In addition, programmes focused on frailty, adult support, mental health, and alcohol and drug

services have progressed, reflecting a whole-system approach to improving outcomes and reducing harm.

Overall, the Partnership continues to make progress towards the National Health and Wellbeing Outcomes. Performance remains broadly comparable with similar authorities and the Scottish average in many areas. Where improvement is required, this is identified through the established performance framework and is being addressed through targeted action, service redesign, and strengthened governance arrangements.

Core Suite of Integration Indicators

Title	North Lanarkshire	Scotland	UHSCNL Trend	Scotland Trend
Premature mortality rate (per 100,000 persons)	545	442	WORSE	WORSE
Emergency Admission Rate (per 100,000 of population)	12,683	11,959	BETTER	BETTER
Emergency Bed Day Rate (per 100,000 of population)	120,763	113,627	BETTER	BETTER
Emergency re-admission to hospital within 28 days of discharge (per 1,000 of discharges)	112	103	BETTER	BETTER
Proportion of last 6 months of life spent at home or in a community setting	88.9%	89.2%	NEUTRAL	BETTER
Falls rate (per 1,000 population aged 65+)	22.1	22.5	WORSE	BETTER
Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	77.5%	81.9%	BETTER	BETTER
Percentage of adults with intensive care needs receiving care at home	65.6%	64.7%	WORSE	BETTER
Number of days people spend in hospital when they are ready to be discharged (per 1,000 population)	825	952	BETTER	WORSE

Performance is better than previous reporting period	
Performance is neutral to previous reporting period	
Performance is worse than previous reporting period	

Key Risks, Uncertainties & Challenges

Given the current political and economic environment, the Partnership continues to face a range of significant risks and uncertainties which may impact on service delivery and financial sustainability. These risks are regularly reviewed as part of the IJB's Medium-Term Financial Planning process and are monitored through the Partnership's risk management framework, as outlined in the following section.

Financial Risks and Uncertainties

The principal financial risks facing the Partnership include:

- Uncertainty regarding future funding levels from partner organisations and the Scottish Government
- Ongoing cost pressures, including general inflation and future pay awards
- Increasing costs associated with equipment and adaptations
- The outcome of national negotiations in relation to care home rates
- Inflationary pressures within commissioned services, including providers operating outwith national frameworks seeking increases significantly above inflation
- The reliance on non-recurring measures in addressing in-year financial pressures

Operational Risks and Uncertainties

In addition to the financial challenges, the Partnership faces a number of operational risks, including:

- The potential impact of savings measures on service delivery, including the risk of increases in delayed discharge and bed occupancy
- Ongoing challenges in recruiting and retaining suitably skilled staff to meet increasing demand
- Potential disruption to the supply of key materials and services
- The emergence of increasingly complex care needs which are not fully predictable at the point of financial planning
- Volatility within the external care market and the level of support required to maintain provider sustainability
- An increasing number of providers seeking to operate outside of national contractual frameworks, leading to more complex placement and pricing negotiations
- The operational impact of rising provider costs, which may affect the availability and timeliness of placements
- Changes in UK and Scottish Government policy and priorities which may affect funding, service delivery models, and strategic direction

These risks are reflected within the IJB's Strategic Risk Register and are subject to ongoing monitoring and mitigation through established governance arrangements.

Risk Management

Effective risk management is fundamental to the delivery of the IJB's strategic objectives and the provision of safe, sustainable health and social care services. The IJB Risk Management Strategy complements the established risk management arrangements within each partner organisation and ensures that risk management remains a key element of governance and decision-making across the Partnership.

Risk reporting continues to form a substantive item of business at both Integration Joint Board and Performance, Finance and Audit (PFA) Committee meetings. The PFA Committee has delegated responsibility for the oversight and scrutiny of financial and performance-related risks associated with the functions of the IJB.

There are three principal risk registers in operation across the Partnership:

- The IJB Strategic Risk Register, which sets out the key risks to the delivery of the IJB's strategic objectives
- The Health operational risk register, maintained within NHS Lanarkshire systems
- The Social Work operational risk register, maintained within North Lanarkshire Council systems

Strong links continue to be maintained with the corporate risk management functions within both partner organisations. The IJB's approach to risk management is aligned with, and supported by, the risk management strategies of both NHS Lanarkshire and North Lanarkshire Council.
A revised Strategic Risk Register was approved by the Integration Joint Board in March 2026, reflecting a refreshed assessment of the key risks facing the Partnership. In parallel, work has been progressing on the development of an updated IJB Risk Management Strategy, undertaken jointly with both partner organisations. This strategy is now in draft form, with final amendments being completed, and is scheduled for consideration by the PFA Committee in August 2026.

At the time of writing, there are nine open risks recorded within the IJB Strategic Risk Register, five of which are assessed as either high or very high. The table below provides a summary of those risks categorised as high and very high.

Risk	Risk Description	Current Risk Level
Financial Sustainability: Medium Term	The Public Bodies (Joint Working) (Scotland) Act 2014 requires IJB's to set a balanced budget as part of their strategic planning. This is essential for delivering integrated functions and budgets under IJB's control, as outlined in the Act's statutory guidance. There is a risk of North Lanarkshire Integration Joint Board failing to meet this statutory duty by not delivering financial balance over the medium three-year financial planning cycle due to income levels not keeping pace with increasing demand and costs pressures.	Very High
Financial Sustainability: Long Term	Forecasting over an extended period remains inherently uncertain, particularly given the potential for policy change, economic volatility and wider system pressures. Despite this uncertainty, it is essential that the IJB adopts a long-term perspective to ensure it can identify emerging risks early and take proactive steps to safeguard financial sustainability. There is a risk of North Lanarkshire Integration Joint Board not forecasting the long-term factors appropriately resulting in being unable to achieve a balanced budget over the 10-year forecasting timeline.	Very High
Financial Sustainability: Short Term	The Public Bodies (Joint Working) (Scotland) Act 2014 requires IJB's to set a balanced budget as part of their strategic planning. This is essential for delivering integrated functions and budgets under IJB's control, as outlined in the Act's statutory guidance. There is a risk of North Lanarkshire Integration Joint Board not achieving a balanced budget within the current year as approved by the IJB annually in March.	High
Governance Failure	There is a risk that less than robust scrutiny arrangements and appropriate internal processes and procedures are either not in place or are ineffective, leading to a lack of leadership, accountability or scrutiny, resulting in a failure to meet key objectives, financial overspends or reputational damage.	High
Delayed Discharge	There is a risk that patients are not being discharged in a timely manner resulting in suboptimal patient flow, impacting on poor patient and staff experience and poorer outcomes of care.	High

Financial Performance 2025/26

As outlined earlier in this Annual Report, North Lanarkshire Integration Joint Board (IJB) delivers and commissions a range of health and social care services to the local population. The Board is responsible for the strategic planning of the functions delegated to it and for ensuring the delivery of those functions through the operational arrangements set out in the integration scheme.

