

North Lanarkshire Council Report

Policy and Strategy Committee

Does this report require to be approved? Yes No

Ref KH/RB

Date 13/03/25

Arms-Length External Organisations (ALEO) 2024 Review

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Executive Summary

In setting its budget on 15 February 2024, the Council requested that the remaining Arms-length External Organisations (ALEOs) – Fusion Assets Limited, Routes to Work Limited and North Lanarkshire Properties LLP - be formally reviewed, with their contributions to the Council's strategic priorities and The Plan for North Lanarkshire, both now and in the future, assessed.

This report fulfils that request. It describes the adopted approach, review scope, levels of Board/LLP engagement and assessment tools/techniques used to compare the existing externalised service delivery models against the feasibility and benefits of delivering these services using in-house resources.

Having compared potential benefits and level of strategic alignment for each option against its feasibility, costs and risk factors, the Option Appraisal concludes that retaining all ALEOs (Option 1) is presently a better fit for the Council than in-house service delivery (Option 2).

The reviews highlighted areas for future development do exist, with several improvement actions and a range of opportunities for individual ALEOs to explore therefore highlighted within the detailed appendices accompanying this report.

All draft findings were shared with individual ALEOs in January 2025 to enable Director consideration and comment. Feedback received is detailed within paragraph 2.11 of the report.

Recommendations

It is recommended that the Policy and Strategy Committee:

- (1) Acknowledge that each ALEO was assessed by a formal ALEO Review Board as requested by Council on 15 February 2024.
- (2) Consider the findings of the ALEO review, which recommend retention of all existing externalised service delivery arrangements, subject to the following caveats:
 - a. Fusion Assets Limited.
 - i. Provide a detailed action plan by 30 June 2025 to address the opportunities and areas for future development detailed within Appendices 1(a) and 1(c).
 - ii. As identified through the SWOT analysis, there are opportunities to potentially expand the scope of activity carried out by Fusion Assets to further contribute to Council priorities. The Board of Directors is therefore requested to work with

Council officers to develop a Business Case to explore opportunities to expand activity in the future.

b. Routes to Work Limited

- i. Provide a detailed action plan by 30 June 2025 to address the opportunities and areas for future development detailed within Appendices 2(a) and 2(c).

c. North Lanarkshire Properties LLP

- i. Provide a detailed action plan by 30 June 2025 to address the opportunities and areas for future development detailed within Appendices 3(a) and 3(c).
- ii. Given external advice received in respect of early termination of the LLP's loan facility illustrates that an advantageous (circa. £4.3m) net position is still achievable up to October 2026; the Council may wish to re-examine these findings following the drafting of its 2025/26 Annual Accounts.
- iii. Work with Council officers to identify properties which create scope to facilitate transformational change within town centres and communities, aligning portfolio investments with the Council's 'Transforming Places' vision and Programme of Work.

- (3) Subject to acceptance and approval of the ALEO Review Board recommendations, agrees to report these detailed ALEO Review findings to the respective Service Committees to enable them to monitor the implementation of the detailed action plans.

The Plan for North Lanarkshire

Priority	All priorities
Ambition statement	All ambition statements
Programme of Work	Statutory / corporate / service requirement

1. Background

- 1.1 In setting its budget on 15 February 2024, the Council instructed a series of service reviews be undertaken to ensure its remaining ALEOs (Fusion Assets Ltd, North Lanarkshire Properties LLP and Routes to Work Ltd.) continue to effectively contribute to the delivery of the Council's strategic priorities and The Plan for North Lanarkshire.
 - 1.2 The Chief Officer (Business and Digital) established an ALEO Review Board in May 2024 to simultaneously progress all reviews. Business and Digital prepared standard assurance toolkits, with such building upon the intensive review work previously undertaken between 2016 and 2019. The Legal Manager (Democratic and Resources) chaired the Board, with client leads for individual ALEOs tasked with ensuring review activity was aligned to standard assurance requirements. Representatives from Business and Digital, Financial Solutions, People Resources and Legal and Democratic Services supported all review activity, engaging with required specialists where necessary.
 - 1.3 The associated project plan confirmed review findings and associated recommendations would be presented to this committee for consideration in March 2025. Review leads (or agreed substitutes) formally advised individual ALEOs of the review scope, indicative timelines, engagement milestones, and expected reporting.
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2. Report

Scope of Reviews

- 2.1 In recognising this ALEO review had to examine whether external service delivery remained the best option for the Council, review activity assessed ALEO performance through the following lenses, with a red, red/amber, amber/green and green rating mechanism consistently applied to evidence how well each ALEO satisfies expected requirements:
- 2.1.1 **Objectives** – level of deliverability, alignment with The Plan for NL and council strategic priorities, supports best value and continuous improvement, clearly referenced in up-to-date ALEO strategic documents.
 - 2.1.2 **Governance** – relevant Articles of Association, meeting arrangements, Board skills levels.
 - 2.1.3 **Performance** – success in achieving business objectives and key performance indicators over medium term, status of previous ALEO review recommendations.
 - 2.1.4 **Financial** – financially sound, level of reliance on Council resourcing, funding trends and levels over medium term, level of financial commitments, efficiency measures and levels of service investment.
 - 2.1.5 **Service Delivery and Customer Satisfaction** – service user accountability, customer engagement, alignment with council expectations (now and in the future), ease of flexibility.
 - 2.1.6 **Benefits** – of delivering services through ALEO mechanisms.
 - 2.1.7 **Opportunities** – what more can be done through ALEO versus potential delivery through in-house mechanisms.
 - 2.1.8 **Staffing** – benefits and terms and conditions examined alongside establishments to (a) understand whether sufficient skills, experience and expertise exist and (b) identify any implications likely to arise should resource transfer into Council.
 - 2.1.9 **Risk** – effectiveness of management and ‘early warning’ arrangements.
 - 2.1.10 **Environment Scanning** – level of understanding of internal and external developments, and potential impact on ALEO operations.
 - 2.1.11 **Digital and Technological** - assessing cost, feasibility and any security concerns associated with transferring operations onto Council network and infrastructure.
- 2.2 Evidence obtained through the assurance review was examined in line with the Council instruction of 15th February 2024 (shown below) using SWOT (strengths, weaknesses, opportunities, and threats) analysis techniques. Individual ALEO Boards were fully engaged in completing the SWOT analysis, agreeing the RAG ratings allocated within the assurance toolkits, and assisting Council Officers to uncover potential innovation, growth, or service opportunities.

OPTIONS	1	Is there evidence available to demonstrate that retaining existing externalised service delivery remains the best option.
	2	Is it (1) feasible, and (2) beneficial for Fusion Assets Ltd./Routes to Work Ltd/North Lanarkshire Property LLP services to be delivered going forward by in-house NLC resources.

- 2.3 Using pre-determined assessment definitions, the effectiveness of these options was assessed against the Council’s standard appraisal criteria of:
- a. Policy Fit – aligns with the vision in The Plan for North Lanarkshire
 - b. Cost/Savings – ensures cost effectiveness, and affordable and sustainable service delivery.
 - c. Performance – maintains influence over service delivery and performance levels.
 - d. Risk – minimises future risk to the Council.
 - e. Feasibility of option under consideration
- 2.4 A summary of the review findings and outcome of the option appraisals are detailed in sections 2.5 through to 2.10 below.

ALEO Review Findings

- 2.5 Each ALEO assessment covered between 52 and 57 key areas. Table 1 below summarises the RAG ratings which were confirmed at engagement sessions held with individual ALEO representatives on either 11th or 26th November 2024.

Assessment Summary:	Fusion Assets	RtW	NLP
Areas with a Green assessment:	50	45	45
Areas with a Green / Amber assessment:	2	12	7
Areas with an Amber / Red assessment:	0	0	2
Areas with a Red assessment:	0	0	3
Total areas assessed	52	57	57

Table 1 – RAG Summary

- 2.6 Appendices one to three provide further details of how well each ALEO satisfied the areas of assurance described in paragraph 2.1 above.

Option Appraisal Outcome

- 2.7 Using the finalised SWOT analysis and agreed **RAG** summary, the ALEO Review Board completed the Option Appraisal assessment on 9th December 2024. A summary of findings is provided in Table 2 below, with further details in respect of individual ALEO option appraisals presented as follows:
- a. Fusion Assets Ltd. – Appendix 1(b)
 - b. Routes to Work Ltd. – Appendix 2(b)
 - c. North Lanarkshire Properties LLP – Appendix 3(b)
- 2.8 Having compared potential benefits and level of strategic alignment for each option against its feasibility, costs and risk factors, the **Option Appraisal concludes that retaining all ALEOs (Option 1) is presently a better fit for the Council** than in-house service delivery (Option 2). Final scores arising from each Option Appraisal are highlighted below:

ALEO	<u>Option 1</u> Retain externalised delivery (OA Score)	<u>Option 2</u> Transition to in-house service delivery (OA Score)	Preferred Option	Appendix
Fusion Assets Ltd.	176	114	Option 1	1 (b)
Routes to Work Ltd.	190	139	Option 1	2 (b)
North Lanarkshire Properties LLP	132	105	Option 1	3 (b)

Table 2 – Option Appraisal Conclusions

- 2.9 The reviews did highlight a need to address areas for future development, particularly within North Lanarkshire Properties LLP, whose RAG summary evidenced action is urgently needed in respect of strategic business planning, alignment with The Plan for North Lanarkshire, customer engagement and workforce planning. High-level actions flowing from the assessment of each ALEO are contained within Appendices 1 (c), 2 (c), and 3 (c) for member consideration.
- 2.10 The reviews also highlighted a range of opportunities should be further explored to ensure that continued external delivery sufficiently evidences Best Value, alignment with The Plan for North Lanarkshire and effective utilisation of all North Lanarkshire assets and resources. Further details of key opportunities to explore are also highlighted within Appendices 1 (c), 2 (c), and 3 (c).
- 2.11 Following consideration of the draft findings by the Corporate Management Team on 19 December 2024, such was subsequently shared with individual ALEOs to enable Director consideration and comment. The following feedback was received:

(a) Fusion Assets Ltd.

