

North Lanarkshire Council Report

Policy and Strategy Committee

Does this report require to be approved? Yes No

Ref AMcP / GT

Date 13/03/25

Strategic Capital Investment Programme 2024/25 to 2028/29

From Andrew McPherson, Depute Chief Executive

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Executive Summary

This report provides an annual update on the Council's Strategic Capital Investment Programme including an update on available resources and expected profile of expenditure of the remainder of the current five year capital planning period from 2024/25 to 2028/29.

The report highlights record levels of capital investment of £856 million over the five year period as the Council continues the delivery of its long-term place shaping transformation of North Lanarkshire's towns and communities. Alongside record levels of investment in the Council's housing provision through the Housing Revenue Account, this represents potential investment of £1.685 billion in North Lanarkshire's town and communities.

Key highlights in the proposed investment programme include:

- £347 million to continue investment in the Town and Community Hub programme and funding to complete projects in Abronhill, Glenboig and Ravenscraig,
- £41 million of additional targeted investment the Council's school, culture and leisure estate which will include a strategic review of the Council's pool estate,
- City Deal investment of £95million, including resources to progress the East Airdrie Link Road project,
- £45 million investment in the Council's Economic Regeneration Delivery Plan to support the ongoing transformation of North Lanarkshire's town centres, including ongoing work to transform Cumbernauld town centre,
- £37 million key infrastructure investment in bridges, flooding, active travel and road safety,
- £18 million investment in the Parks Masterplan, including funding to enable the redevelopment of Strathclyde Park Watersports Centre,
- £23 million investment in business and digital systems as the Council continues its digital offering, and
- £13 million investment in Community Boards with a key aim of evolving the Council's approach to facilitating community asset transfers.

Recommendations

It is recommended that the Policy and Strategy Committee:

- (1) Acknowledges the forecast resources available to fund the capital programme,

- (2) Approves the 2025/26 Strategic Capital Investment Programme as outlined in Appendix 1,
- (3) Approves the updated profile of the Strategic Capital Investment Programme from 2026/27 to 2028/29 as outlined in Appendix 1,
- (4) Acknowledges the update on Town and Community Hubs as outlined in paragraph 2.17,
- (5) Acknowledges the update on targeted investment in the Council's existing estate as outlined in paragraph 2.18,
- (6) Acknowledges that no changes are required to the Capital Strategy 2024/25 to 2028/29 at this stage as outlined in paragraph 2.23, and
- (7) Approves the updated Terms of Reference for the Strategic Capital Delivery Group in Appendix 2.

The Plan for North Lanarkshire

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

1. Background

- 1.1. The Council's capital investment plans are underpinned by the Capital Strategy 2024/25 to 2028/29 that was approved at Policy and Strategy Committee in March 2024. The Capital Strategy aims to create an asset base that meets the aspiration for North Lanarkshire to be the place to Live, Learn, Work, Invest and Visit.
- 1.2. The Council adopted this strategy in preparing the Council's Strategic Capital Investment Programme, also approved at Policy and Strategy Committee in March 2024. This ambition programme recognised General Services investment of £659.509 million over the five-year capital planning period to support the Council's aims for place shaping transformation of North Lanarkshire's towns and communities.
- 1.3. The current capital investment plan is aligned to the Plan for North Lanarkshire to 2028/29 through to Programme of Work activities and importantly aligns with the Council's Corporate Asset Management Plan approved in 2022.
- 1.4. The capital plan continues to ensure capital investment resources are maximised by leveraging additional funding through the Council's transformative Community Investment Fund.

2. Report

Updated Forecast Resources

- 2.1. The updated Strategic Capital Investment Programme has been developed based on the latest estimates of available resources, including government grant, Community Investment Fund and prudential borrowing. The following table provides an update on the five-year resource profile:

Forecast Available Resources	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	2024/25	2025/26	2026/27	2027/28	2028/29	
	£000	£000	£000	£000	£000	£000
General Capital Grant	23,350	24,375	21,334	21,334	20,254	110,647
Capital Receipts	3,250	3,375	3,375	3,375	3,375	16,750
Residual Pension Cost Underspends	21,375	23,416	0	0	0	44,791
Service Concession One-Off Benefit	0	0	0	22,400	22,400	44,800
Council Borrowing (inc. Community Investment Fund)	68,843	100,214	132,122	78,901	187,717	567,797
External Income Specific Grants	23,069	18,755	9,278	7,990	12,659	71,751
Total Funding	139,887	170,136	166,109	133,999	246,405	856,536

