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11 November 2024

**Members of the
Finance and Resources Committee**

Chief Executive's Office

Archie Aitken
Chief Officer (Legal & Democratic)
Civic Centre, Windmillhill Street,
Motherwell ML1 1AB
www.northlanarkshire.gov.uk

Notice is given that a Meeting of the **Finance and Resources Committee** is to be held in the Council Chamber, Civic Centre, Windmillhill Street, Motherwell, ML1 1AB on Wednesday, 20 November 2024 at 10:00 AM which you are requested to attend.

The agenda of business is attached.

Archie Aitken
Chief Officer (Legal & Democratic)

Members :

A Duffy-Lawson, H Dunbar, A Ballinger, M Boyd, G Brennan, A Bustard, T Carragher, C Costello, S Coyle, D Crichton, G Currie, K Duffy, H Gray, J Hume, D Johnston, T Johnston, P Kelly, J Keltie, K Larson, G Lennon, J Logue, H Loughran, A Masterton, P McDade, R McKendrick, J McLaren, M McPake, J McPhilemy, L Nolan, P Patton, L Roarty, G Robinson, W Shields, A Smith, A Stubbs, L Stubbs, R Sullivan, S Watson, C Williams, G Woods.

Agenda

- 1 **Declarations of Interest In Terms of the Ethical Standards In Public Life Etc. (Scotland) Act 2000**

Operational

- 2 **Revenues and Benefits Update** 7 - 14
Submit report by the Chief Officer (Finance) providing an update on the performance with the Revenues and Benefits functions of Finance as at 30 September 2024.
- 3 **Digital North Lanarkshire Programme of Work – Digital Culture, Knowledge and Leadership** 15 - 24
Submit report by the Chief Officer (Housing) providing an overview of the progress on the Digital Culture, Leadership and Knowledge Sub Group.

Performance

- 4 **Strategic Performance Framework - latest performance results for Finance** 25 - 36
Submit report by the Chief Officer (Finance) providing an update on the suite of performance indicators used by Finance.
- 5 **Strategic Performance Framework - Latest Performance Results - Assets and Procurement** 37 - 48
Submit report by the Chief Officer (Assets and Procurement) providing an update on the suite of performance indicators used by Assets and Procurement.
- 6 **North Lanarkshire Properties LLP - Performance Indicators - 1 April to 30 September 2024 and Financial Performance as at 19 July 2024** 49 - 64
Submit report by the Chief Officer (Assets and Procurement) providing details of North Lanarkshire Properties LLP's performance for the period from 1 April to 30 September 2024 and providing an update on the financial performance for the period from 1 April to 19 July 2024.

Financial

- 7 **Revenue Monitoring Report Council Summary 1 April 2024 to 13 September 2024** 65 - 74
 Submit report by the Chief Officer (Finance) (1) providing an update on the overall position for the General Fund Account, Housing Revenue Account and Adult Health and Social Care, for the financial year to 31 March 2025; (2) consolidating the budget monitoring position of all Services, and (3) highlighting and explaining major outturn variances as per the Council's approved Financial Regulations.
- 8 **Revenue Budget Monitoring Report - Chief Executive's Service 1 April to 13 September 2024 (Period 6)** 75 - 86
 Submit report by the Chief Officer (Finance) (1) providing a summary of the Chief Executive's financial performance for the period from 1 April to 13 September 2024 (Period 6) and (2) illustrating the provisional outturn as at 31 March 2025, with major outturn variances highlighted and explained as per the Council's approved Financial Regulations.
- 9 **Capital Monitoring 2024/25 Monitoring Report** 87 - 98
 Submit report by the Chief Officer (Finance) (1) providing an update on the 2024/25 resources and expenditure for the Council's Strategic Capital Investment Programme, and (2) detailing the 2024/25 projected outturn position and resultant variances.
- 10 **Chief Executive Service - Capital Monitoring Report 1 April to 13 September 2024 (Period 6)** 99 - 106
 Submit report by the Chief Officer (Finance) highlighting the financial performance and projected outturn of the 2024/25 Chief Executive's capital programme for the period up to 13 September 2024.
- 11 **Treasury Management Monitoring Report for Quarter Ending 30 September 2024** 107 - 124
 Submit report by the Chief Officer (Finance) informing on the quarterly Treasury Management activity for the period from 1 July to 30 September 2024 and compliance with the mandatory treasury and prudential indicators.

| | | |
|------------------|---|-----------|
| 12 | <p>2024 Review of Financial Regulations and Scheme of Financial Delegation</p> <p>Submit report by the Chief Officer (Finance) providing details of the outcome of the annual review of the Financial Regulations and Scheme of Financial Delegation.</p> | 125 - 162 |
| 13 | <p>Procurement and Commercial Improvement Programme ("PCIP") Assessment Results for North Lanarkshire Council 2023/24</p> <p>Submit report by the Chief Officer (Assets and Procurement) advising of the outcome of the third round of the Procurement and Commercial Improvement Programme (PCIP) assessments undertaken by Scotland Excel.</p> | 163 - 182 |
| 14 | <p>Microsoft Enterprise Agreement 2025-2028 – Procurement Update</p> <p>Submit report by the Chief Officer (Business and Digital) providing an update on procurement activity relating to the Microsoft Enterprise Agreement (EA) contract and seeking approval to progress procurement arrangements.</p> | 183 - 190 |
| 15 | <p>Local Public Holidays for Factories and Businesses 2025</p> <p>Submit report by Chief Officer (Legal and Democratic) seeking consideration of the local public holidays in calendar year 2025 for factories and businesses in North Lanarkshire.</p> | 191 - 194 |
| Contracts | | |
| 16 | <p>Contract Award for Provision of Domestic Furniture & Furnishings 2024-2027</p> <p>Submit report by the Chief Officer (Finance) seeking approval to award the the contract for the Provision of Domestic Furniture and Furnishings 2024-2027 to CF Services Limited.</p> | 195 - 204 |
| 17 | <p>Contract Award for Supply and Delivery of Janitorial Products</p> <p>Submit report by the Chief Officer (Community Operations) notifying the award of a contract for Supply and Delivery of Janitorial Products (the 'Agreement') to Arrow County Supplies Limited.</p> | 205 - 214 |

- 18 **Contracts awarded below Committee approval threshold** 215 - 218
Submit report by the Chief Officer (Assets and Procurement) notifying of the Contracts Awarded since the last meeting of the Committee with a value below the financial threshold requiring approval.
- EXCLUSION OF PUBLIC**
The Sub-Committee is asked to consider passing the following resolution: "That under Section 50A(4) of the Local Government (Scotland) Act 1973, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 6 and 9 of Part 1 of Schedule 7A of the Act".
- 19 **Disposal of Site at Napier Road, Cumbernauld**
Submit report by the Chief Officer (Asset and Procurement) seeking approval to dispose of the Site at Napier Road, Cumbernauld.
- 20 **Future Acquisitions within South Cumbernauld Community Growth Area**
Submit report by the Chief Officer (Asset and Procurement) seeking approval to undertake future acquisitions within the South Cumbernauld Community Growth Area to facilitate future development proposals.
- 21 **Ground Lease for Edinburgh University Boat Store, Strathclyde Country Park, Motherwell**
Submit report by Chief Officer (Assets and Procurement) seeking approval to lease ground at Strathclyde Country Park.

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref EK / GT

Date 20/11/24

Revenues and Benefits Update

From Elaine Kemp, Chief Officer (Finance)

E-mail kempe@northlan.gov.uk

Telephone 01698 302408

Executive Summary

This report provides an update on the performance within the Revenues and Benefits functions of Finance as at 30 September 2024.

Key points to note include:

- As at 30 September 2024, 55.59% of Council Tax due for 2024/25 had been collected. This is an increase of 0.30% from the same period last financial year.
- Non-Domestic Rates collection at 30 September 2024 is 42.91% of the total annual charge. This is an increase of 0.11% from the same period last financial year.
- The service continues to meet statutory timescales for administering benefits applications and changes of circumstance.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Acknowledge the content of the report.

The Plan for North Lanarkshire

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

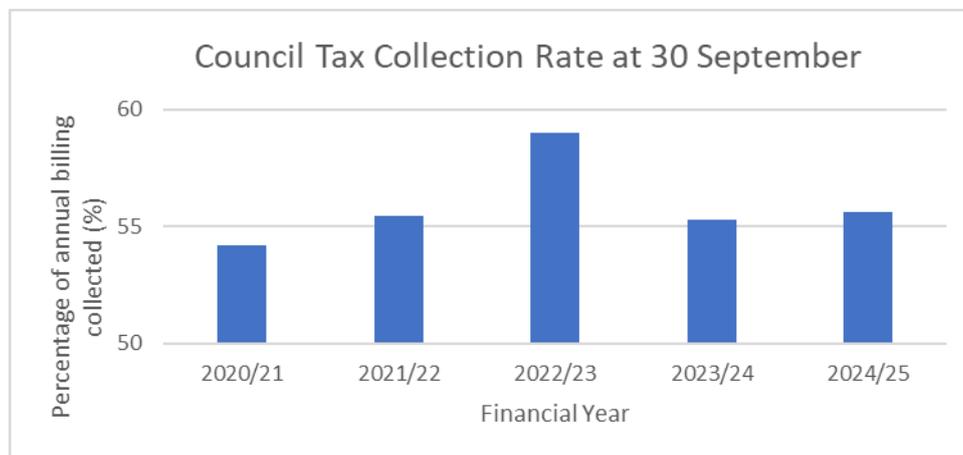
1. Background

- 1.1 The Finance service is responsible for the administration and collection of all local taxation in North Lanarkshire in the form of Council Tax and Non Domestic Rates.
- 1.2 In addition, the service administers a number of benefits for residents of North Lanarkshire including Housing Benefit, Council Tax Reduction, Scottish Welfare Fund, Discretionary Housing Payment, Free School Meals, Clothing Grants and Blue Badges.

2. Report

Council Tax

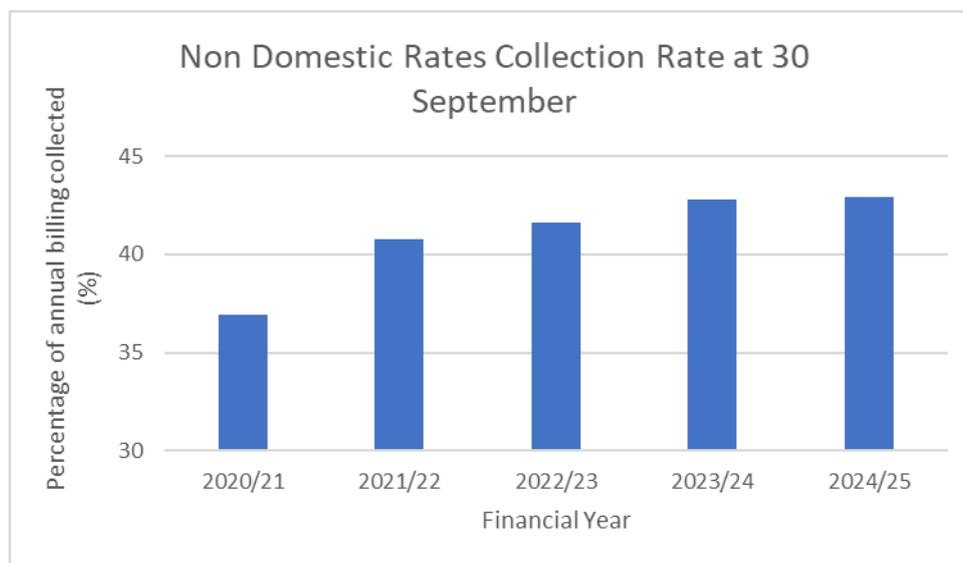
- 2.1 The graph below shows the cash collected at 31 September for each financial year. It is worth noting that cash is allocated to specific Council Tax years so the graph represents cash received against the initial billing year (i.e. billed and received in 2024/25) and does not include cash collected in subsequent years (i.e. billed in 2023/24 but received in 2024/25). This ensures a like for like comparison.



- 2.2 The collection figure to 30 September in the 2024/25 financial year of 55.59% is 0.30% higher than the same period last financial year.
- 2.3 It should be noted that in-year collection of Council Tax is a Statutory Performance Indicator. However, it does not reflect the overall collection rate of Council Tax which includes collection of prior year arrears. This latter measure has a greater bearing on the Council's finances and is reflected in the regular budget monitoring reports to Committee.

Non-Domestic Rates

2.4 The following graph shows the cash collected at 30 September for each financial year:



2.5 The collection figure to 30 September in the 2024/25 financial year is 22.91%. This represents an increase of 0.11% compared to the same time period in 2023/24.

Housing Benefits

2.6 The data below highlights the Statutory Performance Indicators measuring the speed of processing for new Housing Benefit claims and for changes in circumstances. The table below shows the cumulative figures for the 2024/25 financial year.

| Days to Process | 2023/24 | 2024/25 | Latest available Scottish average |
|-------------------------|---------|---------|-----------------------------------|
| New Claims | 16 | 14 | 17 |
| Change of Circumstances | 9 | 10 | 2 |

2.7 The service continues to perform well in the speed of processing for new claims compared to the most recent Scottish average. The speed and accuracy of professing has been commented on positively by the Department for Work and Pensions during recent liaison discussions.

2.8 The service also continues to meet statutory requirements for the speed of processing changes of circumstance. To further improve efficiency the service is progressing a number of digital related improvements such as development of the Landlord Portal and robotic process automation for a number of high-volume tasks. The Landlord Portal has recently gone live; therefore, it is anticipated that this action will see an improvement in the handling of correspondence received direct from landlords

Council Tax Reduction Scheme

2.9 As at 30 September 2024 a total of £26.333m in Council Tax Reduction has been awarded for the 2024/25 financial year. This compares to £25.980m to the same period during 2023/24, representing an increase of £0.353m (1.36%).

- 2.10 The service received 3,445 applications between 1 April and 30 September 2024 compared with 3,994 during 2023/24, representing an decrease of 13.7%
- 2.11 The service received an increased number of notifications for changes in circumstances. From 1 April to 30 September 2024 a total of 75,264 changes were processed compared to 61,495 for the previous financial year; an increase of 22.4%.

Discretionary Housing Payments (DHP)

- 2.12 From 1 April 2017 funding for DHP has been devolved to Scottish Government. This funding supports both the Scottish Government's commitment to fully fund the implications of the Bedroom Tax and an additional sum available for other reasons such as the Benefit cap and the restrictions on Local Housing Allowance rates.
- 2.13 From 1 January 2023 the Scottish Government is fully funding the implications of mitigating the benefit cap. This was announced as part of the tackling child poverty delivery plan 'Best Start, Bright Futures' in March 2022. Local authority Leaders have agreed to fuller benefit cap mitigation through the DHP scheme from 1st January 2023. For 2024/25 the Scottish Government has provided ring-fenced funding of £0.436m to mitigate the benefit cap. As at 30 September, the amount paid and committed in respect of the benefit cap was £0.047m (11%).
- 2.14 As at 30 September 2024 the total paid and committed in respect of Bedroom Tax was £5.723m. In comparison, this sum was £5.462m at the same point during 2023/24.
- 2.15 In addition the Council also receives £0.459m in respect of non-bedroom tax related issues. An additional £0.051m has been received for 2024/25 due to a redistribution of collective unused funds for 2023/24 bringing the total budget to £0.511m. As at 30 September 2024 £0.304m (60%) has been paid or committed from the fund.
- 2.16 As in previous years, the service will continue liaising with colleagues in Housing and Housing Associations to encourage applications to the fund. In addition, the service will also liaise with Universal Credit claimants affected by the benefit cap who could possibly be eligible for the mitigation.

Scottish Welfare Fund

- 2.17 The Council has administered the Scottish Government's Scottish Welfare Fund (SWF) since 1 April 2016.
- 2.18 The Scottish Government provides an annual award budget of £2.760m to North Lanarkshire Council. As highlighted at the previous Committee, now that additional one-off funding has been exhausted the service has started the 2024/25 financial year assessing applications at High priority. This means that applications will only be considered where there is immediate and severe need, applicants are highly vulnerable, where there will be significantly adverse impacts to health and wellbeing with a no grant award and where the effect of the grant is immediate and substantial. Staff assessing Scottish Welfare Fund applications are highly trained in making these judgements in accordance with the statutory guidance and where an application is unsuccessful they will signpost the applicant to other community based supports.
- 2.19 There are two grant schemes and their relative performance during 2024/25 and prior year comparison is as follows:

2024/25

| | Applications Assessed | Awards | Unsuccessful Applications | Acceptance Rate |
|-----------------------|-----------------------|--------------|---------------------------|-----------------|
| Crisis Grants | 10,079 | 7,249 | 2,830 | 71.9% |
| Community Care Grants | 2,565 | 1,838 | 727 | 71.6% |
| Total | 12,644 | 9,087 | 3,557 | 71.8% |

2023/24

| | Applications Assessed | Awards | Unsuccessful Applications | Acceptance Rate |
|-----------------------|-----------------------|---------------|---------------------------|-----------------|
| Crisis Grants | 10,109 | 7,864 | 2,425 | 77.7% |
| Community Care Grants | 2,707 | 2,215 | 492 | 81.8% |
| Total | 12,816 | 10,079 | 2,917 | 78.6% |

- 2.20 As at 30 September 2024, the total financial value of grants paid from the Scottish Welfare Fund amounted to £1.971m which represents 71.4% of the total budget for the current financial year. The Scottish Welfare Fund is highly likely to overspend in the current financial year so the service may have to consider moving to assess applications at High and Most Compelling priority in accordance with Scottish Government guidance. The financial impact will be managed through other underspends materialising within the Finance division and the wider Chief Executive's service.
- 2.21 During 2024/25, the Scottish Welfare Fund has seen a small decrease in demand for Crisis applications of 0.7% and a slight reduction in demand for Community Care Grant applications of 5.3%.
- 2.22 The Service strives to assess applications within the timescales outlined within Scottish Government guidance. Throughout the period the service has largely continued to assess Crisis applications within the two working day time limit. It has been more challenging to meet the 15 working day time limit for Community Care Grants with the service currently assessing applications outwith that timeframe, however, the service fastracks applications linked to homelessness to support the wider Rapid Rehousing and Homes First strategies.

