

North Lanarkshire Council Report

Policy and Strategy Committee

Does this report require to be approved? Yes No

Ref EK / GT

Date 05/12/23

Community Investment Fund – Annual Update

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Executive Summary

In September 2018, the 'We Aspire – A Shared Ambition for North Lanarkshire' report presented to Policy and Resources Committee outlined proposals for the establishment of the Community Investment Fund (CIF). The ambition was to target the creation of additional resources of £500m over a 10-year period to support new capital expenditure in North Lanarkshire's communities. The investment would be funded through ring-fencing elements of future council tax income associated with the growth in housing and top slicing an element of future council tax increases.

The previous update presented to Policy and Strategy Committee in September 2023 highlighted a revised estimate of the potential funding available of £472.974m over the 10-year period. This position was reflective of the impact of the cost-of-living crisis on the cost of borrowing and was incorporated into the Council's resource planning for the new 5-year Strategic Capital Investment Programme from 2024/25 to 2028/29 approved at Policy and Strategy Committee in March 2024.

This report provides an update to reflect Council Tax growth over the last year, anticipated future growth in the Council Tax base and the impact of up-to-date projections on the costs of borrowing. As a result of these factors, a prudent estimate of available CIF resources over the original 10-year period to 2029/30 is now £480.523m, a modest increase of £7.549m from the previous assessment.

This annual update goes a stage further in using 2024/25 as a revised Year 1 of a new 10-year Community Investment Fund projection to 2033/34 which projects total Community Investment Fund from its inception of £793.104m; representing an additional £300.130m available to 2033/34.

As members will be aware, earlier in this Committee agenda the Council Tax Strategy paper highlighted that to support members with planning and decision making the Section 95 Officer recommends, for illustrative purposes only, that future Financial Outlooks and CIF modelling will reflect Scenario C, a 10% Council Tax increase, which is the scenario closest to the average increase of all four scenarios presented for year 1. The Council Tax level will ultimately be a decision for members when setting the budget, with the financial impact that differs from such illustrations also reflected.

Therefore this report includes more detailed scenario analysis to project the impact on the Community Investment Fund of Council Tax increases of 10% from 2025/26 to 2027/28 in

line with the Section 95 Officer's recommendation. This provides a projection of overall funding rising to £894.351m, a further increase of £101.247m.

Finally, the impact of setting aside 2% of Council Tax from 2025/26 to 2027/28, instead of the previously anticipated 1%, is modelled. This increases total anticipated Community Investment Fund to £1,006.081m to 2033/34, representing a further increase of £212.976m from the baseline projection to 2033/34.

The updated CIF projections will be incorporated into planning for the annual Strategic Capital Investment Programme budget updated for the 2024/25 to 2028/29 programme due to be presented to Policy and Strategy Committee in March 2025.

Recommendations

It is recommended that the Policy and Strategy Committee:

- (1) Acknowledges the updated assumptions highlighted in the report and the increase in available CIF resources of £7.549m over the original 10-year period to 2029/30,
- (2) Acknowledge the scenario analysis of Council Tax rises and the percentage allocation of Council Tax rises on the availability of funding for the Community Investment Fund to 2033/34, and
- (3) Acknowledge that the updated funding profile will be incorporated into planning for annual Strategic Capital Investment Programme budget updated for the 2024/25 to 2028/29 programme due to be presented to Policy and Strategy Committee in March 2025.

The Plan for North Lanarkshire

Priority	Improve North Lanarkshire's resource base
Ambition statement	(21) Continue to identify and access opportunities to leverage additional resources to support our ambitions
Programme of Work	Statutory / corporate / service requirement

1. Background

- 1.1 In September 2018, the 'We Aspire – A Shared Ambition for North Lanarkshire' report presented to Policy and Resources Committee outlined proposals for the establishment of the Community Investment Fund (CIF). The ambition was to target the creation of additional resources of £500m over a 10-year period to support new capital expenditure in North Lanarkshire's communities. The investment would be funded through ring-fencing elements of future council tax income associated with the growth in housing and top slicing an element of future council tax increases.
- 1.2 The CIF aims to support the Council's aspiration to make North Lanarkshire the place to Live, Learn, Work, Invest and Visit, with a shared ambition for inclusive growth and prosperity for all. Investment linked to CIF will be targeted towards tackling the barriers to growth by unlocking the potential in the most deprived areas, breaking the cycle of poverty and opening up opportunities to create more equal communities.
- 1.3 The new investment aims to accelerate the delivery of ambitious plans for community investment and service delivery underpinned by community involvement and

partnership whilst supporting the generation of future budget savings and supporting economic regeneration activity throughout North Lanarkshire.