- 2.2. The forecast resources of £856.536 million represents an increase of £197.027 million from the capital budget approved at Policy and Strategy Committee in March 2024. The most significant element of this increase of £146.242 million associated with the Council's agreed 2025/26 budget and the intention of the Council to align with the Council Tax Strategy and recent Community Investment Fund update to committee by allocating 2% of Council Tax increases towards achieving the Council's ambitions for capital investment.
- 2.3. The remainder of the movement largely relates to carry forwards from the previous capital programme into the current five-year planning period (£20.242m) and additional capital grants (£22.993m) received during 2024/25 and anticipated for 2025/26 and beyond.
- 2.4. While the General Capital Grant has increased to £24.375 million for 2025/26 it is expected that this will reduce again to previous levels for the remainder of the capital planning period. The Scottish Government has previously committed to providing multi-year indicative allocations, but the most recent announcement was for one year only.
- 2.5. An additional £7.550 million in anticipated resources from the Community Investment Fund is reflective of the annual Community Investment Fund Update presented to Committee in December 2024.
- 2.6. A key part of the Community Investment Fund modelling is the requirement to complete an annual review of the assumptions and projections. Each review has been presented to Policy and Strategy Committee and in the event that the assumptions change significantly this would be considered by the Council's SCDG in line with its Terms of Reference and ensuring ongoing compliance with the principles of the Council's Capital Strategy.
- 2.7. The annual review includes a sensitivity analysis indicating the impact of a significant changes in assumptions linked to decisions of the Council to earmark Council Tax increases to support the Community Investment Fund, the wider economic climate including any impacts on house building and cost of borrowing assumptions. The next scheduled update will be presented to Policy and Strategy Committee later in 2025.

- 2.8. External capital funding in support of the Council's capital programme is forecast to be £71.751 million over the five- year period. This is largely reflective of City Deal Grant and known Scottish Government grant contributions for areas such as Vacant and Derelict Land Fund, Regeneration Capital Grant Fund and Placed Based Investment Programme. It also makes an assumption of anticipated funding from the Scottish Government's Learning Estate Investment Programme for Chryston High School extension.
- 2.9. Projected capital receipts of £16.750m have been included in the programme based on the current estimates of likely future receipts from asset sales. Capital receipts can be significantly influenced by external market factors so, like all areas of capital resources, this will be kept under continual review.
- 2.10. Following approval of the Council's 2024/25 Revenue Budget on 15 February 2024 and acceptance of the Section 95 Officer's recommended budget strategy, the strategic capital investment programme assumes the release of one-off resources of £44.791m from the cost reductions associated with Strathclyde Pension Fund employer contributions to augment the capital programme and the Town and Community Hub programme.
- 2.11. In addition, at the Council meeting on 23 February 2023 Elected Members approved a change in the accounting for all of the Council's existing service concession arrangements. This changed the way the Council accounts for the public private partnership (PPP) and design, build, finance and maintain (DBFM) arrangements on an ongoing basis but the retrospective application of the change in accounting also released a one-off benefit of £44.800m which has been applied to the strategic capital investment programme.
- 2.12. While the Strathclyde Pension Fund cost reductions are 'cash backed' this one-off accounting benefit is not and, as highlighted in the report to Council in February 2023, the Council will be required to borrow to fund this expenditure. Therefore, utilising this one-off benefit to support the capital programme ensures that additional borrowing costs can be managed over the life of the assets and the impact incorporated into the Council's Medium Term Financial Planning assumptions.
- 2.13. The forecast resources are expected to increase by 30% from the originally approved 2024/25 to 2028/29 capital programme as approved at Policy and Strategy Committee in March 2024 and represents the largest ever capital programme proposed by North Lanarkshire Council. The scale of Council backed investment should be seen in the context of General Capital Grant resources now representing just 13% of the overall capital resources forecast over the five-year planning period and provides a clear statement as to the ambition for economic growth and development by the Council.

Strategic Capital Investment Programme

- 2.14. The table below outlined the updated programme phasing over the current five-year capital planning period per service area:

Phasing by Service Area	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	2024/25	2025/26	2026/27	2027/28	2028/29	
	£000	£000	£000	£000	£000	£000
Assets and Procurement	22,016	30,328	42,761	32,576	18,706	146,385
Town and Community Hubs	43,574	84,575	52,262	27,488	138,771	346,670
Community Operations	34,092	23,921	32,413	22,654	19,216	132,295
Place	30,689	20,198	23,610	42,071	62,511	179,079
Total Enterprise and Communities	130,370	159,022	151,046	124,788	239,203	804,429
Adult Social Care	2,171	2,200	2,200	2,200	2,200	10,971
Finance & Technology	5,099	5,272	8,699	3,157	928	23,155
Strategy & Engagement	2,246	2,537	3,060	2,750	2,970	13,563
Total Chief Executive's	7,345	7,809	11,759	5,907	3,898	36,718
Corporate Contingency	0	1,104	1,104	1,104	1,104	4,417
Total Expenditure	139,887	170,136	166,109	133,999	246,405	856,536

- 2.15. This programme delivers significant ongoing capital investment in North Lanarkshire's communities which will support the Council's ambitions for place making transformation while supporting the creation and maintenance of jobs in the local economy. It should be noted that modelling is based on the continuation of 2% ring fencing of future Council Tax increases over 2026/27 and 2027/28 for allocation to the Community Investment Fund which follows a similar approach delivered as part of the 2025/26 budget setting process. This will be subject to annual review as part of the Revenue Budget setting process.
- 2.16. In line with the SCDG Terms of Reference, the programme outlined above and in Appendix 1 will remain under continual review as the programme evolves and will continue to be reported for approval at Policy and Strategy Committee in Cycle 1 each year to ensure that the programme continues to reflect any changes in priorities and / or changes in the resources available.