Clothing Grants and Free School Meals

- 2.23 The Finance service administers Clothing Grant payments and applications for Free School Meals on behalf of the Council for families meeting low-income eligibility criteria.
- 2.24 Up to 30 September 2024 the service administered and paid out 11,512 Clothing Grants compared to 11,363 by the end of September 2023.
- 2.25 The Service awarded 9,876 Free School Meal applications to 30 September 2024 compared to 9,958 to the same period in 2023.

Blue Badges

- 2.26 The Finance service administers the Blue Badge scheme in accordance with Scottish Government guidance. The eligibility criteria means that some are automatically entitled to a Blue Badge. In other cases, the Council assesses an individual's eligibility

which may include the requirement for a mobility assessment and meeting a healthcare professional.

- 2.27 As at 30 September 2024, the service administered 6,246 Blue Badge applications with 4,720 awarded (75.6% award rate). Over the same period in the 2023/24 financial year the service administered 4,915 applications with 3,735 awarded (76.0% award rate).
- 2.28 Scottish Government guidance states that applicants should receive a decision on their application in around 12 weeks. The Council is currently reaching a decision within 6 weeks.

3. Measures of success

- 3.1 Continuous improvement in processing and collection rates.

4. Supporting documentation

None



Elaine Kemp
Chief Officer (Finance)

5. Impacts

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| <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 type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
| <p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
| <p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
| <p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p> |

| | |
|--|---|
| 5.6 | Technology / Digital impact |
| Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? | |
| Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| If Yes, please provide a brief summary of the impact? | |
| The Service has been liaising with Business and Digital on the Landlord Portal and RPA developments and these will be managed in line with Business and Digital's available resources. | |
| 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"/> | |
| 5.7 | 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? | |
| 5.8 | 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? | |
| 5.9 | Risk impact |
| Is there a risk impact? | |
| Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input type="checkbox"/> | |

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref SL/LJ

Date 20/11/24

Digital North Lanarkshire Programme of Work – Digital Culture, Knowledge and Leadership

From Stephen Llewellyn, Chief Officer (Housing)

E-mail LlewellynS@northlan.gov.uk **Telephone** 07939 280680

Executive Summary

Members of the Committee are aware of the reporting requirements of the Programme of Work to 2028 and the responsibility to report the areas of work from the Digital North Lanarkshire Programme of Work Board which sit within this Committee's terms of reference.

This report provides an overview of progress to date from the Digital Culture, Leadership and Knowledge sub-group and focusses specifically on the digital adoption work carried out in 2023 and followed up with a digital maturity assessment survey in 2024.

Thereafter a number of next steps and recommendations are contained herein.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Acknowledge the contents of the report;
- (2) Support the further development of the Council's Digital Maturity Assessment and;
- (3) Endorse the next steps contained herein.

The Plan for North Lanarkshire

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|--------------------|---|
| Priority | All priorities |
| Ambition statement | (23) Build a workforce for the future capable of delivering on our priorities and shared ambition |
| Programme of Work | Digital North Lanarkshire |

1. Background

- 1.1 Members are aware of the Programme of Work to 2028 to support the delivery of The Plan for North Lanarkshire and the reporting requirements contained therein.
- 1.2 Digital North Lanarkshire is one of seven priorities contained within the POW to 2028 with the aim of developing a skilled digital workforce, promoting an innovative, sustainable culture and being the digital leader for a transformed North Lanarkshire. This priority is a key enabler in delivering the other Programme of Work priorities and driving economic growth as well as transforming the education and abilities of learners of all ages.
- 1.3 The Digital North Lanarkshire Board drives the delivery of the following through a portfolio of programmes, projects and activities:
- Increasing the council's digital maturity level.
 - Enabling services to develop skilled employees.
 - Enabling services to design and adopt innovative solutions and react quicker to external demands and financial challenges, increasing efficiency and compliance.
 - Promoting a data-led and self-adapting service redesign culture
- 1.4 In order to deliver on the portfolio outlined above four sub-groups have been established. One such sub-group is Digital Culture Leadership and Knowledge which was stood up in September 2023 with responsibility for four activities:

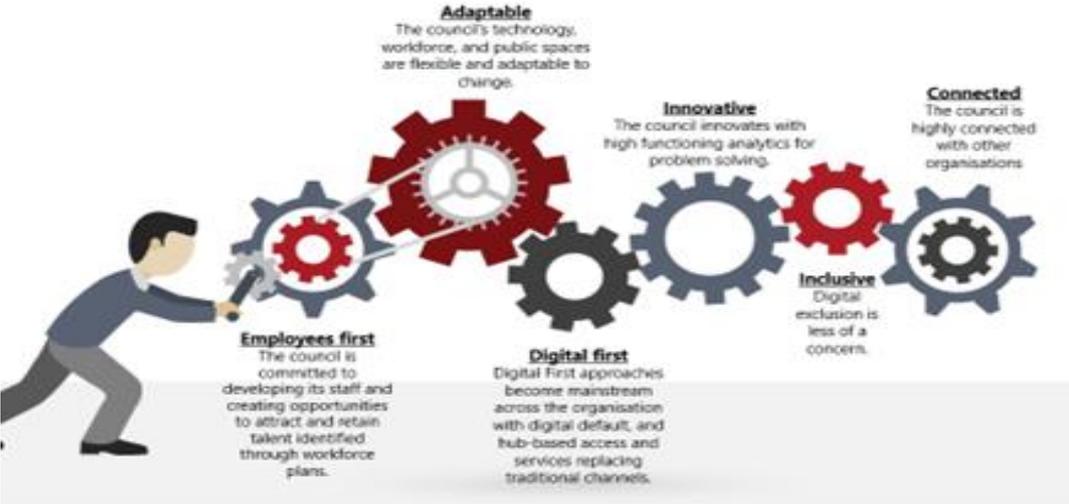
| Activity No. | Overview |
|--------------|---|
| 1 | Create a mature and sustainable culture across the organisation to ensure that digitisation of Council services provided to the public successfully transition them to achieve the outcomes specified within The Plan for North Lanarkshire |
| 2 | Develop Digital Leaders to facilitate behavioural change required to enable service transformation within existing resources |
| 3 | Develop and deploy a self-adapting redesign framework to accelerate digital business transformation of critical council functions |
| 4 | Support development of a skilled workforce to foster consistent knowledge, improve digital adoption and accelerate digital-first business capabilities |

- 1.5 This report provides Committee with an update on the work of the sub-group with regard to Activity 1 above.

2. Report

- 2.1 Members are aware that Policy and Strategy Committee approved the indicative 5-year digital transformation programme in March 2019. Since that time digital transformation across the Council and its communities has been underpinned by the Digital and IT Strategy which sets out six principles that ultimately mean people come first regardless of the activity being delivered. The latest version of the Digital and IT Strategy (2024-2027) was approved at the Policy and Strategy Committee in March 2024.

2.2 During the development of the strategy, stakeholder engagement carried out re-enforced that the undernoted six principles remain as relevant as when they were first developed in early 2020.



2.3 By following these principles, this will enable a significant shift in mindset and culture in terms of how the Council conducts its business. A greater emphasis will now be placed on the public interacting and using council services through digital methods. These achievements would not have been possible without the considerable effort of employees from across the services with employees at the heart of any digital transformation as change is implemented.

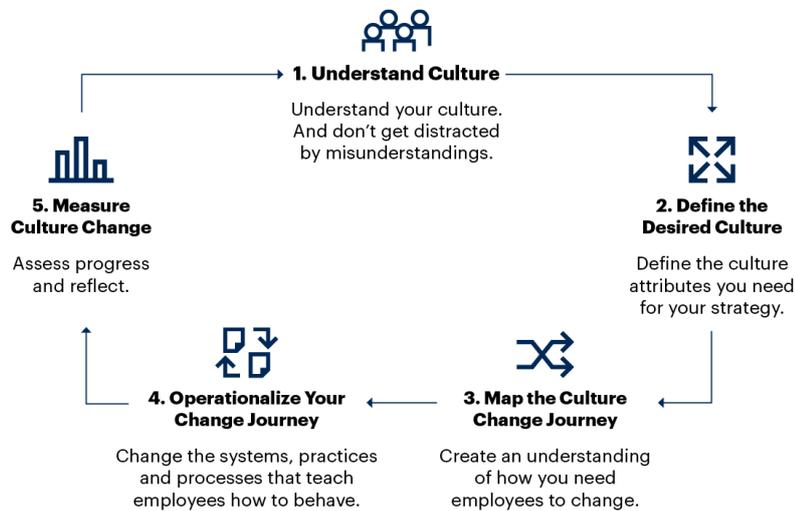
2.4 Over the latter part of 2023 members of the Digital Culture, Knowledge and Leadership sub-group carried out a number of pieces of research to better understand the past and present culture of the organisation.

2.5 The first step was a review of the survey carried out in April 2023 by the Infrastructure Manager within Business and Digital to examine digital adoption across services, (particularly the use of M365) and at various levels. The results showed:

| |
|---|
| 70% understood the value of the digital workplace. |
| 41% found their work more interesting as a result of applying digital tools |
| 73% actively supported change |
| 73% have participated in learning |
| 52% didn't feel they have opportunities to decide what tools to use for their jobs |
| 47% agreed with having opportunities to develop new skills and show capability |
| 76% agreed they found digital workplace tool useful in their jobs |
| 28% stated using the tools help them feel more valuable in their job but 55% agreed that IT does support personal development |

- 2.6 In order to further investigate the above findings and to create a baseline measurement for digital adoption, which will be crucial in supporting the organisation to understand the current state of technology use and readiness for digital maturity, a digital maturity assessment was developed.
- 2.7 Ultimately, this will support the identification of gaps in digital capabilities thus providing opportunities for improvement. This baseline will aid the setting of realistic goals, measuring progress, and will inform strategic planning and decision-making. It will also help drive user engagement and adoption through targeted strategies, including the Digital and IT Strategy 2024-24, leading to the full realisation of the value of digital technologies.
- 2.8 The sub-group has been working with Gartner.com, who provide research, advice and tools and techniques to aide organisations with developmental research. The focus has been on the five steps to change culture model as detailed below:

Five Steps to Change Culture



Source: Gartner
775618_C



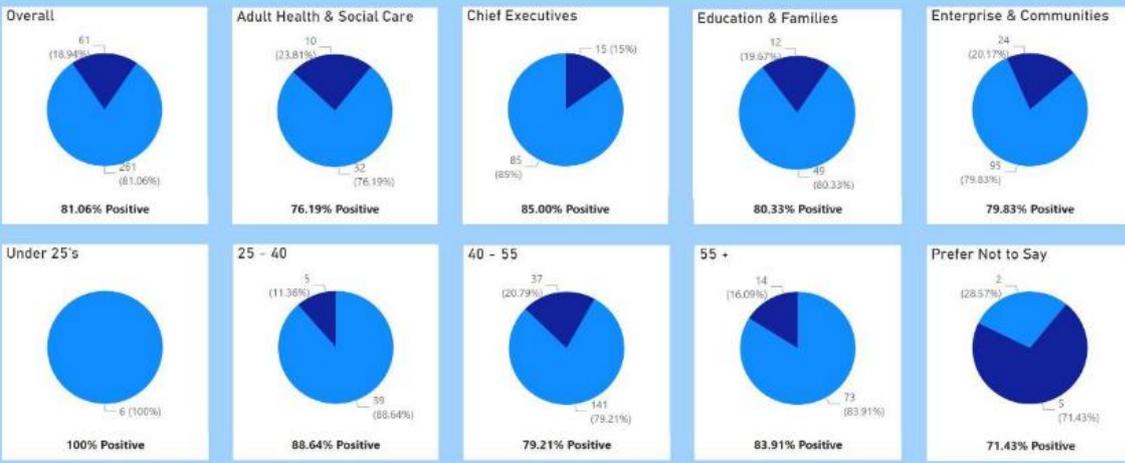
Stage 1 – Understand the Culture

- 2.9 Much of the work of the sub-group to date has focussed on step one above as adoption and readiness for change is the biggest challenge for any organisation. The need to cultivate a positive digital culture is a basic aspect of any transformation cycle.
- 2.10 In order to gain greater insight into the current thinking of employees across services a series digital maturity survey was issued between April and June 2024. The surveys had a collective response rate of 16.1% response rate. 82% of the overall responses showed a positive result.
- 2.11 When drilling further into the questions for change/digital adoption the Chief Executive's service was the most positive (81.06%) with the responses reducing to 76.19% within Adult Health and Social Care.

Q3. Do you think NLC is ready for change/digital adoption?

(Digital adoption refers to the act of incorporating new digital tools and systems to improve work processes and achieve objectives)

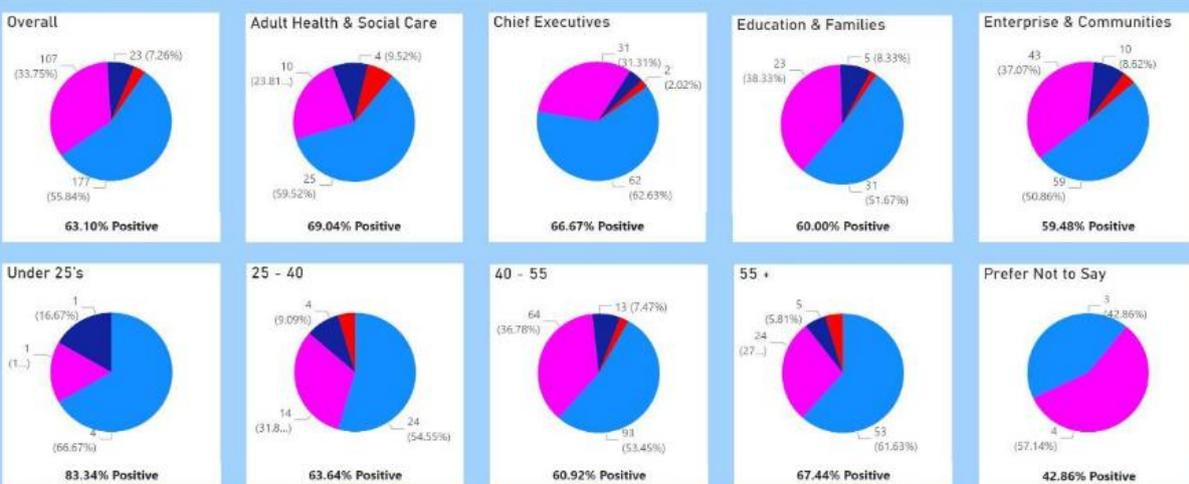
● Yes ● No



- 2.12 Under 25s were consistently the most positive with almost 96% dropping to 81% for those aged 40-55 when asked about readiness for change/digital adoption.
- 2.13 However, as the questions began to ask about knowledge of accessing support for the adoption of new technologies the overall results showed a drop to 69.16% being positive with those under 25 dropping to 61.36%
- 2.14 When asked about staff readiness for change and actively participating in updating and implementing business processes the drop continued with 63% overall feeling ready for change.

Q16. Staff are ready for change and actively participate in updating and implementing business processes

● Strongly Agree ● Agree ● Disagree ● Strongly Disagree



Understanding the Culture - Summary

- 2.15 In summary, respondents are positive about the Council's readiness for change/digital adoption. Respondents have confirmed that change and transformation aligns with the priorities set out in The Plan for North Lanarkshire and they recognise that the Council is ready, and supportive, of change/digital adoption.
- 2.16 There is a recognition that the tools available have enhanced team collaboration as well as enhancing their own efficiency and productivity.
- 2.17 However, respondents advised that their own readiness for change and actively participating in change is not as positive as the responses for the Council as a whole. Accessing support for the adoption of new technologies, particularly those under-25 has been highlighted an area to be further investigated.
- 2.18 The survey offered respondents an opportunity to provide details of further support that could be given to employees as part of the digital culture change activities. 29% of respondents mentioned training requirements with 26% of those asking for one form or another of face to face training to be provided.

Next steps

- 2.19 The Digital Culture Leadership and Knowledge sub-group will review the narrative from the open questions contained within the Digital Maturity Survey and the previously mentioned digital adoption survey and agree a development plan in line with the key objectives highlighted at Section 1.3 of this report.
- 2.20 Further work will focus on developing the Culture Change Roadmap (Appendix 1) for the organisation, with development work focussing on Stage 2 as illustrated.

3. Measures of success

- 3.1 Success will be measured through the set of performance indicators agreed at the Digital North Lanarkshire PoW Board:
- a) % increase in employees/learners identifying as digitally confident;
 - b) % increase in number of learners using a tool to assess their skills and agreeing/strongly agreeing on the competence level of their skills;
 - c) % increase in number of employees accessing/attending digital training.
- 3.2 Performance indicator definitions are complete and methods of data gathering are currently being investigated.

4. Supporting documentation

Appendix One – Culture Change Roadmap illustration.



