North Lanarkshire Council
Report

Finance and Resources Committee

Does this report require to be approved? ☐ Yes ☒ No

Ref NLP/IM/JMcK **Date** 22/11/23

North Lanarkshire Properties LLP – Performance Indicators: 12 January 2023 to 3 August 2023 and Financial Performance as at 21 July 2023

From James McKinstry, Chief Officer (Assets and Procurement)

E-mail martini@northlan.gov.uk **Telephone** Ian Martin
Tel: 07966 397637

Executive Summary

This report provides details of North Lanarkshire Properties LLP's (NLP LLP) performance from 12th January 2023 to 3rd August 2023 and provides an update on significant events and service delivery highlights during the reporting period.

The report also provides details of the financial performance for the period from 1st April 2023 to 21st July 2023.

Recommendations

It is recommended that the Finance and Resources Committee:

(1) Acknowledges NLP LLP's operational performance against its 2022/23 targets for the period 12th January 2023 to 3rd August 2023;

(2) Acknowledges NLP LLP's financial performance during the period from 1 April 2023 to 21st July 2023;

(3) Acknowledges the Service delivery highlights detailed within the report;

The Plan for North Lanarkshire

Priority	Improve economic opportunities and outcomes
Ambition statement	(3) Maximise the use of our marketable land and assets through improved development in business and industrial infrastructure
Programme of Work	Transforming Places

1. Background

1.1 NLP LLP is a limited liability partnership established in 2013 between the Council and its wholly owned company, North Lanarkshire Property Investments Ltd. It undertakes the marketing, leasing and management of the Council's commercial property portfolio (shop units, office accommodation, business centres, industrial yards and storage units) and, on behalf of the Council, manages legacy properties which remain in the Council's investment property portfolio. It also delivers services in relation to externally owned properties that the Council leases for its own operational use and provides general advice on lease transactions.

1.2 Governance, strategic direction and oversight of the limited liability partnership is provided by the Management Committee which comprises four elected members and one senior Council officer appointed by the Council and one member appointed by the limited company, NL Property Investments Ltd. Members to the Board of Directors of the limited company, NL Property Investments Ltd, are also appointed by the Council with five elected members and one senior officer appointed. The Management Committee meets quarterly and is responsible for ensuring NLP LLP's services are delivered in accordance with the approved Service Level Agreement and company objectives.

1.3 The Management Committee undertook a number of measures to implement recommendations from the ALEO review completed in 2018/19, most significantly, the establishment restructure and enhancement proposals approved in February 2019.

1.4 The Management Committee at its meeting on 3 September 2020 approved a formal Minute of Variation to the SLA which included details of the Strategic Business Manager Support Services provided by Asset and Procurement Solutions and the associated charge of £74,000. It was also agreed that a review of this service should be completed by 31 March 2021.

1.5 At its meeting on 11 February 2021 the management Committee agreed to continue with the support services up to 31 March 2024. The service delivery model will be reviewed annually or at the request of the Management Committee to ensure that it continues to meet NLP's requirements.

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2. Report

Performance Indicators

2.1 Following changes to the council's Scheme of Administration, responsibility for oversight of service delivery by arm's length bodies now rests with the relevant service committee. The functions delivered by NLP LLP on behalf of the council fall within the Terms of Reference of this committee and a six monthly performance report is submitted in line with the Strategic Performance Framework considered by members in November 2019. The report will confirm where NLP LLP is fulfilling its contractual obligations and meeting the council's service delivery expectations, as well as providing information from Finance on financial performance and overall financial standing within the company. This information will help give early warning of any financial risks which may give rise to operational or reputational risks for the council.

2.2 2023/24 Performance indicators are listed at appendix 1 along with actual performance for the period 12th January 2023 to 3rd August 2023, which fulfil the reporting requirements agreed between the organisation and the council and further demonstrate where NLP LLP is contributing to the council's strategic priorities.

2.3 During the reporting period a total of 29 properties were let, renewed or assigned (12 Office; 9 Retail and 8 Industrial) and there were 20 lease terminations over the corresponding period.