Town and Community Hub Programme

- 2.17. The proposed strategic capital investment programme's largest constituent part is the Town and Community Hub programme with a proposed allocation of £346.670, representing 40% of the overall resources available. This revised allocation, an increase of £96.596 million from the previously approved programme, now includes funding to ensure completion of Community Hubs in Abronhill, Glenboig and Ravenscraig in line with the Council's approved revenue budget for 2025/26.

Targeted Investment

- 2.18. The Council's revenue budget 2025/26 also included allowance for targeted investment in the Council estate, including schools, culture and leisure facilities. It is expected that this investment will be accompanied by a strategic review of the Council's pool estate with a report submitted to the relevant council committee. Appendix 2 highlights that total funding for this acceleration of investment totals £41.317 million.

Future Years

- 2.19. Committee has previously informed of risks associated with expenditure requirements outwith the current five-year capital planning period to 2028/29. These include commitments for the City Deal programme in areas such as the East Airdrie Link road.
- 2.20. In planning for these future commitments, Committee should be aware that they may limit scope for other capital investment priorities or may require re-prioritisation of projects. In addition, this may create additional recurring revenue consequences. These potential consequences will be monitored through the SCDG and, if appropriate, factored into the Council's Medium Term Financial Plan.

Housing Revenue Account Capital Programme

- 2.21. While this report focuses on the Council's General Fund capital programme, Committee should be aware of the record levels of forecast investment in the Council's current and future housing stock. Over the same 2024/25 to 2028/29 period the HRA's 30 year business plan assumption includes forecast investment of £829m across the mainstream programme and new supply programme. This represents the current planning assumption while recognising that it continues to be subject to agreement on future investment targets and funding from rental increases.

Overall Community Investment

- 2.22. Combining the updated General Fund Strategic Capital Investment Programme with forecast investment in the Housing Revenue Account means that the Council currently forecasts total Community Investment of £1.685 billion over next five financial years.

Capital Strategy

- 2.23. In accordance with Prudential Code requirements, the Council carries out ongoing reviews of the Capital Strategy. The most recent Capital Strategy to 2028/29 was approved at Policy and Strategy Committee in March 2024. At this stage no changes are required to strategy.

Review of Strategic Capital Delivery Group Terms of Reference

- 2.24. Following changes to the Council's senior management team structure as outlined in the 'One Place One Plan – governance update' report to Policy and Strategy Committee in September 2024, the Strategic Capital Delivery Group has reviewed its Terms of Reference.
- 2.25. The changes are summarised as follows:
- Updated Group Objectives to reflect the SCDG's revised process for monitoring capital programme delivery as well as financial management of the capital programme,
 - Updated membership to reflect senior management team changes and to confirm the roles of subject matter experts on the group,
 - Provision of clarity of the new 'emerging priorities protocol' agreed by the SCDG to manage unfunded burdens.
- 2.26. Committee is asked to approve the revised Terms of Reference.
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3. Measures of success

- 3.1 The SCDG will continue to monitor the financial performance and operational delivery of the strategic capital investment programme to ensure completion of the programme in line with available resources.

4. Supporting documentation

Appendix 1 – Strategic Capital Investment Programme – 2024/25 to 2028/29
Appendix 2 – Strategic Capital Delivery Group – Terms of Reference



Andrew McPherson
Depute Chief Executive

5. Impacts

<p>5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>The financial impacts are outlined throughout the report. The Council's SCDG has responsibility for ongoing management of the strategic capital investment programme and the monitoring of the overall programme will continue to be presented to Finance and Resources Committee at each committee cycle.</p> <p>The SCDG will continue to monitor the potential impact of future capital commitments to ensure aligned with ongoing funding strategies and medium term financial planning processes.</p>
<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/></p>

If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk

Yes No

5.6 Technology / Digital impact

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

Yes No

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

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

Yes No

5.7 Environmental / Carbon impact

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

Yes No

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

5.8 Communications impact

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

Yes No

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

5.9 Risk impact

Is there a risk impact?

Yes No

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

Through SCDG the Council will be managing ongoing risks associated with the strategic capital investment programme, including but not limited to:

- Failure to spend in-year capital grant which may result in any unspent portion being returned to the Scottish Government. However, given the significant level of Community Investment Fund investment this risk is deemed to be low at this stage.
- Project delays and programme issues that impact on the delivery of the programme and result in increased costs or reduced outcomes. These risks will be managed through individual project governance arrangements with oversight provided by SCDG.
- Commitments beyond the current 5-year cycle will continue to be monitored and refined with updated funding strategies and incorporated into the Council's established medium term financial planning processes.