To support the delivery of these services, funding is provided through budgets delegated from both North Lanarkshire Council (NLC) and NHS Lanarkshire (NHSL). The level of funding available to the IJB continues to be significantly influenced by the financial settlements received by these partner organisations from the Scottish Government.

In line with these arrangements, the IJB agreed its delegated budgets at the start of the financial year. These budgets were subsequently adjusted during the year to reflect additional Scottish Government funding allocations, alongside the planned use of reserves to support service delivery and manage financial pressures. The final budget position is reflected within the tables presented below.

North Lanarkshire IJB Budget	**2025/26 £m**
Social Care Services	
Original Allocation	219.931
Additional Contributions form NLC	0.945
Budgeted Use of Reserves	0
Closing Budget	**220.876**
Health Care Services	
Original Allocation including set aside and hosted services	627.291
Scottish Government additional allocations	60.255
Budgeted Use of Reserves	0
Closing Budget	**687.546**
Total Budget 2025/26	**908.422**

Throughout 2025/26, the Partnership continued to operate within a highly challenging financial environment. Ongoing demand pressures, cost inflation, and workforce challenges have remained key issues across both Health and Social Care services. Whilst savings were incorporated within the Medium-Term Financial Plan, full delivery of these savings continues to be challenging within the current operating environment.

Despite these pressures, the IJB recorded an overall underspend for the financial year.

North Lanarkshire IJB Financial Performance	2025/26 £m
Net Operational Underspend	31.949
Less: Planned use of reserves during the year	(4.686)
Accounting Surplus on Provision of Services (Page 33) Movement in Reserves (Page 34)	**27.263**

The Partnership delivered a net operational underspend of £31.949m during 2025/26. This position includes expenditure funded through the planned use of reserves totalling £4.686m. Under accounting regulations, expenditure funded from reserves is recognised in full within the Comprehensive Income and Expenditure Statement, with the corresponding reserve movements reported separately within the Movement in Reserves Statement. Consequently, the surplus on the provision of services reported in the statutory accounts is £27.263m.

A significant proportion of this surplus relates to funding received for specific purposes where expenditure will occur in future financial years and therefore will be held as earmarked balances. The majority of these relate to commitments within Health Services, reflecting funding received for commitments extending into 2026/27 in line with Scottish Government and NHS Lanarkshire direction. Key balances include funding for ligature works, prevention activity, unscheduled care and medicines growth. These balances will be carried forward and held within reserves to support delivery in future years, as reflected within the Reserves Strategy.

After adjusting for these balances, the IJB's underlying operating position represents an underspend of £3.742m. This comprises:

- An underspend of £3.297m within services delegated to Health
- An underspend of £0.445m within services delegated to Social Care

The overall outturn position reflects a range of operational variances across integrated services, with the most significant areas summarised in the table on page 17.

Overall Financial Position

The overall financial position reflects the continued use of a range of measures to support financial sustainability, including:

- Targeted use of reserves to support recurring and non-recurring pressures
- Delivery of savings through service redesign and efficiency measures
- Ongoing focus on workforce planning
- Robust financial governance and monitoring arrangements

The final outturn position will be reflected in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement within the annual accounts. Differences between the management outturn presented in this report and the statutory financial statements may arise due to differences in accounting presentation between partner organisations.

Delegated Service	Variance £m	Over / Underspend	Reason	Ambition Statement
Employee Costs	3.688	Underspend	Recruitment and retention challenges continue to affect a number of service areas, with difficulties in filling posts due to skills shortages and wider labour market pressures. Whilst this has resulted in reduced pay expenditure, it has also contributed to additional costs in some areas through the use of agency, bank and overtime arrangements. Workforce pressures remain a key financial and operational risk for the Partnership.	3
Hosted Services	5.041	Underspend	North Lanarkshire IJB commissions a number of services where North Lanarkshire is the host organisation for services carried out within South Lanarkshire. Overall, there was an underspend which includes underspends in areas such as Speech and Language Therapy, CAMHS, Forensic Psychiatry and Psychological Therapies, partially offset by overspends in services including Family Nurse Partnership, Learning Disability Services and Adult Psychiatry. In line with established arrangements, the lead IJB retains responsibility for managing financial risks associated with hosted services.	1, 2, 4, 5
Payments to Other Bodies	(2.623)	Overspend	Integrated services provided by Social Care on behalf of the IJB includes Care at Home and Care Homes. A net overspend was reported within these areas which is representative of the increasing demand on these services.	1, 3, 5
Prescribing	0.014	Underspend	Prescribing continues to represent a significant area of expenditure within Health Services. Following a substantial overspend in 2024/25, the prescribing budget was increased for 2025/26 to reflect underlying demand and cost pressures. The marginal underspend reflects a more stable position in-year, however underlying pressures remain, with both the volume of items dispensed and the average cost per item increasing compared to the previous year.	2, 4

Reserves Strategy

The IJB has the same legal status as a local authority and is therefore able to hold reserves under Section 106 of the *Local Government (Scotland) Act 1973*. A Reserves Strategy is in place to provide protection against unexpected cost pressures and to support the overall financial stability of the Partnership.

The IJB Reserves Strategy for 2025/26 allows flexibility to respond to potential financial fluctuations. This includes the ability to increase contingency reserve balances where resources permit, thereby strengthening financial resilience in future years where available funding may be more constrained and a planned drawdown of reserves may be required to support financial balance.

To support this approach, and in recognition of the current financial risk environment, the target level for the contingency reserve has been set at 4% of the mainstream financial envelope.

In addition, the IJB has committed to a range of actions linked to the Strategic Commissioning Plan Programme of Work. Funding has therefore been earmarked for specific projects to ensure that resources are deployed effectively and represent best value in delivering the National Health and Wellbeing Outcomes.

The table below provides a breakdown of the underspend transferred to reserves at the year end.

Analysis of Underspend Transferred to IJB Reserves at Year End	2025/26 £m
Earmarked Reserves	20.516
Risk & Contingency	6.747
Total Underspend Transferred to Reserves	**27.263**

Acknowledgements

We would like to acknowledge the significant effort required to both produce the annual accounts and successfully manage the finances of the IJB and to record our thanks to the Finance teams in both NLC and NHSL and colleagues in other services for their continued hard work and support.