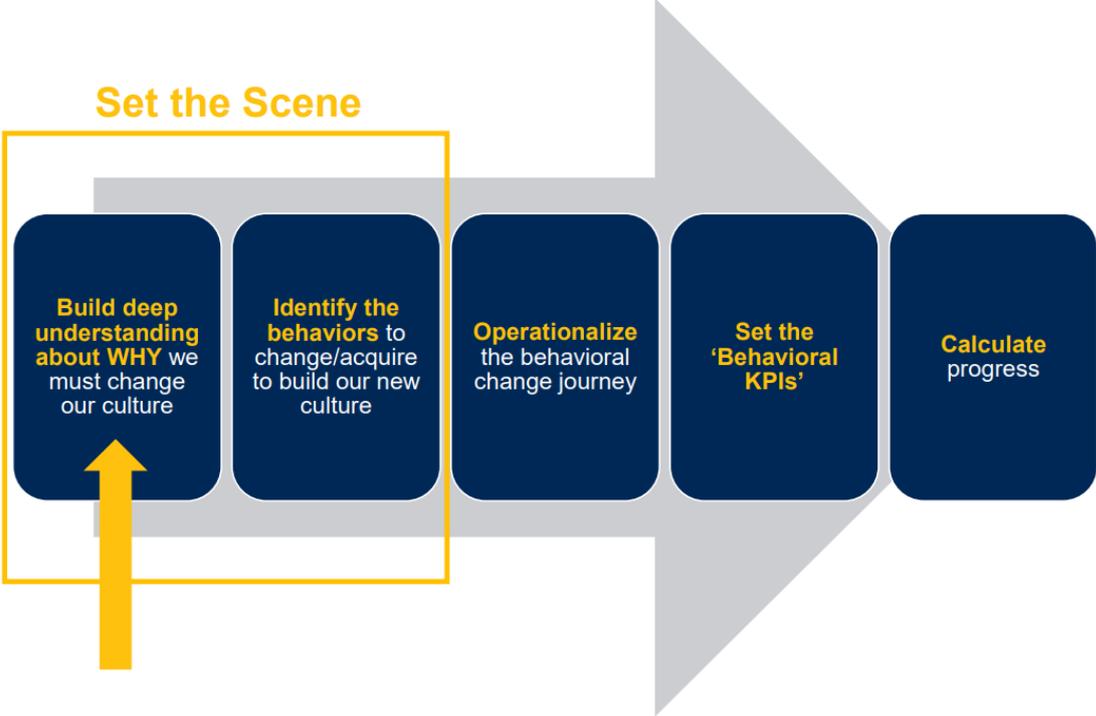
Stephen Llewellyn
Chief Officer (Housing)

5. Impacts

| |
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| <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 type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
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| <p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p> |

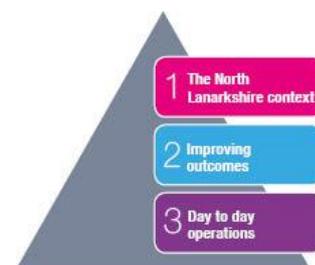
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| <p>5.6 Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>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 type="checkbox"/></p> |
| <p>5.7 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> |
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| <p>5.9 Risk impact Is there a risk impact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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?</p> |
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| <p>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 <input type="checkbox"/> No <input checked="" type="checkbox"/> 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).</p> <p>If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out? Yes <input type="checkbox"/> No <input type="checkbox"/></p> |

Culture Change Roadmap



1. Background

- 1.1 There are six inter-related strategic frameworks which are key to evaluating the success of The Plan for North Lanarkshire and assessing delivery towards achieving the overall vision by ensuring each stage is appropriately aligned, planned, guided, implemented, monitored, and governed.
- 1.2 The six frameworks focus on ensuring a corporate one council approach in respect of Policy, Governance, Performance, Self-Evaluation, Project Management, and Demonstrating Improved Outcomes for Communities.
- 1.3 The Strategic Performance Framework comprises performance measurement at three levels (as per the diagram on the right). This aims to collectively provide an overview of performance to help understand the impact of council activities on improving services and outcomes for the people and communities of North Lanarkshire. The measures in this Framework allow for day to day activities, and progress towards achieving the long-term vision set out in The Plan for North Lanarkshire, to be regularly monitored, reported, assessed, and scrutinised.
- 1.4 The Strategic Performance Framework is aligned to the Accounts Commission' *Statutory Direction* which places a requirement on councils to report a range of information in terms of (1) improving local services and outcomes, and (2) demonstrating Best Value. Key points of note in this respect are that the Accounts Commission also expect to see:
- (a) A balance in terms of reporting that captures highlights of good performance as well as areas of performance requiring improvement.
 - (b) Reporting that is undertaken in a timely manner.
 - (c) Easy access to performance information for all citizens and communities.
 - (d) Comparisons of performance (i) over time (e.g. compared to previous years), and (ii) with others (e.g. other local authorities or the national average (where available and appropriate)).
- 1.5 The council's comparative performance in Local Government Benchmarking Framework (LGBF) indicators can be viewed through the Improvement Service's online dashboard: <https://www.improvementservice.org.uk/benchmarking/explore-the-data>
- 1.6 A Performance Reporting Schedule supports the timely submission of a range of performance information to ensure fully informed review, reporting, scrutiny, and decision making processes by Elected Members and senior management. This Schedule, endorsed by the Audit and Scrutiny Panel in February 2024, includes Chief Officer's individual Performance Reviews at Service Committees in line with the Strategic Performance Framework.
- 1.7 This report therefore presents the Finance and Resources Committee with the latest performance results for Finance for Members' further review and scrutiny.



2. Strategic Performance Framework

Finance and Resources Committee responsibilities

- 2.1 In line with the terms of reference outlined in the Scheme of Administration, the Finance and Resources Committee is responsible for monitoring and reviewing performance information for the following Ambition Statements from The Plan for North Lanarkshire.

21. Continue to identify and access opportunities to leverage additional resources to support our ambitions.

2.2 The high-level performance overview in Appendix 1 presents Members with a summary of the latest results for each performance indicator within the remit of the Chief Officer (Finance).

2.3 The information in Appendix 1 comprises the undernoted. Appendix 2 provides additional context in respect of the council's approach to the measurement of indicators and setting of targets.

- An *ideal direction* arrow - this indicates whether a higher or lower figure is the preferred direction of travel.

| | |
|---|---------------------------|
| ↑ | A higher figure is better |
| ↓ | A lower figure is better |

- Measurement unit* - for example whether the result is a %, a number, a unit cost (in £), or a ratio.
- Performance results* for the most recent financial years (depending on availability of data) along with the latest year's target and corresponding RAG status (for indicators where it is appropriate to set targets).

| Key to RAG status | |
|-------------------|---|
| Green | Performance is on target and/or within acceptable thresholds |
| Red | Performance does not meet target and is outwith acceptable thresholds |
| Blue | Performance surpasses the target and exceeds expectations |

- The most *recent monthly or quarterly results*, along with the corresponding target and RAG status. Note the inclusion of this information is dependent on the measurement frequency of the indicator and availability of data as at the time of reporting.
- A *trend graph* - this captures the direction of travel achieved over the years and includes the most recent monthly or quarterly results where available.
- Comments* - narrative summarising the current position and providing an explanation for any significant variations in performance. Where applicable, this narrative also highlights any internal or external factors impacting on service delivery as well as any residual effects of the pandemic, e.g. any increase or decrease in the volume of transactions or enquiries processed.

2.4 A large volume of data supports the high-level performance overview in Appendix 1. This is outlined in the **latest performance results for Finance** Excel spreadsheet which is available through the following link for Members to carry out a deep dive and review and scrutinise each performance indicator further. The *Menu* on the second tab of the spreadsheet contains built in hyperlinks that automatically take the user to a tab for each performance indicator and therefore provides a useful navigation aid to review the contents of the file.

- [Latest performance results for Finance.xlsx](#)

Current context

2.5 The Finance restructure implemented from April 2022 aimed to support greater resilience and effectiveness which has helped the service improve performance across a number of areas. However, during 2024/25 the service continues to experience increasing demand for services such as Scottish Welfare Fund and other benefit applications as the cost of living crisis continues.

Recent Performance highlights

- 2.6 The service continues to demonstrate positive trends across cost measures including improvements in the cost of the closure of the annual accounts and the cost of collecting Council Tax and cost per case for Housing Benefits and Council Tax. These improvements are largely as a result of the service’s ability to absorb additional demand.
- 2.7 The collection rate for Non Domestic Rates improved for the third year in a row following a significant dip in performance linked to the economic impact of the Covid pandemic.
- 2.8 The Council has witnessed an increase in the proportion of residents choosing to pay their Council Tax by Direct Debit which is an important measure as the Council looks to increase collection and reduce the costs of administering Council Tax.
- 2.9 While the number of invoices processed within 30 days is still performing below target, significant work by the Service during 2023/24 both with internal efficiency and improving the performance of other services has seen the measure improve from 76.0% in 2022/23 to 92.0% in 2023/24.

Areas of performance requiring improvement

- 2.10 The Service continues to progress initiatives to improve Council Tax collection which includes incentivising payment by Direct Debit, improving uptake of the online portal and, alongside the Sheriff Officers and colleagues in Legal and Democratic, reviewing long-standing Council Tax debts.
- 2.11 During 2023/24 there were dips in performance within the team in managing the administration of benefit and Scottish Welfare Fund applications within the timescales included in the performance measures. The service has worked during 2023/24 and during 2024/25 to build additional resilience into the teams and to increase the pace of automation of tasks to ensure that the volume and complexity of claims can continue to be managed within the resources available to the service.

Next steps

- 2.12 As noted in paragraph 1.6, the Strategic Performance Framework is supported by a Performance Reporting Schedule. This sets out the arrangements for service, statutory, and Strategic Performance Framework reporting to committee. In this respect the relevant Committee can expect to receive the following in respect of Finance areas of work for 2024 to 2025.

| Report | Description | Committee | Committee cycle |
|--|---|---------------------------------|------------------------|
| Revenues and benefit update report | This report provides an update on the payment performance for council tax and non-domestic rates and the administration of welfare benefits and Council Tax Reduction Scheme, | Finance and Resources Committee | Each cycle |
| Treasury Management annual activity report | This report fulfils the key requirements of the council’s reporting procedures for Treasury Management in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities and reports on the council’s | Finance and Resources Committee | Cycle 3 of 2024 |

| | | | |
|---|---|---------------------------------|--|
| | performance in complying with the mandatory prudential indicators, | | |
| Financial monitoring report – council summary (revenue) | This report presents the council’s revenue monitoring position for the General Fund Account, Housing Revenue Account, and Adult Health and Social Care | Finance and Resources Committee | Each cycle |
| Financial monitoring report – council summary (capital) | This report presents the council’s capital monitoring position for the council’s capital programmes, including general services, housing revenue account, City Deal, etc. | Finance and Resources Committee | Each cycle |
| Financial monitoring - savings | This report provides an update on the achievement of the three-year financial savings targets and progress in implementing one -off investment priorities. | Finance and Resources Committee | 6-monthly |
| Annual accounts | The Local Authority Accounts (Scotland) Regulations 2014 require the council to prepare an annual Statement of Accounts in accordance with proper accounting practices. These regulations also required that, as a committee of the authority whose remit includes audit or governance functions, the Audit and Scrutiny Panel meet to consider the audited annual accounts with the aim to approve these for signature no later than 30th September, and to publish these by 31st October immediately following the financial year to which they relate. | Audit and Scrutiny Panel | Cycle 2 in 2024 (unaudited accounts) Cycle 3 in 2024 (audited accounts) |

3. Measures of success

3.1 Measures of success include:

- Regular oversight and monitoring of performance across the organisation to gain assurances in terms of governance and accountability.
- Regular review and challenge processes to scrutinise the performance of the council to ensure effective use of resources and that resources are directed in accordance with agreed policy and according to priorities, while ensuring sound decision making and clear accountability for the use of resources in achieving improved outcomes for service users and the local community.
- Performance monitoring, management, and reporting arrangements that support the demonstration of improved performance in local services and outcomes, and the delivery of Best Value.

4. Supporting documentation

Appendix 1 - High-level performance overview

Appendix 2 - Note for information in respect of performance indicators and targets.



Elaine Kemp
Chief Officer (Finance)

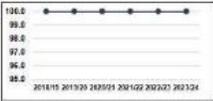
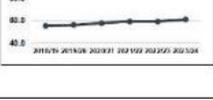
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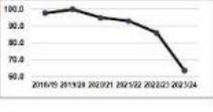
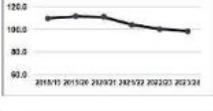
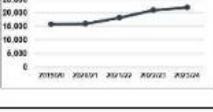
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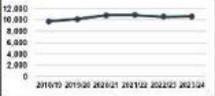
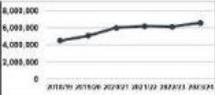
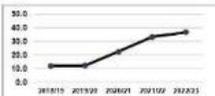
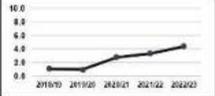
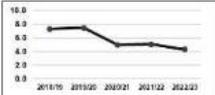
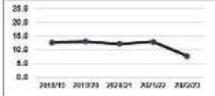
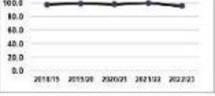
Finance

High-level performance overview - as at September 2024.

| Indicator | id | ideal direction | unit of measurement | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2023/24 target | 2023/24 RAG status | 2024/25 ytd | 2024/25 target | 2024/25 RAG status | trend | comments |
|--|-------|---|---------------------|---------|---------|---------|---------|---------|---------|----------------|--------------------|--|----------------|---|---|---|
| | | | | | | | | | | | | (for monthly or quarterly monitored indicators only) | | (for monthly or quarterly monitored indicators only) | | |
| Statutory financial reports - % completed by deadline date | i099 | higher figure is better | % | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | green | only measured annually | 100.0 | |  | All statutory financial reports continued to be completed by the deadline date. |
| Treasury - % of prudential indicators complied with | i100 | higher figure is better | % | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | green | only measured annually | 100.0 | |  | The council continues to achieve 100% compliance with the suite of prudential indicators. |
| Accounts - cost of closure of accounts as a % of gross expenditure | i095 | lower figure is better | % | 0.021 | 0.019 | 0.019 | 0.016 | 0.012 | 0.011 | 0.030 | blue | only measured annually | 0.030 | |  | There has been an increase in Gross Expenditure in the Annual Accounts compared with prior year coupled with decreases in costs of completion due to staff vacancies. |
| Accounts - % variation between forecast outturn and actual outturn | i096 | ideal direction is as close to zero as possible | % | -0.837 | -0.157 | 0.029 | -0.776 | 0.446 | #DIV/0! | 0.000 | | only measured annually | 0.000 | |  | |
| Council tax - % of income due from council tax collected in the year | PI119 | higher figure is better | % | 94.08 | 94.08 | 93.32 | 94.61 | 94.95 | 94.05 | 95.0 | green | | 95.0 | The figures for this indicator accumulate during the year, it is only at the year end that the YTD figure is comparable to the target |  | Council tax collection rates as at the end of 2023/24 shows a slight decrease from previous years. It is worth noting that the total council tax collected increased - from £131.7m in 2022/23 to £137.7m in 2023/24. |
| Council tax collection - cost of collecting council tax per dwelling | i093 | lower figure is better | £ | 6.37 | 6.65 | 8.65 | 7.90 | 7.88 | 7.06 | 9.50 | blue | only measured annually | 9.50 | |  | The cost of collecting Council Tax reduced by during 2023/24 as the number of dwellings on the Council Tax roll increased more significantly than costs of administering Council Tax. |
| Council tax - % payers opting to pay by direct debit | i115 | higher figure is better | % | 55.3 | 55.9 | 57.5 | 59.2 | 59.0 | 60.7 | 59.0 | blue | only measured annually | 59.0 | |  | The total number of Council Tax payers paying by Direct Debit increased by 3.1%, with payers being encouraged to switch to direct debit as their method of payment. Over the period of the data provided the number of council tax payers paying by direct debit has increased by almost 26.4% from 77,154 in 2015/16 to 97,507 in 2023/24. |

| Indicator | id | ideal direction | unit of measurement | 2019/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2023/24 target | 2023/24 RAG status | 2024/25 ytd (for monthly or quarterly monitored indicators only) | 2024/25 target | 2024/25 RAG status (for monthly or quarterly monitored indicators only) | trend | comments |
|--|-------|-------------------------|---------------------|---------|---------|---------|---------|---------|---------|----------------|--------------------|--|----------------|--|-------|--|
| Non domestic rates - % collected in the year | PI120 | higher figure is better | % | 96.30 | 96.12 | 92.65 | 93.68 | 94.43 | 94.62 | 95.8 | green | | 95.8 | | | Non domestic rates collection rates as at the end of 2023/24 (94.62%) show an increase from the previous year (94.43%), but this is still showing signs of being impacted by the wider economic pressures as the levels of collection remain below pre-pandemic and pre-cost of living crisis levels. |
| Payment of invoices, council wide - % paid within 30 calendar days of receipt | I094 | higher figure is better | % | 89.9 | 84.2 | 82.5 | 84.2 | 76.0 | 92.0 | 96.0 | red | | 96.0 | | | There has been a significant improvement in overall performance in the past year with the % of invoices paid increasing from 76% in 2022/23 to 92% in 2023/24. This is a result of a number of information and reporting campaigns on late submissions, aligned with greater capacity within the payment processing team. |
| Benefits administration - gross cost per case for housing benefits and council tax reduction | I039 | lower figure is better | £ | 30.54 | 12.48 | 18.09 | 23.42 | 20.83 | 27.04 | 25.00 | red | only measured annually | 25.00 | | | Recent costs of processing claims has seen an increase since 2022/24, which can be attributed to rising employee costs. The service is working with colleagues in Business and Digital in relation to digital related efficiencies. |
| Benefits administration - average days to process new claims | PI062 | lower figure is better | number | 24.6 | 16.8 | 15.0 | 13.2 | 14.6 | 14.7 | 19.0 | blue | annual indicator measures average days taken for processing; volume of transactions is monitored monthly | 19.0 | | | The service continues to process new claims within statutory guidance levels and is working with colleagues in Business and Digital to develop business processes to continue to improve processing times. |
| Benefits administration - average days to process claims for changes of circumstances | PI063 | lower figure is better | number | 7.4 | 4.7 | 4.3 | 4.1 | 5.0 | 5.6 | 6.0 | green | annual indicator measures average days taken for processing; volume of transactions is monitored monthly | 6.0 | | | The volume of claims for change of circumstances in housing benefit processed in 2023/24 saw a slight reduction of 3% from the previous financial year. The total number of days take to process all claims for changes of circumstances saw an increase from 2022/23 by 11.8%. Performance during the 2023/24 financial year was affected by both increasing demand and a number of staff vacancies. The service continues to process new claims within statutory guidance levels and is working with colleagues in Business and Digital to develop business processes to continue to improve processing times. |