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

Strategic Capital Investment Programme 2024/25 to 2028/29

Project / Theme	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	2024/25	2025/26	2026/27	2027/28	2028/29	
	£000	£000	£000	£000	£000	£000
Assets and Procurement						
Maintaining Existing Assets (windows, re-roofing, re-wiring and condition survey works for the Council's building assets)	5,596	10,365	10,898	8,599	4,607	40,065
Maintaining Existing Assets (Targeted Investment per Budget Decision February 2025)	0	5,299	16,516	11,310	8,192	41,317
Carbon Management	1,864	1,164	434	799	389	4,650
Office Rationalisation	937	2,644	4,203	3,004	1,004	11,792
Health & wellbeing and Digital Classrooms	154	150	150	150	93	697
Rationalisation including ASN & Social Work	4,663	2,900	0	230	0	7,793
Curriculum Development	463	720	622	258	258	2,321
Sustainable Estate	1,356	1,060	2,054	1,960	1,121	7,551
Outdoor Education and Outdoor Spaces	3,426	400	400	200	24	4,450
Future Capital Receipts Investment	532	910	586	597	558	3,183
Design Fees	1,700	1,715	1,928	1,984	1,519	8,847
1140 Early Learning and Childcare Expansion	819	0	0	0	0	819
Water Quality	92	100	95	110	105	502
Demolitions / RAAC Repairs	413	2,900	4,875	3,375	836	12,399
Sub-Total Assets and Procurement	22,016	30,328	42,761	32,576	18,706	146,385
Town and Community Hubs						
Town and Community Hubs	43,574	84,575	52,262	27,488	138,771	346,670
Sub Total Town and Community Hubs	43,574	84,575	52,262	27,488	138,771	346,670
Community Operations						
Operational and Infrastructure Development	13,409	2,398	6,808	6,811	2,211	31,637
Greenspace and Cemeteries	5,175	1,819	1,867	3,915	4,915	17,691
Greenspace Climate Resilience and Wellbeing	1,015	394	98	98	98	1,703
Parks Master Plan (including Strathclyde Park Watersports Centre Redevelopment)	1,126	4,972	12,129	144	147	18,518
Roads and Street Lighting/Asset Mgt	12,787	13,787	10,946	11,117	11,277	59,914
Contaminated Land and Resilience	581	550	564	569	568	2,832
Sub-Total Community Operations	34,092	23,921	32,413	22,654	19,216	132,295

Project / Theme	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	2024/25	2025/26	2026/27	2027/28	2028/29	
	£000	£000	£000	£000	£000	£000
Place						
Economic Regeneration (including investment in town centre regeneration and business and industrial infrastructure)	9,204	8,196	5,564	11,278	10,615	44,857
City Deal	9,289	3,698	11,300	23,636	47,392	95,315
Enterprise Projects	1,838	0	0	0	0	1,838
Infrastructure and Transportation improvements (including investment in bridges, reservoirs, flood risk mitigation and road safety improvements)	10,358	8,303	6,746	7,157	4,504	37,069
Sub-Total Place	30,689	20,198	23,610	42,071	62,511	179,079
Total Enterprise and Communities	130,370	159,022	151,046	124,788	239,203	804,429
Adult Social Care						
Equipment and Adaptations	2,171	2,200	2,200	2,200	2,200	10,971
Total Adult Social Care	2,171	2,200	2,200	2,200	2,200	10,971
Finance & Technology						
Line of Business (LOB) System Portfolio	619	3,144	7,625	1,891	86	13,366
End User Device (EUD) Refresh	1,664	846	605	1,166	737	5,017
Digitisation & Innovation	2,815	1,283	469	100	105	4,772
Sub-Total Finance & Technology	5,099	5,272	8,699	3,157	928	23,155
Strategy & Engagement						
Community Board Project Investment Fund	2,246	2,537	3,060	2,750	2,970	13,563
Sub-Total Strategy & Engagement	2,246	2,537	3,060	2,750	2,970	13,563
Total Chief Executive's	7,345	7,809	11,759	5,907	3,898	36,718
Corporate Contingency						
Contingency	0	1,104	1,104	1,104	1,104	4,417
Sub-Total Contingency	0	1,104	1,104	1,104	1,104	4,417
TOTAL GENERAL SERVICES CAPITAL PROGRAMME	139,887	170,136	166,109	133,999	246,405	856,536
HRA Mainstream investment (indicative)	62,160	90,617	125,327	128,879	132,144	539,127
HRA New Supply investment (indicative)	45,274	61,474	96,775	60,619	25,497	289,639
TOTAL HRA CAPITAL INVESTMENT (INDICATIVE)	107,434	152,091	222,102	189,498	157,641	828,766
TOTAL COMMUNITY INVESTMENT	247,321	322,227	388,211	323,497	404,046	1,685,302

STRATEGIC CAPITAL DELIVERY GROUP

TERMS OF REFERENCE & GOVERNANCE FRAMEWORK

1. ROLE

The Strategic Capital Delivery Group (the Group) is a working group convened of senior officers. The Group advises elected members in terms of capital allocation and project approval and has responsibility for the strategic management of the capital programmes, including the realignment of resources to facilitate the effective delivery of the Council's Strategic Capital Investment Programme, including:

- General Services Core Investment Programme (including Town and Community Hub delivery)
- HRA Mainstream Investment Programme
- HRA New Supply Programme

The Group makes recommendations on and amendments to the approved capital programmes, as required, with any amendments reported to Committees in line with the financial regulations and the agreed limits, as outlined in the Terms of Reference & Strategic Framework.