Siobhan White

Chair

Date: 17 September 2026



Claire Rae

Chief Officer

Date: 17 September 2026



Nicola Scott CPFA

Chief Finance Officer

Date: 17 September 2026

Statement of Responsibilities

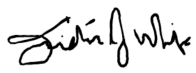
Responsibilities of the North Lanarkshire Integration Joint Board

The North Lanarkshire IJB is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this IJB, that officer is the Chief Finance Officer.
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far, as is compatible with the legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature at a meeting of the North Lanarkshire Integration Joint Board on 16 September 2026.

Signed on behalf of the North Lanarkshire Integration Joint Board



Siobhan White
Chair

Date: 17 September 2026

Responsibilities of the Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of the Integration Joint Board's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (Accounting Code).

In preparing the Annual Accounts, the Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with legislation.
- Complied with the Local Authority Code (in so far as it is compatible with legislation).

The Chief Finance Officer has also:

- Kept proper accounting records which were up-to-date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that these Annual Accounts present a true and fair view of the financial position of the North Lanarkshire Integration Joint Board as at 31 March 2026 and the transactions for the year then ended.

Nicola Scott

Nicola Scott CPFA
Chief Finance Officer

Date: 17 September 2026

Remuneration Report

The Local Authority Accounts (Scotland) Regulations 2014 (SSI No.201/200) require local authorities and IJB's in Scotland to prepare a Remuneration Report as part of the annual statutory accounts. The information in the tables below is subject to external audit.

The explanatory text in the Remuneration Report is reviewed by Audit Scotland to ensure it is consistent with the financial statements.

Voting Board Members

Voting IJB members constitute councillors nominated as board members by constituent authorities and NHS representatives nominated by the NHS Board. The voting members of North Lanarkshire IJB were appointed through nomination by NLC and NHSL.

The regulations require disclosure of remuneration information for 'relevant' persons. A 'relevant' person in relation to the Remuneration Report includes a senior officer holding office with associated authority, whether on a permanent or temporary basis, in the financial year to which that Remuneration Report relates.

The Board Members do not receive remuneration or expenses directly from the IJB. Any remuneration or reimbursement of expenses for voting board members is governed by the relevant IJB partner organisation. The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting member costs by the partner.

The details of the Chair and Vice Chair appointments held during 2025/26 are outlined in the table below:

Name	Post Held	Nominated by
Brian Moore	IJB Chair (1 April 2025 - 01 April 2026)	NHS Lanarkshire
Cllr Anne McCrory	IJB Vice Chair (01 April 2025 - 31 March 2026)	North Lanarkshire Council

Brian Moore resigned as Chair on 31 August 2026 and was replaced by Siobhan White on 1 September 2026.

The IJB does not have responsibilities, either in the current year or in future years, for funding any pension entitlement of voting IJB members. Therefore, no pension rights disclosures are provided for the Chair or the Vice Chair.

There were no exit packages payable during the financial year.

Officers of the IJB

The IJB does not directly employ any staff in its own right, however specific post-holding officers are non voting members of the Board.

The Chief Officer and the Chief Finance Officer are appointed by the North Lanarkshire IJB and employed by NLC. Both posts are seconded to the IJB in line with the local arrangements.

The Chief Officers received the following remuneration in the period:

Total Earnings 2024/25 £	Name and Post Title	Total Earnings 2025/26 £
62,466 (FYE 125,275)	Claire Rae Chief Officer 1 April 2025 - 31 March 2026	132,187
31,249 (FYE 85,118)	Nicola Scott Chief Finance Officer 1 April 2025 - 31 March 2026	89,986
62,333 (FYE 124,325)	Ross McGuffie Chief Officer 1 April 2024 – 30 September 2024	-
43,960 (FYE 83,570)	Amanda Kilburn Chief Finance Officer 1 April 2024 – 9 October 2024	-

Pay band information is not separately provided as all staff pay information has been disclosed in the information above.

Pension Benefits

In respect of officers' pension benefits the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis, there is no pension liability reflected on the IJB balance sheet for the Chief Officer or the Chief Finance Officer.

The IJB however, has responsibility for funding the employer contributions for the current year in respect of the officer time spent fulfilling the responsibilities of their role on the IJB.

The following table shows the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of the accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Name and Post Title	In Year Pension Contribution		Accrued Pension Benefits		
	For Year to 31/03/2025 £	For Year to 31/03/2026 £	Description	For Year to 31/03/2025 £	For Year to 31/03/2026 £
Claire Rae Chief Officer	4,060	8,592	Pension	1,310	4,178
			Lump Sum	-	-
Nicola Scott Chief Finance Officer	2,031	5,849	Pension	13,050	41,071
			Lump Sum	13,180	40,827
Ross McGuffie Chief Officer	2,676	-	Pension	18,554	-
			Lump Sum	-	-
Amanda Kilburn Chief Finance Officer	3,030	-	Pension	8,209	-
			Lump Sum	-	-

Siobhan White
Chair
Date: 17 September 2026

Claire Rae
Chief Officer
Date: 17 September 2026

Annual Governance Statement

The Annual Governance Statement reports on the effectiveness of the IJB's governance arrangements and system of internal control and explains how the IJB complies with the Code of Corporate Governance[3] and meets the requirements of the 'Delivering Good Governance in Local Government' framework developed by CIPFA and SOLACE (most recent guidance).

Scope of Responsibility

The IJB is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. The IJB also aims to foster a culture of continuous improvement in the performance of the IJB's functions and to make arrangements to secure best value.

To meet this responsibility, the IJB has established arrangements for governance which includes a system of internal controls. The system is intended to manage risk to support the achievement of the IJB's policies, aims and objectives. Reliance is also placed on the NLC and NHSL systems of internal control which support compliance with both organisations' policies and promotes achievement of each organisations aims and objectives, as well as those of the IJB. This system can only provide reasonable and not absolute assurance of effectiveness.

Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the IJB is directed and controlled. It enables the IJB to monitor the achievement of the objectives set out in the IJB's Strategic Commissioning Plan. The governance framework is regularly reviewed and updated to reflect best practice, new legislative requirements, and the expectations of stakeholders.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks in the achievement of the IJB's objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them effectively.

Governance Framework and Internal Control System

The IJB comprises eight voting members, with one from each partner organisation assuming the role of Chair and Vice Chair. Four are Council Members nominated by NLC and four are Non-Executive Members appointed by NHSL. The term of office is for a period of three years. There are also a number of non-voting professional and stakeholder members on the IJB board. Stakeholder members currently include third sector representatives, carers, staff representatives, service users and professional members including the Chief Officer and Chief Finance Officer. The IJB, via a process of delegation from NLC and NHSL, has responsibility for the planning, resourcing and operational delivery of all delegated health and social care within its geographical area.