2.4 The percentage of vacant properties across the NLP portfolio over the corresponding period are shown at Section 12 in Appendix 1. The vacancy rates have increased from 13.62% in P10 2022/23 to 15.23% in P4 2023/24. This corresponds with annual trends for the same periods in previous years.

Service Delivery Highlights

2.5 NLP have partnered with NLP Growth Team to develop the existing Braidhurst Industrial Site in Motherwell where the development value is estimated to be in the region of £6.5m. Funding of £1.8m has been secured from the Scottish Government Regeneration Capital Grant Fund (RCGF) and a further £1.3m from Place Based Investment Programme (PBIP) for the construction of around 10 incubator units to bring and support small to medium sized local businesses. The project is being jointly funded by NLC and NLP where NLP has committed to provide up to 10% of the project value capped at a maximum of £600,000. NLC have also committed to provide £2.8m towards the project. The project will also include the upgrading to the existing industrial units within the site and forms part of a larger project with the formation of a transport link at nearby Newhut Road and Bellshill Road. The contractor has now taken possession of the site.

2.6 NLP is actively supporting the Council's Ambition Plan for Town Centre regeneration. This has taken the form of identifying properties which could be converted to residential use in Motherwell and Airdrie and which can be sold to the Council to further its plans.

Financial Impact

2.7 **Public Accountability Obligations – Financial year 2023/24**

2.7.1 To satisfy the Council's duty to ensure the organisation delivering property management services on its behalf is financially sound, the Council's Section 95 Officer maintains appropriate and proportionate processes and procedures for scrutinising NLP LLP's financial performance.

2.7.2 The Council's Legal Agreements with NLP LLP specify the financial information which NLP must submit to the Council including an annual business plan, quarterly management accounts, audited financial statements etc., to enable Finance to assess and report any financial risk likely to arise as a result of the Council using NLP LLP to deliver these services.

2.7.3 The Council expends revenue resources annually with NLP LLP to deliver services which assist the Council in achieving its priority outcomes. The Council has a duty to continue to ensure this money is being properly used to deliver both the Council's and NLP LLP's key objectives.

2.7.4 For financial year 2023/24, the Council's approved revenue spend includes property management services (£0.198m) and rental charges for properties utilised by the Council.

2.8 Financial Outturn to 31 March 2023

2.8.1 The 2022/23 Annual Financial Statements approved by the Board at the AGM on 28 September 2023 reported an Accounting Profit for the year of £7.436m, which included a significant uplift in the annual revaluation of the property portfolio and FRS102 pension costs. The trading profit for the year was £1.600m against a budget of £1.031m resulting in a favourable variance of £0.569m to be added to reserves. This was due to over-recoveries in rental income and bank interest, decreased bad debt provision and minor underspends within other areas offset by increased repairs and utility charges. Further details on financial trading performance are given on Appendix 2.

2.8.2 Appendix 3 provides Balance Sheet balances at the 31 March 2023 along with the previous year's comparative figures and commentary. Council representatives are asked to note:

- Net assets totalling £47.704m are predominately due to the increase in property valuations and improved timing in payment of invoices and receipt of income.

- Council representatives should be assured that the company is in a healthy position, and this has proven to be beneficial in the loan refinancing negotiations.

2.9 Financial Performance 1 April 2023 to 21 July 2023

2.9.1 Based on the financial performance to 21st July 2023 a projected transfer into reserves of £0.616m is reported to 31st March 2024 which is a favourable movement against a budgeted transfer out of reserves of £0.320m. The position is based on the loan refinancing proposal at the time of preparing the accounts and may be subject to change. As at period 4 the Projected Debt Service Covenant (PDSC) is 0.76:1 which is in excess of the revised ratio agreed with Barclays for of 0.5 to 1. However, members should note that this is anticipated to improve from Quarter 3, increasing to 1.42:1 which meets the proposed new covenant set by the preferred bidder of 1.1:1. Further details on financial performance are given in Appendix 4.