| Indicator | id | ideal direction | unit of measurement | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2023/24 target | 2023/24 RAG status | 2024/25 ytd (for monthly or quarterly monitored indicators only) | 2024/25 target | 2024/25 RAG status (for monthly or quarterly monitored indicators only) | trend | comments |
|---|--------|-------------------------|---------------------|---------|-----------|-----------|-----------|-----------|-----------|----------------|--------------------|---|----------------|--|---|---|
| Scottish Welfare Fund crisis grants - % decisions made within one day | CORP9 | higher figure is better | % | 97.5 | 99.7 | 94.8 | 92.8 | 85.8 | 63.6 | n/a | | Only measured annually. Benchmarking indicator. | n/a | |  | This is one of four measures have newly been introduced into the Local Government Benchmarking Framework (LGBF) by the Improvement Service as they aim to provide useful and timely insight on policy critical issues such as vulnerability, poverty, and inequality and which will be increasingly important considering the impact of the cost of living. The service has seen significant increases in demand for Crisis Grants and aims to process applications within the statutory two working day limit. |
| Scottish Welfare Fund community care grants - % decisions made within 15 days | CORP10 | higher figure is better | % | 95.1 | 98.9 | 88.1 | 90.3 | 88.5 | 50.0 | n/a | | Only measured annually. Benchmarking indicator. | n/a | |  | This is one of four measures have newly been introduced into the Local Government Benchmarking Framework (LGBF) by the Improvement Service as they aim to provide useful and timely insight on policy critical issues such as vulnerability, poverty, and inequality and which will be increasingly important considering the impact of the cost of living. The service has seen significant increases in demand for Community Care Grants and aims to process applications within the statutory fifteen working day limit. |
| Scottish Welfare Fund - % of budget spent | CORP11 | higher figure is better | % | 100.7 | 102.0 | 66.1 | 103.2 | 161.2 | 128.4 | n/a | | Only measured annually. Benchmarking indicator. | n/a | |  | This is one of four measures have newly been introduced into the Local Government Benchmarking Framework (LGBF) by the Improvement Service as they aim to provide useful and timely insight on policy critical issues such as vulnerability, poverty, and inequality and which will be increasingly important considering the impact of the cost of living. The year end overspend is reflective of the continued high demand for both Crisis and Community Care Grants. |
| Discretionary housing payments - % of funding spent | CORP12 | higher figure is better | % | 110.0 | 111.7 | 111.2 | 104.2 | 100.3 | 98.3 | n/a | | Only measured annually. Benchmarking indicator. | n/a | |  | This is one of four measures have newly been introduced into the Local Government Benchmarking Framework (LGBF) by the Improvement Service as they aim to provide useful and timely insight on policy critical issues such as vulnerability, poverty, and inequality and which will be increasingly important considering the impact of the cost of living. |
| Scottish Welfare Fund community care grant - number of applications received | i120a | | number | | 4,213 | 4,696 | 6,417 | 6,538 | 6,522 | n/a | | | n/a | |  | This demonstrates an 52% increase in applications received from the position in 2019/20. In response to increasing demands, the restructure implemented in April 2022 aimed to provide greater resilience in managing peaks in demand for Scottish Welfare Fund. As a result, the service currently manages to assess these applications within the parameters outlined by statutory guidance. |
| Scottish Welfare Fund community care grant - council spend | i120b | | £ | | 1,630,684 | 1,782,166 | 2,833,341 | 2,967,653 | 3,590,316 | n/a | | | n/a | |  | Council spend in respect of community care grants mirrors the increased volume of applications and reflects the maintenance of a Medium priority level for evaluating applications through the financial year. |
| Scottish Welfare Fund crisis grants - number of applications received | i121a | | number | | 15,795 | 15,965 | 18,233 | 21,015 | 21,985 | n/a | | | n/a | |  | The service has witnessed a 39% increase in applications received relative to the position in 2019/20, with a 4.6% increase in applications in comparison to the previous financial year. In response to increasing demands, the restructure implemented in April 2022 aimed to provide greater resilience in managing peaks in demand for Scottish Welfare Fund. As a result, the service currently manages to assess these applications within the parameters outlined by statutory guidance. |
| Scottish Welfare Fund crisis grant - council spend | i121b | | £ | | 983,240 | 1,036,228 | 1,380,299 | 1,733,578 | 1,901,590 | n/a | | | n/a | |  | As can be seen from the trend line in the graph, council spend in respect of crisis grants mirrors the increased volume of applications and reflects the maintenance of a Medium priority level for evaluating applications through the financial year. The financial impact has been managed throughout the Finance and wider Chief Executive's service. |

| Indicator | id | ideal direction | unit of measurement | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2023/24 target | 2023/24 RAG status | 2024/25 ytd | 2024/25 target | 2024/25 RAG status | trend | comments |
|---|---------|-------------------------|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|----------------|--------------------|--|--|--|---|---|
| | | | | | | | | | | | | (for monthly or quarterly monitored indicators only) | (for monthly or quarterly monitored indicators only) | (for monthly or quarterly monitored indicators only) | | |
| Discretionary housing payments - number of applications | i122a | | number | 9,735 | 10,122 | 10,804 | 10,861 | 10,561 | 10,615 | n/a | | | n/a | |  | Following increases in the number of applications during 2018/19 and 2019/20, the service has seen the volume of applications largely stabilise since, with a marginal reduction of around 0.5% during 2023/24 in this demand led area. |
| Discretionary housing payments - value of awards | i122b | | £ | 4,495,281 | 5,071,258 | 6,008,692 | 6,192,883 | 6,149,719 | 6,591,127 | n/a | | | n/a | |  | Council spend in this respect mirrors the volume of applications. |
| Reserves - total useable reserves as a % of council annual budgeted net revenue | FINSUS1 | higher figure is better | % | 11.9 | 12.2 | 22.4 | 33.2 | 36.7 | | n/a | | Only measured annually. Benchmarking indicator. | n/a | |  | This is one of five financial sustainability measures newly introduced into the Local Government Benchmarking Framework (LGBF) by the Improvement Service. |
| Reserves - uncommitted General Fund Balance as a % of council annual budgeted net revenue | FINSUS2 | higher figure is better | % | 1.1 | 1.0 | 2.8 | 3.4 | 4.4 | | n/a | | Only measured annually. Benchmarking indicator. | n/a | |  | This is one of five financial sustainability measures newly introduced into the Local Government Benchmarking Framework (LGBF) by the Improvement Service. |
| Affordability - ratio of Financing Costs to Net Revenue Stream | FINSUS3 | lower figure is better | number | 7.3 | 7.5 | 5.0 | 5.0 | 4.3 | | n/a | | Only measured annually. Benchmarking indicator. | n/a | |  | This is one of five financial sustainability measures newly introduced into the Local Government Benchmarking Framework (LGBF) by the Improvement Service. |
| Affordability - ratio of Financing Costs to Net Revenue Stream, Housing Revenue Account | FINSUS4 | lower figure is better | number | 12.6 | 12.9 | 12.1 | 12.8 | 7.6 | | n/a | | Only measured annually. Benchmarking indicator. | n/a | |  | This is one of five financial sustainability measures newly introduced into the Local Government Benchmarking Framework (LGBF) by the Improvement Service. |
| Annual budget - actual outturn as a percentage of budgeted expenditure | FINSUS5 | higher figure is better | % | 97.6 | 99.0 | 97.9 | 99.9 | 95.4 | | n/a | | Only measured annually. Benchmarking indicator. | n/a | |  | This is one of five financial sustainability measures newly introduced into the Local Government Benchmarking Framework (LGBF) by the Improvement Service. |

Note for information in respect of performance indicators and targets

It should be noted that the nature of particular areas of service being measured in order to assess and manage performance do not always lend themselves to a traditional approach to either measuring performance or setting targets, for example:

- Some indicators (and targets) are required to monitor performance against a commitment or minimum standard the council has made in advance to achieve a stated level of performance when delivering a service.
- Some indicators (and targets) are required to assess compliance with legislative requirements.
- Some targets represent the level of performance that the council aims to achieve from a particular activity in either the short, medium, or long-term.
- Some indicators are needed to help present a complete picture of performance in the round, as a single performance indicator used in isolation rarely tells the whole performance story and a range of indicators are required to reflect the economic, efficient, and effective aspects of demonstrating best value.
- Some indicators and targets can help to support accountability to the public in terms of demonstrating best value and an efficient and effective approach to the delivery of services.
- Some indicators are monitored to ensure the council complies with specific requirements, such as information governance or health and safety.
- Some indicators are monitored to provide added context in order to help interpret performance results or supplement other existing measures. Information such as this can be critical to enhance knowledge and decision making in terms of demand to help determine priorities and allocate resources.
- For some indicators it is not appropriate to set targets as it is the trend in the data (i.e. the direction of travel) that provides more meaningful information to allow for an assessment in relation to whether performance has improved.
- Some indicators are national benchmarking indicators where their purpose is to allow for comparisons with other councils and the national average. These benchmarks are, in essence, can openers designed to focus questions on why variations in cost and performance are occurring between similar councils.
- Some indicators are proxy measures, particularly in the case of measuring outcomes, as without directly measurable data for a desired outcome the only alternative is to use a proxy that is an indirect measure of the desired outcome but which is itself strongly correlated to that outcome.

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref JMCK Date 20/11/24

Strategic Performance Framework - latest performance results for Assets and Procurement

From James McKinstry, Chief Officer (Assets and Procurement)

E-mail MckinstryJ@northlan.gov.uk **Telephone** 07939 281102

Executive Summary

Assets and Procurement sits within the Enterprise and Communities service area of the council and comprises the following areas – asset management, estates management, enterprise project, forward planning and specification, town and community hub development programme, technical and design, procurement and support, and corporate property.

The teams play a key role in leading and developing on a number of key areas that support the delivery of the place based ambition set out in The Plan for North Lanarkshire. This includes the strategic commercial partnership for the enterprise project, asset rationalisation and development, the corporate asset management plan, the hub development and delivery programme, climate change – committing to net zero, and improving procurement capability and capacity.

The work carried out by the teams also supports the delivery of a number of other key areas across the council such as the new supply programme, economic regeneration delivery plan, planning and place making, city deal, the early learning and childcare expansion programme, additional support needs provision, and the leadership and operating model for the hubs.

Performance is measured across many of the above service areas and is monitored by the service's management team as well as within operational teams. This report provides an update of current performance reflecting the service's key areas of activity.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Review the high-level performance overview presented in Appendix 1, and the supporting data contained within the linked Excel spreadsheet, and identify where further information is required to understand or investigate performance further.

The Plan for North Lanarkshire

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

1. Background

- 1.1 There are six inter-related strategic frameworks which are key to evaluating the success of The Plan for North Lanarkshire and assessing delivery towards achieving the overall vision by ensuring each stage is appropriately aligned, planned, guided, implemented, monitored, and governed.
- 1.2 The six frameworks focus on ensuring a corporate one council approach in respect of Policy, Governance, Performance, Self-Evaluation, Project Management, and Demonstrating Improved Outcomes for Communities.
- 1.3 The Strategic Performance Framework comprises performance measurement at three levels (as per the diagram on the right). This aims to collectively provide an overview of performance to help understand the impact of council activities on improving services and outcomes for the people and communities of North Lanarkshire. The measures in this Framework allow for day to day activities, and progress towards achieving the long-term vision set out in The Plan for North Lanarkshire, to be regularly monitored, reported, assessed, and scrutinised.
- 1.4 The Strategic Performance Framework is aligned to the Accounts Commission' *Statutory Direction* which places a requirement on councils to report a range of information in terms of (1) improving local services and outcomes, and (2) demonstrating Best Value. Key points of note in this respect are that the Accounts Commission also expect to see:
- 
- (a) A balance in terms of reporting that captures highlights of good performance as well as areas of performance requiring improvement.
 - (b) Reporting that is undertaken in a timely manner.
 - (c) Easy access to performance information for all citizens and communities.
 - (d) Comparisons of performance (i) over time (e.g. compared to previous years), and (ii) with others (e.g. other local authorities or the national average (where available and appropriate)).
- 1.5 The council's comparative performance in Local Government Benchmarking Framework (LGBF) indicators can be viewed through the Improvement Service's online dashboard: <https://www.improvementservice.org.uk/benchmarking/explore-the-data>
- 1.6 A Performance Reporting Schedule supports the timely submission of a range of performance information to ensure fully informed review, reporting, scrutiny, and decision making processes by Elected Members and senior management. This Schedule, endorsed by the Audit and Scrutiny Panel in February 2024, includes Chief Officer's individual Performance Reviews at Service Committees in line with the Strategic Performance Framework.
- 1.7 This report therefore presents the Finance and Resources Committee with the latest

performance results for Assets and Procurement for Members' further review and scrutiny.

2. Strategic Performance Framework

Finance and Resources Committee responsibilities

2.1 In line with the terms of reference outlined in the Scheme of Administration, the Finance and Resources Committee is responsible for monitoring and reviewing performance information for the following Ambition Statements from The Plan for North Lanarkshire.

- 21. Continue to identify and access opportunities to leverage additional resources to support our ambitions.
- 22. Facilitate a North Lanarkshire wide approach to asset rationalisation, including with communities and partners.

2.2 The high-level performance overview in Appendix 1 presents Members with a summary of the latest results for each performance indicator within the remit of the Chief Officer (Assets and Procurement).

2.3 The information in Appendix 1 comprises the undernoted. Appendix 2 provides additional context in respect of the council's approach to the measurement of indicators and setting of targets.

- *Ideal direction* text - this indicates whether a higher or lower figure is the preferred direction of travel.
- *Measurement unit* - for example whether the result is a %, a number, a unit cost (in £), or a ratio.
- *Performance results* for the most recent financial years (depending on availability of data) along with the latest year's target and corresponding RAG status (for indicators where it is appropriate to set targets).

| Key to RAG status | |
|-------------------|---|
| Green | Performance is on target and/or within acceptable thresholds |
| Red | Performance does not meet target and is outwith acceptable thresholds |
| Blue | Performance surpasses the target and exceeds expectations |

- The most *recent monthly or quarterly results*, along with the corresponding target and RAG status. Note the inclusion of this information is dependent on the measurement frequency of the indicator and availability of data as at the time of reporting.
- A *trend graph* - this captures the direction of travel achieved over the years and includes the most recent monthly or quarterly results where available.
- *Comments* - narrative summarising the current position and providing an explanation for any significant variations in performance. Where applicable, this narrative also highlights any internal or external factors impacting on service delivery as well as any residual effects of the pandemic, e.g. any increase or decrease in the volume of transactions or enquiries processed.

2.4 A large volume of data supports the high-level performance overview in Appendix 1. This is outlined in the **latest performance results for Assets and Procurement** Excel spreadsheet which is available through the following link for Members to carry out a deep dive and review and scrutinise each performance indicator further. The *Menu* on the second tab of the spreadsheet contains built in hyperlinks that automatically take the user to a tab for each performance indicator and therefore provides a useful navigation aid to review the contents of the file.

- [Latest performance results for Assets and Procurement.xlsx](#)

Current context

- 2.5 Assets and Procurement continue to support management teams as they continue to adopt more agile and hybrid modes of operation. Whilst continuing to deliver at pace, the hub programme continues to experience significant cost increases linked to global and national influences and given the size and scale of spend linked to this programme – any increases are significant. The service continues to lead on the council response to climate change duties. The council have a largely decentralised procurement model, in which the Corporate Procurement Team (CPT) provide the strategic governance through GCSOs and provide professional expertise through officers that lead or support regulated procurement activity. CPT continue to be responsible for consolidating the council's Annual Procurement report (which is a legislative requirement), managing the council's contract register of external expenditure, and providing organisational procurement reporting. The overall procurement function of the council is assessed regularly by a third party agency through procurement capability assessments (PCIP) for which CPT is leading an internal procurement plan. The most recent assessment was carried out in 2024 and is reported separately to this committee.
- 2.6 As part of the council's Programme of Work governance structure, Assets and Procurement are heavily involved in the following Programmes of Work: -
- Transforming Places;
 - Invest in North Lanarkshire;
 - Sustainable Futures;
 - Digital North Lanarkshire, and
 - One Service

Recent Performance highlights

- 2.7 Within the area of corporate procurement, the vast majority of indicators are positive, with some notable areas being the council continuing to ensure 100% performance in areas such as: ensuring those contracts which exceed £1m include community benefit requirements; and ensuring all qualifying contracts are awarded to those who meet fair work criteria. In addition, the service is exceeding targets around the percentage of contracts that are awarded to SMEs. In the current financial year an update an updated positive PCIP assessment was conducted.
- 2.8 In addition, since the last report to Committee, the £22m state-of-the-art Chryston Community Hub, which is home to Chryston Primary School and the new Community Health Clinic for NHS Lanarkshire has officially opened. Approval has also been secured for an extension to Chryston High School and the development of a new St Stephen's Community in Sikeside to address capacity issues in the existing school estate and to enhance community facilities in the area and, the development of a new Gartcosh Community Hub to address capacity issues in the existing school estate, all three developments are expected to go to site in early 2025. Both the Orbiston Community Hub and St Kevins Community Hub are now on site, with both projects reporting that construction works are currently on programme. Against challenging budget settlements, we continue to manage our maintenance budgets pragmatically.

Areas of performance requiring improvement

- 2.9 Within procurement one measure has fallen short of the expected target range, which relates to the performance in relation to the award of qualifying contracts to local organisations within the reporting period. It should be noted that cyclical renewals will result in fluctuation in year-on-year percentages across measures when multi-year

contracts are awarded due to the nature of the Framework Agreement award process. Across all of the reporting periods, performance ranges from 40% to 72% as a result of this. The service is currently reviewing the data around this area to establish whether the cyclical nature of contract awards requires to be reflected in the measure.

- 2.10 The two indicators linked to occupancy levels in schools continue to be lower than the agreed target. As detailed within previous reports, whilst the service continues to look for other uses for under occupied schools, it is preferred that any given school is under capacity than over capacity. In line with our SARIS programme, where opportunity exists we may look at alternative usage for spare capacity.
- 2.11 Significant work continues to be progressed for office accommodation in order that services can operate in an agile and digital manner to ensure that our office estate is adaptable in this regard.
- 2.12 Within commercial properties ongoing changes in the external economic environment is affecting the mix of properties being let whilst income levels continue to remain high and the financial performance of North Lanarkshire Properties remains high.