[3] Code of Corporate Governance

The IJB also continues to review and develop its governance arrangements to ensure they remain effective and proportionate in supporting future strategic priorities, legislative requirements and partnership working arrangements.

The main features of the governance framework are:

Principles

- The IJB follows the principles set out in the Convention of Scottish Local Authorities (COSLA) and the Accounts Commission in 1996 Code of Guidance on Funding External Bodies and Following the Public Pound for both resources delegated to the IJB, and resources paid to its Local Authority and Health Service partners.

Formal Frameworks

- The IJB is formally constituted through the Integration Scheme agreed by NLC and NHSL and approved by Scottish Ministers.
- The IJB operates within an established procedural framework. The roles and responsibilities of board members and officers are defined within standing orders, scheme of delegation and financial governance arrangements which are subject to regular review. The IJB Code of Corporate Governance was approved by the IJB on 18 July 2017 and is subject to ongoing updates as required. Board members adhere to an established Code of Conduct and are supported by induction and ongoing training and development.
- The Partnership has robust structures in place with our partners, which are based on service delivery, care and interventions that are person centred, timely, outcome focused, equitable, safe, efficient, and effective. Reports are presented to the IJB throughout the year which provide evidence to demonstrate the delivery of our core components within our framework and the Clinical and Care Governance principles specified by Scottish Government.

Strategic Planning

- The overarching strategic vision and objectives of the IJB are detailed in the IJB Strategic Commissioning Plan which sets out the key outcomes that the IJB is committed to delivering with its partners.
- The Strategic Commissioning Plan Board sets out the IJB's approach to engage with stakeholders. Consultations on the future vision and activities of the IJB is undertaken with its Local Authority, Health Service partners and stakeholders. The IJB regularly publishes information regarding its performance.
- The financial plans outline the financial challenges and opportunities the Partnership faces in the medium to long term and provides a framework which will support the IJB to remain financially sustainable. It complements the IJB Strategic Commissioning Plan, highlighting how the financial plans will support the delivery of the IJB's strategic objectives and priorities.

Oversight

- Effective scrutiny and service improvement activities are supported by the formal submissions of reports, findings and recommendations by Inspectorates and the appointed Internal Audit Service to the Partnership's Senior Management Team, the main IJB board and the Performance, Finance and Audit Committee, as appropriate.
- Performance management, monitoring of service delivery and financial governance is provided by the Partnership to the IJB, who are accountable to both the Local Authority and the Health Board. It reviews reports on the effectiveness of the integrated arrangements including the financial management of the integrated budget. This ensures there is a regular scrutiny at senior management, committee, and board level. Information on performance can be found in the Annual Performance Report published on the Partnership's website[4].

Risk Management

- In line with the continued and ongoing review of the IJB Risk Register, new and emerging risks or changes in risk level are agreed at each Senior Management Team, IJB and PFA meeting as appropriate. The current strategic risks at the time of writing are summarised within the Management Commentary and reflect the updated Strategic Risk Register approved by the IJB in March 2026.

Financial Control

- The Board's CFO has designated responsibility for the administration of the Board's financial affairs. The CFO is responsible for advising the Board on all financial matters and for monitoring and reporting on the Board's financial performance and position. The CFO also oversees the development and implementation of appropriate financial strategies to manage risk, ensure effective use of delegated resources and support compliance with governance standards. NHSL and NLC remain fully accountable for the financial performance of their service area against the budget allocated.

Transformational Change

- The IJB financial plans and the Strategic Commissioning Plan reflects the requirement to transform how health and social care services are delivered across the Partnership to ensure the sustainability of health and social care services going forward. Together with the IJB Reserves Strategy, these plans are regularly reviewed over their lifespan and amended as necessary to reflect the current challenges and pressures the Partnership face.

Review of Adequacy and Effectiveness

- Due to the nature of the IJB membership, a conflict of interest can arise between individual board and committee members and the responsibilities they have to the IJB. It is the responsibility of board and committee members to declare any potential conflicts of interest, and it is the responsibility of the Chair of the relevant board or committee to ensure sure declarations are appropriately considered and acted upon.

[4] UHSCNL Website

- The IJB has responsibility for conducting an annual review of the effectiveness of the system of internal control and the quality of data used throughout the organisation. The review is informed by the work of the Senior Management Team, who have the responsibility for the development and maintenance of the internal control framework, the work of the internal and external audit teams and other independent inspectorates.
- Internal Audit undertakes an annual programme following an assessment of risk completed during the strategic audit planning process. The appointed NHSL Chief Internal Auditor in conjunction with the NLC Chief Officer (Audit and Risk), provide an annual report to the IJB PFA Committee giving an independent opinion of the adequacy and effectiveness of the governance framework, risk management and internal controls.
- Based on the audit work undertaken directly on behalf of the IJB and being informed by internal audit, work undertaken independently by each respective internal audit function within NLC and NHSL, the NHSL Chief Internal Auditor and the NLC Chief Officer (Audit and Risk) are able to conclude that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's framework of governance, risk management and internal controls.
- The review process has not identified any significant governance weaknesses which require disclosure; however, opportunities for further improvement have been identified and are captured within the action plan set out below.

Roles and Responsibilities

The Chief Officer is the Accountable Officer for the Partnership and has day to day operational responsibility to monitor delivery of integrated services, with oversight from the IJB.

The IJB complies with the CIPFA statement on 'The Role of the Chief Finance Officer in Local Government 2014'. The IJB Chief Finance Officer (CFO) has responsibility for the Partnership's financial arrangements and is professionally qualified and suitably experienced to lead and advise the IJB finance functions.

The IJB complies with the requirements of the Public Sector Internal Audit Standards and the approved Internal Audit Charter for the IJB. The appointed NHSL Chief Internal Auditor has responsibility for the IJB internal audit functions and is professionally qualified and suitably experienced to lead and direct internal audit staff. The Internal Audit Service operates in accordance with the Public Sector Internal Audit Standards.

Board members and officers of the IJB are committed to the concept of sound internal control and effective delivery of health and social care services. The IJB PFA Committee operates in accordance with CIPFA 'Audit Committee Principles in Local Authorities in Scotland and Audit Committees Practical Guidance for Local Authorities'. The committee core function is to provide the IJB with independent assurance on the adequacy of the risk management framework, the internal control environment, the integrity of the financial reporting and governance arrangements.