2.9.2 Appendix 5 provides Balance Sheet balances as at 21st July 2023 along with the comparative figures as at 31 March 2023. Council representatives are asked to note:

- The company has net assets of £49.015m predominately due to realisation of year end prepaid income in the accounts and improved timing in payment of invoices and receipt of income offset by the outstanding loan balance. This is a favourable movement of £1.311m on the year-end position.

- Members should be assured that the company has sufficient resources to meet its current obligations.

2.10 Projected Cashflow to July 2024

2.10.1 Appendix 6 provides the projected cashflow to 31 July 2024. The minimum balance of cash projected to be held was £3.937m in October 2023. The cashflow position is reflective of the current loan refinancing proposals and reflects a reduction in cash

balances of £3.104m which forms part of the proposal submitted to the preferred bidder for consideration. This demonstrates that NLP will continue to hold sufficient levels of cash.

2.11 Bank Covenant

2.11.1 Barclays Bank consented to relax the bank covenant ratio from 1:1 to 0.5:1 to the end of current Facility Agreement (31 October 2023). The Bank Covenant ratio is being considered as part of the loan negotiations and is proposed at 1.1:1 Council Representatives will be advised in future reports of the updated position.

2.11.2 NLC continue to monitor NLP financial performance closely with updates provided to the Corporate Management Team.

2.12 Refinancing October 2023

2.12.1 NLP's financial borrowing agreement with its current lender, Barclays Bank plc, ceases in October 2023 and a new funding arrangement requires to be put in place to fund the remaining balance.

2.12.2 External advisors, Azets, were appointed to support the internal project team in the preparation of documents outlining the borrowing requirements and terms for issue to lenders.

2.12.3 Members will recall an update report was presented to the Committee meeting on 13th September 2023 regarding the progress on securing a new loan agreement from October 2023. Members were asked to acknowledge:

- The outcome of the options appraisal to accept a 25-year loan offer with the preferred bidder;
- Approval given by Chief Officer (Finance) for NLP to enter into that borrowing arrangement from October 2023 to October 2028.
- That a further report will be presented in Cycle 4 to the Finance and Resources Committee confirming the final terms of the borrowing arrangement.

3. Measures of success

3.1 The financial position of the company is being monitored closely and the temporary reduction in the covenant ratio to the end of the loan agreement will ensure that NLP LLP will continue to meet its current loan obligations.

3.2 A new funding arrangement for the remaining loan balance to be finalised with lenders.

3.2 The re-development of Braidhurst Industrial Estate will provide new and refurbished industrial units for let, supporting new and expanding business and contributing to the overall vision for the area.

4. Supporting documentation

Appendix 1 Performance Update – 12th January 2023 to 3rd August 2023
Appendix 2 Financial Performance to 31st March 2023

Appendix 3	Overall Financial Standing – Balance Sheet as at 31st March 2023
Appendix 4	Financial Performance – 1st April 2023 to 21st July 2023
Appendix 5	Overall Financial Standing – Balance Sheet as at 21st July 2023
Appendix 6	Cashflow Forecast to July 2024

James McKinstry
Chief Officer (Assets and Procurement)

5. Impacts

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 ☐ No ☒ If Yes, please provide a brief summary of the impact? 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 ☐ No ☐
5.2	**Financial impact** Does the report contain any financial impacts? Yes ☒ No ☐ If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes ☒ No ☐ If Yes, please provide a brief summary of the impact? The financial performance of NLP is closely monitored by the council's Section 95 Officer and the financial performance from 1st April 2023 to 21st July 2023 along with other key financial information is detailed within the report.
5.3	**HR policy impact** Does the report contain any HR policy or procedure impacts? Yes ☐ No ☒ If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes ☐ No ☐ If Yes, please provide a brief summary of the impact?
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 ☐ No ☒ If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes ☐ No ☐ If Yes, please provide a brief summary of the impact?
5.5	**Data protection impact** Does the report / project / practice contain or involve the processing of personal data? Yes ☐ No ☒ If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes ☐ No ☐ If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes ☐ No ☐