Next steps

- 2.13 As noted in paragraph 1.6, the Strategic Performance Framework is supported by a Performance Reporting Schedule. This sets out the arrangements for service, statutory, and Strategic Performance Framework reporting to committee. In this respect the relevant Committee can expect to receive the following in respect of Assets and Procurement areas of work for 2024 to 2025.

| Report | Description | Committee | Committee cycle |
|---|--|--|------------------------|
| Public Sector Duties Climate Change annual report | As part of the climate change duties, the council is required to complete an annual submission to demonstrate that as a public sector organisation it is contributing to the nationally set climate change targets as well as adhering to its other responsibilities in terms of both adaptation and sustainability. <ul style="list-style-type: none"> Latest report in February 2024: Document.ashx (cmis.uk.com) | Environment and Climate Change Committee | Cycle 1 in 2025 |
| Annual procurement report | This report discharges the council's duties in terms of the Procurement Reform (Scotland) Act 2014, to prepare an annual report on its regulated procurement activities. <ul style="list-style-type: none"> Latest report in September 2024: Document.ashx (cmis.uk.com) | Finance and Resources Committee | Cycle 3 in 2025 |
| North Lanarkshire Properties | NLP LLP is a limited liability partnership established in 2013 between the council and its wholly owned company, North Lanarkshire Property Investments Ltd. NLP LLP undertakes the marketing, leasing, and management of the council's commercial property portfolio (shop units, office accommodation, business centres, industrial yards, and storage units) and, on behalf of the Council, manages legacy properties which remain in the council's | Finance and Resources Committee | Cycles 2 and 4 in 2025 |

| | | | |
|--|---|--|--|
| | <p>investment property portfolio. It also delivers services in relation to externally owned properties that the council leases for its own operational use and provides general advice on lease transactions. A six-monthly report provides a performance and finance update to Committee:</p> <ul style="list-style-type: none"> • Latest report in May 2024: Document.ashx (cmis.uk.com) | | |
|--|---|--|--|

3. Measures of success

3.1 Measures of success include:

- Regular oversight and monitoring of performance across the organisation to gain assurances in terms of governance and accountability.
- Regular review and challenge processes to scrutinise the performance of the council to ensure effective use of resources and that resources are directed in accordance with agreed policy and according to priorities, while ensuring sound decision making and clear accountability for the use of resources in achieving improved outcomes for service users and the local community.
- Performance monitoring, management, and reporting arrangements that support the demonstration of improved performance in local services and outcomes, and the delivery of Best Value.

4. Supporting documentation

Appendix 1 - High-level performance overview

Appendix 2 - Note for information in respect of performance indicators and targets.



James McKinstry
Chief Officer (Assets and Procurement)

5. Impacts

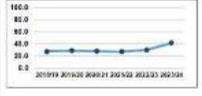
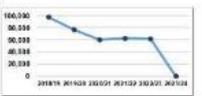
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|---|
| 5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 type="checkbox"/> |
| 5.2 Financial impact Does the report contain any financial impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input 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 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? |
| 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? |
| 5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 <input type="checkbox"/> No <input type="checkbox"/> |

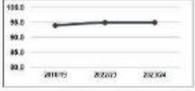
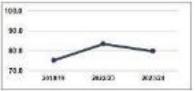
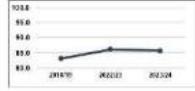
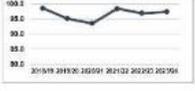
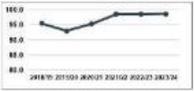
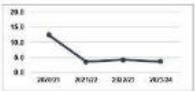
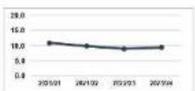
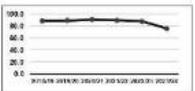
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| 5.7 | <p>Environmental / Carbon impact</p> <p>Does the report / project / practice contain information that has an impact on any environmental or carbon matters?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p> |
| 5.8 | <p>Communications impact</p> <p>Does the report contain any information that has an impact on the council's communications activities?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p> |
| 5.9 | <p>Risk impact</p> <p>Is there a risk impact?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>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?</p> <p>Managing and monitoring service performance supports the ongoing monitoring the service's risk register.</p> |
| 5.10 | <p>Armed Forces Covenant Duty</p> <p>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)?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>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.</p> |
| 5.11 | <p>Children's rights and wellbeing impact</p> <p>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?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>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?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> |

Assets and Procurement

High-level performance overview - as at September 2024

| Indicator | id | ideal direction | unit of measurement | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2023/24 target | 2023/24 RAG status | 2024/25 ytd (for monthly or quarterly monitored indicators only) | 2024/25 target | 2024/25 RAG status (for monthly or quarterly monitored indicators only) | trend | comments |
|--|-------|-------------------------|---------------------|---------|---------|---------|---------|---------|---------|----------------|--------------------|---|----------------|---|-------|---|
| Procurement spend - % through collaborative contracts with other publicly funded bodies | i097 | higher figure is better | % | 29.3 | 32.5 | 43.0 | 30.3 | 21.8 | 42.3 | 30.0 | blue | only measured annually | 30.0 | | | <p>The % of spend on collaborative contracts can vary significantly from year to year. Performance has ranged from a low of 21.8% to a high of 43%. The performance for 2023/24 was 42.3% which sits at the high end of the results. In all reporting years, the majority of our spend is based on our own competitively tendered arrangements.</p> <p>In accordance with the Council's procurement procedures, all high value expenditure is subject to an options appraisal prior to contracting, with consideration given using collaborative contracts where these are available. If a collaborative contract is available, it would then be for the procuring service to determine if that is likely to represent better value than what the council could secure by tendering its requirements on its own.</p> <p>Because of the large fluctuations in the performance over recent years the target is set to reflect a stable position moving forward; this will be kept under review to ensure it reflects the actual position.</p> |
| Procurement spend - % with contracted suppliers | i098 | higher figure is better | % | 89.8 | 88.2 | 91.0 | 91.0 | 94.0 | 95.6 | 94.0 | green | only measured annually | 95.0 | | | <p>Performance has continued to improve, with latest figures showing 95.6% of council spend now through formally contracted agreements with suppliers.</p> |
| Procurement contracts - % qualifying contracts >£1m containing a community benefit requirement | PI025 | higher figure is better | % | 66.7 | 83.3 | 89.0 | 100.0 | 100.0 | 100.0 | 100.0 | blue | only measured annually | 100.0 | | | <p>Legislation requires the council to consider whether to incorporate Community Benefit requirements as part of a procurement when the estimated contract value is greater than or equal to £4 million. Community benefits are a key objective of the council's Procurement Strategy and as such internal arrangements require that community benefits must be considered for inclusion in all procurements with an estimated value greater than £1 million - a considerably lower financial threshold than required by legislation. The council awarded 22 regulated contracts within these thresholds during 2023/24, of which 100% contained community benefits.</p> |
| Procurement contracts - % qualifying contracts awarded to clients who meet fair work criteria | PI022 | higher figure is better | % | 83.6 | 81.3 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | blue | only measured annually | 100.0 | | | <p>102 regulated contracts were awarded during 2023/24 that have included a scored fair work criterion, a range of Fair Work practices were secured across 100% of these contracts thus improving pay and conditions for those working in the council's supply chain.</p> |
| Procurement assessment score - procurement and commercial improvement programme (PCIP) | i091 | higher figure is better | % | n/a | 70.0 | n/a | n/a | n/a | 72.7 | | N/A | only measured in years when cyclical national assessment is undertaken. | n/a | | | <p>The national appraisal undertaken in 2023/24 has seen an increase in score to 72.7% from the score of 70% in the last assessment undertaken in 2019/20. Assessments are undertaken on an bi-annual basis with the next assessment due to take place in 2025/26. Note: no assessment was undertaken in 2012/22 due to Covid restrictions.</p> |
| Procurement contracts - % qualifying contracts in reporting period to local organisations | PI023 | higher figure is better | % | 52.5 | 72.4 | 71.8 | 41.9 | 58.0 | 40.3 | 65.0 | red | only measured annually | 70.0 | | | <p>Whilst there has been a slight decrease within this indicator from the previous year, this can be attributed to take account of cyclical renewals which increase awards to local providers. For example, there are peaks in the volumes in years 2019/20, 2020/21 and 2022/23 due to Frameworks being established for Early Years and Childcare (generation 1 in 2019/20 (185 local providers added), and renewal/generation 2 in 2022/23 (140 local providers added), and Self-Directed Support Services (generation 1 in 2019/20 (29 local providers added), and renewal/generation 2 in 2020/21 (47 local providers added) when the Framework Agreements were established.</p> |
| Procurement contracts - % qualifying contracts in reporting period to small medium enterprises | PI024 | higher figure is better | % | 80.9 | 86.7 | 87.9 | 83.8 | 86.3 | 81.6 | 80.0 | green | only measured annually | 80.0 | | | <p>160 out of 196 (81.6%) regulated contract awards were made to small medium enterprises during 2023/24 continuing the trend of being above target.</p> |

| Indicator | id | ideal direction | unit of measurement | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2023/24 target | 2023/24 RAG status | 2024/25 ytd (for monthly or quarterly monitored indicators only) | 2024/25 target | 2024/25 RAG status (for monthly or quarterly monitored indicators only) | trend | comments |
|---|-------|-------------------------|---------------------|---------|---------|---------|---------|---------|---------|----------------|--------------------|--|----------------|---|---|--|
| Procurement spend - % awarded to local organisations | I024 | higher figure is better | % | 27.3 | 28.1 | 27.6 | 26.5 | 29.3 | 41.3 | 27.5 | blue | only measured annually | 27.5 | |  | 41.3% of the council's procurement spend was awarded to local organisations in 2023/24; this is an improvement from 29.3% in 2022/23 and also previous years performance. |
| Procurement spend - % with small medium enterprises | I025 | higher figure is better | % | 45.0 | 46.5 | 40.5 | 49.0 | 35.2 | 44.1 | 45.0 | green | only measured annually | 45.0 | |  | In accordance with the procurement Regulations and Council's GCSSOs, all public contracts should be competitively tendered to secure best value. The tender procedures used should ensure fair and equal treatment of Contractors. As a consequence, there will always be natural fluctuations in procurement metrics due to competitive tendering procedures not discriminating between large or SMEs, and award is based on whichever Contractor provides best value. To ensure SME's are aware of procurement opportunities, the council jointly hosts with South Lanarkshire Council, an annual meet the real buyer Lanarkshire event. In addition, officers from the council support annual national meet the buyer events. |
| Carbon footprint for the council - tCO2e of carbon emissions | PI129 | lower figure is better | number | 97,900 | 77,113 | 60,361 | 62,770 | 61,909 | | 62,278 | | only measured annually | 58,161 | |  | The council's footprint for the year 2022/23 was reported as 61,909 carbon tonnes equivalent, a decrease of 1.4% from the previous year's reporting and an overall reduction of 47.1% from the baseline year in 2015/16. Data for 2023/24 will be available in November in line with the annual submission deadline to the Sustainable Scotland Network/Scottish Government. |
| Carbon footprint for the council - tCO2e of carbon emissions per FTE employee | PI130 | lower figure is better | number | 7.9 | 6.2 | 4.9 | 4.7 | 4.8 | | 4.9 | | only measured annually | 4.5 | |  | The results for 2022/23 shows a slight decrease of 0.1 tCO2e of carbon emissions per FTE employee, which continues the downward trend from previous years. Data for 2023/24 will be available in November in line with the annual submission deadline to the Sustainable Scotland Network/Scottish Government. |
| Occupancy level, primary schools - % with occupancy level above 75% | PI127 | higher figure is better | % | 55.0 | 55.5 | 54.6 | 52.1 | 52.1 | 44.1 | 58.5 | red | only measured annually | 58.5 | |  | Whilst there are optimum levels of occupancy, it is preferred (from an operational perspective) for a school to have too much space than too little. The council is constantly looking at alternative uses for excess spaces - such as cluster hubs or touchdown spaces. These may help adjust the figures positively in the medium term. Increased capacity in both Chryston Primary School and St Barbara's Primary School has reduced the utilisation in the short to medium term. Other schools are under 75% as a result of falling school rolls. 52 out of 118 primary schools currently have an occupancy level greater than 75%. |
| Occupancy level, secondary schools - % with occupancy level above 75% | PI128 | higher figure is better | % | 52.2 | 69.6 | 65.2 | 60.9 | 60.9 | 56.5 | 63.0 | red | only measured annually | 63.0 | |  | Whilst there are optimum levels of occupancy, it is preferred (from an operational perspective) for a school to have too much space than too little. The council is constantly looking at alternative uses for excess spaces - such as cluster hubs or touchdown spaces. These may help adjust the figures positively in the medium term. The reduction in this indicator from 2022/23 to 2023/24 is primarily as a result of falling school rolls, with 13 out of 23 secondary schools currently having an occupancy level greater than 75%. |

| Indicator | id | ideal direction | unit of measurement | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2023/24 target | 2023/24 RAG status | 2024/25 ytd (for monthly or quarterly monitored indicators only) | 2024/25 target | 2024/25 RAG status (for monthly or quarterly monitored indicators only) | trend | comments |
|--|-------|-------------------------|---------------------|---------|---------|---------|---------|---------|---------|----------------|--------------------|---|----------------|--|---|--|
| Council assets - % of internal floor area of operational buildings that is in a satisfactory condition | PI124 | higher figure is better | % | 94.0 | - | - | - | 95.0 | 95.0 | 99.0 | blue | only measured annually | 90.0 | |  | Building closures during the reporting period have reduced the size of the operational base. Latest figures show 95% of the internal floor area in council buildings is in a satisfactory condition, which is consistent with the position in 2022/23. This should further improve on completion of the investment works ongoing at the Civic Square. |
| Council assets - % operational buildings that are suitable for their current use | PI125 | higher figure is better | % | 75.2 | - | - | - | 83.4 | 79.8 | 89.0 | red | only measured annually | 90.0 | |  | Latest figures show 79.8% of council buildings are suitable for their current use, which is a slight drop from the previous year which was 83.4%. This continues to be higher when compared to the pre-pandemic survey of 75.2%. The acceleration of the office rationalisation programme which delivered the closures of Fleming House, Kildonan St, Coats House and Scott House, required services and staff to be relocated to the remaining operational properties at the Dalziel Building, Buchanan Centre, Motherwell Civic Centre and Holdsworth Centre. Capital funds have been allocated within the 2023/24-2028/29 programme for all four facilities to make the required alterations to ensure they are aligned to the future operating models identified by the services therefore increasing the suitability for use in future years. |
| Public access - % of public areas in council buildings that are suitable for and accessible to disabled people | i052 | higher figure is better | % | 83.1 | - | - | - | 86.2 | 85.7 | 90.0 | green | only measured annually | 90.0 | |  | Improvements continue to be made to improve accessibility in council buildings, with latest figures showing 85.7% compared to the pre-pandemic survey of 83.1%. |
| Corporate property repairs - % emergency repairs completed within timescale | i103 | higher figure is better | % | 98.6 | 95.1 | 93.6 | 98.4 | 96.9 | 97.4 | 98.0 | green | only measured annually | 98.0 | |  | |
| Corporate property repairs - % routine repairs completed within timescale | i104 | higher figure is better | % | 95.5 | 93.0 | 95.3 | 98.6 | 98.5 | 98.6 | 98.0 | green | only measured annually | 98.0 | |  | |
| Corporate property repairs - average time, hours, taken to complete emergency repairs | i118 | higher figure is better | % | | | 12.4 | 3.5 | 4.2 | 3.6 | 3.1 | green | only measured annually | 3.0 | |  | |
| Corporate property repairs - average time, working days, taken to complete non-emergency repairs | i117 | higher figure is better | % | | | 10.9 | 9.9 | 9.0 | 9.4 | 9.5 | green | only measured annually | 9.0 | |  | |
| Properties - % properties within the commercial property portfolio occupied | PI020 | higher figure is better | % | 88.8 | 89.0 | 90.5 | 89.3 | 88.0 | 75.9 | 90.0 | red | only measured annually | 91.0 | |  | 75.9% of properties (748 out of 985) within the commercial property portfolio (consisting of retail, industrial, office premises and other commercial property types managed by North Lanarkshire Properties) are currently occupied. This is a decrease from the previous year when 88% of properties were occupied and can be attributed to a general slowing down of the business within the retail sector, the recent Cost of Living crisis, the increase in costs in regard to occupying business and retail premises and the ongoing lag from the impact of Covid. Limited capital funds have been committed to invest on vacant properties and only committed projects have been progressed which has targeted new development opportunities. The investment programme is being reviewed with a focus on identifying appropriate measures, including ongoing investment, to increase occupancy rates. |

Note for information in respect of performance indicators and targets

It should be noted that the nature of particular areas of service being measured in order to assess and manage performance do not always lend themselves to a traditional approach to either measuring performance or setting targets, for example:

- Some indicators (and targets) are required to monitor performance against a commitment or minimum standard the council has made in advance to achieve a stated level of performance when delivering a service.
- Some indicators (and targets) are required to assess compliance with legislative requirements.
- Some targets represent the level of performance that the council aims to achieve from a particular activity in either the short, medium, or long-term.
- Some indicators are needed to help present a complete picture of performance in the round, as a single performance indicator used in isolation rarely tells the whole performance story and a range of indicators are required to reflect the economic, efficient, and effective aspects of demonstrating best value.
- Some indicators and targets can help to support accountability to the public in terms of demonstrating best value and an efficient and effective approach to the delivery of services.
- Some indicators are monitored to ensure the council complies with specific requirements, such as information governance or health and safety.
- Some indicators are monitored to provide added context in order to help interpret performance results or supplement other existing measures. Information such as this can be critical to enhance knowledge and decision making in terms of demand to help determine priorities and allocate resources.
- For some indicators it is not appropriate to set targets as it is the trend in the data (i.e. the direction of travel) that provides more meaningful information to allow for an assessment in relation to whether performance has improved.
- Some indicators are national benchmarking indicators where their purpose is to allow for comparisons with other councils and the national average. These benchmarks are, in essence, can openers designed to focus questions on why variations in cost and performance are occurring between similar councils.
- Some indicators are proxy measures, particularly in the case of measuring outcomes, as without directly measurable data for a desired outcome the only alternative is to use a proxy that is an indirect measure of the desired outcome but which is itself strongly correlated to that outcome.

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref NLP/IM/JMcK Date 20/11/24

North Lanarkshire Properties LLP – Performance Indicators: 1 April to 30 September 2024 and Financial Performance as at 19th July 2024

From James McKinstry, Chief Officer (Assets and Procurement)

E-mail martini@northlan.gov.uk

Telephone

Ian Martin
Tel: 07966 397637

Executive Summary

This report provides details of North Lanarkshire Properties LLP's (NLP LLP) performance from 1 April 2024 to 30 September 2024 (Q1&Q2) and provides an update on significant events and service delivery highlights during the reporting period.

The report also provides details of the financial performance for the period from 1st April 2024 to 19th July 2024.

Recommendations

It is recommended that the Finance and Resources Committee:

1. Acknowledges NLP LLP's operational performance against its 2024/25 targets for the period 1 April 2024 to 30 September 2024;
2. Acknowledges NLP LLP's financial performance during the period from 1 April 2023 to 19th July 2024.
3. Acknowledges the ongoing work to review NLP LLP and that a future report detailing the outcome will be presented to a future meeting of the Policy and Strategy Committee.
4. Acknowledges the Service delivery highlights detailed within the report.