Fusion Assets welcomed the review findings, subject to minor amendments being made to the narrative contained within the draft option appraisal and review recommendation summaries. The Council has actioned these requests wherever appropriate, with such changes now incorporated into the details presented to the committee for consideration.

Fusion Assets also advised they would like a further opportunity to discuss the findings in more detail. With a detailed action plan required by 30th June 2025, Council officers agreed such would be worthwhile, with the Service Lead instructed to progress accordingly.

(b) Routes to Work Ltd.

The review was very thorough and enabled RTW to demonstrate that it is governed and managed with rigour, discipline and agility. Directors have been kept informed of the process and it has been inclusive. Whilst it is acknowledged that there are some areas that are not entirely 'green', these are largely related to well-known national challenges within the ALEO's funding landscape.

Directors believe there is significant evidence available to demonstrate that retaining Routes to Work Ltd. as an existing externalised service delivery is the best option and are satisfied that the review has concluded with this recommendation. Directors are also satisfied with the high-level improvement areas identified, some of which have already progressed; the closer working relationship is also welcomed.

(c) North Lanarkshire Properties LLP

Representatives of the LLP confirmed the ALEO is satisfied with the overall review findings. They agree that the scores for option 2 would have been very different had Council 'buy out' of the existing loan been assessed as feasible and therefore acknowledge the Council may look to reassess the feasibility of option 2 – transitioning to in-house delivery – following the drafting of its 2025/26 Annual Accounts.

3. Measures of success

- 3.1 Arms-length bodies continue to deliver high quality public services that achieve Best Value for, and minimise risk to, the Council and its day-to-day operations.
- 3.2 Timely implementation of agreed improvement actions and required Business Cases demonstrating effective alignment to the Council's strategic priorities and The Plan for North Lanarkshire, both now and in the future.

4. Supporting documentation

- 4.1 **Appendix 1(a):** Review Findings Summary - Fusion Assets Limited
- 4.2 **Appendix 1(b):** Option Appraisal Scoring - Fusion Assets Limited
- 4.3 **Appendix 1(c):** Future development areas - Fusion Assets Limited
- 4.4 **Appendix 2(a):** Review Findings Summary – Routes to Work Limited
- 4.5 **Appendix 2(b):** Option Appraisal Scoring – Routes to Work Limited
- 4.6 **Appendix 2(c):** Future development areas – Routes to Work Limited
- 4.7 **Appendix 3(a):** Review Findings Summary – North Lanarkshire Properties LLP
- 4.8 **Appendix 3(b):** Option Appraisal Scoring - North Lanarkshire Properties LLP
- 4.9 **Appendix 3(c):** Future development areas - North Lanarkshire Properties LLP



Katrina M Hassell

Chief Officer (Business and Digital)

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 <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 <input type="checkbox"/> No <input checked="" type="checkbox"/>
5.2	Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Costs associated with completing the review (£0.040m) related to external legal advice (Broodies) and North Lanarkshire Property LLP loan facility termination advice (Azets) obtained to ensure that officer assessments – particularly regards feasibility of in-house delivery - were thorough and fully informed. There are no (new) ongoing financial implications arising from this report for the Council. Financial arrangements were a key focus of the assessment, with officers from Financial Solutions leading all considerations. Lack of current resources to terminate North Lanarkshire Property LLP's loan facility largely resulted in Option 2 (deliver using in-house resources) for this ALEO failing to satisfy the 'feasibility' strategic objective. Given external advice illustrates that an advantageous (circa. £4.3m) net position is still achievable up to October 2026; the Council may wish to re-examine these findings should its financial position change. Appendices one to three describe the existing financial relationships between the Council and the individual ALEOs, with all expected to continue with minimal variation. 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?
5.3	HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> There are no immediate HR implications arising from the report recommendations. Staffing was a key focus of the assessment however, with officers from People Resources examining existing structures (where such was provided and/or available) to: (a) understand whether such facilitates the required levels of skills, experience, and expertise, and (b) identify potential implications of transferring existing employees to the Council and a high-level comparison of those employees' terms and conditions (where available). Whilst Option 1 is presently a better fit for the Council, the ALEO Review Board have identified areas for future consideration regarding the staffing structures and/or skills levels of Fusion Assets Ltd and North Lanarkshire Properties LLP. These are highlighted within the areas for future development of both organisations. If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?

<p>5.4</p>	<p>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 checked="" type="checkbox"/> No <input type="checkbox"/> Legal and Democratic Services led the ALEO Review Board's assessment of factors such as Land and Buildings Transaction Tax (LBTT) and Fusion Assets Ltd joint venture arrangements, with external support provided via Brodies. If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.5</p>	<p>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>
<p>5.6</p>	<p>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 <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact? There are no immediate digital or technological implications arising from the report recommendations, but such was a key focus of the review with officers from Business and Digital examining each ALEO's existing arrangements to identify any cost, feasibility or security concerns likely to arise from transferring operations onto Council network and infrastructure (option 2). 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 <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p>5.7</p>	<p>Environmental / Carbon impact Does the report / project / practice contain information that has an impact on any environmental or carbon matters? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.8</p>	<p>Communications impact Does the report contain any information that has an impact on the council's communications activities? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.9</p>	<p>Risk impact Is there a risk impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>

Risks associated with each option were assessed in line with the Council's approved Project Management (Option Appraisal) guidelines. Complexity of implementation and confidence regarding ability to deliver on time, and to predicted benefits are amongst the key criteria assessed. In directly comparing one option against another, ALEO Review Board members consistently agreed that retaining external delivery (option 1) was less risky than transferring delivery to in-house resources (option 2). This is evidenced in the 'risk scores' presented within the option appraisal summaries provided in Appendices 1(b), 2(b) and 3(b).

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

Arms-Length External Organisation (ALEO) 2024 Review Fusion Assets Ltd. – Summary Findings

Introduction

- 1) In setting its budget on 15 February 2024, the Council instructed a series of service reviews be undertaken to ensure its remaining ALEOs (Fusion Assets Ltd, North Lanarkshire Properties LLP and Routes to Work Ltd.) continue to effectively contribute to the delivery of the Council's strategic priorities and The Plan for North Lanarkshire.
- 2) The Chief Officer (Business and Digital) established an ALEO Review Board in May 2024 to simultaneously progress all reviews. Business and Digital prepared standard assurance toolkits, with such building upon the intensive review work previously undertaken between 2016 and 2019. The Legal Manager (Democratic and Resources) chaired the Board, with client leads for individual ALEO's tasked with ensuring review activity was aligned to standard assurance requirements. Representatives from Business and Digital, Financial Solutions, People Resources and Legal and Democratic Services supported all review activity, engaging with required specialists where necessary.
- 3) The associated project plan confirmed review findings and associated recommendations would be presented to the Policy and Strategy Committee for consideration in March 2025. Review leads (or agreed substitutes) formally advised individual ALEOs of the review scope, indicative timelines, engagement milestones, and expected reporting.

Scope of Reviews

- 4) In recognising this ALEO review had to examine whether external service delivery remained the best option for the Council, review activity assessed ALEO performance through the following lenses, with a red, red/amber, amber/green and green rating mechanism consistently applied to evidence how well each ALEO satisfies expected requirements:
 - a. Objectives – level of deliverability, alignment with The Plan for NL and council strategic priorities, supports best value and continuous improvement, clearly referenced in up-to-date ALEO strategic documents.
 - b. Governance – relevant Articles of Association, meeting arrangements, Board skills levels.
 - c. Performance – success in achieving business objectives and key performance indicators over medium term, status of previous ALEO review recommendations.
 - d. Financial – financially sound, level of reliance on Council resourcing, funding trends and levels over medium term, level of financial commitments, efficiency measures and levels of service investment.
 - e. Service Delivery and Customer Satisfaction – service user accountability, customer engagement, alignment with council expectations (now and in the future), ease of flexibility.
 - f. Benefits – of delivering services through ALEO mechanisms.
 - g. Opportunities – what more can be done through ALEO versus potential delivery through in-house mechanisms.