Action Plan

To support the continual improvement of the IJB's governance arrangements, an action plan has been developed. This incorporates findings from the IJB self-assessment process, recommendations from Audit Scotland's Annual Audit Report, and recommendations arising from internal audit work undertaken during 2025/26. Progress against these actions will be reported to and monitored by the Performance, Finance and Audit Committee.

Ref	Improvement Area	Agreed Action	Responsible Person	Original Date	Revised Date
		2023/24			
1	2023/24 Self-Assessment Agreed actions	Recognition that there is a formalised risk sharing agreement in place with NHSL, NLC and SL IJB within the risk management strategy but no reference to similar in relation to performance and finance. *Review: Being addressed as part of the revised risk management strategy 2026*	Chief Officer	December 2025	August 2026
		2024/25			
1	2024/25 Self-Assessment Agreed actions	Holding to Account - effective scrutiny, challenge and support of services by the Management Team and by IJB members when reviewing presented papers. *Review: Action plan will be developed following conclusion of the 2026 Self Evaluation exercised issues to members.*	Chief Officer	December 2025	October 2026
		2025/26			
1	Audit Scotland Annual Audit Report 2024/25	Ongoing work is required to strengthen the IJB's approach to financial sustainability, including the continued development of medium and long-term financial planning, delivery of savings, and effective partnership working with the Council and Health Board to support service transformation.	Chief Financial Officer	December 2025	Complete

Ref	Improvement Area	Agreed Action	Responsible Person	Original Date	Revised Date
2025/26					
2	Internal Audit Review of IJB Governance Arrangements	1. Ensure that appropriate and timely action is taken to fully address the previously agreed audit recommendations in line with agreed timescales and that the actions are regularly monitored.	Chief Officer	December 2025	Complete
		2. Ensure that NL HSCP Audit Charter is updated and reviewed to reflect the current environment and working arrangements whilst taking account of the Global Internal Audit Standards.	Chief Officer (Audit & Risk) (NLC) and Chief Internal Auditor (NHS)	September 2025	Complete
		3. Ensure that the Rolling Action Log presented to each IJB and PFAC is fully completed following each meeting, with details of discussions and/or decisions regarding actions required, progress to date, proposed completion dates and completion status.	Chief Officer	August 2025	Complete

Ref	Improvement Area	Agreed Action	Responsible Person	Original Date	Revised
2025/26					
3	Internal Audit IJB Strategy	1. The current Strategic Commissioning Plan will expire in 2026, and a programme of work is required to undertake a review of lessons learned, consider alignment with other key strategies, agree the preferred approach and timescales for developing the next plan, and establish clear governance and Board oversight arrangements for its development and delivery. *Review: The plan is due to be presented to the IJB in September 2026*	Head of Planning, Performance and Quality	April 2026	September 2026
		2. Ensure that the governance arrangements for development and monitoring of the next SCP are clearly articulated and understood.	Head of Planning, Performance and Quality	November 2026	November 2026
		3. A review of programme governance arrangements is required to ensure more frequent and responsive reporting is in place, providing earlier identification of risks and enabling timely remedial action	Head of Planning, Performance and Quality	November 2026	November 2026

Ref	Improvement Area	Agreed Action	Responsible Person	Original Date	Revised Date
2025/26					
4	Internal Audit IJB Financial Sustainability	1. Progress is required in developing a sustainable long-term financial strategy based on recurring savings and reduced reliance on reserves, alongside establishing strengthened governance arrangements, including a dedicated Savings Board, to improve transparency and delivery of savings.	Chief Finance Officer	April 2026	Complete
		2. Development and enhancement of financial reporting is required to provide full supporting detail for risk-based scenarios, alongside improving clarity and transparency through consideration of a single consolidated financial overview.	Chief Finance Officer	September 2026	September 2026

Internal Audit Opinion

Internal control remains, primarily, a management responsibility to ensure that the partnership conducts its business in a manner that has due regard to the principles of good governance. Overall, the results of work undertaken to provide assurance include reports produced by Audit Scotland and a range of governance reports undertaken jointly with the partner organisations to help to inform an opinion on whether the internal controls for the Partnership have in place are adequate. The joint internal audit opinion is that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's framework of governance, risk management and internal control.

Conclusion and Opinion on Assurance

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements. The IJB has adhered to the stated principles of good governance, acted in the public interest, and been committed to continuous improvement. The scrutiny and oversight of the IJB PFA Committee contributes effectively to these arrangements. There were no significant control weaknesses, issues, or failure in the expected standards for good governance, risk management and internal control.

We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB's principal objectives will be identified, actions taken to avoid or mitigate their impact and are consistent with the recommendations of the CIPFA/SOLACE Framework (2016).

Claire Rae

Claire Rae

Chief Officer

Date: 17 September 2026

Siobhan White

Siobhan White

Chair

Date: 17 September 2026

Independent Auditors Report

Independent auditor's report to the members of North Lanarkshire Integration Joint Board and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of North Lanarkshire Integration Joint Board for the year ended 31 March 2026 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the 2025/26 Code).

In my opinion, the accompanying financial statements:

- give a true and fair view of the state of affairs of North Lanarkshire Integration Joint Board as at 31 March 2026 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2025/26 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 02 December 2022. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of North Lanarkshire Integration Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to North Lanarkshire Integration Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on North Lanarkshire Integration Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on North Lanarkshire Integration Joint Board's current or future financial sustainability. However, I report on North Lanarkshire Integration Joint Board's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Chief Finance Officer and North Lanarkshire Integration Joint Board for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing North Lanarkshire Integration Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue North Lanarkshire Integration Joint Board's operations.

North Lanarkshire Integration Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of North Lanarkshire Integration Joint Board;
- inquiring of the Chief Finance Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of North Lanarkshire Integration Joint Board;
- inquiring of the Chief Finance Officer concerning North Lanarkshire Integration Joint Board's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of North Lanarkshire Integration Joint Board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report

I have audited the parts of the Remuneration Report described as audited. In my opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Other information

The Chief Finance Officer is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



John Boyd FCPFA

Audit Scotland
8 Nelson Mandela Place
Glasgow
G2 1BT
17 September 2026

Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services in accordance with generally accepted accounting practices. It includes, on an accrual basis, all expenses and related income during the financial year.

Due to the funding arrangements of the IJB, there are no material statutory or presentation adjustments between the accounting position reported in the Comprehensive Income and Expenditure Statement and the funding received from partner organisations. The movement in the General Fund balance therefore reflects the financial transactions recognised within the CIES.

As a result, an Expenditure and Funding Analysis is not required and is not presented within these annual accounts.