- 1.4 Several updates have been presented to Policy and Strategy Committee with the most recent update provided in September 2023. That update highlighted a revised estimate of the potential funding available of £472.974m over the 10-year period. The position at that time was reflective of economic uncertainty associated with the Covid-19 health pandemic and the impact of the increased cost of borrowing following successive increases in the Bank of England base rate.
- 1.5 Successive Council budgets from 2019/20 to 2023/24 set aside the equivalent of 1% of Council Tax increases to support CIF ambitions and following the Scottish Government's Council Tax freeze in 2024/25 the Council's budget continued to set aside the equivalent of a 1% increase to support CIF. As a result, the Community Investment Fund contributes around 57% of funding for the core strategic capital investment programme with the core capital grant contributing just 16%.
- 1.6 To date, the Community Investment Fund has been a major contributory factor in record investment across North Lanarkshire's communities. A summary of the 2023/24 financial year programme delivery highlights is shown in Appendix 1.

2. Report

- 2.1 As previously highlighted, the Community Investment Fund has two main forms of funding: forecast growth in Council Tax income which is directly linked to the Council's ambition for economic growth; and the ring-fencing of 1% of future Council Tax increases.

Ring-fenced Council Tax

- 2.2 The decision of the Scottish Government to freeze Council Tax in 2024/25 has been reflected in the updated modelling. The lack of Council Tax rise in 2024/25 has reduced CIF funding over the remaining 10-year period because it has permanently limited the Council Tax base income. The impact was a reduction in funding available of £6.538m.
- 2.3 The Council's current Medium Term Financial Plan (MTFP) was presented to Policy and Strategy Committee in June 2024 and continues to assume that 1% of future Council Tax rises will be set aside to support CIF. However, the MTFP also highlights a significant funding gap from 2025/26 to 2029/30 which will require Elected Members to make difficult decisions to obtain balanced budgets in the years ahead. It also assumes no further national policy interventions to support a Council Tax freeze.
- 2.4 The latest CIF projection revises the anticipated Council Tax increases from 3% to 5% to reflect the Section 95 Officer recommendation and anticipated strategy assumed for the Council for the 2024/25 to 2026/27 period prior to the Scottish Government's Council Tax freeze.

Council Tax Growth

- 2.5 In assessing the potential for future CIF resources, Finance uses a variety of tools to assess potential Council Tax growth. The following is a summary of the current analysis:

Council Tax Monitoring

- 2.6 Finance produces monthly monitoring information on the movement in the Council Tax base using data from the Council Tax system on the numbers of properties at each band, adjusted for any exemptions and discounts applied. For ease of comparison, the total number of properties is represented as Band D equivalents.
- 2.7 As at July 2024, there has been lower than previously anticipated growth in the Council Tax base over the past twelve months. In the September 2023 CIF projections, Band D growth for the current financial year was assumed to be 1,612 based on anticipated housing completions over that period, but the latest figures indicate lower growth of 902. After taking into account the £1.000m additional income required to support the Council's Medium Term Financial Plan assumptions, there is £0.155m of funding to support the CIF investment programme for 2024/25, a decrease of £0.972m from previous assumptions. This decrease is likely as a result of the impact of significant inflationary pressures in the construction industry and the increased cost of borrowing impacting on housebuild completion costs and the demand for new housing.