Arms-Length External Organisation (ALEO) 2024 Review**Fusion Assets Ltd. – Summary Findings**

- h. Staffing – benefits and terms and conditions examined alongside establishments to (a) understand whether sufficient skills, experience and expertise exist and (b) identify any implications likely to arise should resource transfer into Council.
 - i. Risk – effectiveness of management and ‘early warning’ arrangements.
 - j. Environment Scanning – level of understanding of internal and external developments, and potential impact on ALEO operations.
 - k. Digital and Technological – assessing cost, feasibility and any security concerns associated with transferring operations onto Council network and infrastructure.
- 5) Evidence obtained through the assurance review was examined in line with the Council instruction of 15th February 2024 (shown below) using SWOT (strengths, weaknesses, opportunities, and threats) analysis techniques. Board members from Fusion Assets Ltd. were fully engaged in completing the SWOT analysis, agreeing the RAG ratings allocated within the assurance toolkits, and assisting Council Officers to uncover potential innovation, growth, or service opportunities.

OPTIONS Is there evidence available to demonstrate that retaining existing externalised service delivery remains the best option.

Is it (1) feasible, and (2) beneficial for Fusion Assets Ltd services to be delivered going forward by in-house NLC resources.

- 6) Using pre-determined assessment definitions, the effectiveness of these options was assessed against the Council’s standard appraisal criteria of:
- a. Policy Fit – aligns with the vision in The Plan for North Lanarkshire
 - b. Cost/Savings – ensures cost effectiveness, and affordable and sustainable service delivery.
 - c. Performance – maintains influence over service delivery and performance levels.
 - d. Risk – minimises future risk to the Council.
 - e. Feasibility of option under consideration
- 7) A summary of the review findings and outcome of the option appraisal is detailed below.

ALEO Review Findings

- 8) Fusion Asset Ltd.’s assessment covered fifty-two key areas. During an engagement session held on 11 November 2024, the ALEO Review Board and Fusion Asset Ltd.’s representatives confirmed the RAG ratings as follows:

Assessment Summary:	total
Areas with a Green assessment:	50
Areas with a Green / Amber assessment:	2
Areas with an Amber / Red assessment:	0
Areas with a Red assessment:	0

Arms-Length External Organisation (ALEO) 2024 Review**Fusion Assets Ltd. – Summary Findings**

- 9) Sections 10 to 20 below briefly illustrate how well the ALEO satisfies the areas of assurance detailed in section 4 above.
- 10) **Objectives:** (Green) Fusion Asset Ltd.'s objectives are closely aligned to the Plan for North Lanarkshire, the associated Programmes of Work and the Economic Regeneration Delivery Plan. Through ongoing governance, engagement and review, the Company's Articles of Association could be further explored to ensure strengthened alignment under Option 1.
- 11) **Governance:** (Green) Fusion Assets Ltd is properly constituted in terms of the Companies Act requirements and takes appropriate advice and action on governance matters. Fusion Assets Ltd has a strong, established and committed Board of Directors with experienced non-Executive Directors. It can access funding and enter arrangements which may not be available to the council under Option 2. It would be a potentially complex process to transfer Fusion Assets Limited to the council. Under Option 2, the future of joint venture agreements would require to be considered.
- 12) **Performance:** (Green) Fusion Assets Ltd continues to perform well. An economic impact analysis by EKOS consultants in 2022 provided an independent long-term assessment of Fusion Assets performance that is very positive. It highlighted net impacts to North Lanarkshire's economy of 580 Full-Time Equivalent jobs, £41m in ongoing Gross Value Added and £19m in ongoing wages since Fusion Assets inception. Should the current model be moved in-house, the impact achieved through current funding and joint venture arrangements could be lost, with a negative impact on performance and the deliverability of projects.
- 13) **Financial:** (12 Green, 1 Green/Amber) Under Option 1, there is no cost to the council and the council receives £15K per annum income through the provision of financial services to Fusion Assets Ltd. Transfer into the Council under Option 2 would result in costs to the council and the inability of the funding model to continue in its current format as the future of existing funding models and joint ventures would have to be considered.
- 14) **Service Delivery & Customer Satisfaction:** (Green) Fusion Assets Ltd is accountable to its Board, the Enterprise and Fair Work Committee, external auditors, joint venture partners and tenants for its performance and service delivery. Customer satisfaction is high with feedback from a low level of complaints being used to inform service delivery improvements.
- 15) **Benefits:** (Green) As outlined in both the 2022 EKOS evaluation report and the 2020 Industry Commission for Scotland report, Fusion's model is particularly unique and valuable to North Lanarkshire. Fusion Assets Business Plan to 2026 outlines the detail of how the model delivers its services and the flexibility this affords the council. Elements of Fusion Assets model cannot be delivered under Option 2. For example, North Lanarkshire Council is not legally allowed to borrow to fund speculative commercial developments, and the ability to continue existing joint ventures or to enter new joint ventures would be at risk.
- 16) **Opportunities:** (Green) Fusion Assets Ltd has a good industry reputation as highlighted in the 2020 Infrastructure Commission for Scotland report and its ongoing ability to work with new joint venture partners. Retaining Fusion Assets Ltd under Option 1 would allow joint venture agreements to remain in place with their associated benefits. Legal advice would be required regarding the future of these agreements should Fusion Assets become part of the council. Through the Plan for North Lanarkshire, associated Programmes of Work and the Economic Regeneration Delivery Plan, there are considerable opportunities for

Arms-Length External Organisation (ALEO) 2024 Review

Fusion Assets Ltd. – Summary Findings

Fusion Assets Ltd to continue its current model and should additional funding and resources become available, for it to (a) scale-up and deliver additional projects and their resultant positive impact on the local economy notably land remediated and industrial space developed with resultant private sector investment, Gross Value Added and jobs, and/or (b) to explore opportunities to expand its focus beyond the industrial sector, working more collaboratively with the council to deliver on its housing plans.

- 17) Staffing: (Incomplete) Fusion Assets Ltd has very low staffing levels, with a mix of permanent and temporary employments.
- 18) Risk: (5 Green, 1 Green/Amber) Under Option 1, there is no risk to the council given the current robust governance arrangements. However, under Option 2, there are a number of adverse risks including the loss of experienced directors and the significant risks associated with the loss of access to alternative funding sources and the continuity of joint venture arrangements.
- 19) Environmental Scanning: (Green) There is the opportunity for Fusion Assets Ltd to scale the delivery of projects if there are additional resources available to do so with the demand for land and property remaining high in North Lanarkshire. There remains uncertainty over future funding streams such as the Vacant and Derelict Land Fund. Option 1 enables Fusion Assets Ltd to access funding streams and enter arrangements and joint ventures which would not be available to the Council under Option 2. Ongoing market volatility in relation to costs could impact the viability, pace and scale of delivery under both options as could changes to legislation in areas such as empty property relief and the infrastructure levy,
- 20) Digital and Technological: (Green) Fusion Assets uses North Lanarkshire Councils IT systems, networks and servers. Their critical dependencies are dependent on the council's Business Continuity and Disaster Recovery arrangements.

Option Appraisal Outcome

- 21) Using the finalised SWOT analysis and agreed RAG summary, the ALEO Review Board completed the Option Appraisal assessment on 9th December 2024. Fusion Assets Ltd.'s assessment is attached at Appendix 1(b). Having compared potential benefits and level of strategic alignment for each option against its feasibility, costs and risk factors, the **Option Appraisal concludes that retaining the ALEO (Option 1 -scores 176) is presently a better fit for the Council than in-house service delivery** (Option 2 – scores 114), with Option 1 therefore recommended to elected members.
- 22) Whilst Option Two scores higher than Option One on the Policy Fit criteria, officers determined that Option One is currently more likely to deliver against the cost/savings, performance, risk, and feasibility requirements.
- 23) Appendix 1(b) illustrates Option One is a better fit for the Council because:
- a. Cost/Saving: Fusion Assets Ltd currently operates at no cost to North Lanarkshire Council. Whilst there remains concern over the continuation of some future external funding streams (e.g. Vacant and Derelict Land Fund), Option 2 is likely to bring extra costs to the Council. These costs relate to company dissolution and potentially TUPE and employee related costs. In addition, the council would be unable to enter into the same finance and joint venture arrangements under Option 2 which could lead to greater reliance on the council's own capital funds. Fusion Assets Ltd under Option 1 can continue with existing funding and Joint Venture arrangements.

Arms-Length External Organisation (ALEO) 2024 Review
Fusion Assets Ltd. – Summary Findings

- b. Performance: The ALEO's legal structure facilitates good performance, with such independently confirmed through economic impact analysis in recent years. Similar structures and performance may not be achievable were services to transfer to in-house delivery.
 - c. Risk: Option 2 would place considerable risks on the current delivery model due to the potential loss of expertise (e.g. Directors and staff) and result in the inability of the Council to enter into the same finance and joint venture agreements that are available under Option 1. This in turn would place pressure on internal resources and funding with the further potential to delay the delivery and scale of projects. Uncertainty as to future of joint venture agreements means option 1 is the less risky option.
 - d. Feasibility: Fusion Assets Ltd operates well in its current format and has demonstrated value for money. Analysis during the review confirmed elements of ALEO activity cannot be performed in-house, resulting in Option 2 being assessed as not feasible to progress. It would be potentially complex to transfer Fusion Assets to the Council.
- 24) The review did highlight a need however to address areas for future development in Fusion Asset Ltd.'s delivery arrangements, with the RAG summary above evidencing that opportunities exist for strengthening alignment with The Plan for North Lanarkshire. In addition, the need to increase resilience against the loss of expertise and knowledge has been identified.
- 25) The review also highlighted a range of opportunities should be further explored to ensure Fusion Assets Ltd can take advantage of development opportunities as they arise to support regeneration priorities and to continue to investigate funding opportunities and innovative finance arrangements and mechanisms to maximise investment opportunities.