2024/25			North Lanarkshire Integration Joint Board	Note	2025/26		
Gross Expenditure	Gross Income	Net Expenditure			Gross Expenditure	Gross Income	Net Expenditure
£m	£m	£m			£m	£m	£m
263.773		263.773	Social Care Services		276.538		276.538
83.086		83.086	Health Care Services		80.175		80.175
135.965		135.965	Family Health Services		145.617		145.617
199.089		199.089	Hosted Services	9	211.644		211.644
0.278		0.278	Corporate Services	5	0.331		0.331
81.709		81.709	Prescribing		80.986		80.986
75.143		75.143	Set Aside for Hospital Acute Services		78.367		78.367
(0.283)		(0.283)	Covid-19 Costs		0.000		0.000
838.760	**0.000**	**838.760**	**Total Cost of Services**		**873.658**	**0.000**	**873.658**
	(838.790)	(838.790)	Taxation and Non-Specific Grant Income	4		(900.921)	(900.921)
838.760	**(838.790)**	**(0.030)**	**(Surplus) or Deficit on Provisions of Services (Movement in Reserves)**		**873.658**	**(900.921)**	**(27.263)**

Movement in Reserves Statement

This statement shows the movement in the IJB's reserves during the financial year, analysed between usable and unusable reserves.

Due to the nature of the IJB's funding arrangements, there are no material statutory adjustments between the accounting position reported in the Comprehensive Income and Expenditure Statement and the movement in the General Fund. Movements in reserves therefore reflect the financial transactions recognised during the year together with any transfers to or from earmarked reserves.

North Lanarkshire Integration Joint Board	Total Reserves General Fund
	£m
Movement in Reserves during 2024/25:	
Opening Balance at 1 April 2024	(75.524)
Total Comprehensive Income and Expenditure (Increase) or decrease in 2024/25	(0.030)
Closing Balance at 31 March 2025	**(75.554)**
Movement in Reserves during 2025/26	
Opening Balance at 1 April 2025	(75.554)
Total Comprehensive Income and Expenditure (Increase) or decrease in 2025/26	(27.263)
Closing Balance at 31 March 2026	**(102.817)**

Balance Sheet

The balance sheet shows the value of the IJB's assets and liabilities as at 31 March 2026. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2025	North Lanarkshire Integration Joint Board	Notes	31 March 2026
£m			£m
	Current Assets		
75.554	Short Term Debtors	6	102.817
	Current Liabilities		
0.000	Short Term Creditors	6	0.000
75.554	**Net Assets**		**102.817**
75.554	Usable Reserves: General Fund	7	102.817
75.554	**Total Reserves**		**102.817**

The Statement of Accounts presents a true and fair view of the financial position of the North Lanarkshire Integration Joint Board as at 31 March 2026 and its income and expenditure for the year then ended.

Notes to the Financial Statements numbers 1 to 11 found on pages 41- 50, form part of the financial statements.

The unaudited accounts were authorised for issue on 17 June 2026 and the audited accounts were authorised for issue on 16th September 2026.

Balance Sheet signed by:

Nicola Scott

Nicola Scott CPFA

Chief Finance Officer

Date: 17 September 2026

Notes to the Financial Statements

Note 1. Material Accounting Policy Information

General Principles

The financial statements summarise the transactions of the Integration Joint Board (IJB) for the financial year 2025/26 and its position as at 31 March 2026.

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973. It is a joint venture between North Lanarkshire Council (NLC) and NHS Lanarkshire (NHSL).

The financial statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code), supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires a different treatment. Each partner organisation applies its own accounting policies as applicable.

The accounts have been prepared on a going concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

Standards issued but not yet effective (including IFRS 18 Presentation and Disclosure in Financial Statements, effective from 1 January 2027) have been reviewed and are not anticipated to have a material impact on the IJB.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

• Expenditure is recognised when goods or services are received, and their benefits are used by the IJB.

• Income is recognised when the IJB has a right to the income, for instance, by meeting any terms and conditions required to earn the income and receipt of the income is probable.

• Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the balance sheet.

• Where debts may not be received, the balance of debtors is written off.

Funding

The IJB is primarily funded through contributions from its statutory funding partners, NLC and NHSL. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in North Lanarkshire and service recipients in South Lanarkshire for services that are delivered under hosted arrangements and on a pan-Lanarkshire basis.

The funding relating to the year under review is recognised as income in the CIES and will normally be income added to the General Fund. There are no statutory or presentation adjustments which affect the IJB's application of the funding received from partners. The movement in General Fund balance is therefore solely due to the transactions shown in the CIES.

Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. All transactions are settled on behalf of the IJB by the funding partner. Consequently, the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet.

There is therefore no requirement for the IJB to produce a cash flow statement. The funding balance due from and to each funding partner as at 31 March 2026 is represented as a debtor or creditor on the IJB's balance sheet.

Employee Benefit

The IJB does not directly employ staff. Staff are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a Pensions Liability on its balance sheet.

The IJB has a legal responsibility to appoint a Chief Officer. A Chief Finance Officer has also been appointed to the IJB. More details on these arrangements are provided in the remuneration report. The charges for the employing partners are treated as employee costs. Where material, the absence entitlement at 31 March is accrued, for example in relation to annual leave earned but not yet taken. In the case of North Lanarkshire IJB any annual leave earned by the Chief Officer and Chief Finance Officer but not yet taken is not considered to be material.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation on 31 March due to a past event, settlement of the obligation is probable, and a reliable estimate of the amount can be made. Recognition of a provision will result in expenditure being charged to the CIES and will normally be a charge to the General Fund.

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the IJB's balance sheet but is disclosed in a note where it is material.

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the IJB's balance sheet but is disclosed in a note only if it is probable to arise and can be reliably measured.

Indemnity Insurance / Clinical and Medical Negligence

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding board member and officer responsibilities through the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). NLC and NHSL have responsibility for claims in respect of the

services for which they are statutorily responsible for and that they provide. Unlike NHS Boards, the IJB does not have any 'shared risk' exposure from participation in CNORIS. The IJB participation in the scheme is therefore comparable to normal insurance arrangements.

Known claims are assessed as to the value and probability of settlement. Where it is material, the overall expected value of known claims taking probability of settlement into consideration, is provided for in the IJB balance sheet. The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and where material, presented as either a debtor or disclosed as a contingent asset.

Debtors and Creditors

Financial instruments are recognised in the balance sheet when an obligation is identified and released as that obligation is fulfilled. Debtors are held at fair value and represent funding due from partner bodies that was not utilised in year. There are no creditor balances.

Reserves

A reserve is the accumulation of surpluses, deficits, and appropriation over a number of years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the IJB. Reserves should be split between usable and unusable on the balance sheet. As at 31 March 2026, the usable reserve balance totals £102.817m. There are no unusable reserves.