New Build Development Monitoring

- 2.8 The Place service has developed a suite of metrics to support the monitoring of new build development that includes the volume of planning applications granted, the numbers of building warrants granted by Building Standards (approval for construction) and the number of completion certificates issued by Building Standards.
- 2.9 It is worth noting that the trends in these areas would not ordinarily lead to an amendment of projected housing growth in the CIF modelling but could provide a sense of confidence in the housing market in North Lanarkshire. The information presented in the latest update has been reflected within the revised CIF modelling.
- 2.10 Housebuilders project that there will be annual completions averaging 1,343 units for the remainder of the CIF planning period to 2029/30. There also continues to be positive trends in the number of new units granted planning approval in 2023/24 and 2024/25 that point to the potential for increased activity being reflected in the Housing Land Audit in the future. This will be subject to ongoing monitoring and modelling as there's more certainty on the timing of transition from planning approval to construction.
- 2.11 These projections are largely based on the housebuilding estimates prior to the establishment of the Council's Invest in NL Team with an enhanced approach to support the pre planning application advisory service to streamline the overall planning process for developers.

Investment Factor

- 2.12 As outlined in previous CIF update reports, one of the key factors in determining potential funding available is the investment factor. This investment factor is determined by considering the prevailing interest rates available to the Council and the length of time the borrowing is repaid.
- 2.13 In March 2020, the assumptions were updated to reflect the UK Treasury's decision to increase the interest rate for Public Works Loans Board (PWLB) borrowing of 1.0%. The assessment at that time was that the Council's overall borrowing would trend towards 3.25% resulting in an investment factor of 22.2084 (£1m of revenue expenditure would equate to £22.208m of capital expenditure).

- 2.14 That assessment was made at a time when the Bank of England base rate was at just 0.10% and the Council was continuing to be able to reduce the cost of new borrowing. However, in the 2023 CIF update report, the projections reflected the peak Bank of England rate of 5.25% and a revised Council borrowing rate of 4.75% for the remainder of the CIF planning period. This reduced the investment factor to 17.7630 meaning that £1m of revenue resources will now support £17.763m of capital expenditure.
- 2.15 Although the Bank of England base rate has started to reduce from the peak of 5.25%, latest projections from the Council's treasury advisors indicate that the cost of borrowing on the markets may stay stubbornly high and the Council is currently projecting the cost of borrowing to increase to 4.92% in 2028/29 and this has been reflected in the revised projections. This reduces the investment factor from 2028/29 to 17.3487.

Impact on Capital Resources

- 2.16 In summary, the positive impact of revised Council Tax increase assumptions partially offset by the impact of the Council Tax freeze in 2024/25, lower than anticipated household completions in 2024/25 and marginal reduction in investment factor from 2028/29 onwards means there's a slight increase in resources of £7.549m over the original 10-year period.

Extension of CIF Period to 2033/34

- 2.17 The original CIF planning period was anticipated to end after 10 years in 2029/30, and the majority of this funding is already incorporated into the Council's current 5-year Strategic Capital Investment Programme. However, given the success of the programme and the benefits realised across North Lanarkshire's communities this update extends the CIF planning period to 2033/24 with the current financial year essentially becoming a new Year 1.
- 2.18 As members will be aware, earlier in this Committee agenda the Council Tax Strategy paper highlighted that to support members with planning and decision making the Section 95 Officer recommends, for illustrative purposes only, that future Financial Outlooks and CIF modelling will reflect Scenario C, a 10% Council Tax increase, which is the scenario closest to the average increase of all four scenarios presented for year 1. The Council Tax level will ultimately be a decision for members when setting the budget, with the financial impact that differs from such illustrations also reflected.
- 2.19 This recommended strategy has been reflected in the CIF financial modelling over 2025/26, 2026/27 and 2027/28 to show the longer-term impact of successive 10% rises but also, importantly, on a scenario where 2% of Council Tax rises are allocated to CIF instead of 1%. This longer-term approach supports longer-term capital planning for key Council projects such as the already committed City Deal programme and potential acceleration of the delivery of Town and Community Hubs.
- 2.20 Extending to 2033/34 with the current assumptions would increase CIF funding to £635.002 as shown in Appendix 2. This would represent additional funding of £162.029m compared to the September 2023 projection.
- 2.21 Appendix 3 highlights the impact of 10% Council Tax rises across 2025/26, 2026/27 and 2027/28. In this scenario CIF funding would be £736.249m; an increase of £263.275m from the September 2023 assumptions. With £34.513m additional in the current 5-year capital planning period.