Review Recommendations

- 26) In taking all factors into account, the ALEO Review Board recommend that Fusion Assets Ltd prepare an action plan to address the opportunities and areas for future development outlined within this report, seeking approval from the Enterprise and Fair Work Committee, which presently has oversight responsibility for this ALEO's performance.
- 27) The council should also continue to review the opportunities for strengthening alignment of Fusion Assets Ltd to the council's objectives, exploring innovative funding mechanisms and external funding opportunities to support the continued delivery and scalability of Fusion Assets Ltd.
- 28) Request that, through a Business Case to the Council, Fusion Assets work with Council officers to explore opportunities to expand its focus beyond the industrial sector, including potentially delivery of mid-market housing.

**Arms-Length External Organisation (ALEO) 2024 Review
Fusion Assets Ltd. – Option Appraisal Scoring**

	Option 1 - Retain As External Delivery		Option 2 - Transition to In-house Delivery	
Appraisal criteria	Overall weighted score for this option	Comments re Appraisal/Assessment	Overall weighted score for this option	Comments re Appraisal/Assessment
1. Policy fit - Aligns with the vision in The Plan for North Lanarkshire (i.e. supports the council to deliver inclusive growth and prosperity for all).	41.25	The ALEO's activities are incorporated into the Plan for North Lanarkshire. Reference is made to the completed Assurance Review and Transforming Places; in particular its Town Centre Action Plans and the Economic Regeneration Development Plan. There are also indirect links to Invest NL (delivery of allocated sites in LDP) and Brighter Futures (job creation and business expansion and development)	43.75	The ALEO's activities are incorporated into the Plan for North Lanarkshire. Reference is made to the completed Assurance Review and Transforming Places; in particular its Town Centre Action Plans and the Economic Regeneration Development Plan. There are also indirect links to Invest NL (delivery of allocated sites in LDP) and Brighter Futures (job creation and business expansion and development). Potential for closer alignment if in-house.
2. Cost / savings - Ensures cost effective, affordable, and sustainable service delivery.	42.5	ALEO runs at no cost to NLC. However, it should be noted there is concern over the continuation of some future funding streams e.g. Vacant and Derelict Land Fund which could put pressure on the existing delivery model.	23.75	ALEO runs at no cost to NLC, but it is heavily reliant on VDLF funding which is uncertain beyond March 2026. Option 2 likely to bring extra costs in relation to company dissolution & possibly TUPE. Value for money survey indicates in-house delivery will be less efficient than present. The council is unable to enter into the same finance agreements as Fusion and this could lead to a greater reliance on the council's own capital funds.
3. Performance - Maintains influence over service delivery and performance.	39.6	Fusion is tightly governed by experienced board of directors and has a history of strong performance. It's legal structure facilitates good performance evidenced through external validation. Recent change in articles strengthens NLC's ability and capacity to influence strategic direction.	25.2	Bringing Fusion in-house would lead to the loss of specialised, unique and highly thought of delivery mechanisms. It would also lead to the loss of experienced directors and personnel. The council is unable to enter the same types of joint ventures as Fusion can, and external funders may not wish to engage with the council in the same way as they do with Fusion. This could diminish service delivery and performance.
4. Risk - Minimises future risks to the council.	19.2	Minimum future risks to the council. Delivery would continue with no cost pressures on the council. No impact on delivery timescales and can be delivered subject to attainment of external funding and continued use of JV models.	9.6	Considerable risks to the current delivery model due to potential loss of expertise, inability to enter joint ventures and potential reliance on capital funding to continue delivery. Could impact on internal resources. Potential to result in delays to the delivery of contracts and projects.
5. Service, project, operational specific - Feasibility of option under consideration	33	Business Plan to 2026 confirms ALEO can continue to operate as it presently does, subject to funding being available for identified projects. The ALEO continues to explore funding and joint venture opportunities, but there are no definite, continuous guarantees. Current model could be scaled subject to availability of funding.	12.1	Analysis during the review confirmed elements of ALEO activity cannot be performed in-house, resulting in Option 2 being assessed as not feasible to progress. There is also reference made to JV partners who would not wish to work with the Council. Delivery in-house would require a different approach by the Council and/or significant investment.
	176		114	
	Final score - Option 1		Final score - Option 2	

Arms-Length External Organisation (ALEO) 2024 Review
Fusion Assets Ltd. – Future development areas

1. *Address Staffing and Knowledge Risks*

- 1.1. In conjunction with the Enterprise Manager, review resources and consider options to increase capacity and resilience to ensure continuity/optimisation of current and future service delivery and enable future expansion of activity.
- 1.2. Implement a formal knowledge management system to document expertise, workflows, and critical processes. This ensures knowledge sharing and mitigates the risk of single points of failure. Prepare a Business Continuity Plan around current staffing risks to maintain operational continuity and to address potential staffing changes.

2. *Enhance Administrative and Operational Resource*

- 2.1. Consider technology solutions to streamline operations and improve efficiency.

3. *Expansion of Service Offerings and Expertise*

- 3.1. Consideration of broadening the range of development projects undertaken and diversify project focus beyond the industrial sector including collaboration with North Lanarkshire Council to identify priority areas and strategic opportunities in housing, retail, or mixed-use developments beyond the industrial sector.
- 3.2. Conduct a feasibility study to identify high-priority areas for new development projects, including underutilised or strategically significant properties.
- 3.3. Conduct a feasibility study to explore options for the provision of commercial property consultancy services to other public sector organizations or local authorities lacking in-house expertise.
- 3.4. Establish partnerships with local businesses, third-sector organisations, and North Lanarkshire Properties LLP to leverage additional resources and expertise.

4. *Align more closely with Strategic Objectives*

- 4.1. Review and update any memorandum of understanding or service-level agreement with North Lanarkshire Council to define expectations, objectives, and key performance indicators (KPIs) that ensure accountability.
- 4.2. Strengthen alignment with key NLC strategies, including *The Plan for North Lanarkshire* and the Programmes of Work including *Transforming Places and Invest NL*.
- 4.3. Review current Performance Management Framework to ensure metrics reported clearly demonstrate alignment with the Council's priorities including ERDP, Transforming Places Programme of Work.
- 4.4. Strengthen oversight and monitoring arrangements and ensure closer alignment with North Lanarkshire Council's strategic plan and programmes of work.
- 4.5. Collaborate with North Lanarkshire Properties LLP to define clear boundaries and roles for commercial property rental activities.

5. *Amend Articles of Association for Broader Objectives*

- 5.1. Initiate a review of the current Articles of Association to identify constraints and areas for potential amendment.

Arms-Length External Organisation (ALEO) 2024 Review

Fusion Assets Ltd. – Future development areas

6. *Branding and Digital Presence*

- 6.1. Finalise the update of Fusion's website and branding, ensuring such reflect a contemporary image that aligns with its objectives and appeals to stakeholders.
- 6.2. Develop a social media and digital communications strategy, leveraging platforms like LinkedIn, Twitter, and Facebook to increase visibility, engagement, and stakeholder awareness.
- 6.3. Allocate resources for regular content creation, such as case studies, success stories, and updates, to keep stakeholders informed and involved.

Arms-Length External Organisation (ALEO) 2024 Review**Routes to Work Ltd. – Summary Findings****Introduction**

- 1) In setting its budget on 15 February 2024, the Council instructed a series of service reviews be undertaken to ensure its remaining ALEOs (Fusion Assets Ltd, North Lanarkshire Properties LLP and Routes to Work Ltd.) continue to effectively contribute to the delivery of the Council's strategic priorities and The Plan for North Lanarkshire.
- 2) The Chief Officer (Business and Digital) established an ALEO Review Board in May 2024 to simultaneously progress all reviews. Business and Digital prepared standard assurance toolkits, with such building upon the intensive review work previously undertaken between 2016 and 2019. The Legal Manager (Democratic and Resources) chaired the Board, with client leads for individual ALEOs tasked with ensuring review activity was aligned to standard assurance requirements. Representatives from Business and Digital, Financial Solutions, People Resources and Legal and Democratic Services supported all review activity, engaging with required specialists where necessary.
- 3) The associated project plan confirmed review findings and associated recommendations would be presented to the Policy and Strategy Committee for consideration in March 2025. Review leads (or agreed substitutes) formally advised individual ALEOs of the review scope, indicative timelines, engagement milestones, and expected reporting.