The Plan for North Lanarkshire

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

1. Background

- 1.1 NLP LLP is a limited liability partnership established in 2013 between the Council and its wholly owned company, North Lanarkshire Property Investments Ltd. It undertakes the marketing, leasing and management of the Council's commercial property portfolio (shop units, office accommodation, business centres, industrial yards and storage units) and, on behalf of the Council, manages legacy properties which remain in the Council's investment property portfolio. It also delivers services in relation to externally owned properties that the Council leases for its own operational use and provides general advice on lease transactions.
- 1.2 Governance, strategic direction and oversight of the limited liability partnership is provided by the Management Committee which comprises four elected members and one senior Council officer appointed by the Council and one member appointed by the limited company, NL Property Investments Ltd. Members to the Board of Directors of the limited company, NL Property Investments Ltd, are also appointed by the Council with five elected members and one senior officer appointed. The Management Committee meets quarterly and is responsible for ensuring NLP LLP's services are delivered in accordance with the approved Service Level Agreement and company objectives.
- 1.3 The Management Committee undertook a number of measures to implement recommendations from the ALEO review completed in 2018/19, most significantly, the establishment restructure and enhancement proposals approved in February 2019.
- 1.4 A further review of ALEO's is being undertaken with a future report being presented to the Policy and Strategy Committee for consideration on completion of this review.

2. Report

Performance Indicators

- 2.1 Following changes to the council's Scheme of Administration, responsibility for oversight of service delivery by arm's length bodies now rests with the relevant service committee. The functions delivered by NLP LLP on behalf of the council fall within the Terms of Reference of this committee and a six monthly performance report is submitted in line with the Strategic Performance Framework considered by members in November 2019. The report will confirm where NLP LLP is fulfilling its contractual obligations and meeting the council's service delivery expectations, as well as providing information from Finance on financial performance and overall financial standing within the company. This information will help give early warning of any financial risks which may give rise to operational or reputational risks for the council.
- 2.2 2024/25 Performance indicators are listed at appendix 1 along with actual performance for the period 1 April 2024 to 30 September 2024, which fulfil the reporting requirements agreed between the organisation and the council and further demonstrate where NLP LLP is contributing to the council's strategic priorities.
- 2.3 During the reporting period a total of 14 properties were let, renewed or assigned (1 Office; 0 Retail and 13 Industrial) and there were 21 lease terminations over the corresponding period.

- 2.4 The percentage of vacant properties across the NLP portfolio over the corresponding period are shown at Section 12 in Appendix 1 however due to new reporting periods being established to simplify the process, there is no comparison to previous periods.

Service Delivery Highlights

- 2.5 NLP have partnered with NLP Growth Team to develop the existing Braidhurst Industrial Site in Motherwell where the development value is estimated to be in the region of £6.5m. Funding of £1.9m has been secured from the Scottish Government Regeneration Capital Grant Fund (RCGF) and a further £1.3m from Place Based Investment Programme (PBIP) for the construction of around 10 incubator units to bring and support small to medium sized local businesses. The project is being jointly funded by NLC and NLP where NLP has committed to provide up to 10% of the project value capped at a maximum of £600,000. NLC have also committed to provide £2.8m towards the project. The project will also include the upgrading to the existing industrial units within the site and forms part of a larger project with the formation of a transport link at nearby Newhut Road and Bellshill Road. The contractor has now taken possession of the site and it is anticipated that works will be completed in December 2024.
- 2.6 The Orrs building development in Airdrie is now complete and work is progressing to transfer the two ground floor retail units to NLP. This will provide increased retail provision within Airdrie and support the wider regeneration of the town centre.
- 2.7 NLP is actively supporting the Council's Ambition Plan for Town Centre regeneration. This has taken the form of identifying properties which could be converted to residential use in Motherwell and Airdrie and which can be sold to the Council to further its plans.

ALEO Review

- 2.8 The 2024/25 Budget Motion approved by Council on 15 February 2024 included a recommendation to 'Review the functions and strategic direction of the Council's remaining ALEOs (Routes to Work, Fusion Assets and North Lanarkshire Properties) to ensure that they continue to contribute to the delivery of the Council's strategic priorities.'
- 2.9 In addition, the Audit and Scrutiny Panel on 26 February 2024 agreed that that a refresh of the ALEO Review Programme is undertaken during 2024/25 and 2025/26 and noted that the findings from these Client Service led reviews will be reported to future meetings of the Policy and Strategy Committee in due course and in line with the council's Scheme of Administration.
- 2.10 A single Board has been established to oversee the review of all three ALEOs with ALEO specific sub-groups led by the Client Service created to carry out the specific review tasks linked to their individual ALEO. NLP LLP's review is being led by Assets and Procurement.

Financial Impact

Public Accountability Obligations – Financial year 2024/25

- 2.11 To satisfy the Council's duty to ensure the organisation delivering property management services on its behalf is financially sound, the Council's Section 95 Officer maintains appropriate and proportionate processes and procedures for scrutinising NLP LLP's financial performance.
- 2.12 The Council's Legal Agreements with NLP LLP specify the financial information which NLP must submit to the Council including an annual business plan, quarterly management accounts, audited financial statements etc., to enable Financial Solutions to assess and report any financial risk likely to arise as a result of the Council using NLP LLP to deliver these services.
- 2.13 The Council expends revenue resources annually with NLP LLP to deliver services which assist the Council in achieving its priority outcomes. The Council has a duty to continue to ensure this money is being properly used to deliver both the Council's and NLP LLP's key objectives.
- 2.14 For financial year 2024/25, the Council's approved revenue spend includes property management services (£0.198m) and rental charges for properties utilised by the Council.

Financial Outturn to 31 March 2024

- 2.15 The 2023/24 Annual Financial Statements approved by the Board at the AGM on 17 September 2024 reported an Accounting Profit for the year of £1.200m, which included increased costs within Property Costs, Financing Costs, FRS102 pension costs and a small loss on revaluation of assets partially offset by an over-recovery in income relating to bank interest coupled with underspends within Employee and Admin Costs. Further details on financial trading performance are given on Appendix 2.
- 2.16 Appendix 3 provides Balance Sheet balances at the 31 March 2024 along with the previous year's comparative figures and commentary. Council representatives are asked to note net assets totalling £48.905m are predominately due to improved timing in payment of invoices, receipt of income and the refinancing of loan during the year. Therefore, Council representatives should be assured that the company is in a healthy position.

Financial Performance 1 April 2024 to 19 July 2024

- 2.17 Based on the financial performance 19 July 2024 a projected transfer into reserves of £0.420m (following loan repayments) is reported to 31 March 2025 which is a break-even position against budget. The position reflects increased income relating to bank interest, offset by higher than anticipated financing costs and costs for repairs. As at period 4 the Actual Debt Service Covenant (ADSC) is 1.57:1 which is in excess of the revised ratio agreed with Barclays for of 1.1:1. Further details on financial performance are given in Appendix 4.
- 2.18 Appendix 5 provides Balance Sheet balances as at 19 July 2024 along with the comparative figures as at 31 March 2024. The company has net assets of £50.277m predominately due to realisation of year end prepaid income in the accounts and improved timing in payment of invoices and receipt of bank interest offset by Trade Debtors. This is a favourable movement of £1.372m on the year-end position.

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

Projected Cashflow to June 2025

- 2.19 Appendix 6 provides the projected cashflow to 30 June 2025. The minimum balance of cash projected to be held was £5.898m in February 2025. This demonstrates that NLP will continue to hold sufficient levels of cash.
- 2.20 NLC continue to monitor NLP financial performance closely with updates provided to the Corporate Management Team.

3. Measures of success

- 3.1 The financial position of the company is being monitored closely to ensure that NLP LLP will continue to meet its loan obligations.
- 3.2 The re-development of Braidhurst Industrial Estate will provide new and refurbished industrial units for let, supporting new and expanding business and contributing to the overall vision for the area.
- 3.2 The transfer of the retail units as part of the Orrs building redevelopment will assist in the regeneration of Airdrie town centre.

4. Supporting documentation

- Appendix 1 Performance Update – 1 April 2024 to 30 September 2024.
- Appendix 2 Outturn to 31 March 2024
- Appendix 3 Overall Financial Standing – Balance Sheet as at 31st March 2024
- Appendix 4 Financial Performance to 19th July 2024
- Appendix 5 Overall Financial Standing – Balance Sheet as at 19th July 2024
- Appendix 6 Cashflow Forecast to June 2025



James McKinstry
Chief Officer (Assets and Procurement)

5. Impacts

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|---|
| 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 type="checkbox"/> |
| 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? The financial performance of NLP is closely monitored by the council's Section 95 Officer and the financial performance along with other key financial information is detailed within the report. |
| 5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <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? |
| 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? |
| 5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/> |

| | |
|--|---|
| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input type="checkbox"/> | |
| 5.7 | 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? | |
| 5.8 | 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? | |
| 5.9 | Risk impact |
| Is there a risk impact? | |
| Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input type="checkbox"/> | |

Appendix 1

North Lanarkshire Properties LLP: 2024/2025 Performance Indicators Progress Update

| Ref No | Indicator and Frequency | Target Outcome/Purpose | 2024/25 Target(Where applicable) | 2024/25 Actual | 2024/25 YTD | Comments | | | | |
|---|--|---|--|---------------------------------------|-------------------------|--------------------|--|--------|------------|-------|
| Improved Economic opportunities and outcomes | | | | | | | | | | |
| OBJECTIVE: Support new or expanding businesses | | | | | | | | | | |
| 1 | Total number of property transactions (lease, renewal, assigned) in period since last report | <ul style="list-style-type: none"> Maximise use of NLP LLP Assets Support new or expanding businesses Generate Rental Income to LLP | N/A Targets are linked to achieving income levels through property rentals | | Transactions per period | Transactions (YTD) | Type of property leased/vacated in period 28/07/2022 to 03/08/2023 | | | |
| | | | | | | | Office | Retail | Industrial | Other |
| | | | | Q1 | 7 | 7 | 0 | 0 | 7 | 0 |
| | | | | Q2 | 7 | 13 | 1 | 0 | 6 | 0 |
| 2 | Total number of terminations in period since last report | <ul style="list-style-type: none"> Monitor potential loss of rental income Monitor levels of business growth/expansion e.g. relocation to larger premises | | | Transactions per period | Transactions (YTD) | Office | Retail | Industrial | Other |
| | | | | Q1 | 8 | 8 | 1 | 1 | 6 | 0 |
| | | | | Q2 | 15 | 23 | 1 | 3 | 11 | 0 |
| Improved Economic opportunities and outcomes | | | | | | | | | | |
| 3 | Number of Modern Apprentices (Annual) | <ul style="list-style-type: none"> Provide training and work experience opportunities | | Currently no opportunities | | | | | | |
| Supporting all children to realise their full potential | | | | | | | | | | |
| OBJECTIVE: Maximise employment opportunities through our education provision | | | | | | | | | | |
| 4 | Engagement in Recruitment Fairs/ Careers Talks (Annual) | <ul style="list-style-type: none"> Raise Awareness of existing career options within North Lanarkshire "Grow Our Own" future generation of employees | | Outcome(s) to be reported at year end | | | | | | |

| Ref No | Indicator and Frequency | Target Outcome/Purpose | 2024/25 Target(Where applicable) | 2024/25 Actual | 2024/25 YTD | Comments |
|---|--|--|--|---|---|--|
| 5 | Provision of school Work Experience placements (annual) | • Provide worthwhile and varied opportunities for S4 pupils to experience potential careers and work experience. | | Outcome(s) to be reported at year end | | |
| Improving the health and care of communities | | | | | | |
| OBJECTIVE: Improve the quality and energy efficiency of commercial properties, contributing to climate change target | | | | | | |
| 6 | Carbon efficiency measures installed to commercial properties. (Six Monthly) | <ul style="list-style-type: none"> •Reduced energy costs for tenants • More attractive and market-leading commercial properties • Reduce Carbon Emissions | <ul style="list-style-type: none"> • Development of energy efficiency strategy • Identification of potential funding streams | NLP continue to liaise with the Council's maintenance team to consider how energy efficiency protocols can be built into standard refurbishments. | | Energy audits have been commissioned for 7 multi-occupied buildings including Dalziel and Airdrie business Centres |
| Improving relationships with communities and the third sector | | | | | | |
| OBJECTIVE: Support voluntary and community activity in North Lanarkshire | | | | | | |
| | | | | 2024/25 | | |
| 7 | Charitable income as a % of turnover (Quarterly per financial period end) | •Support voluntary and community organisations within Charity Lettings policy | ≤ 1% of annual turnover as per Management Committee policy | Period Ending Q1 0.85% | NLP Continues to support charity and third sector organisations in line with its policy commitments. | |
| | | | | Period Ending Q2 0.85% | | |
| Improving the Council's resource base | | | | | | |
| 8 | Lettings' turnaround time from date at which property is in a lettable condition and an expression of interest has been received | <ul style="list-style-type: none"> •Minimise number of vacant properties •Maintain income and occupancy levels | 70% of lettings completed, from date at which property is in a lettable condition and an expression of interest has been received to | Period Ending Q1 72.40% | This indicator can be susceptible to delays in a small number of transactions due to the lack of transactions being processed in the relevant Period. | |
| | | | | Period Ending Q2 74.75% | | |

| Ref No | Indicator and Frequency | Target Outcome/Purpose | 2024/25 Target(Where applicable) | 2024/25 Actual | 2024/25 YTD | Comments | |
|--------|--|--|---|------------------|-------------|----------|--|
| 9 | % of rental income due that was paid within 30 days | •Maintain income levels | Monthly payment reports to be provided | Q1 | 83% | | Collection rates, in the main, are now business as usual however there is a small portion of residual debt associated with Covid with the relevant tenants repaying this over an an agreed extended period of time. |
| | | | | Q2 | 86.80% | | |
| 10 | Total outstanding rent due as a % of turnover | •Maintain income levels and recover outstanding rents due. | Quarterly period end reports to be provided | Period Ending Q1 | | | During the initial lockdown in 2020 NLP LLP suspended the pursuit of debt. Debt recovery resumed in June 2021 but the further lockdown slowed recovery rates. The effect of the lockdowns is still evident with many tenants who accrued debt during these periods entering into repayment arrangements over an extended period of time. |
| | | | | 10.00% | | | |
| | | | | Period Ending Q2 | | | |
| | | | | 8.64% | | | |
| 11 | % of total outstanding rent due that is historic (6+ months) | •Maintain income levels and recover outstanding rents due | Quarterly period end reports to be provided | Period Ending Q1 | | | NLP LLP continue to undertake recovery action, including court action where required, to pursue and reduce historic debt. |
| | | | | 2.82% | | | |
| | | | | Period Ending Q2 | | | |
| | | | | 3.00% | | | |

| Ref No | Indicator and Frequency | Target Outcome/Purpose | 2024/25 Target(Where applicable) | 2024/25 Actual | | 2024/25 YTD | Comments |
|--------|---|--|--|----------------|--------|--|----------|
| | | | | 2024/25 | % | | |
| 12 | % of vacant Properties across the full portfolio as at 31/03/24 | <ul style="list-style-type: none"> Minimise number of vacant properties Maintain income levels | Vacancy Rate ≤ 10% = Green (G) Vacancy Rate > 10% = and ≤ 20% = Amber (A) Vacancy Rate > 20% = Red (R) | 2024/25 | % | NLP LLP Continues to trade in a challenging market and is reviewing its processes to accelerate bringing void properties to the market | |
| | | | | Q1 | 15.23% | | |
| | | | | Q2 | 14.44% | | |
| 13 | Of Properties vacant % vacant for >365 days | <ul style="list-style-type: none"> Minimise number of vacant properties Maintain income levels | | 2024/25 | % | Of the properties shown as vacant for >365 days 48 are not capable of let due uneconomic repairs, being earmarked for sale or having no realistic opportunity to secure a letting. Notwithstanding these properties many of NLP's other properties are becoming more difficult to lease in the challenging economic circumstances, particularly for retail properties. | |
| | | | | Q1 | 69.30% | | |
| | | | | Q2 | 68.90% | | |

Outturn to 31 March 2024

| Income & expenditure | 2023/24 Annual Budget £m | 2023/24 Actual Outturn £m | 2023/24 Variance £m | Commentary |
|--|-----------------------------------|------------------------------------|---------------------------|--|
| Rental, SLA income and Insurance Income | 6,404 | 6,681 | 277 | Favourable variance due to proactive approach in relation to rental income |
| Investment and other income | 5 | 409 | 404 | Predominately due to interest received |
| Total Income | 6,409 | 7,090 | 681 | |
| Expenditure; | | | | |
| Employee costs | -710 | -566 | 144 | Vacancies |
| Property Costs | -2,132 | -2,517 | -385 | Variance is a managed overspend within repairs. |
| Supplies & Services & Admin Costs | -694 | -599 | 95 | Favourable variance as a result of decreased bad debt provision and marketing costs. |
| Financing Costs | -1,817 | -1,873 | -56 | Refinancing of loan - October 2024 |
| Total Expenditure | -5,353 | -5,555 | -202 | |
| Trading Profit | 1,056 | 1,535 | 479 | |
| Year end Accounting adjustments not included in budget (No Covenant impact): | | | | |
| Grant Income | 0 | 0 | 0 | |
| FRS102 pension costs | 0 | -75 | -75 | Provided by Strathclyde Pension Office |
| Unrealised gain/(loss) on investment portfolio | 0 | -260 | -260 | Annual revaluation of property portfolio |
| Accounting Profit | 1,056 | 1,200 | 144 | |
| Loan Principal Repayments | -1,376 | -872 | 0 | |
| Profit Transferred to/(out) Reserves | -320 | 328 | 144 | |