2.22 Appendix 4 demonstrates the impact of setting aside 2% of a 10% Council Tax rise for the three-year period from 2025/26 and shows total CIF resources of £847.979m; an increase of £375.005m from the September 2023 scenario. With £146.242m additional in the current 5-year capital planning period.

Sensitivity Analysis

2.23 Given the number of variables affecting CIF modelling there are a number of risks and uncertainties associated with the various assumptions being made. A significant deviation from any of these assumptions could have an impact on the level of resources available. The following analysis illustrates the impact of changes in each of the factors:

- **Future increases in Council Tax**
To date, the Council has formally agreed to set aside 1% of Council Tax increases from financial years 2019/20 to 2023/24 with a Council Tax freeze in 2024/25.

The setting aside of Council Tax increases is dependent on future decisions of the Council. A Council decision not to set aside 1% for CIF in 2025/26 would reduce available funding by £67.212m up to 2033/34.

- **The level of future housing growth**
The level of new housing development is significantly influenced by the strength of the economy. With the ongoing impact of cost-of-living pressures and higher cost of borrowing, there is an ongoing risk that this will have an impact on the level of new housebuilding.

No Council Tax growth across the CIF planning period above the £1.000m required to support the Medium-Term Financial Plan would reduce available resources to 2033/34 by £252.171m.

- **Prudential borrowing factors**
The model assumes an average interest rate of 4.75% will apply to 2027/28 with an increase to 4.92% from 2028/29 for the remainder of the modelling timescale. This will be subject to a degree of volatility linked to the health of the economy, the availability of borrowing at PWLB rates (generally more attractive than the external market) and the ability for the Council to continue to proactively manage its loan debt profile.

2.24 An increase in the average rate of borrowing to 5.92% would reduce overall funding available by £51.579m. Alternatively, a reduction to 3.92% would increase CIF resources by £64.356m.

3. Measures of success

3.1 Success will be evidenced through the development of projects and programmes of activity funded through the Community Investment Fund and their impact on the communities of North Lanarkshire.

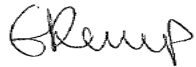
4. Supporting documentation

Appendix 1 – Community Investment Fund – 2023/24 Programme Delivery Highlights

Appendix 2 – Community Investment Fund model – Updated 10-year Projection

Appendix 3 – Community Investment Fund model – 10% Council Tax rise

Appendix 4 – Community Investment Fund model – 2% Council Tax ring-fenced



Elaine Kemp
Chief Officer (Finance)

5. Impacts

<p>5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>The financial impacts are outlined throughout the report. The updated funding profile will be incorporated into the revised Strategic Capital Investment Programme 2024/25 to 2028/29 for consideration by this Committee in March 2025.</p>
<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p>

5.6 Technology / Digital impact

Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi?

Yes No

If Yes, please provide a brief summary of the impact?

Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes No

5.7 Environmental / Carbon impact

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes No

If Yes, please provide a brief summary of the impact?

5.8 Communications impact

Does the report contain any information that has an impact on the council's communications activities?

Yes No

If Yes, please provide a brief summary of the impact?

5.9 Risk impact

Is there a risk impact?

Yes No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

The sensitivity analysis outlined in the report highlights the impact of significant variations in the assumptions underpinning the CIF model. The governance and monitoring arrangements put in place will ensure that risk is managed across CIF programmes, including through the Council's revenue budget, capital planning and treasury management strategies and consideration by the Council's Strategic Capital Delivery Group.