Scope of Reviews

- 4) In recognising this ALEO review had to examine whether external service delivery remained the best option for the Council, review activity assessed ALEO performance through the following lenses, with a red, red/amber, amber/green and green rating mechanism consistently applied to evidence how well each ALEO satisfies expected requirements:
 - a. Objectives – level of deliverability, alignment with The Plan for NL and council strategic priorities, supports best value and continuous improvement, clearly referenced in up-to-date ALEO strategic documents.
 - b. Governance – relevant Articles of Association, meeting arrangements, Board skills levels.
 - c. Performance – success in achieving business objectives and key performance indicators over medium term, status of previous ALEO review recommendations.
 - d. Financial – financially sound, level of reliance on Council resourcing, funding trends and levels over medium term, level of financial commitments, efficiency measures and levels of service investment.
 - e. Service Delivery and Customer Satisfaction – service user accountability, customer engagement, alignment with council expectations (now and in the future), ease of flexibility.
 - f. Benefits – of delivering services through ALEO mechanisms.
 - g. Opportunities – what more can be done through ALEO versus potential delivery through in-house mechanisms.

Arms-Length External Organisation (ALEO) 2024 Review

Routes to Work Ltd. – Summary Findings

- h. Staffing – benefits and terms and conditions examined alongside establishments to (a) understand whether sufficient skills, experience and expertise exist and (b) identify any implications likely to arise should resource transfer into Council.
 - i. Risk – effectiveness of management and ‘early warning’ arrangements.
 - j. Environment Scanning – level of understanding of internal and external developments, and potential impact on ALEO operations.
 - k. Digital and Technological – assessing cost, feasibility and any security concerns associated with transferring operations onto Council network and infrastructure.
- 5) Evidence obtained through the assurance review was examined in line with the Council instruction of 15th February 2024 (shown below) using SWOT (strengths, weaknesses, opportunities, and threats) analysis techniques. Board members from Routes to Work Ltd. were fully engaged in completing the SWOT analysis, agreeing the RAG ratings allocated within the assurance toolkits, and assisting Council Officers to uncover potential innovation, growth, or service opportunities.

OPTIONS Is there evidence available to demonstrate that retaining existing externalised service delivery remains the best option.

Is it (1) feasible, and (2) beneficial for Routes to Work Limited’s services to be delivered going forward by in-house NLC resources.

- 6) Using pre-determined assessment definitions, the effectiveness of these options was assessed against the Council’s standard appraisal criteria of:
- a. Policy Fit – aligns with the vision in The Plan for North Lanarkshire.
 - b. Cost/Savings – ensures cost effectiveness, and affordable and sustainable service delivery.
 - c. Performance – maintains influence over service delivery and performance levels.
 - d. Risk – minimises future risk to the Council.
 - e. Feasibility of option under consideration.
- 7) A summary of the review findings and outcome of the option appraisal is detailed below.

ALEO Review Findings

- 8) Routes to Work Limited’s assessment covered fifty-seven key areas. During an engagement session held on 11 November 2024, the ALEO Review Board and Routes to Work Limited representatives confirmed the RAG ratings as follows:

Assessment Summary:	total
Areas with a Green assessment:	45
Areas with a Green / Amber assessment:	12
Areas with an Amber / Red assessment:	0
Areas with a Red assessment:	0

Arms-Length External Organisation (ALEO) 2024 Review**Routes to Work Ltd. – Summary Findings**

- 9) Sections 10 to 20 below briefly illustrate how well the ALEO satisfies the areas of assurance detailed in section 4 above.
- 10) **Objectives:** (Green) As an ALEO Routes to Work Ltd. continues to align its plans and activities closely with The Plan for North Lanarkshire and The Programme of Work to 2028. Its own Business Plan 2024-2027 also has objectives related to performance and service development which demonstrate close operational working with Council services such as Enterprise, Housing and Justice alongside other community planning partners.
- 11) **Governance:** (Green) Routes to Work Ltd. is properly constituted in terms of Companies and Charities legislation. It is a registered charity which has financial benefits not available to the Council and can also access funding streams not directly available to the council. It would be a potentially complex process to transfer Routes to Work to the council. Across all measures of Governance, the organisation consistently adheres to the best possible standards as both a company limited by guarantee and as a Scottish Charity and has an excellent Board which has been recruited on the basis of its expertise and experience.
- 12) **Performance:** (5 Green, 2 Green/Amber) The ALEOs performance has been of a consistently high standard though the change brought about in the labour market by the challenges of 2020 have meant that it is still adjusting its programmes to the new challenges. However, Routes to Work Ltd are not an outlier in this regard and all providers of employability in Scotland have faced similar challenges. This has also coincided with major changes to funding and the objectives set by external funders. There is no reason to believe performance would improve if this was an in-house service.
- 13) **Financial:** (12 Green, 1 Green/Amber) There is complete transparency on all Routes to Work finances with annual external audits alongside six-monthly oversight through the Council finance team. There are established and robust arrangements for verification and payment of invoices by the Council alongside checks on all expenditure to ensure compliance with external funders. Value for money continues to be evidenced through the regular and in-depth analysis of expenditure undertaken by Council finance and employability teams. The Green/Amber relates to sustainability directly dependent on UK and Scottish Government funding.
- 14) **Service Delivery & Customer Satisfaction:** (4 Green, 4 Green/Amber) Active delivery is evidenced across every council ward and community in North Lanarkshire and remains highly regarded by its service users, local businesses and by organisations that it works with in partnership; this was evidenced by the stakeholder consultation completed to inform the creation of their 2024 - 2027 business plan. 25% of Routes to Work staff are ex- service users and 75% of staff live in North Lanarkshire so the organisation is grounded within our communities. The Green/Ambers relate to challenges with engagement; changing client needs; and that there is more capability to work further with NLC Services such as Education and Business Enterprise.
- 15) **Benefits:** (Green) There is evidence that residents prefer to deal with an organisation independent to the Council on employability issues which often require disclosure of sensitive personal information. Routes to Work also carries its own distinctive brand, with service users perceiving it to be wholly independent from the Council. However, it is also appreciated for its strong links to Council services and good connections to third sector organisations in North Lanarkshire, and in a way not available to mainstream Council services. In addition, and because of the way the company is structured, the Council can pass funding to the organisation the same as it would to any other department of the Council. This has the benefit of demonstrating the Council is including the third sector

Arms-Length External Organisation (ALEO) 2024 Review

Routes to Work Ltd. – Summary Findings

within its employability provision which is a factor that is considered a real positive when the Scottish Government are issuing their employability grants.

- 16) Opportunities: (Green/Amber) Within North Lanarkshire Routes to Work Ltd. are an established brand and, have an excellent reputation for delivering on services underpinned by their stated values within communities. If the ALEO was brought in-house this perception of independence would cease and there would be less external funding going to the third sector, which may lead to external funders challenging the model of provision in North Lanarkshire. There is evidence that Routes to Work Ltd, as a small company, are a more agile and flexible organisation in responding to change, as demonstrated by the fast start and high performance during the delivery of the Glasgow City Region Working Matters project.
- 17) Staffing: (Green) There would be higher costs in bringing the 90 Routes to Work staff into the Council due to higher pension contributions, with a requirement to complete a job evaluation process to assess and match levels of staff pay. There are other minor differences in holiday entitlement which would have to be rationalised but given the Council's capacity and experience of undertaking such exercises staff could be integrated, but such is envisaged to be at an initial significant cost.
- 18) Risk: (4 Green, 2 Green/Amber) Risk management is part of routine operations and decision making of the ALEO, with sufficient resources available to maintain and monitor risks across all levels of the organisation. The organisation adopts a proactive approach to its risk management practices. Transition of the ALEO to in-house delivery would not change the key risks associated with the delivery of externally funded employability programmes in terms of performance or compliance with funding rules.
- 19) Environmental Scanning: (2 Green/Amber) The nature of external funding to support employability services is dependent on the UK and Scottish Government programmes and is on an annual cycle. This would be the case whether Routes to Work retains its ALEO status or is in-house. Routes to Work has recently secured new contracts outside of North Lanarkshire and there is an ambition for these to grow in scale though at the moment they are not significant enough to mitigate the annual funding challenge.
- 20) Digital and Technological: (Green) RTW has an IT system/infrastructure which is entirely independent of the NLC Network and have a robust Business Continuity plan in place. There would be no advantage in bringing the ALEO in house in terms of its digital and technological aspects, but there is also no significant costs or security concerns likely to arise should in-sourcing be preferred.

Option Appraisal Outcome

- 21) Using the finalised SWOT analysis and agreed RAG summary, the ALEO Review Board completed the Option Appraisal assessment on 9th December 2024. Routes to Work Limited's assessment is attached at Appendix 2(b). Having compared potential benefits and level of strategic alignment for each option against its feasibility, costs and risk factors, the **Option Appraisal concludes that retaining the ALEO (Option 1 -scores 190) is presently a better fit for the Council than in-house service delivery** (Option 2 – scores 139), with Option 1 therefore recommended to elected members.
- 22) Option One scores higher than Option Two on all Appraisal Criteria therefore the ALEO Review Board determined that Option One is currently more likely to deliver against the Council's cost/savings, performance, risk, and feasibility requirements.