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?
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												
North Lanarkshire Properties LLP: 2023/2024 Performance Indicators Progress Update												
Ref No	**Indicator and Frequency**	**Target Outcome/Purpose**	**2022/23 Target(Where applicable)**	**2023/24 Actual**		**2023/24 YTD**	**Comments**				**Comparison with corresponding period in 2022/23 (where applicable)**
	Improved Economic opportunities and outcomes											
	OBJECTIVE: Support new or expanding businesses											
1	Total number of property transactions (lease, renewal, assigned) in period since last report	• Maximise use of NLP LLP Assets • Support new or expanding businesses •Generate Rental Income to LLP	N/A Targets are linked to achieving income levels through property rentals		**Transactions per period**	**Transactions (YTD)**	**Type of property leased/vacated in period 28/07/2022 to 03/08/2023**				
							Office	**Retail**	**Industrial**	**Other**	
				28/07/22-17/10/22	17	58	11	0	6		10
				18/10/22 - 11/01/23	3	61	1	1	1		8
				12/01/23-19/04/23	24	85	9	9	6		27
				20/04/23-03/08/23	5	90	3	0	2		26
2	Total number of terminations in period since last report	•Monitor potential loss of rental income • Monitor levels of business growth/expansion e.g. relocation to larger premises			**Transactions per period**	**Transactions (YTD)**	**Office**	**Retail**	**Industrial**	**Other**	
				23/07/22-14/10/22	7	17	4	0	3		7
				18/10/22 - 11/01/23	2	19	1	1	0		5
				12/01/23-19/04/23	10	29	5	2	2		9
				20/04/23-03/08/23	10	39	3	4	3		14
	Improved Economic opportunities and outcomes											
3	Number of Modern Apprentices (Annual)	• Provide training and work experience opportunities		Currently no opportunities								
	Supporting all children to realise their full potential											
	OBJECTIVE: Maximise employment opportunities through our education provision											
4	Engagement in Recruitment Fairs/ Careers Talks (Annual)	•Raise Awareness of existing career options within North Lanarkshire • "Grow Our Own" future generation of employees		Outcome(s) to be reported at year end							Placements are currently on hold.	

Ref No	Indicator and Frequency	Target Outcome/Purpose	2022/23 Target(Where applicable)	2023/24 Actual	2023/24 YTD	Comments	Comparison with corresponding period in 2022/23 (where applicable)
5	Provision of school Work Experience placements (annual)	• Provide worthwhile and varied opportunities for S4 pupils to experience potential careers and work experience.		Outcome(s) to be reported at year end			Placements are currently on hold.
	Improving the health and care of communities						
	OBJECTIVE: Improve the quality and energy efficiency of commercial properties, contributing to climate change target						
6	Carbon efficiency measures installed to commercial properties. (Six Monthly)	•Reduced energy costs for tenants • More attractive and market-leading commercial properties • Reduce Carbon Emissions	• Development of energy efficiency strategy • Identification of potential funding streams	NLP continue to liaise with the Council's maintenance team to consider how energy efficiency protocols can be built into standard refurbishments.		Energy audits have been commissioned for 7 multi-occupied buildings including Dalziel and Airdrie business Centres	1 property identified where energy efficiency installations would increase mark availability
	Improving relationships with communities and the third sector						
	OBJECTIVE: Support voluntary and community activity in North Lanarkshire						
				2023/24			2022/23
7	Charitable income as a % of turnover (Quarterly per financial period end)	•Support voluntary and community organisations within Charity Lettings policy	≤ 1% of annual turnover as per Management Committee policy	Period ending 21/07/23 (p4) 0.85% Period Ending 13/10/23 (p7) Period Ending 05/01/24 (p10) Period Ending 31/03/2024 (p13)		NLP Continues to support charity and third sector organisations in line with its policy commitments.	Period Ending 23/07/21 (p4) 0.85% Period Ending 15/10/21 (p7) 0.85% Period Ending 07/01/22 (p10) 0.85% Period Ending 31/03/22 (p13)
	Improving the Council's resource base						
8	Lettings' turnaround time from date at which property is in a lettable condition and an expression of interest has been received	•Minimise number of vacant properties •Maintain income and occupancy levels •Maintain quality and availability of properties and turnaround time of re-lettings	70% of lettings completed, from date at which property is in a lettable condition and an expression of interest has been received, to conclusion within 60 days.	Period Ending 21/07/23 (p4) 72.04% Period Ending 13/10/23 (p7) Period Ending 05/01/24 (p10) Period Ending 31/03/24 (p13)		This indicator can be susceptible to delays in a small number of transactions due to the lack of transactions being processed in the relevant Period.	Period Ending 22/07/22 (p4) 81.89% Period Ending 14/10/22 (p7) 64.70% Period Ending 06/01/23 (p10) 84.45% Period ending 31/03/23 (p13) 78.26%