1.1 Chair

The Depute Chief Executive will act as Chair of the Group, with the Chief Officer (Finance & Technology) as Depute.

1.2 Group objectives

- Monitor the Council's Strategic Capital Investment Programme, including performance against delivery aims and objectives;
- Advise Elected Members on capital allocations and project approval, making recommendations on and amendments to the approved capital programme;
- Ensure the proper alignment of capital resources to allow for effective delivery of the programmes;
- Monitor expenditure projections against budgets and available resources, revising these where necessary, subject to the limits set out in Section 4 – Authority;
- Ensure robust governance arrangements around the delivery, monitoring and reporting of capital programmes;
- Monitor outputs and outcomes delivered by capital programmes against planned outputs and outcomes with services to report exceptions and remedial actions to the Group;
- Consider the quarterly capital monitoring report to Finance and Resources Committee to ensure appropriate actions are agreed for review by Elected Members;
- Ensure Participatory Budgeting principles are embedded in key capital investment decisions of the Council;

- Arrange and undertake training/awareness sessions as required to reinforce skills/knowledge across the Council in respect of capital monitoring and capital financing;
- Ensure all decisions made by the Group are Intra Vires and in line with The Plan for North Lanarkshire.

2. MEMBERSHIP

2.1 Membership

Membership to include:

Depute Chief Executive (Chair)
 Chief Officer (Finance and Technology)
 Chief Officer (Assets and Procurement)
 Chief Officer (Place)
 Chief Officer (Housing)
 Chief Officer (Education)
 Chief Officer (Community Operations)
 Chief Office (Strategy and Engagement)
 Chief Officer (Planning, Performance and Quality Assurance)
 Business Finance Manager (Resources Solutions)

Membership of the Group reflects the composition of the capital programmes and ensures the fair representation of Council services responsible for investment in all Council assets. Substitutes in the event of a core member's unavailability are acceptable but must be from the SCDG maintained list of agreed substitute officers.

The Finance Manager (Treasury, Capital and Controls) and Finance Manager (Assets & Procurement and Community Operations) will attend as key advisors to the Group.

The Group must make decisions on a corporate basis, in line with The Plan for North Lanarkshire, Financial Strategy, Financial Regulations and other relevant plans and policies.

In the event that the Council structure changes the membership will be aligned to the new structure, unless membership is formally changed by the Policy and Strategy Committee.

2.2 Attendance

Where group members are unable to attend meetings, nominated deputies should attend. Group membership should be representative of the Council services, with members acting in an independent manner.

Quorum is achieved with 70% attendance (including substitutes). In the event that a meeting is not quorate, the Group is required to reconvene.

Officers and external parties may be invited to attend meetings of the Group to provide information/ support and to answer questions in respect of the Council's capital programmes.

3. PROCEDURES

3.1 Meeting Frequency

The Group will meet, as a minimum, quarterly, prior to each cycle of Policy and Strategy Committee.

3.2 Administration

Administrative support will be arranged by the Chair to coordinate and distribute agendas, minutes and meeting papers. Records of all minutes, decisions and actions will be maintained.

3.3 Submissions and Reports

Group members may make submissions to the Group. Submissions and progress reports should reach the nominated administrative support no later than five working days before each meeting.

Urgent matters may be submitted later than this deadline, but only with the approval of the Chair.

3.4 Agendas and Papers

Agendas will be prepared and distributed to Group members with supporting papers at least three working days before each meeting.

3.5 Minutes

Minutes will be taken of meetings and will be distributed in draft via email within five working days of the Group meeting. Minutes will be approved by the Group at the following meeting.

3.6 Responsibility for Actions and Communication

Group members shall ensure that any decisions relevant to their Service are actioned by relevant officers. Responsibility for actions within minutes will be recorded in an updated work plan as per the outcome of the meeting.

The Depute Chief Executive and Chief Officers shall refer Group decisions to individual Service Committees for approval or noting, in accordance with agreed limits outlined in Section 4 – Approvals below, and will advise the Group of outcomes and decisions made by Committee.

3.7 Special Meetings

Special meetings of the Group may be called at the discretion of the Chair. As far as possible, normal procedures will be followed.