Arms-Length External Organisation (ALEO) 2024 Review**Routes to Work Ltd. – Summary Findings**

23) Appendix 2(b) illustrates Option One is a better fit for the Council because:

a. *Cost/Saving:*

Routes to Work can, and has done so in some circumstances, source funding only available to charities to provide services in accordance with Council policy. On other issues there is no cost advantage to delivery in-house, there may be issues created by the Council awarding external funding it accesses to itself and not demonstrably sharing this with the third sector, with there also be a likelihood of potentially higher longer-term costs arising from the TUPE transfer of the existing staffing pool. There are no additional benefits identified in respect of Option 2 for this criterion.

b. *Performance:*

Externalised delivery facilitates continuation of the established and focussed performance management arrangements, which have routinely exceeded the performance targets set by the Council. It would be challenging to retain such focus under option 2 with wider / corporate council requirements also needing to be prioritised for delivery.

c. *Risk:*

No reduction in risk and possible increase in risk associated with performance meaning that option 1 is the less risky option.

d. *Feasibility:*

Routes to Work operates well. Potentially complex to transfer Routes to Work to the council therefore Option 1 is more appropriate.

24) The review did highlight a need for Routes to Work Limited, within the RAG summary above to continue to actively target alignment with The Plan for North Lanarkshire, enhance its financial sustainability and target identified staffing issues.

Review Recommendations

25) In taking all factors into account, the ALEO Review Board recommend that Option 1 is the appropriate choice for meeting the Council's aims and objectives and that Routes to Work Limited retains its ALEO status.

26) The ALEO Review Board also recommend that Routes to Work Ltd prepare a detailed improvement action plan to address the opportunities and areas for future development described overleaf, seeking approval from the Enterprise and Fair Work Committee, which presently has oversight responsibility for this ALEO's performance.

Arms-Length External Organisation (ALEO) 2024 Review
Routes to Work Ltd. – Option Appraisal Scoring

Appraisal criteria	Option 1 - Retain As External Delivery		Option 2 - Transition to In-house Delivery	
	Overall weighted score for this option	Comments re Appraisal/Assessment	Overall weighted score for this option	Comments re Appraisal/Assessment
1. Policy fit - Aligns with the vision in The Plan for North Lanarkshire (i.e. supports the council to deliver inclusive growth and prosperity for all).	48.75	The ALEO's business planning objectives and operational activities are integrated and aligned closely with The Plan for North Lanarkshire and in particular with Brighter Futures and Resilient People. The aims of Routes to Work reflect the ambitions of the Council in terms of including all residents in the economic growth of our area.	46.25	If in house the business planning objectives and operational activities would be integrated and aligned closely with The Plan for North Lanarkshire and in particular with Brighter Futures and Resilient People. The aims of the in house provision would continue to reflect the ambitions of the Council in terms of including all residents in the economic growth of our area.
2. Cost / savings - Ensures cost effective, affordable, and sustainable service delivery.	43.75	Current model is clearly cost effective and transparent in terms of good value. The ALEO has demonstrated the ability to access funds which are not available to the Council, either external to North Lanarkshire or only available to the third sector, and which can support the delivery of Council services.	30	There would be additional short term costs in bringing the ALEO in-house alongside potentially higher long term costs with no access to alternative streams of funding that are available to third sector organisations. Overall sustainability of the service would continue to be dependent on external funds so no additional benefit.
3. Performance - Maintains influence over service delivery and performance.	40.8	An established, effective and focussed performance management framework has been in place for a number of years which has generally resulted in the ALEO being associated with high performance and exceeding/ meeting targets set by the Council across a range of employability programmes. Service delivery is not associated with the Council.	30	There would be the loss of the current performance management framework and the management structure around this which facilitates and develops the performance of staff individually and collectively. Service delivery would not be perceived as independent to the Council.
4. Risk - Minimises future risks to the council.	19.2	No increased risk to the Council and continued proactive risk management of an employability service for residents in all communities. No financial risk associated with changes to external funding environment.	9.6	Increased risk to NLC in bringing casework for residents on employability matters in-house and possible decreased engagement with services as a result of this. Increased risk to Council in loss of Board expertise on employability matters and no decrease in risks related to finance.
5. Service, project, operational specific - Feasibility of option under consideration	37.4	Business Plan 2024-2027 confirms ALEO can continue to operate as it presently does, subject to funding. The ALEO is highly regarded locally and nationally, its values reflect those of the Council and it provides an agility and flexibility in employability services that is enhanced due to its status as a company limited by guarantee and a charity.	23.1	There would be a loss of agility and flexibility if the ALEO was brought in-house, even after the initial turbulence associated with integrating 90 staff into a Council service and creating a new structure and performance framework. Operationally there would a risk of residents not engaging with a service they don't consider independent.
	190		139	
	Final score - Option 1		Final score - Option 2	

Arms-Length External Organisation (ALEO) 2024 Review
Routes to Work Ltd. – Future development areas

Strengthen alignment and collaboration

1. Deepen integration with NLC's Plan and Programmes of Work – conduct regular joint strategic reviews with NLC to ensure full alignment with their Plan and evolving Programmes of Work and incorporate specific objectives from NLC's strategy into RtW's business plans, emphasizing employability and community benefit goals.
2. Flexible and targeted service delivery – leverage the ability to quickly develop and pilot new services in response to labour market trends or NLC priorities, such as initiatives to support the economically inactive into work or improve outcomes for school leavers and expand restorative justice and mental health initiatives to align with NLC's social value goals.
3. Branding and communication – consider highlighting NLC's role funding and supporting the ALEO in communications and marketing materials to increase recognition among participants and employers and the use of co-branded materials to ensure clarity about NLC's involvement in service delivery.
4. Address any duplication in service delivery – conduct a joint review of skills training services provided by both the ALEO and NLC to identify areas of duplication and opportunities for streamlining delivery and develop a coordinated skills training strategy to ensure services complement each other, optimising resources and avoiding inefficiencies.

Enhance financial sustainability

5. Funding sources – explore alternative funding streams, such as private sector partnerships, grant opportunities, and income-generating activities, to reduce reliance on uncertain funding from NLC or external bodies and investigate opportunities for commissioned services in collaboration with other local authorities or public bodies.
6. Evaluate cost structures –conduct a benchmarking exercise comparing ALEO salaries and management structures to equivalent roles within NLC to ensure costs are proportionate and justifiable and explore opportunities for cost savings, such as shared services with NLC or other ALEOs for back-office functions.
7. Reserves – as a charity organisation, there are requirements regarding reserve policies per the OSCR directives with possible consideration being given to reviewing the current level of reserves held by the Company, in keeping with OSCR guidance, to ensure that operational costs could be met over the short-term.

Build capacity and mitigate recruitment challenges

8. Address recruitment and retention challenges – consider further ways and methods to attract and retain skilled staff and possible partnership with NLC to create a talent pipeline through apprenticeships, graduate programs, and secondments to address staffing gaps.
9. Tackle sickness absence issues – compare existing absence management measures and supports with NLC's well-being programme identifying any additionality which would aid RTW to reduce sickness absence rates and achieve consistent and supportive application.
10. Update skills and capabilities – consider conducting periodic skills audits to identify and address gaps in the ALEO's workforce, ensuring the organisation remains responsive to evolving employability challenges.

Arms-Length External Organisation (ALEO) 2024 Review
Routes to Work Ltd. – Future development areas

Maximise income generation

11. Leverage accredited SQA centre status – expand offerings through the SQA centre to deliver high-demand qualifications, targeting both local residents and external markets for revenue generation and explore collaborations with educational institutions and businesses to create bespoke training packages aligned with labour market needs.
12. Target tendering opportunities – actively pursue tenders for future employability contracts, emphasizing RtW's proven track record and specialist capabilities and consider development of a tendering team or partnership to enhance bid success rates, particularly for large-scale or multi-year contracts.
13. Utilise Teckal status – consider expanded use of Teckal provisions to secure additional contracts without the need for formal procurement, particularly for specialist services in health, criminal justice and housing.

Arms-Length External Organisation (ALEO) 2024 Review**North Lanarkshire Properties LLP – Summary Findings****Introduction**

- 1) In setting its budget on 15 February 2024, the Council instructed a series of service reviews be undertaken to ensure its remaining ALEOs (Fusion Assets Ltd, North Lanarkshire Properties LLP and Routes to Work Ltd.) continue to effectively contribute to the delivery of the Council's strategic priorities and The Plan for North Lanarkshire.
- 2) The Chief Officer (Business and Digital) established an ALEO Review Board in May 2024 to simultaneously progress all reviews. Business and Digital prepared standard assurance toolkits, with such building upon the intensive review work previously undertaken between 2016 and 2019. The Legal Manager (Democratic and Resources) chaired the Board, with client leads for individual ALEOs tasked with ensuring review activity was aligned to standard assurance requirements. Representatives from Business and Digital, Financial Solutions, People Resources and Legal and Democratic Services supported all review activity, engaging with required specialists where necessary.
- 3) The associated project plan confirmed review findings and associated recommendations would be presented to the Policy and Strategy Committee for consideration in March 2025. Review leads (or agreed substitutes) formally advised individual ALEOs of the review scope, indicative timelines, engagement milestones, and expected reporting.