Ref No	Indicator and Frequency	Target Outcome/Purpose	2022/23 Target(Where applicable)	2023/24 Actual	2023/24 YTD	Comments	Comparison with corresponding period in 2022/23 (where applicable)
9	% of rental income due that was paid within 30 days	•Maintain income levels	Monthly payment reports to be provided	28/02 - 27/03/22	81.70%	The percentage of invoices being paid within 30 days has returned to pre Covid - 19 rates. Tenants are encouraged to pay by Direct Debit to ensure that invoices are paid by the due date i.e. within 30 days. NLP pursue all invoices which remains outstanding 14 days after the due date.	81.40%
				28/03 - 27/04/22	85.20%		83.30%
				28/04 - 27/05/22	86.30%		86.10%
				28/05 - 27/06/22	83.60%		82.70%
				28/06 - 27/07/22	87.40%		83.60%
				28/07 - 27/08/22	84.60%		83.80%
				28/08 - 27/09/22	87.80%		85.00%
				28/09 - 27/10/22	88.10%		86.70%
				28/10 - 27/11/22	89.60%		85.80%
				28/11 - 27/12/22	85.50%		85.00%
				28/12/22 - 27/01/23	81.80%		83.00%
				28/01 - 27/02/23	85.50%		85.80%
				28/02 -27/03/23	83.60%		81.70%
				28/03 - 27/04/23	84.80%		85.20%
				28/04 - 27/05/23	85.70%		86.30%
				28/05 - 27/06/23	84.01%		83.60%
				28/06 - 27/07/23	86.90%		87.10%
10	Total outstanding rent due as a % of turnover	•Maintain income levels and recover outstanding rents due.	Quarterly period end reports to be provided	Period Ending 21/07/23 (p4)		During the initial lockdown in 2020 NLP LLP suspended the pursuit of debt. Debt recovery resumed in June 2021 but the further lockdown slowed recovery rates. The effect of the lockdowns is still evident with many tenants who accrued debt during these periods entering into repayment arrangements over an extended period of time.	Period Ending 22/07/22 (p4)
				12.91%			33.26%
				Period Ending 13/10/23 (p7)			Period Ending 14/10/22 (p7)
							8.48%
				Period Ending 05/01/24 (p10)			Period Ending 06/01/23 (p10)
							33.93%
				Period Ending 31/03/2024 (p13)			Period Ending 31/03/23 (p13)
							9.77%