North Lanarkshire Properties LLP

Appendix 3

Overall Financial Standing - Balance Sheet as at 31 March 2024

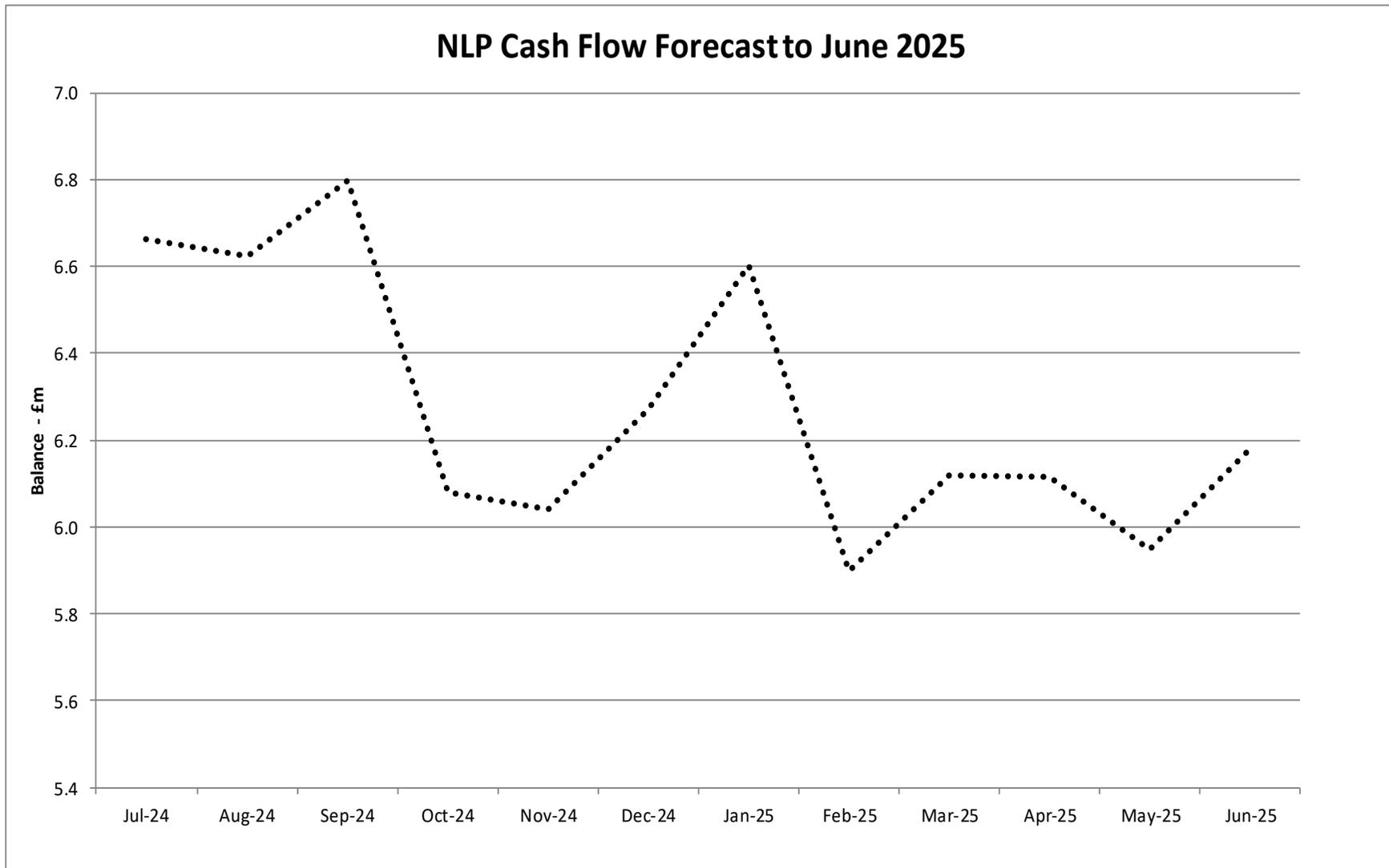
| Balances/ Indicator | As At 31 March 2024 £m | As At 31 March 2023 £m | Variance £m | Commentary |
|---|---------------------------------|---------------------------------|-----------------|--|
| Fixed Assets | 73.946 | 74.206 | (0.260) | Revaluation of properties by BNP Parabis Ltd |
| Current Assets: | | | | |
| Trade Debtors | 0.901 | 0.731 | 0.170 | Improved timing re timing of payments |
| Bad Debt Provision | (0.241) | (0.222) | (0.020) | Minor movement |
| Prepayment and Other Debtors | 0.000 | 0.000 | 0.000 | |
| Bank and short term investments | 7.088 | 9.166 | (2.078) | Movement predominately attributable to the refinancing of loan - approved capital payment. |
| | 7.748 | 9.675 | (1.928) | |
| Current Liabilities: | | | | |
| Creditors | (2.049) | (1.610) | (0.438) | Timing re processing of invoices and creditors payment run |
| Other Creditors inc. VAT & other taxes | (1.004) | (0.879) | (0.125) | Prepaid income and loan interest |
| Loan payments due in <1 yr | (0.500) | (33.686) | 33.186 | Refinancing of loan - October 2024 |
| | (3.553) | (36.176) | 32.623 | |
| Net current Assets/(liabilities) | 4.194 | (26.501) | 30.695 | |
| Loan repayments due in > 1 yr | (29.235) | 0.000 | (29.235) | Refinancing of loan - October 2024 |
| Defined scheme pensions liabilities | 0.000 | 0.000 | 0.000 | |
| Net Asset / (Liabilities) | 48.905 | 47.705 | 1.200 | |

Year to date 19 July 2024

| Income & expenditure | 2024/25 Annual Budget £m | 2024/25 Year to date | | | 2024/25 Projected Outturn £m | 2024/25 Variance £m | Commentary:- Annual Budget v Projected Outturn |
|---|-----------------------------------|----------------------|----------------|----------------|---------------------------------------|---------------------------|--|
| | | Budget £m | Actual £m | Variance £m | | | |
| Rental, SLA income and Insurance Income | 6.407 | 2.177 | 2.237 | 0.060 | 6.382 | (0.025) | Forecast rental income mainly due to lower due to investment works at Braidhurst Industrial Estate |
| Investment and other income | 0.095 | 0 | 0 | 0.022 | 0.268 | 0.173 | Bank interest |
| Total Income | 6.502 | 2.273 | 2.355 | 0.082 | 6.650 | 0.148 | |
| Expenditure; | | | | | | | |
| Employee costs | (0.769) | (0.143) | (0.141) | 0.002 | (0.758) | 0.011 | Underspend due to vacancies |
| Property Costs | (2.109) | (0.280) | (0.356) | (0.076) | (2.222) | (0.113) | Variance is a managed overspend within repairs |
| Supplies & Services & Admin Costs | (0.713) | (0.022) | (0.022) | (0.000) | (0.713) | 0.000 | |
| Financing Costs | (1.991) | (0.455) | (0.463) | (0.008) | (2.037) | (0.047) | Based on updated forecasts for loan repayments as part of the ongoing loan refinancing |
| Total Expenditure | (5.582) | (0.901) | (0.983) | (0.082) | (5.730) | (0.148) | |
| Trading Profit | 0.920 | 1.372 | 1.372 | 0.000 | 0.920 | (0.000) | |
| Loan Principal Repayments | (0.500) | (0.125) | (0.125) | 0.000 | (0.500) | 0.000 | |
| Profit Transferred to/(out) Reserves | 0.420 | 1.247 | 1.247 | 0.000 | 0.420 | (0.000) | |

North Lanarkshire Properties LLP
 Overall Financial Standing - Balance Sheet as at 19 July 2024

| Balances/ Indicator | As at 19 July 2024 £m | As At 31 March 2024 £m | Variance £m | Commentary |
|---|-----------------------------|------------------------------|--------------------|--|
| Fixed Assets | 73.946 | 73.946 | 0.000 | |
| Current Assets: | | | | |
| Trade Debtors | 0.183 | 0.901 | (0.718) | Improved timing re payments received |
| Bad Debt Provision | (0.241) | (0.241) | 0.000 | |
| Prepayment and Other Debtors | 0.000 | 0.000 | 0.000 | |
| Bank and short term investments | 7.215 | 7.088 | 0.128 | Increased bank interest |
| | 7.157 | 7.748 | (0.591) | |
| Current Liabilities: | | | | |
| Creditors | (0.719) | (2.049) | 1.330 | Improved timing re processing of invoices |
| Other Creditors inc. VAT & other taxes | (0.497) | (1.004) | 0.507 | Year end prepaid income adjustments now realised in the accounts |
| Loan payments due in <1 yr | (0.500) | (0.500) | 0.000 | Per loan repayment schedule |
| | (1.716) | (3.553) | 1.837 | |
| Net current Assets/(liabilities) | 5.441 | 4.194 | 1.247 | |
| Loan repayments due in > 1 yr | (29.110) | (29.235) | 0.125 | |
| Defined scheme pensions liabilities | 0.000 | 0.000 | 0.000 | |
| Net Asset / (Liabilities) | 50.277 | 48.905 | 1.372 | |



North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref EK/KS/FC/DC Date 17/10/24

Revenue Monitoring Report Council Summary 1 April 2024 to 13 September 2024

From Elaine Kemp, Chief Officer (Finance)

E-mail KempE@northlan.gov.uk **Telephone** 07939280601

Executive Summary

This report updates on the overall financial position for the General Fund Account, Housing Revenue Account and Adult Health and Social Care, for the financial year to 31 March 2025. The report consolidates the budget monitoring position of all Services, highlighting and explaining major variances as per the Council's approved Financial Regulations.

The Council approved its General Fund Revenue Budget on 15 February 2024. Following notification from Scottish Government of further funding made available to local authorities the overall budget is now £1,010.984m. A Surplus of £3.595m is currently projected, largely due to a net over recovery on loan charges and interest earned on revenue balances. This surplus is to support future budget challenges in accordance with the approved reserves policy, and any budget smoothing strategy recommended by the S95 Officer.

The 2024/25 budget incorporates £21.667m of net savings. It is projected that £20.245m of the savings (93%) will be delivered within the financial year, with replacement savings of £1.422m identified to fully address the shortfall.

Recommendations

It is recommended that the Finance and Resource Committee:

- (1) Acknowledge the financial position of the 2024/25 revenue budget; and
- (2) Otherwise endorse the contents of this report.

The Plan for North Lanarkshire

| | |
|--------------------|---|
| Priority | All priorities |
| Ambition statement | (25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning |
| Programme of Work | Statutory / corporate / service requirement |

1. Background

- 1.1 The Council's approved Financial Regulations require services to remain within their approved budgetary provision, and to report all significant deviations - defined as the higher of £100,000 or 5% - within their budget monitoring reports. Where significant deviations are identified, services must provide explanatory commentary, outline the

action required to rectify such deviations and where relevant, must also highlight the impact this has on other budget headings.

2. Report

- 2.1 At its meeting of 15 February 2024, the Council approved a General Fund Revenue Budget of £1,016.750m including expenditure budgets which will be offset by ring fenced grant resources of £15.290m, resulting in a net expenditure position for monitoring purposes of £1,001.460m. Additional funding has since been confirmed as part of the Scottish Government budget setting, resulting in an overall total budget of £1,010.984m.
- 2.2 Following the budget setting in February the Council has an approved savings target of £21.667m for 2024/25. Further detail can be found in Section 2.8 below.
- 2.3 Table 1 below summarises the projected income and expenditure position, which illustrates a projected surplus of £3.595m, which will be available to support future budget challenges in accordance with the approved reserves policy, and any budget smoothing strategy recommended by the S95 Officer.

| | Annual Budget (£m) | Projected Outturn (£m) | P6 Variance (£m) | P4 Variance (£m) | P4 to P6 Movement (£m) |
|---|--------------------|------------------------|------------------|------------------|------------------------|
| Expenditure | | | | | |
| Total Expenditure | 1,010.984 | 1,007.389 | 3.595 | - | 3.595 |
| Income | | | | | |
| Aggregate External Finance | 836.439 | 836.439 | - | - | - |
| Local Tax Collection | 168.999 | 168.999 | - | - | - |
| Use of Balance | 5.546 | 5.546 | - | - | - |
| Total Income | 1,010.984 | 1,010.984 | - | - | - |
| Forecast Surplus/ (Deficit): to support future budgets | - | 3.595 | 3.595 | - | 3.595 |

Table 1

Analysis of Significant Variations

- 2.4 Table 2 below illustrates the projected outturn financial position of services:

| Service | P6 Outturn (£m) | | P4 Outturn (£m) | | P4 to P6 Movement (£m) |
|---|-----------------|-------------------|-----------------|------------------|------------------------|
| Education, Children and Families | - | On Budget | - | On Budget | - |
| Enterprise and Communities | - | On Budget | - | On Budget | - |
| Chief Executives and Other Corporate Services | 0.595 | Underspend | - | Underspend | 0.595 |
| Social Work (Non-Integrated) | - | On Budget | - | On Budget | - |
| Executive Services Total | 0.595 | Underspend | - | On Budget | 0.595 |
| Financing Costs | 3.000 | Over recovery | - | On Budget | 3.000 |
| Forecast Surplus/ (deficit): to support future budgets | 3.595 | Underspend | - | On Budget | 3.595 |

Table 2

- 2.4 Education, Children and Families are reporting an overall breakeven position. However, it should be noted that there are a number of compensating variances within this position. Underspends are projected within employee costs of £0.644m reflecting actual and projected vacancies, along with the roll out of finalised HQ, cluster, and school staffing structures. An underspend of £0.176m is forecast in relation to payments to other bodies reflecting the demand for family placement and external ASN placements, and £0.195m in other expenditure linked to external grant synergies aligned to music. These underspends are offset by a forecast under-recovery in income of £0.501m in relation to reduced cross-boundary ASN placements within NLC settings, an overspend within property costs of £0.257m due to increased utility costs within the education estate, and an overspend in transport costs of £0.253m in relation to 'Home to School' transport pressures as the service transitions to the new arrangements.
- 2.5 Enterprise and Communities continue to report a projected breakeven position, with a number of compensatory variances contributing to this overall position. Employee costs are forecast to underspend by £2.155m as a result of vacancy savings, together with underspend of £0.379m in administration costs due to grant income received in advance of need, partially offset by increased external advisor costs. This is offset by an under-recovery in income of £1.585m in relation to membership fees and site admissions within the Active and Creative Communities estate, transport & plant overspend of £0.385m due to additional costs of work being outsourced prior to completion of a new depot facility, and forecast overspend of £0.494m on payments to other bodies in relation to pest control sub-contractors and increased penalty charge notice rates.
- 2.6 Chief Executives and Other Corporate Services is reporting a projected underspend of £0.595m, which is a favourable movement from previously reported breakeven position at P5. This position is primarily as a result of employee vacancy savings across the service of £0.352m, and an underspend of £0.517m within supplies and services in respect of ICT contracts. These underspends are partially offset by an overspend of £0.136m in administration costs due to legal fees and projected insurance premium increases, and a net under recovery of income mainly in relation to photocopying and registers fees, partially offset by an over recovery in rent allowances.
- 2.7 In respect of loan charges and interest earned on revenue balances members were previously advised that due to significant uncertainty and volatility within market conditions, and other variables, there is a risk of movement in the level of net financing costs expected in the current financial year. Following further consideration and updating of a number of factors, including latest projections on profiled capital expenditure, further refining of interest on revenue balances modelling and interest rates observed, £3.000m of the overall forecast net over recovery on budget is reported. Members should note that some of the factors contributing to the overall financing costs position are purely timing, therefore, it is prudent to ensure the funding to manage these elements is earmarked in line with the overall longer term funding strategy for loan charges and interest on revenue balances. The final position in this respect will be kept under review and reported as part of the year end process.
- 2.8 Members are also advised that the budget for both council tax income and council tax reduction (CTR) are monitored on an ongoing basis. This includes consideration of council tax collection, CTR uptake and household numbers. In addition, an assessment of Expected Credit losses will be required. An update on this position will be reported further into the financial year.

- 2.9 Negotiations are ongoing in relation to the 2024/25 non-Teachers pay award. However COSLA has agreed to make payments to employees based on the current offer on the table of a 3.6% uplift or £0.67 per hour, whichever is greater. The inflationary uplift in relation to Teachers pay for 2024/25 has been agreed at 4.27%. The full implications of these, including any shortfall in expected funding will be incorporated into the monitoring position in due course.
- 2.10 Members should note that Scottish Government has indicated that £53m of their funding towards local government pay will be made through capital funding for 2024/25. Local Government Finance Circular 9/2024 provides a temporary amendment to the statutory accounting requirements for capital grant which will allow authorities a number of flexibilities in accounting for the capital grant in such a way that it can be used to offset the revenue pressures linked to pay award. In line with recent years, it is expected that the Council will be asked to absorb a proportion of the £53m capital funding in lieu of revenue funding, which may have an impact on the net budget illustrated in appendix 1 as a result of applying the flexibilities. An update will be provided to members once confirmed.

2023/24 Budget Savings

- 2.11 As outlined in paragraph 2.2 above, the Council has approved net savings of £21.667m for 2024/25. Each Service reports on the achievement of their savings within the relevant service monitoring report. It is projected that £20.245m of savings (93%) will be achieved in the current year, with the in-year gap of £1.422m being fully mitigated by replacement savings.

Earmarked Reserves and Change Management Fund

- 2.12 The Council's audited annual accounts highlight a General Fund reserve balance of £283.893m. This balance includes £8.000m for the Contingency Fund, with a further £245.690m earmarked for specific future commitments including £19.358m allocated to the Change Management Fund to support one off costs of approved. The remaining £30.203m of funds represent balances that were not earmarked as at 31 March 2024 and have therefore been set aside to support future budget strategies.
- 2.13 A total of £155.348m of earmarked reserves is profiled for use in 2024/25 with a further £90.342m profiled for use in future years. It is currently projected that £61.795m will be spent during this financial year with £183.868m anticipated to be required in future years, and £0.027m no longer required. A summary position is shown in Appendix 2. Taking into account the projected forecast surplus of £3.595m, and the drawdown of historic balances from the Capital Fund of £2.951m, it is expected that at the end of the financial year the General Fund will include non-earmarked balances of £36.776m as detailed in Appendix 3. These balances are to support future budget challenges in accordance with the approved reserves policy, and any budget smoothing strategy recommended by the S95 Officer.

Risks and Uncertainty

- 2.14 All activities undertaken by the Council are subject to risk, and in acknowledging the Council's approved Risk Management Strategy, Services manage these as part of their overall corporate and service planning processes. The current economic climate and pay and non-pay inflation continuing at historically high levels, are some of the key factors that have the potential to impact upon the Council's ability to provide quality services within approved budget levels.