5.10 Armed Forces Covenant Duty

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes No

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

5.11 Children's rights and wellbeing impact

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

Yes No

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

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

Yes No

Appendix 1

Community Investment Fund – 2023/24 Programme Delivery Highlights

Assets and Procurement	Place
<ul style="list-style-type: none"> • Completion of the Chryston and Riverbank Community Hubs, • Commencement of the Orbiston Community Hub on site in December 2023, • Commencement of design development for Gartcosh and St Stephens Community Hubs, • Completion of toilet upgrades, roof replacements, require, fire stopping and decoration across 12 school, leisure, and community facility sites, • Carbon management works including boiler upgrades, solar panels, insulation, combined heat and power systems completed across around 40 sites, • Creation of integrated hubs at Caldervale High School, St Andrews High School and Broadwood Stadium, • Leisure developments including the completion of the Airdrie Pitch and Track Project, replacement of synthetic pitch at Keir Hardie Sports Centre, Broadwood gym upgrade and modernisation of front-line services at Broadwood Leisure Centre, • Creation of 6 digital classrooms, 7 outdoor cabin and 6 polytunnels, • ASN and Childrens House estate upgrades, • Management of school estate capacity pressures at Christ the King PS, Taylor HS and St Barbara's PS with works progressing across other sites, and • Outdoor education spaces at St Aidans PS and Ravenswood PS. 	<ul style="list-style-type: none"> • Completion of the landmark purchase of Cumbernauld Town Centre to facilitate significant town centre regeneration, • Ongoing engagement with property owners with a view to acquiring key properties and parcels of land across various town centres, • Appointing the contractor for the delivery of regeneration of Braidhurst Industrial Estate, • Completion of the Muir Street, Motherwell project to improve public transport access to Motherwell Train Station, • Completion of the West Coast Main Line bridge with planning progressed for Airbles Road works, • Further procurement activity for Ravenscraig Infrastructure and East Airdrie Link Road investments, • Completion of Motherwell Active Tavel route, and • 126 projects completed or progressed including 7 flood prevention and surface water management projects, 19 bridge asset management projects, 83 road safety improvement projects, part time 20mph signs at schools and 10 active travel design, construction and strategy development projects.
Community Operations	Business and Digital
<ul style="list-style-type: none"> • Cemetery improvement works at Bothwellhaugh, St Patricks, Old Monkland, Easfield and Cambusnethan, • Ash die back survey and planning, • Ongoing road improvement programme linked to prioritisation framework, • Wildflower planting, removal of invasive species, pond restoration and Nature Network surveys, • Play park improvements in country parks, • Completion of Bellshill Cycle Gateway car park, and • Landscape improvements in country parks including lighting, car parks and gateways. 	<ul style="list-style-type: none"> • Implementation of cyber incident responder service, • Progression of smart telephony solution including procurement of required handsets, • Progression of Adult Health and Social Care main system refresh, • Progression of procurement of corporate booking system, • Delivery of 2,315 new mobile devices and over 1,200 new laptops, • Immersive experience room at Muirfield completed with works progressing at Summerlee, • Eight servers and associated technology refreshed, • 72 cashless catering sites refreshed, • All sites migrated for digital connectivity with circa 164km of fibre deployed, and • Progression of procurement for community alarms and corporate scanning.
Strategic Communications and Engagement	
<ul style="list-style-type: none"> • Completion of 47 projects including 16 play area projects, 14 community safety projects, 14 surfacing projects, 2 heritage projects and 1 environmental project. 	