4. AUTHORITY

4.1 Resources

The Capital Programmes are based on estimates of future investment targets funded by a combination of Scottish Government Grants, capital receipts, CFCR and prudential borrowing, including Community Investment Fund. When confirmation of investment targets are reviewed or amendments to resources are known, the Group will give consideration to adjusting the Programme accordingly. Recommendations for a revised programme, based on the actual level of resources will subsequently be referred to Policy and Strategy Committee for approval annually.

4.2 Virement & Re-profiling

4.2.1 General Fund Capital Programme

In the event the Group agrees a virement between approved Project / Thematic Categories, this will be up to a maximum of £500,000. Virements above this value require the approval of the Individual Service Committee (if they remain within Service-headings), or the Finance and Resources Committee if the virement is across Services.

4.2.2 Housing Capital Programmes

The Group has the authority to redirect resources across the following Thematic Categories. These virements should be reported to the Housing Committee:

- Estate Regeneration
- Energy Efficiency
- Major Repairs
- Internal Upgrading
- Tower Strategy
- Community Care
- Fees/Miscellaneous
- New Build
- Council Buy Back Schemes

The Group has the authority to agree virements up to £1,000,000, virements in excess of this amount will be reported to the Finance and Resources Committee for noting. Virements above this value require the approval of the Housing Committee.

4.3 Re-profiling of Capital Allocations

The Group has authority to re-profile capital allocations within Project / Thematic Categories up to a maximum of £10,000,000 to and from future years of the Programme to ensure effective delivery over the 5 year timeframe, provided this can be managed within the overall annual budgeted resources (i.e. does not create additional unbudgeted borrowing costs). This will be reported to appropriate Service Committees, and Finance and Resources Committee for noting.

4.4 Emerging Priorities Protocol

In the event that an unfunded burden is identified, reference should be made to the agreed Emerging Priorities Protocol as detailed at Appendix 1.

Emergency works outwith the approved Programme should be referred to the Chair who will consult with the Chief Officer (Finance and Technology) in seeking approval to proceed and this decision then reported to the Group at the next scheduled meeting.

4.5 Monitoring

Individual Service Committee reports will provide monitoring information showing the appropriate level of detail, predominately in line with the project / theme groupings as laid out within the agreed Strategic Capital Investment Programme or alternatively in accordance with the appropriate project groupings within the Housing Capital Programme.

Whilst individual budget holders have responsibility for reporting variances and ensuring compliance with Financial Regulations and General Contract Standing Orders, overall responsibility for financial management lies with the Chief Officer (Finance and Technology). Therefore, Finance staff must be provided with information for individual projects to allow for effective financial monitoring.

In addition to financial information, services are expected to monitor achievement of programme and project outputs and outcomes. The Strategic Capital Delivery Group will monitor the delivery of these outputs and outcomes on a regular basis culminating in the production of an annual capital delivery report for consideration by the group. Significant deviation from expected plans will be reported to the group in accordance with the agreed Programme Delivery Dashboard.

4.6 Sub Groups

To ensure specific management of resources to advance the Plan for North Lanarkshire and Programme of Work objectives, the Group will establish and delegate authority to either sub-groups or other governance groups (i.e. Projects Boards), as considered necessary, including through the Programme of Work Programme Boards. The sub-groups will have Terms of Reference and Governance Framework established which shall include the requirement to report back to the SCDG.

The following is an example of the governance groups created with delegated authority from the Group to manage project delivery, including allocating resources:

- **Economic Regeneration Delivery Programme (ERDP) Steering Group**
Delegated responsibility for managing the ERDP capital programme including town centre regeneration and external funding streams such as Vacant and Derelict Land Fund, Town Centre Fund, Place Based Investment Programme and other capital funds supporting economic regeneration.
- **Town and Community Hub Programme Steering Group**
Delegated responsibility for managing Town and Community Hub programme delivery including assessment of external funding opportunities from the Scottish Government's Learning Estate Investment Programme.
- **City Deal and Ravenscraig Steering Group**
Delegated responsibility for managing the Council's City Deal programme including supporting wider City Region objectives.

5. POST PROJECT REVIEWS

The Group has oversight of the performance of the Council's Capital Programmes and may carry out post implementation reviews, in line with the Council's Project Management guidelines.

6. RISK MANAGEMENT

All risks relating to the Programme and to individual projects will be managed in line with the Council's Risk Management Strategy and in accordance with Project Management guidelines.

Emerging Priorities Protocol

The strategic capital investment programme will inevitably face ongoing demands for scarce resources. These unfunded burdens can happen for a variety of reasons but would normally be linked to the changing scope of already approved projects, the impact of market conditions on the cost of delivering projects or the identification of new projects.

This protocol seeks to provide a pathway for services to consider their response to these emerging priorities to ensure there is a consistency in approach across all service areas.

Where a service identifies an unfunded burden the following process must be followed (see recording template in Appendix A):

1. Services should assess the emerging priority against the other priorities within their capital investment programme. This should include consideration of the relative risk profile created by the emerging priority and its contribution to the Plan for North Lanarkshire compared to deprioritisation of existing spending plans.