Ref No	Indicator and Frequency	Target Outcome/Purpose	2022/23 Target(Where applicable)	2023/24 Actual		2023/24 YTD	Comments		Comparison with corresponding period in 2022/23 (where applicable)
11	% of total outstanding rent due that is historic (6+ months)	•Maintain income levels and recover outstanding rents due	Quarterly period end reports to be provided	Period Ending 21/07/23 (p4)			NLP LLP are continuing to undertake actions to reduce historic debt.		Period Ending 22/07/22 (p4)
				48.66%					20.35%
				Period Ending 13/10/23 (p7)					Period Ending 14/10/22 (p7)
									47.59%
				Period Ending 05/01/24 (p10)					Period Ending 06/01/23 (p10)
									11.63%
				Period Ending 31/03/2024 (p13)					Period Ending 31/03/23 (p13)
									18.91%
12	% of vacant Properties across the full portfolio as at 21/07/23	•Minimise number of vacant properties • Maintain income levels	Vacancy Rate ≤ 10% = Green (G) Vacancy Rate > 10% = and ≤ 20% = Amber (A) Vacancy Rate > 20% = Red (R)	2022/23	%		NLP LLP Continues to trade in a challenging market and is reviewing its processes to accelerate bringing void properties to the market	2021/22	%
				Period 4	15.23%			Period 4	10.57%
				Period 7				Period 7	9.60%
				Period 10				Period 10	13.62%
				Period 13				Period 13	14.74%
13	Of Properties vacant % vacant for >365 days	•Minimise number of vacant properties • Maintain income levels		2023/24	%		Of the properties shown as vacant for >365 days 38 are not capable of let due uneconomic repairs, being earmarked for sale or having no realistic opportunity to secure a letting. Notwithstanding these properties many of NLP's other properties are becoming more difficult to lease in the challenging economic circumstances, particularly for retail properties.		
				Period 4	72.58%				
				Period 7					
				Period 10					
				Period 13					

North Lanarkshire Properties LLP **Appendix 2**

Outturn to 31 March 2023

Income & expenditure	2022/23 Annual Budget £m	2022/23 Actual Outturn £m	2022/23 Variance £m	Commentary
Rental, SLA income and Insurance Income	6,104	6,583	479	Favourable variance due to proactive approach in relation to rental income
Investment and other income	5	263	258	Predominately due to interest received and recovery of dilapidation costs from tenants
Total Income	6,109	6,846	**737**	
Expenditure;				
Employee costs	-662	-633	29	Minor variance.
Property Costs	-1,905	-2,179	-274	Adverse variance is a managed overspend within repairs and utility costs.
Supplies & Services & Admin Costs	-694	-633	61	Favourable variance as a result of decreased bad debt provision and marketing costs.
Financing Costs	-1,817	-1,801	16	Minor variance.
Total Expenditure	**-5,078**	**-5,246**	**-168**	
Trading Profit	**1,031**	**1,600**	**569**	
Year end Accounting adjustments not included in budget (No Covenant impact):				
Grant Income	0	0	0	
FRS102 pension costs	0	76	76	Provided by Strathclyde Pension Office
Unrealised gain/(loss) on investment portfolio	0	5,760	5,760	Annual revaluation of property portfolio offset by sale of Fern Street
Accounting Profit	**1,031**	**7,436**	**6,405**	
Loan Principal Repayments	-1,376	-1,376	0	
Profit Transferred to/(out) Reserves	**-345**	**6,060**	**6,405**	

Appendix 3

North Lanarkshire Properties LLP
Overall Financial Standing - Balance Sheet as at 31 March 2023

Balances/ Indicator	As At 31 March 2023 £m	As At 31 March 2022 £m	Variance £m	Commentary
Fixed Assets	**74.206**	**68.946**	**5.260**	Surplus on property portfolio revaluation offset by sale of land at Fern Street
Current Assets:				
Trade Debtors	0.730	1.113	**(0.383)**	Improved timing re timing of payments
Bad Debt Provision	(0.222)	(0.274)	**0.052**	Proactive approach with tenants resulting in reduced provision
Prepayment and Other Debtors	0.000	0.000	**0.000**	
Bank and short term investments	9.166	9.101	**0.065**	Minor movement
	9.674	**9.941**	**-0.266**	
Current Liabilities:				
Creditors	(1.610)	(2.610)	**0.999**	Improved timing re processing of invoices and creditors payment run
Other Creditors inc. VAT & other taxes	(0.879)	(0.946)	**0.067**	Minor movement
Loan payments due in <1 yr	(33.686)	(1.376)	**(32.311)**	Outstanding balance on current loan agreement payable 31/10/2023
	(36.176)	**(4.932)**	**(31.244)**	
Net current Assets/(liabilities)	**(26.502)**	**5.009**	**(31.511)**	
Loan repayments due in > 1 yr	0.000	(33.686)	**33.686**	Outstanding balance on current loan transferred to Current Liabilities
Defined scheme pensions liabilities	0.000	0.000	**0.000**	
Net Asset / (Liabilities)	**47.704**	**40.268**	**7.436**	