Hosted Services

Within Lanarkshire, each IJB has operational responsibility for the service which it hosts on behalf of the other IJB. In delivering these services each IJB has primary responsibility for the provision of the services and bears the risk and reward associated with this service delivery in terms of demand and the financial resources required. As such the IJB is considered to be acting as 'principal', and the full costs are reflected within the annual accounts for the services which it hosts. This is the basis on which North Lanarkshire IJB accounts have been prepared.

The relevant share of the pan Lanarkshire and area wide service expenditure is therefore included in the North Lanarkshire IJB on the basis of 52% of the total expenditure, 48% of the services relating to the South Lanarkshire IJB are also included as the North Lanarkshire IJB is acting as the principal for the delivery of these services. In line with the Integrated Resource Advisory Group Guidance, the IJB responsible for the management of the hosted service is also responsible for managing overspends. As a result, these are accounted for within the Annual Accounts of the lead IJB. The same accounting treatment was adopted where an underspend arose in respect of a hosted service.

Note 2. Events After the Balance Sheet Date

The Chief Finance Officer authorised the unaudited annual accounts for issue on 17 June 2026. Events after the balance sheet date are those events that occur between the end of the reporting period and the date when the statements are authorised for issue.

Where events take place before the date of authorisation and provide information about conditions existing as at 31 March 2026, the figures in the financial statements and notes would

be adjusted in all material aspects to reflect the impact of this information. There have been no material events since the date of the balance sheet which require revision to the figures in the Annual Accounts.

Note 3. Expenditure and Funding Analysis by Nature

The following table shows the gross expenditure and funding for North Lanarkshire IJB against subjective headings:

Expenditure and Funding Analysis by Nature	2024/25	2025/26
	£m	£m
Social Care Services	263.773	276.538
Health Care Services - Localities	70.341	69.076
Health Care Services - Area Wide	8.420	9.671
Health Care Services - Out of Area	4.041	1.428
Family Health Services	135.965	145.617
Hosted Services - Led by North IJB	155.183	164.327
Hosted Services - Led by South IJB	43.907	47.317
IJB Operating Costs	0.278	0.331
Prescribing Costs	81.709	80.986
Set Aside	75.143	78.367
Total Cost of Services	**838.760**	**873.658**
Partners Funding Contributions and Non-Specific Grant Income	(838.790)	(900.921)
(Surplus)/Deficit on Provision of Services	**(0.030)**	**(27.263)**

Note 4. Taxation and Non-Specific Grant Income

The following table shows the funding contribution from the two partner organisations:

Taxation and Non-Specific Grant Income	2024/25	2025/26
	£m	£m
Funding Contribution from NHS Lanarkshire	(630.765)	(682.618)
Funding Contribution from North Lanarkshire Council	(208.025)	(218.303)
Total	**(838.790)**	**(900.921)**

The funding contribution from the NHSL Board shown above includes £78.367m in respect of 'Set Aside' resources relating to acute hospital services. These are provided by NHSL which retains responsibility for managing the costs of providing these services. The IJB however has responsibility for the consumption and level of demand placed on these resources.

Note 5. Corporate Services

NLC and NHSL provide a range of support services for the IJB including finance, personnel, planning, audit, payroll, debtor, and creditor services. There is no charge to the IJB for these support services. The costs associated with running the IJB are shown in the following table:

IJB Operating Costs (Corporate Services)	2024/25	2025/26
	£m	£m
Staff Costs	0.240	0.293
Audit Fees	0.035	0.035
Administration Costs	0.003	0.003
Total	**0.278**	**0.331**

Note 6. Short Term Debtors and Creditors

Short Term Debtors	2024/25	2025/26
	£m	£m
NHS Lanarkshire	50.276	78.761
North Lanarkshire Council	25.278	24.056
Total	**75.554**	**102.817**

Short Term Creditors	2024/25	2025/26
	£m	£m
NHS Lanarkshire	-	-
North Lanarkshire Council	-	-
Total	**-**	**-**

Note 7. Useable Reserves: General Fund

The purpose and operation of the General Fund is set out in the IJB Reserves Policy, approved in March 2026. The General Fund balance may be designated for specific purposes, including:

- Earmarked reserves, where resources are committed to support approved service developments, programme delivery, or specific financial commitments
- Contingency reserves, held to mitigate identified financial risks and provide resilience against unforeseen events and financial pressures

At 31 March 2026, the IJB transferred funding to earmarked reserves to support agreed commitments and the Strategic Commissioning Plan Programme of Work.

Contingency reserves have also been increased in line with the IJB's financial strategy to support financial sustainability and manage future uncertainty. The following table shows the movement in reserves during 2025/26.

USEABLE RESERVES	Balance as at 31 March 2025	Net Transfers during 2025/26	Balance as at 31 March 20256
	£m	£m	£m
Alcohol and Drug Partnership Funding	3.681	0.450	4.131
Blood-Borne Viruses Services	0.318	(0.043)	0.275
Community Living Change Fund	0.054	(0.054)	0.000
Long Covid Pathways Funding	0.289	(0.289)	0.000
Hospital at Home Services	0.915	(0.034)	0.881
Mental Health and Learning Disability Services	5.203	0.923	6.125
North Planning Band 2-4 Posts & Pharmacy Training	3.065	(0.969)	2.096
Nursing Funding	0.646	0.629	1.275
Adult Social Care Winter Preparedness Fund	1.000	0.000	1.000
Carers Act Support	2.604	(0.165)	2.439
Children and Adolescent Mental Health Services	3.042	(0.172)	2.870
Digital and IT Strategy	3.646	(0.490)	3.156
Earmarked Reserves - Other Services	6.890	(3.986)	2.904
Home Support Resilience	0.577	(0.327)	0.250
IJB Financial Plan 2023/2026	2.616	(1.441)	1.175
Mental Health	2.917	0.868	3.785
Minor Repair and Replacement Programme of Works	1.811	8.876	10.687
Prescribing Fund	5.066	0.000	5.066
Social Care Services	0.316	0.769	1.085
Winter Funding Business Case	0.309	(0.287)	0.022
Unscheduled Care	0.000	13.254	13.254
Children's Services	0.000	2.651	2.651
Medicine Growth	0.000	0.620	0.620
Total Earmarked Reserves	**44.965**	**20.783**	**65.748**
Total Contingency Reserve	**30.589**	**6.480**	**37.069**
TOTAL USEABLE RESERVES	**75.554**	**27.263**	**102.817**

Restatement: In 2024/25 a balance of £0.666m for Ring Fenced Reserves- Other was reported, this has been combined with Earmarked Reserves – Other Services resulting in a combined opening balance of £6.889m.