To support this assessment of risk and contribution to the Plan for North Lanarkshire, reference should be made to the original capital bid template and the original scoring matrix for the current capital programme as agreed by SCDG. Both of these factors can be found on the SCDG Teams site (links to be inserted). The risk impact section was detailed as follows:

Risk Impact

Audit Scotland guidance expects effective capital programme management to have robust risk management arrangements in place. This section will support the evaluation of each project and the contribution it makes to the Council’s overall risk management framework.

Which corporate or service risks will the project help to mitigate?	
What risks are inherent in the project?	
What are the risks of not undertaking the project?	
How will the project’s risks be managed?	

2. In the event that the emerging issue is of a higher priority than existing spending plans, Chief Officers should consider their current five-year allocation to identify scope to realign resources by:
 - a. Removing projects from their programme to fund the emerging burden,

- b. Rephasing projects across the five-year programme, or
 - c. Rephasing projects outwith the five-year programme.
3. In the event that the emerging issue cannot be resolved within the Chief Officer's own remit area, consideration should be given to whether points a. to c. above can be managed within the wider service capital programme in conjunction with the Depute Chief Executive.
 4. The outcome of 2. or 3. above may result in the requirement for a virement or reprofiling request which will be considered in line with the SCDG's Terms of Reference.
 5. Where no suitable funding source is identified via steps 1 to 3 above, the Chief Officer should evidence the outcome of their prioritisation assessment in the form of a briefing note to SCDG highlighting the process undertaken and the outcome determined.
 6. Thereafter, Chief Officers will be required to complete a Capital Bid Template for the emerging project (see Appendix B). This will ensure the emerging project can be assessed against the same scoring criteria and resourcing methodology deployed when assessing the current Strategic Capital Investment Programme 2024/25 to 2028/29 as approved at Policy and Strategy Committee in March 2024 (see Appendix C).
 7. Following receipt of the appropriate Capital Bid Template, SCDG will convene an appropriate evaluation group to score the emerging project. This evaluation group will include the Depute Chief Executive and Chief Officer (Finance) to ensure a degree of consistency with the original scoring. A further Chief Officer will be agreed by SCDG as appropriate and cannot be the Chief Officer submitting the additional project for scrutiny.
 8. After scoring, the project will be assessed against the original scoring outcome for the 2024/25 to 2028/29 capital programme. In the event that the project scores below the threshold for funding, no funding can be allocated to the project. Where the project scores above the threshold for funding, those projects with a lower evaluated score will have any uncommitted funding removed to ensure the emerging project can be funded ((subject to appropriate virement approvals).

Emerging Priorities Protocol – Decision Recording Template

Stage	Action Required	Service Assessment
1.	<p>Services should assess the emerging priority against the other priorities within their capital investment programme. This should include consideration of the relative risk profile created by the emerging priority and its contribution to the Plan for North Lanarkshire compared to deprioritisation of existing spending plans.</p> <p>To support this assessment of risk and contribution to the Plan for North Lanarkshire, reference should be made to the original capital bid template and the original scoring matrix for the current capital programme as agreed by SCDG</p>	<p><i>Please include details of assessment of relative risk profile here, including linking to the contribution to the Plan for North Lanarkshire.</i></p>
2.	<p>In the event that the emerging issue is of a higher priority than existing spending plans, Chief Officers should consider their current five-year allocation to identify scope to realign resources by:</p> <ol style="list-style-type: none"> a. Removing projects from their programme to fund the emerging burden, b. Rephasing projects across the five-year programme, or c. Rephasing projects outwith the five-year programme. 	<p><i>Please include details of the assessment undertaken on the potential for allocating resources from the existing capital programme i.e. which projects should be removed or rephased.</i></p>
3.	<p>In the event that the emerging issue cannot be resolved within the Chief Officer's own remit area, consideration should be given to whether points a. to c. above can be managed within the wider service capital programme in conjunction with the Depute Chief Executive.</p> <p>This may lead to a requirement for a virement or reprofiling request in line with the SCDG's Terms of Reference.</p>	<p><i>Please include details of the assessment undertaken on the potential for allocating resources from the wider service capital programme i.e. which projects should be removed or rephased.</i></p>

Only in the event that these three options have been exhausted for funding an emerging priority should a request for additional funding be made to the Strategic Capital Delivery Group. Any such request will require satisfactory completion of this template and the capital bid template before SCDG will consider further.

**North Lanarkshire Council
Strategic Capital Investment Programme 2024/25 to 2028/29
Capital Bid Template**

Prepared By:	Date:	Version

Project Title/Theme:		Project Ref:	
Service / Division:			
Estimated Cost / Project Bid:			

1. Objectives

Please provide a brief outline of the high level aims and objectives of the project / programme?

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How should the project be classified (check box)?