North Lanarkshire Properties LLP **Appendix 4**

Year to date 21 July 2023

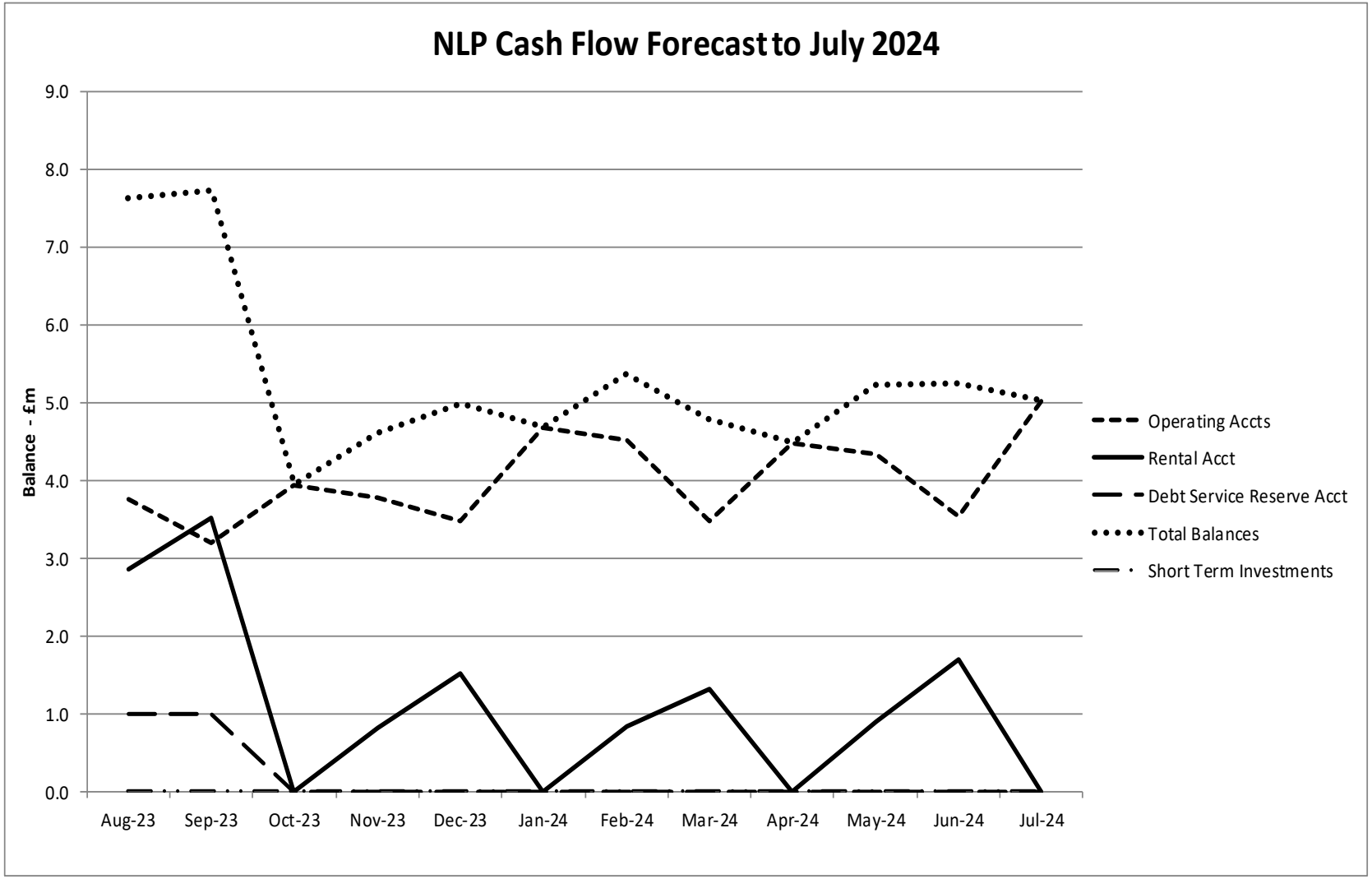
Income & expenditure	2023/24 Annual Budget £m	2023/24 Year to date Budget £m	Actual £m	Variance £m	2023/24 Projected Outturn £m	2023/24 Variance £m	Commentary:- 2023/24 Annual Budget vrs 2023/24 Projected Outturn
Rental, SLA income and Insurance Incon	6.404	1.984	2.210	0.226	6.637	0.233	Forecast rental income higher than anticipated at time of setting budget
Investment and other income	0.005	0	0	0.029	0.030	0.025	Minor movement
Total Income	**6.409**	**1.985**	**2.240**	**0.255**	**6.667**	**0.258**	
Expenditure;							
Employee costs	(0.710)	(0.159)	(0.140)	0.019	(0.599)	0.111	Underspend due to vacancies
Property Costs	(2.132)	(0.325)	(0.325)	(0.000)	(2.026)	0.106	Lower than anticipated rates costs due for vacant properties
Supplies & Services & Admin Costs	(0.694)	(0.044)	(0.044)	0.000	(0.684)	0.010	Minor variance
Financing Costs	(1.817)	(0.420)	(0.420)	0.000	(1.869)	(0.053)	Based on updated forecasts for loan repayments as part of the ongoing loan refinancing
Total Expenditure	**(5.353)**	**(0.948)**	**(0.929)**	**0.019**	**(5.179)**	**0.174**	
Trading Profit	**1.056**	**1.037**	**1.311**	**0.273**	**1.488**	**0.432**	
Loan Principal Repayments	**(1.376)**	**(0.379)**	**(0.379)**	0.000	**(0.872)**	**0.503**	Based on updated forecasts for loan repayments as part of the ongoing loan refinancing
Profit Transferred to/(out) Reserves	**(0.320)**	0.658	0.932	0.273	**0.616**	**0.936**	