Community Investment Fund model – Updated 10-year Projection

	Prior Years	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Year 6 2029/30	Year 7 2030/31	Year 8 2031/32	Year 9 2032/33	Year 10 2033/34	Total
Raised from Ambition - Growth in Band D Equivalents:												
"As is" Growth	6,330	1,399	1,332	1,269	1,208	1,151	1,096	1,044	994	947	902	
Growth from ambition	993	399	439	483	531	585	643	707	778	856	942	
Impact of economic slowdown	(3,510)	(896)	(38)	221	5	(375)	(637)	(200)	(200)	(200)	(200)	
Anticipated Increase in Band D equivalents	3,813	902	1,733	1,973	1,745	1,360	1,102	1,551	1,572	1,603	1,643	18,996
Council Tax Charge for Band D		1,321	1,387	1,456	1,529	1,606	1,686	1,770	1,859	1,951	2,049	
Total Additional Council Tax Income from growth (£000)	4,817	1,191	2,403	2,873	2,668	2,183	1,858	2,745	2,922	3,127	3,367	30,155
Less assumed 3% non-collection (£000)	(145)	(36)	(72)	(86)	(80)	(66)	(56)	(82)	(88)	(94)	(101)	(905)
Less amount assumed in Long Term Financial Plan (£000)	(3,678)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(13,678)
Amount available for Community Investment Fund (£000)	995	155	1,331	1,787	1,588	1,118	802	1,663	1,834	2,034	2,266	15,573
Raised from Council Tax increases:												
Additional income from Council Tax increase	18,052	5,160	9,100	9,550	10,000	10,500	11,000	11,600	12,150	12,750	13,400	123,262
Amount available for Community Investment Fund (£000) - 1% set aside	6,017	1,720	1,820	1,910	2,000	2,100	2,200	2,320	2,430	2,550	2,680	27,747
Total estimated additional income for Community Investment Fund (£000)	7,012	1,875	3,151	3,697	3,588	3,218	3,002	3,983	4,264	4,584	4,946	43,320
Investment Factor (revenue funding converted to capital)	20.5510	17.7630	17.7630	17.7630	17.7630	17.3487	17.3487	17.3487	17.3487	17.3487	17.3487	
Total Capital Funding Available	158,102	33,310	55,978	65,669	63,736	55,828	52,081	69,101	73,978	79,519	85,803	793,104
CIF Resources Assumed for 5-year Capital Programme	158,102	50,580	43,512	48,483	52,850	57,394	62,053					472,974
Difference	0	(17,270)	12,466	17,186	10,886	(1,566)	(9,973)	69,101	73,978	79,519	85,803	320,130

Assumptions:

1. "As is" Growth – historically, the Council Tax Band D equivalent properties has averaged around 1,700 per annum. This model assumes this growth will reduce by 5% per annum
2. Growth from ambition – modelling assumes that additional housebuilding linked to the Plan for North Lanarkshire will be 300 (Band D equivalent) in Year 2, rising by an additional 10% per annum.
3. Reductions in growth applied to reflect anticipated slowdown associated with COVID-19, Brexit and Cost of Living economic impacts.
4. Council Tax will rise by 5% per annum in line with S95 Officer Recommendation linked to 2024/25 budget, with 1% ring-fenced to support CIF but this is subject to future Council decisions.
5. Council Tax collection rate assumed to be 97%.
6. Investment Factor assumed to be 17.7630 from 2024/25 to 2027/28 based on an interest rate of 4.75% over 40 years. This reduced to 17.3487 thereafter with an interest rate of 4.92%

Community Investment Fund – 10% Council Tax rise from 2025/26 to 2027/28

	Prior Years	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Year 6 2029/30	Year 7 2030/31	Year 8 2031/32	Year 9 2032/33	Year 10 2033/34	Total
Raised from Ambition - Growth in Band D Equivalents:												
"As is" Growth	6,330	1,399	1,332	1,269	1,208	1,151	1,096	1,044	994	947	902	
Growth from ambition	993	399	439	483	531	585	643	707	778	856	942	
Impact of economic slowdown	(3,510)	(896)	(38)	221	5	(375)	(637)	(200)	(200)	(200)	(200)	
Anticipated Increase in Band D equivalents	3,813	902	1,733	1,973	1,745	1,360	1,102	1,551	1,572	1,603	1,643	18,996
Council Tax Charge for Band D		1,321	1,453	1,598	1,758	1,846	1,938	2,035	2,137	2,244	2,356	
Total Additional Council Tax Income from growth (£000)	4,817	1,191	2,518	3,153	3,068	2,510	2,136	3,157	3,359	3,596	3,871	33,376
Less assumed 3% non-collection (£000)	(145)	(36)	(76)	(95)	(92)	(75)	(64)	(95)	(101)	(108)	(116)	(1,001)
Less amount assumed in Long Term Financial Plan (£000)	(3,678)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(13,678)
Amount available for Community Investment Fund (£000)	995	155	1,442	2,059	1,976	1,435	1,072	2,062	2,259	2,488	2,755	18,697
Raised from Council Tax increases:												
Additional income from Council Tax increase	18,052	5,160	19,000	20,900	23,000	12,050	12,650	13,300	13,950	14,650	15,400	168,112
Amount available for Community Investment Fund (£000) - 1% set aside	6,017	1,720	1,900	2,090	2,300	2,410	2,530	2,660	2,790	2,930	3,080	30,427
Total estimated additional income for Community Investment Fund (£000)	7,012	1,875	3,342	4,149	4,276	3,845	3,602	4,722	5,049	5,418	5,835	49,124
Investment Factor (revenue funding converted to capital)	20.5510	17.7630	17.7630	17.7630	17.7630	17.3487	17.3487	17.3487	17.3487	17.3487	17.3487	
Total Capital Funding Available	158,102	33,310	59,371	73,694	75,950	66,709	62,488	81,919	87,587	93,994	101,228	894,351
CIF Resources Assumed for 5-year Capital Programme	158,102	50,580	43,512	48,483	52,850	57,394	62,053					472,974
Difference	0	(17,270)	15,859	25,210	23,100	9,315	434	81,919	87,587	93,994	101,228	421,377