Note 8. Related Party Transactions

The IJB has related party transactions with NLC and NHSL. The nature of the partnership means that the IJB both influences and is influenced by its partner organisations.

Non-voting Board members are not directly employed by NHSL; however, NHSL meets 50% of the cost of the Chief Officer and the full cost of the Chief Finance Officer. These costs are included within the IJB Operating Costs (Corporate Services) in the Comprehensive Income and Expenditure Statement and are detailed in Note 5.

The transactions and balances disclosed within the IJB Annual Accounts provide additional information on these related party relationships.

There are also elements of expenditure recorded against NLC where the underlying funding is provided by NHSL. In particular, resource transfer funding, including the Social Care Fund, is included within the NHSL budget but is utilised to support the delivery of social care services provided by NLC.

Expenditure on Services Provided	2024/25	2025/26
	£m	£m
NHS Lanarkshire	574.747	596.826
Resource Transfer to North Lanarkshire Council	56.462	57.306
NHS Lanarkshire Total	**631.209**	**654.132**
North Lanarkshire Council	264.013	276.831
Resource Transfer from NHS Lanarkshire	(56.462)	(57.306)
North Lanarkshire Council Total	**207.551**	**219.525**

Funding Contributions Received	2024/25	2025/26
	£m	£m
NHS Lanarkshire	(630.765)	(682.618)
North Lanarkshire Council	(208.025)	(218.303)
Total	**(838.790)**	**(900.921)**

Debtors	2024/25	2025/26
	£m	£m
NHS Lanarkshire	50.276	78.761
North Lanarkshire Council	25.278	24.056
Total	**75.554**	**102.817**

Note 9. Hosted Services

North Lanarkshire IJB act as the lead for a number of delegated services on behalf of South Lanarkshire IJB. It therefore commissions services on behalf of South Lanarkshire IJB and reclaims the costs involved. Since North Lanarkshire IJB is acting as 'principal' in these transactions, the total gross expenditure and the consequential reimbursement is included in the CIES even though 48% of the hosted budget is consumed by South Lanarkshire.

Host: North Lanarkshire				
North Lanarkshire Services 2024/25	**Consumed by South Lanarkshire 2024/25**	**Service**	**North Lanarkshire Services 2025/26**	**Consumed by South Lanarkshire 2025/26**
£m	**£m**		**£m**	**£m**
1.667	0.879	Blood-Borne Virus Services	1.766	0.884
13.683	6.901	Children and Adolescents Mental Health Services	13.819	7.808
16.556	6.881	Childrens Services	17.127	8.235
3.210	1.213	Continence Services	3.271	1.580
4.339	2.212	Dietetics Services	4.814	2.309
3.046	1.463	Hospital at Home	3.537	1.619
4.925	2.991	Immunisation Services	5.574	3.294
(0.000)	0.392	Integrated Equipment and Adaptation Store	(0.040)	0.272
90.305	44.674	Mental Health and Learning Disability Services	96.667	47.002
4.627	2.480	Podiatry Services	4.630	2.385
2.327	1.019	Prisoner Healthcare Services	2.332	1.238
3.819	1.849	Sexual Health Services	3.688	1.840
6.678	3.607	Speech and Language Therapy Services	7.142	3.583
155.182	**76.561**	**Total Services Hosted by North Lanarkshire IJB**	**164.327**	**82.049**

Similarly, South Lanarkshire IJB acts as the lead for a number of delegated services on behalf of North Lanarkshire IJB. The value consumed by North Lanarkshire equates to 52% of South Lanarkshire IJB hosted budget. As this expenditure is incurred for the residents of North Lanarkshire, it is included in the CIES.

Host: South Lanarkshire				
Consumed by North Lanarkshire 2024/25	**South Lanarkshire Services 2024/25**	**Service**	**Consumed by North Lanarkshire 2025/26**	**South Lanarkshire Services 2025/26**
£m	**£m**		**£m**	**£m**
4.529	7.687	Community Dental Services	4.566	3.773
1.302	2.455	Brain Injury Unit	1.397	1.276
2.613	6.200	Diabetic Services	3.710	3.696
0.244	0.638	Improving Cancer Journey	0.213	0.332
4.712	8.460	Occupational Therapy Services	5.521	4.207
5.565	10.103	Out of Hours Services	5.653	5.013
5.097	7.707	Palliative Care Services	5.584	4.881
6.407	10.959	Physiotherapy Services	6.552	5.772
0.476	0.762	Primary Care Services	0.503	0.303
12.962	24.927	Primary Care Improvement Fund	13.618	13.055
43.907	**79.898**	**Total Services Hosted by South Lanarkshire IJB**	**47.317**	**42.308**

The table below shows the total of hosted serviced included in the CIES:

2024/25 £m	Hosted Services	2025/26 £m
155.182	Total Services Hosted by North Lanarkshire IJB	164.327
43.907	Total Services Hosted by South Lanarkshire IJB and Consumed by North	47.317
199.089	Total Included in Comprehensive Income and Expenditure Statement	211.644

Note 10. VAT

The Integration Joint Board (IJB) is not registered for Value Added Tax (VAT) as it does not make taxable supplies and operates as a commissioning body. Accordingly, the IJB does not charge or recover VAT directly.

The VAT treatment of income and expenditure reflected in the financial statements is determined by the VAT status of the partner organisation delivering the underlying services, as each partner is subject to different statutory VAT recovery arrangements:

- Where North Lanarkshire Council (NLC) is the provider, amounts are generally recognised net of VAT, as the Council is able to recover VAT on non-business activities under Section 33 of the Value Added Tax Act 1994. Where VAT is not recoverable by the Council, the associated expenditure is recognised inclusive of VAT.
- Where NHS Lanarkshire (NHSL) is the provider, expenditure is generally recognised inclusive of VAT, as VAT incurred by NHS bodies is only recoverable in limited circumstances under Section 41 of the Value Added Tax Act 1994 and therefore typically forms part of the cost of service delivery.

Transactions between the IJB and its partner bodies arise from statutory responsibilities and the integration arrangements established under the Public Bodies (Joint Working) (Scotland) Act 2014. Such arrangements are considered to be non-business activities carried out under a special legal regime and are therefore outside the scope of VAT.

Services provided by the Chief Officer and other officers are supplied under similar statutory arrangements and are also treated as being outside the scope of VAT.

Note 11. External Audit Costs

Fees payable to Audit Scotland in respect of external audit services undertaken in accordance with Audit Scotland's Code of Audit Practice in 2025/26 were £35,480 (2024/25 £35,180).

Audit Scotland did not undertake any non-audit services.