Appendix 5

North Lanarkshire Properties LLP
Overall Financial Standing - Balance Sheet as at 21 July 2023

Balances/ Indicator	As at 21 July 2023 £m	As At 31 March 2023 £m	Variance £m	Commentary
Fixed Assets	**74.206**	**74.206**	**0.000**	
Current Assets:				
Trade Debtors	0.530	0.730	**(0.200)**	Improved timing re payments received
Bad Debt Provision	(0.222)	(0.222)	**0.000**	
Prepayment and Other Debtors	0.000	0.000	**0.000**	
Bank and short term investments	9.048	9.166	**(0.117)**	Increased rental income
	9.357	**9.674**	**(0.317)**	
Current Liabilities:				
Creditors	(1.077)	(1.610)	**0.533**	Improved timing re processing of invoices
Other Creditors inc. VAT & other taxes	(0.164)	(0.879)	**0.715**	Year end prepaid income adjustments now realised in the accounts
Loan payments due in <1 yr	(33.307)	(33.686)	**0.379**	Per loan repayment schedule
	(34.548)	**(36.176)**	**1.628**	
Net current Assets/(liabilities)	**(25.191)**	**(26.502)**	**1.311**	
Loan repayments due in > 1 yr	0.000	0.000	**0.000**	
Defined scheme pensions liabilities	0.000	0.000	**0.000**	
Net Asset / (Liabilities)	**49.015**	**47.704**	**1.311**	

Appendix 6


NLP Cash Flow Forecast to July 2024
Balance - £m
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
Aug-23
Sep-23
Oct-23
Nov-23
Dec-23
Jan-24
Feb-24
Mar-24
Apr-24
May-24
Jun-24
Jul-24
Operating Accts
Rental Acct
Debt Service Reserve Acct
Total Balances
Short Term Investments