Assumptions:

1. Same as Appendix 1 apart from 10% Council Tax increase assumed for 2025/26, 2026/27 and 2027/28. Thereafter it reverts to 5% annual increase.

Community Investment Fund – 10% Council Tax rise and 2% ring-fenced from 2025/26 to 2027/28

	Prior Years	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Year 6 2029/30	Year 7 2030/31	Year 8 2031/32	Year 9 2032/33	Year 10 2033/34	Total
Raised from Ambition - Growth in Band D Equivalents:												
"As is" Growth	6,330	1,399	1,332	1,269	1,208	1,151	1,096	1,044	994	947	902	
Growth from ambition	993	399	439	483	531	585	643	707	778	856	942	
Impact of economic slowdown	(3,510)	(896)	(38)	221	5	(375)	(637)	(200)	(200)	(200)	(200)	
Anticipated Increase in Band D equivalents	3,813	902	1,733	1,973	1,745	1,360	1,102	1,551	1,572	1,603	1,643	18,996
Council Tax Charge for Band D	5,021	1,321	1,453	1,598	1,758	1,846	1,938	2,035	2,137	2,244	2,356	
Total Additional Council Tax Income from growth (£000)	4,817	1,191	2,518	3,153	3,068	2,510	2,136	3,157	3,359	3,596	3,871	33,376
Less assumed 3% non-collection (£000)	(145)	(36)	(76)	(95)	(92)	(75)	(64)	(95)	(101)	(108)	(116)	(1,001)
Less amount assumed in Long Term Financial Plan (£000)	(3,678)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(13,678)
Amount available for Community Investment Fund (£000)	995	155	1,442	2,059	1,976	1,435	1,072	2,062	2,259	2,488	2,755	18,697
Raised from Council Tax increases:												
Additional income from Council Tax increase	18,052	5,160	19,000	20,900	23,000	12,050	12,650	13,300	13,950	14,650	15,400	168,112
Amount available for Community Investment Fund (£000) - 1% set aside up to 2024/25, 2% thereafter	6,017	1,720	3,800	4,180	4,600	2,410	2,530	2,660	2,790	2,930	3,080	36,717
Total estimated additional income for Community Investment Fund (£000)	7,012	1,875	5,242	6,239	6,576	3,845	3,602	4,722	5,049	5,418	5,835	55,414
Investment Factor (revenue funding converted to capital)	20.5510	17.7630	17.7630	17.7630	17.7630	17.3487	17.3487	17.3487	17.3487	17.3487	17.3487	
Total Capital Funding Available	158,102	33,310	93,121	110,818	116,805	66,709	62,488	81,919	87,587	93,994	101,228	1,006,081
CIF Resources Assumed for 5-year Capital Programme	158,102	50,580	43,512	48,483	52,850	57,394	62,053					472,974
Difference	0	(17,270)	49,609	62,335	63,955	9,315	434	81,919	87,587	93,994	101,228	533,107

Assumptions:

1. Same as Appendix 1 apart from 10% Council Tax increase assumed for 2025/26, 2026/27 and 2027/28 with 2% ring-fenced from each of those years. Thereafter it reverts to 5% annual increase with 1% ring-fenced.