Scope of Reviews

- 4) In recognising this ALEO review had to examine whether external service delivery remained the best option for the Council, review activity assessed ALEO performance through the following lenses, with a red, red/amber, amber/green and green rating mechanism consistently applied to evidence how well each ALEO satisfies expected requirements:
 - a. Objectives – level of deliverability, alignment with The Plan for NL and council strategic priorities, supports best value and continuous improvement, clearly referenced in up-to-date ALEO strategic documents.
 - b. Governance – relevant Articles of Association, meeting arrangements, Board skills levels.
 - c. Performance – success in achieving business objectives and key performance indicators over medium term, status of previous ALEO review recommendations.
 - d. Financial – financially sound, level of reliance on Council resourcing, funding trends and levels over medium term, level of financial commitments, efficiency measures and levels of service investment.
 - e. Service Delivery and Customer Satisfaction – service user accountability, customer engagement, alignment with council expectations (now and in the future), ease of flexibility.
 - f. Benefits – of delivering services through ALEO mechanisms.
 - g. Opportunities – what more can be done through ALEO versus potential delivery through in-house mechanisms.

Arms-Length External Organisation (ALEO) 2024 Review

North Lanarkshire Properties LLP – Summary Findings

- h. Staffing – benefits and terms and conditions examined alongside establishments to (a) understand whether sufficient skills, experience and expertise exist and (b) identify any implications likely to arise should resource transfer into Council.
 - i. Risk – effectiveness of management and ‘early warning’ arrangements.
 - j. Environment Scanning – level of understanding of internal and external developments, and potential impact on ALEO operations.
 - k. Digital and Technological – assessing cost, feasibility and any security concerns associated with transferring operations onto Council network and infrastructure.
- 5) Evidence obtained through the assurance review was examined in line with the Council instruction of 15th February 2024 (shown below) using SWOT (strengths, weaknesses, opportunities, and threats) analysis techniques. Management Committee representatives of North Lanarkshire Properties LLP were fully engaged in completing the SWOT analysis, agreeing the RAG ratings allocated within the assurance toolkits, and assisting Council Officers to uncover potential innovation, growth, or service opportunities.

OPTIONS Is there evidence available to demonstrate that retaining existing externalised service delivery remains the best option.

Is it (1) feasible, and (2) beneficial for North Lanarkshire Property LLP’s services to be delivered going forward by in-house NLC resources.

- 6) Using pre-determined assessment definitions, the effectiveness of these options was assessed against the Council’s standard appraisal criteria of:
- a. Policy Fit – aligns with the vision in The Plan for North Lanarkshire.
 - b. Cost/Savings – ensures cost effectiveness, and affordable and sustainable service delivery.
 - c. Performance – maintains influence over service delivery and performance levels.
 - d. Risk – minimises future risk to the Council.
 - e. Feasibility of option under consideration.
- 7) A summary of the review findings and outcome of the option appraisal is detailed below.

ALEO Review Findings

- 8) North Lanarkshire Properties LLP assessment covered fifty-seven key areas. During an engagement session held on 26 November 2024, the ALEO Review Board and LLP representatives confirmed the RAG ratings as follows:

Assessment Summary:	total
Areas with a Green assessment:	45
Areas with a Green / Amber assessment:	7
Areas with an Amber / Red assessment:	2
Areas with a Red assessment:	3

Arms-Length External Organisation (ALEO) 2024 Review

North Lanarkshire Properties LLP – Summary Findings

- 9) Sections 10 to 20 below briefly illustrate how well the ALEO satisfies the areas of assurance detailed in section 4 above.
- 10) Objectives: (4 Green, 2 Amber/Red) NLP generated a substantial capital receipt for the council through the initial loan agreement in 2013 and successfully re-financed the loan in 2023. The ALEO manages a large portfolio of commercial and industrial properties and is responsible for the management and leasing of the council's commercial properties. There is evidence of income growth within the portfolio and occupancy levels remain high.

Several areas of alignment to the Plan for North Lanarkshire have been identified however, NLP's alignment to the plan and strategic direction could be more clearly demonstrated through the production of an updated Business Plan. Option 2 would provide opportunities for closer alignment to the Plan.

- 11) Governance: (Green) NLP is properly constituted in terms of the Companies Act requirements and takes appropriate advice and action on governance matters. It can access funding which may not be available to the council. Potentially complex process may arise in respect of option 2, to transfer NLP's remit to the council.
- 12) Performance: (5 Green, 2 Green/Amber) NLP has demonstrated strong financial performance and has met all required loan re-payments and covenant ratios. NLP's focus on loan re-payments and staff recruitment and retention challenges are however constraining the company's ability to perform in other areas.

Performance is monitored by the Board on a quarterly basis and reported to the council's Finance and Resources Committee twice yearly.

Option 2 would remove the focus on loan re-payments and provide scope for NLP to focus more on service delivery and areas of further improvement.

- 13) Financial: (Green) NLP's current financial model demonstrates that it can deliver on its financial objectives which has been proven by its financial performance and ability to meet the required conditions associated with the loan facility coupled with an ability to reinvest in its portfolio. Option 2 would require full repayment of the loan, which dependent on timing of implementation of option 2, would require an investment of between £27.5m and £29m from NLC. Taking a repayment date of October 2026 as an illustrative example would see the Council having to identify funding of £28.5m. This would produce an estimated net position (loan interest savings less break costs) of circa. £4.3m, brings the added benefit of the Council's contingent liability (guarantee) being removed, and also removes the requirement for Council officers to resource 'loan management' activities.
- 14) Service Delivery & Customer Satisfaction: (3 Green, 4 Green/Amber, 1 Red) NLP is accountable to its' management committee, Barclays bank in relation to the loan facility, external auditors and tenants. The portfolio provides a range of different property types across the North Lanarkshire Council area. In general NLP receives relatively few complaints however analysis has shown that there is no evidence of ongoing active customer engagement. In-house service delivery would not necessarily resolve the recruitment and capacity issues experienced by NLP as recruitment to professional Surveying positions is challenging across the public sector.
- 15) Benefits: (1 Green, 1 Green/Amber) NLP has the ability to access loan finance which is not an option open to the council. NLP could choose to adopt more innovative and flexible approaches to its operational structure and management and letting of its property portfolio.

Arms-Length External Organisation (ALEO) 2024 Review**North Lanarkshire Properties LLP – Summary Findings**

- 16) Opportunities: (Green) NLP's close alignment to the council's policies and procedures and use of services through the SLA can make it difficult for some service users to differentiate between the council and NLP. There is opportunity under Option 1 for NLP to look at brand identity, and market driven strategies, to clearly define the company as a separate entity looking to engage with tenants and prospective tenants to optimise its asset utilisation.
- 17) Staffing: (6 Green, 2 Red) The ALEO has a suitable structure establishment for its operations and also receives strategic leadership, HR and finance support via an SLA with the Council. Over a number of years, the ALEO has found it challenging to fill management and key professional roles and as a result has a number of vacancies at professional levels. Option 1 notes the establishment is suitable however they currently have several agency staff to supplement their operations due to inability to fill vacancies. It should be noted that if Option 2 were selected, these are also roles which the Council finds challenging to fill.
- 18) Risk: (Green) NLP has robust risk management procedures in place and risks are monitored by the management committee on a quarterly basis. The council provides the company with an 80% loan guarantee which is the council's main risk in terms of the current delivery model. However, close financial monitoring undertaken by Finance as part of the SLA assists in mitigating against this risk. In-sourcing would be a significant and complex exercise with potential disruption to service delivery and reputational risk during the transfer period. The ongoing investigations in relation to RAAC would add additional risk to in-sourcing at this time.
- 19) Environmental Scanning: (Green) External factors associated with local and national commercial property market conditions and the wider economy could impact on the LLP. No new or proposed legislation that would impact NLP's operations were identified during the review period. NLP have actively engaged in several projects associated with the Plan for North Lanarkshire.
- 20) Digital and Technological: (Green) NLP uses the council's IT network and a number of the council's software applications. NLP have their own instances of some software applications, such as ASH, and there would be scope under Option 2 to review and streamline the IT requirements.

Option Appraisal Outcome

- 21) Using the finalised SWOT analysis and agreed RAG summary, the ALEO Review Board completed the Option Appraisal assessment on 9th December 2024. North Lanarkshire Property LLP's assessment is attached at Appendix 3(b). Having compared potential benefits and level of strategic alignment for each option against its feasibility, costs and risk factors, the **Option Appraisal concludes that Option 1** (retaining the ALEO - score of 132) **is presently a better fit for the Council than Option 2** (in-house service delivery– scores 105), with Option 1 therefore recommended to elected members.
- 22) Members will wish to note however, that the detailed Option Appraisal provided within Appendix 3(b) does illustrate that Option 1 doesn't score highest on every appraisal criterion. Option 2 scores higher than Option 1 on the Policy Fit/Strategic Alignment and Performance criteria. In recognising that these effectively account for 45% of the total weighted score, there is merit in reassessing the findings following finalisation of the Council's annual accounts for 2025/26. This is also recommended to elected members.