- Unavoidable Commitment (legally committed or committee approved only)
- Asset Management Plan requirement
- New Investment to support the Programme of Work to 2028

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

Rationale for classification:

Unavoidable Commitment (Details of legally committed contracts, projects that have already commenced, committee approved etc)	
Asset Management Plan requirement (Provide details of links to corporate or service asset management plans etc and statutory basis for the project)	
New investment (Highlight the relevant Programme of Work themes)	

2. Financial Summary

Timescales:

Estimated Start Date	
Estimated Completion Date	

	Bid Profile					
	Year 1 (24/25) £000	Year 2 (25/26) £000	Year 3 (26/27) £000	Year 4 (27/28) £000	Year 5 (28/29) £000	Total £000
Estimated NLC Capital Investment requirement						
Estimated External Match Funding						
Total						

Please indicate if there's an expectation that the project will span beyond the current 5-year capital planning cycle:

	Bid Profile					
	Year 6 (29/30) £000	Year 7 (30/31) £000	Year 8 (31/32) £000	Year 9 (32/33) £000	Year 10 (33/34) £000	Total £000
Estimated NLC Capital Investment requirement						

Revenue implications associated with capital investment

Please outline any one-off or recurring revenue implications associated with proposed capital investment. Where possible quantify the impact and how your service proposes to fund any additional costs:

	Description of Impact	Value (£000)
Savings (i.e. reduced energy consumption, income generation)		
Costs (i.e. additional unbudgeted maintenance costs, increased staffing costs from creation of new facility)		

3. Key Deliverables

Financial Year	Targeted outputs for each financial year (i.e. number of window replacement projects; number of town centre sites regenerated; EUD refresh of estate etc)	Outcomes planned / anticipated for each financial year (i.e. impact of projects on overall condition of the school estate; improved occupancy of town centre sites / increased footfall; improved system and network performance / improved business continuity etc)
2024/25		
2025/26		
2026/27		
2027/28		
2028/29		

Monitoring and evaluation:

How will you demonstrate that the objectives, outputs and outcomes outlined above have been achieved / delivered?

4. Risk Impact

Audit Scotland guidance expects effective capital programme management to have robust risk management arrangements in place. This section will support the evaluation of each project and the contribution it makes to the Council's overall risk management framework.

Which corporate or service risks will the project help to mitigate?	
What risks are inherent in the project?	
What are the risks of not undertaking the project?	
How will the project's risks be managed?	

5. Programme of Work to 2028

This section will support the assessment of New Investment proposals in support of the Council's Programme of Work to 2028 [Programme of Work to 2028](#).

Programme of Work	Contribution the project / programme would make to the Programme of Work (Please provide an idea of the scale of impact on PoW 'Initial Actions', 'Health Check Indicators' and 'What will be achieved')
Transforming Places	
Invest In North Lanarkshire	
Sustainable Futures	
Resilient People	
Brighter Futures	
Digital NL	
One Service	

6. Public Sector Equality Duty and Fairer Scotland Duty

Where the project / programme has an impact as a result of the Public Sector Equality Duty and / or Fairer Scotland Duty please provide a brief summary:

PSED and FSD Impact

Where there is an impact services should ensure that an assessment has been carried out and published in accordance with the Council's guidance.

7. Additional information

Please provide any additional information that may be relevant.

Additional information

Scoring and Resource Allocation Methodology

Following the submission of capital bids from Services, SCDG members are responsible for scoring the bids. The overriding principle is to ensure that the capital investment plans align closely to the priorities of the Council, with each bid assessed as to how it helps advance these aims. This process also recognises the limits to funding levels available to support the capital investment plans.

Unavoidable commitments relating to projects that have commenced or have been committed by Committee decision but are not fully funded within the current capital programme and/or are of strategic importance should be top sliced from the available resources. This also includes an assessment of those projects or elements of projects that must be completed to reduce the risk of service failures on areas such as key digital infrastructure, key bridge infrastructure etc

Thereafter capital bids are assessed and prioritised using a weighted scoring model. The key factors and associated weightings are highlighted in the following table:

Criteria	Score (%)
1. Statutory requirement	20
2. Manages the Council's risks	20
3. Revenue consequences (high score for delivering savings, low score for increasing cost base)	15
4. Deliverability	15
5. Impact on carbon management	10
6. Contribution to Programme of Work	20
Total	100

Members of SCDG are asked to score each bid against these criteria on a range of 0 to 5, with 0 highlighting no contribution / impact and 5 highlighting maximum contribution / impact.

The individual scores are then combined to provide a consolidated score. This consolidated score is converted into a percentage which then allows all projects to be ranked in priority order.

Those projects with the highest weighted score are allocated the highest percentage of their overall bid value and conversely if projects scored below the threshold no funding is allocated.

Finally, a programme moderation may take place to assess any significant outliers from the previous funding allocations i.e. where funding allocations are significantly reduced or significantly increased. In addition, the final moderation programme may consider whether the funding allocation model would create any situations where the funding available would result in a 'do not proceed' dilemma and whether that outcome has any significant impacts on the Council's key ambitions.