Arms-Length External Organisation (ALEO) 2024 Review

North Lanarkshire Properties LLP – Summary Findings

23) In examining all option appraisal criteria together, the ALEO Review Board recommend the existing externalised delivery arrangements (Option 1) be retained. Appendix 3(b) illustrates Option One is presently a better fit for the Council because:

a. Cost/Saving:

NLP can obtain external loan funding which is not an option open to the council. The LLP is self-financing through rent and other income and in a strong financial position. Option 2 would require significant use of council reserves as detailed in Section 13 above. In recognising this fact, Option 1 scores better than Option 2 for this assessment criterion.

b. Risk:

The main risk to the council with the current delivery model is the 80% loan guarantee, however close monitoring of the LLP from Finance and track record of strong financial performance limits this risk.

Option 2 would involve a complex exercise requiring considerable Legal and Financial support. There is also potential risk in terms of service disruption and reputational risk during the transfer period which is reflected in the lower score for this option.

c. Feasibility:

Resource challenges are constraining NLP's ability to focus on areas such as forward planning and strategy however Option 2 is not presently viable. Financial Solutions advised during the review process that resources are not currently available to repay the loan from reserves because all balances not earmarked as at 31 March 2024 are set aside to support future budget strategies. In recognising this advice, Option 2 therefore presently scores poorly against the 'feasibility of option under consideration' criterion.

24) Whilst Option 1 is recommended, the review did highlight a need to address areas for future development in North Lanarkshire Properties LLP delivery arrangements, with the **RAG** summary above evidencing action is urgently needed in respect of strategic business planning, alignment with The Plan for North Lanarkshire, customer engagement, and workforce planning.

25) The review also highlighted a range of opportunities should be further explored to ensure North Lanarkshire Properties LLP evidence best value, improve service responsiveness, secure continuous improvement, and maximise investment in and utilisation of its asset portfolio.

Review Recommendations

26) In taking all factors into account, the ALEO Review Board recommend that North Lanarkshire Properties LLP prepare a detailed improvement action plan to address the opportunities and areas for future development outlined within this report, seeking approval from the Finance and Resources committee, which presently has oversight responsibility for this ALEO's performance.

27) In recognising however that scores for Option Two – deliver services in-house going forward – would have been very different had Council 'buy out' of North Lanarkshire LLP's loan with Barclays been considered feasible, the ALEO Review Board have concluded that the Council may wish to re-examine the feasibility criteria, assessment and scoring, following the drafting of its 2025/26 Annual Accounts.

Arms-Length External Organisation (ALEO) 2024 Review

North Lanarkshire Properties LLP – Summary Findings

- 28) Align portfolio investment with Council's 'Transforming Places' vision and Programme of Work, working with Council officers to identify properties capable of facilitating transformational change within town centres and communities.

Arms-Length External Organisation (ALEO) 2024 Review
North Lanarkshire Properties LLP – Option Appraisal Scoring

Appraisal criteria	Option 1 - Retain As External Delivery		Option 2 - Transition to In-house Delivery	
	Overall weighted score for this option	Comments re Appraisal/Assessment	Overall weighted score for this option	Comments re Appraisal/Assessment
1. Policy fit - Aligns with the vision in The Plan for North Lanarkshire (i.e. supports the council to deliver inclusive growth and prosperity for all).	28.75	4 Direct Links (3 in Transforming Places and 1 in Sustainable Futures) 3 Indirect Links (1 in One Service, 1 in Transforming Places and 1 in Digital NL). Evidence of active engagement in projects linked to the Plan for North Lanarkshire. An updated business plan could further evidence alignment to the Plan.	36.25	In-house delivery would provide opportunities for closer alignment to the Plan which is reflected in the higher score for this option.
2. Cost / savings - Ensures cost effective, affordable, and sustainable service delivery.	32.5	The LLP can obtain external loan funding which is not an option open to the council. The LLP is self-financing through rent and other income and in a strong financial position which is reflected in the relatively high score for this option.	20	This option would require significant use of council reserves to re-pay the loan. External consultant analysis carried out by Azets has evidenced that early re-payment of the loan could be financially beneficial due mainly to savings in interest however this would require to be balanced against the opportunity costs to the council of use of reserves to finance this.
3. Performance - Maintains influence over service delivery and performance.	30	The LLP has demonstrated consistently good financial performance and receives support from various council services through the SLA which contribute towards its operation. The lack of an up to date business plan, focus on loan re-payments and ongoing staff recruitment and retention challenges are constraining the LLP's ability to perform in other areas.	33.6	In-house delivery could improve on objectives by removing the focus on loan-repayments allowing the LLP to focus more on service delivery and improvements which is reflected in the higher score.
4. Risk - Minimises future risks to the council.	16.8	The main risk to the council with the current delivery model is the 80% loan guarantee, however close monitoring of the LLP from Finance and track record of strong financial performance limits this risk. Risks are monitored by the LLP Board on a quarterly basis. No disruption to service delivery with this option.	8.4	Bringing the LLP back in house would be a complex exercise requiring considerable Legal and Financial support. There is also potential risk in terms of service disruption and reputational risk during the transfer period which is reflected in the lower score for this option.
5. Service, project, operational specific - Feasibility of option under consideration	24.2	The lack of an up to date business plan and resource challenges which limit the LLP's ability to focus beyond the day to day workload on areas such as forward planning and strategy are reflected in the score for this option.	6.6	In-house delivery does not appear to be feasible due to requirement to re-pay loan from council reserves.
	132		105	

Final score - Option 1

Final score - Option 2

Arms-Length External Organisation (ALEO) 2024 Review
North Lanarkshire Properties LLP – Future development areas

Address Staffing, Recruitment and Succession Planning Challenges

1. Enhance recruitment strategies – target professional roles by emphasising the unique value of working with the ALEO such as community impact and development opportunities; partner with universities, professional associations, and apprenticeship programs to build a pipeline of skilled candidates and consider flexible working arrangements and opportunities for professional development to attract and retain talent.
2. Reduce reliance on agency workers - transition from short-term agency contracts to fixed-term or permanent roles to build institutional knowledge and reduce costs and develop a plan for knowledge transfer from agency workers to permanent staff before contracts end.
3. Establish succession planning - address staffing gaps by prioritising the recruitment of key professional and management roles and implement cross-training initiatives to mitigate single points of failure and ensure continuity in senior management.
4. Management of the LLP's property portfolio – examine and evaluate the potential and feasibility of outsourcing the management of the LLP's property portfolio.

Strengthen Business and Investment Planning

5. Develop a comprehensive business plan – create a detailed business plan aligned with the Plan for North Lanarkshire and programmes of work including clear objectives, performance metrics, timelines for monitoring progress and ensuring alignment with strategic goals.
6. Review and strengthen investment strategy - formulate an investment plan outlining priorities for portfolio enhancement, new development opportunities, and potential revenue streams and explore innovative funding mechanisms, such as public-private partnerships or alternative loan structures, to free up resources for investment.
7. Review performance indicators - ensure that performance indicators remain valid and are aligned with the NLP LLP's business objectives and the Plan for North Lanarkshire.

Portfolio Review

8. Consider undertaking a comprehensive property review - conduct a detailed assessment of all properties, ranking them by performance based on occupancy rates, revenue and alignment with strategic goals and identify underperforming or surplus properties for potential disposal to free up resources for reinvestment in higher-performing assets.
9. Enhance portfolio through condition surveys – consider conducting a comprehensive program of condition surveys, including RAAC assessments, to identify maintenance needs and risks and use findings to inform a data-driven investment strategy to maximise property value.
10. Rent reviews based on market appraisal – perform regular market appraisals to ensure rental rates are competitive, adjusting rents up or down based on demand, vacancy rates, and market conditions and introduce dynamic pricing models for flexibility in leasing terms to attract tenants in fluctuating market conditions.
11. Adopt market-driven strategies – explore ways to optimise underutilized assets, such as repurposing vacant properties, offering flexible leasing terms, or diversifying property use (e.g., mixed-use developments).

Arms-Length External Organisation (ALEO) 2024 Review
North Lanarkshire Properties LLP – Future development areas

12. Prioritise portfolio investment – use the new investment plan to identify high-priority improvements for the portfolio, balancing loan repayment obligations with portfolio enhancement.
13. Align portfolio investment with Council's 'Transforming Places' vision and Programme of Work – work with Council officers to identify properties which create scope to facilitate transformational change within town centres and communities, subsequently disposing of those properties, transferring interest in them to the Council, and conveying a partial disposition of the portfolio to the Council.
14. Clarify portfolio priorities – establish criteria for prioritising legacy and LLP properties, ensuring resources are allocated effectively.

Improve Customer Engagement and Clarity

15. Enhance customer communication – consider the development of a communication strategy that clarifies whether service users are dealing with NLC or the LLP, including consistent branding and messaging across channels and introduce a customer service portal or helpdesk to handle queries and streamline engagements.
16. Increase proactive customer engagement - conduct surveys or focus groups to gather feedback on customer experiences and identify areas for improvement and share success stories and updates to build trust and demonstrate value.
17. Digitisation - explore opportunities to transition requests for service and service delivery processes to digital platforms.