Housing Revenue Account

- 2.15 The Housing Revenue Account is currently projecting an underspend of £1.500m for the financial year, mainly in relation to repairs and administration costs. The service anticipates that £1.165m of savings (100%) will be delivered by year end.

Adult Health and Social Care

- 2.16 Council Adult Health and Social Care provision to the Integration Joint Board (IJB) is projecting an underspend of £0.477m. This position is due to a projected net underspend in employee costs of £5.461m primarily as a result of a non-recurring temporary reduction in employer's superannuation costs coupled with slippage in recruitment, and an underspend of £0.071m in supplies and services. These underspends are partly offset by a projected overspend of £4.517m in payments to other bodies and transfer payments primarily in relation to the care at home sector who provide services to individuals via the SDS commissioning framework, higher than anticipated transport and plant costs of £0.573m mainly in relation to internal transport charges and staff mileage costs. However, it should be noted that the reduction in pension cost is part of the delivery plan solution to manage an overall recurring cost pressure of £11.4m over 2024/25 and 2025/26.
-

3. Measures of success

- 3.1 The Council continues to operate within approved budgeted resources.
-

4. Supporting documentation

- Appendix 1 Summary by Division
Appendix 2 Anticipated Commitments – Earmarked Reserves
Appendix 3 Availability of One-Off Funds – Change Management Fund



Elaine Kemp
Chief Officer (Finance)

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 type="checkbox"/> |
| 5.2 Financial impact Does the report contain any financial impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input 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 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? |
| 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? |
| 5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact? |

| | |
|--------------------|---|
| | <p>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)?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> |
| <p>5.7</p> | <p>Environmental / Carbon impact</p> <p>Does the report / project / practice contain information that has an impact on any environmental or carbon matters?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p> |
| <p>5.8</p> | <p>Communications impact</p> <p>Does the report contain any information that has an impact on the council's communications activities?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p> |
| <p>5.9</p> | <p>Risk impact</p> <p>Is there a risk impact?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>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?</p> |
| <p>5.10</p> | <p>Armed Forces Covenant Duty</p> <p>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)?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>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.</p> |
| <p>5.11</p> | <p>Children's rights and wellbeing impact</p> <p>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?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>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).</p> <p>If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> |

NORTH LANARKSHIRE COUNCIL
SUMMARY BY DIVISION FOR PERIOD ENDING 13 September 2024 (PERIOD 6)

| LINE NO. | SERVICE ACCOUNT (1) | ANNUAL BUDGET (2) | PROVISIONAL OUTTURN (3) | PROVISIONAL VARIANCES (4) |
|----------|--|----------------------|----------------------------|------------------------------|
| | | £ | £ | £ |
| 1 | Education, Children & Families | 513,355,887 | 513,355,887 | - |
| 2 | Early Years | 33,841,264 | 33,841,264 | - |
| 3 | Primary Schools | 156,200,787 | 156,200,787 | - |
| 4 | Secondary Schools | 146,348,721 | 146,348,721 | - |
| 5 | Special Schools | 25,674,788 | 25,674,788 | - |
| 6 | Education & Families Service Delivery | 101,587,567 | 101,766,076 | (178,509) |
| 7 | Childrens Services Social Work | 39,681,963 | 40,104,682 | (422,719) |
| 8 | Justice Services | 91,690 | (36,561) | 128,251 |
| 10 | Employability | 2,861,086 | 2,631,046 | 230,040 |
| 11 | Community Learning | 5,142,950 | 5,004,038 | 138,912 |
| 12 | Tackling Poverty | 1,925,071 | 1,821,046 | 104,025 |
| 13 | Enterprise & Communities | 201,922,346 | 201,922,346 | - |
| 14 | Assets & Procurement | 37,569,400 | 37,569,400 | - |
| 15 | Trading Accounts | (462,202) | (143,778) | (318,424) |
| 16 | Community Operations | 148,054,060 | 148,499,212 | (445,152) |
| 17 | Housing Management | 5,613,776 | 5,519,518 | 94,258 |
| 18 | Housing Property Services | - | - | - |
| 9 | Active and Creative Communities | - | - | - |
| 19 | Place | 11,147,312 | 10,477,994 | 669,318 |
| 20 | Chief Executives & Other Corporate Services | 104,751,925 | 104,157,157 | 594,768 |
| 21 | Directorate & Support | 514,437 | 549,484 | (35,047) |
| 22 | Finance | 45,111,074 | 44,997,486 | 113,588 |
| 23 | Audit & Risk | 577,028 | 569,655 | 7,373 |
| 24 | Legal & Democratic | 2,448,234 | 2,418,374 | 29,860 |
| 25 | Business & Digital | 23,102,277 | 22,707,849 | 394,428 |
| 26 | People Resources | 8,533,063 | 8,533,063 | - |
| 27 | Strategic Communication and Engagement | 5,126,925 | 5,126,925 | - |
| 28 | Other Corporate Services | 5,784,817 | 5,700,251 | 84,566 |
| 29 | Joint Boards | 13,554,070 | 13,554,070 | - |
| 30 | Social Work (non Integrated) | 210,733,816 | 210,733,816 | - |
| 31 | GENERAL FUND SERVICES | 1,030,763,974 | 1,030,169,206 | 594,768 |
| 32 | FINANCING COSTS | (36,205,584) | (39,205,584) | 3,000,000 |
| 33 | Reversal of Capital Charge | (87,964,980) | (87,964,980) | - |
| 34 | Loan Charges and Interest on Revenue Balances | 51,759,396 | 48,759,396 | 3,000,000 |
| 35 | OTHER BUDGETARY ISSUES | 16,425,863 | 16,425,863 | - |
| 36 | Assumptions not yet Realised | 16,425,863 | 16,425,863 | - |
| 37 | Transfer from capital grant (Pay Award) | - | - | - |
| 38 | TOTAL EXPENDITURE | 1,010,984,253 | 1,007,389,485 | 3,594,768 |
| 39 | SOURCES OF FUNDING | 1,010,984,253 | 1,010,984,253 | - |
| 40 | Aggregate External Finance | 836,438,788 | 836,438,788 | - |
| 41 | Council Tax | 168,999,465 | 168,999,465 | - |
| 42 | Use of balances | 5,546,000 | 5,546,000 | - |
| 43 | FORECAST (SURPLUS)/DEFICIT: TO SUPPORT FUTURE BUDGETS | - | (3,594,768) | 3,594,768 |
| 44 | HOUSING REVENUE ACCOUNT (SURPLUS) / DEFICIT | - | (1,500,000) | 1,500,000 |
| 45 | ADULT HEALTH AND SOCIAL CARE (SURPLUS) /DEFICIT | - | (477,241) | 477,241 |

NORTH LANARKSHIRE COUNCIL

ANTICIPATED COMMITMENTS AGAINST EARMARKED RESERVES AS AT 13 September 2024 (PERIOD 6)

| | Opening Reserve Balances £000 | 2024/25 | | | | No Longer Required £000 | Future Years | | | Total No Longer Required £000 | Check Future Years | |
|--|----------------------------------|---|-------------------------------|--------------------------------------|-------------------------------------|----------------------------|-----------------------------------|-------------------------------------|----------------------------|----------------------------------|--------------------|----------|
| | | 2024/25 Revised Earmarked Reserve £000 | 24/25 Projected Spend £000 | Anticipated Year End Balance £000 | Anticipated Future Year Use £000 | | Profiled for Future Years £000 | Anticipated Future Year Use £000 | No Longer Required £000 | | | |
| | | | | | | | | | | | | |
| Change Management Fund | 19,358 | 2,645 | 2,645 | - | - | - | 16,713 | 16,713 | - | - | 16,713 | - |
| Earmarked & One Off Resources | | | | | | | | | | | | |
| Schools Future Contractual Obligations | 60,969 | - | - | - | - | - | 60,969 | 60,969 | - | - | 60,969 | - |
| Strategic Workforce Planning | 17,902 | 17,902 | 3,886 | 14,016 | 14,016 | - | - | - | - | - | - | - |
| Temporary Teachers | 823 | 823 | 823 | - | - | - | - | - | - | - | - | - |
| Temporary Accommodation | 8,038 | 8,038 | - | 8,038 | 8,038 | - | - | - | - | - | - | - |
| Early Years & Childcare Expansion | 5,213 | 3,332 | 3,332 | - | - | - | 1,881 | 1,881 | - | - | 1,881 | - |
| Refugee Resettlement Programmes | 8,323 | 4,347 | 4,347 | - | - | - | 3,976 | 3,976 | - | - | 3,976 | - |
| Loans Charges | 17,905 | 17,905 | - | 17,905 | 17,905 | - | - | - | - | - | - | - |
| Unmanaged burdens within Education, Children & Families | 4,234 | 4,234 | 4,234 | - | - | - | - | - | - | - | - | - |
| Pupil Equity Fund | 2,153 | 2,153 | 2,153 | - | - | - | - | - | - | - | - | - |
| Balances held by Schools under Devolved School Management | 2,655 | 2,655 | 2,655 | - | - | - | - | - | - | - | - | - |
| Economic Recovery | 1,519 | 1,519 | 1,519 | - | - | - | - | - | - | - | - | - |
| Whole Family Wellbeing | 4,417 | 2,071 | 1,271 | 800 | 800 | - | 2,346 | 2,346 | - | - | 2,346 | - |
| Winter Reserve | 1,500 | 1,500 | 1,500 | - | - | - | - | - | - | - | - | - |
| Business Gateway and Business Recovery | 1,697 | 878 | 878 | - | - | - | 819 | 819 | - | - | 819 | - |
| Strategic Capital Investment Programme | 44,800 | 44,800 | - | 44,800 | 44,800 | - | - | - | - | - | - | - |
| One Workforce Grading Pressures | 5,000 | 5,000 | - | 5,000 | 5,000 | - | - | - | - | - | - | - |
| Digital NL | 1,222 | 1,222 | 1,222 | - | - | - | - | - | - | - | - | - |
| Mobilisation of Strategic Contracts | 2,177 | 2,177 | 2,144 | 33 | 33 | - | - | - | - | - | - | - |
| Shared prosperity Grants | 1,753 | 1,753 | 1,753 | - | - | - | - | - | - | - | - | - |
| Teacher Induction Scheme Support | 1,302 | 1,302 | 1,302 | - | - | - | - | - | - | - | - | - |
| Budget One-off Investment | 8,119 | 8,119 | 6,901 | 1,218 | 1,218 | - | - | - | - | - | - | - |
| Other Earmarked Funds | 24,611 | 20,973 | 19,230 | 1,743 | 1,716 | 27 | 3,638 | 3,638 | - | 27 | 3,638 | - |
| Earmarked & One Off Resources Total | 226,332 | 152,703 | 59,150 | 93,553 | 93,526 | 27 | 73,629 | 73,629 | - | 27 | 73,629 | - |
| Total Reserves | 245,690 | 155,348 | 61,795 | 93,553 | 93,526 | 27 | 90,342 | 90,342 | - | 27 | 90,342 | - |
| Contingency Reserve | 8,000 | | | | | | | | | | | |
| Non-Earmarked Balance; to support future budget challenges | 30,203 | | | | | | | | | | | |
| General Fund Surplus at 31 March 2024 | 283,893 | | | | | | | | | | | |

NORTH LANARKSHIRE COUNCIL
AVAILABILITY OF GENERAL FUND BALANCES AS AT 13 September 2024 (PERIOD 6)

| | Change Management Fund | Non-Earmarked General Fund |
|---|-----------------------------------|---------------------------------------|
| | £000 | £000 |
| Total Balance B/f per 2023/24 Annual Accounts | 19,358 | 30,203 |
| Period 4 reported variance | | 3,595 |
| Earmarked Reserves no longer required | | 27 |
| Total Balance 2024/25 before commitments | 19,358 | 33,825 |
| Revised one - off costs of approved savings | (2,645) | |
| Draw down from Capital Fund | | 2,951 |
| Total Balance 2024/25; to support future budget challenges | 16,713 | 36,776 |
| Known Commitments :- Revised one - off costs of approved savings | (2,774) | |
| Forecast Balance; to support future budget challenges | 13,939 | 36,776 |

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref EK/NL/PF

Date 20/11/24

Revenue Budget Monitoring Report; Chief Executive's Service 01.04.24 – 13.09.24 (Period 6)

From Elaine Kemp, Chief Officer (Finance)

E-mail KempE@northlan.gov.uk

Telephone 01698 302408

Executive Summary

This report provides a summary of the Chief Executive's Service financial performance for the period 1 April 2024 to 13 September 2024 (Period 6). The report illustrates the provisional outturn as at 31 March 2025, with major outturn variances highlighted and explained per the Council's approved Financial Regulations.

The Council approved its General Fund Revenue Budget on 15 February 2024, of which £104.752m currently represents the net revenue budget for the Chief Executive's Service.

Incorporated within the revenue budget are approved service savings totalling £1.707m.

The Service is currently projecting a year-end underspend of £0.595m for the financial year predominately as a result of employee vacancies and underspends relating to ICT contracts.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Acknowledge the financial position of the 2024/25 Chief Executive's Service revenue budget.

The Plan for North Lanarkshire

| | |
|--------------------|---|
| Priority | Improve North Lanarkshire's resource base |
| Ambition statement | (25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning |
| Programme of Work | Statutory / corporate / service requirement |

1. Background

- 1.1 The Council's approved Financial Regulations require the Chief Executive to remain within the approved budgetary provision, and to report all significant deviations - defined as the higher of £100,000 or 5% - within budget monitoring reports. Where significant deviations are identified, the Chief Executive must provide explanatory commentary, outline the action required to rectify such deviations and where relevant, must also highlight the impact this has on other budget headings.

2. Report

Summary of Financial Position

- 2.1 The Council approved its General Fund Revenue Budget on 15 February 2024, of which £104.746m (10.38%) represented the approved Revenue Budget for the Chief Executive's Service. In-year transfers from Education, Children and Families results in a revised budget of £104.752m.
- 2.2 The overall projected outturn position of the Service is a year-end underspend of £0.595m. Appendices one to five provide further information in respect of this position.
- 2.3 As at Period 6 the position on Council Tax Reduction Scheme remains under review along with other elements of the Council Tax Product including household numbers and council tax collection for the year. The Council Tax Product will then be assessed for expected credit losses as part of the year end process. It is currently anticipated there will be no material variance overall.
- 2.4 The 2024/25 budget incorporates £1.707m of savings which are listed in Appendix 5. Of this, £1.027m relates to service specific savings approved by Council in February and these have been fully delivered as at P6 through service restructures and a reduction in operational budgets. Furthermore, the historic underspend savings target of £0.680m has also been fully achieved across the service.

Analysis of Significant Variances

- 2.5 The service currently anticipates a projected underspend of £0.352m within Employee costs as a result of actual and projected vacancies.
- 2.6 Costs in relation to the annual insurance premium coupled with building costs relating to the Civic Centre has resulted in a projected overspend of £0.181m within Property Costs.
- 2.7 Within Supplies and Services the service is projecting a year end underspend of £0.517m which represents savings within Business and Digital resulting from the current usage levels of cloud-based systems.
- 2.8 The service is currently anticipating an overspend of £0.137m within Administration Costs predominately due to increased projected costs for Insurance Premiums, legal fees as a result of the level of Solicitor vacancies meaning external advice is required and postages, partially offset by training costs.
- 2.9 The projected outturn for income is an under-recovery of £0.014m predominately attributable to under-recoveries within legal insurance, licensing and registrars offset by rent allowances / rent rebates overpayments and interest received.

2.10 There are various minor variances across other budget areas resulting in the Service forecasting a year-end underspend of £0.595m as at 31 March 2025.

Earmarked and One-off Reserves

2.11 In finalising the Council's draft accounts to 31 March 2024, the service was given approval to earmark £3.567m of resources to fund key projects and initiatives profiled over a number of years. It is anticipated that £2.402m of the reserves balances will be utilised in 2024/25 with £1.143m required for future years and a balance of £0.022m to be returned to reserves. Details of the Service's earmarked funds are provided in Appendix 4.

2.12 The Service has also been given approval to utilise £1.059m of funds from the Corporate Strategic Workforce Planning Reserve over a number of years. It is anticipated £0.294m of this reserve will be utilised in 2024/25 and actual costs arising will be reported in future reports. These funds are not included in the Service outturn position.

2.13 The Service was also given approval to utilise £0.293m of funds from the Change Management Fund over several years. It is anticipated that £0.017m will be utilised in 2024/25 and actual costs will be reported in future reports. These funds are not included in the Service outturn position.

2.14 The Service has incurred £0.338m VRS costs relating to approved savings/restructures. Therefore, there is a requirement to utilise the Corporate Change Management fund at this time. Any further costs arising will be reported in future reports as they are incurred. These costs are not included in the Service outturn position.

2024/25 Budget Savings

2.15 The Council approved service savings of £1.707m savings of which £1.707m have been fully delivered as at Period 6. Further information regarding savings is included in Appendix 5.

Management Actions

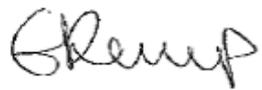
2.16 The Service is being pro-active to ensure expenditure is contained within its approved 2024/25 budget.

3. Measures of success

3.1 The Service continues to operate within approved budget resources.

4. Supporting documentation

- Appendix 1 Objective Summary
- Appendix 2 Subjective Summary
- Appendix 3 Payments to Other Bodies
- Appendix 4 Earmarked Reserves
- Appendix 5 Budget Savings



Elaine Kemp
Chief Officer (Finance)

5. Impacts

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

| |
|--|
| <p>5.6 Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>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 type="checkbox"/></p> |
| <p>5.7 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 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 Risk impact Is there a risk impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> 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?</p> <p>All activities undertaken by the Council are subject to risk, and in acknowledging the Council's approved Risk Management Strategy, Services manage these as part of their overall corporate and service planning processes. The current economic climate, in particular, has the potential to impact upon the Council's ability to provide quality services within approved budget levels.</p> <p>To minimise risk, this report has been prepared by service based Finance personnel in consultation with budget managers, in accordance with the Financial Regulations.</p> |
| <p>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 <input type="checkbox"/> No <input checked="" type="checkbox"/> 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.</p> |

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

NORTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report - Objective Analysis
Period 06 (01 April 2024 - 13 September 2024)
A - Chief Executives Service

| DIVISION OF SERVICE [1] | ANNUAL BUDGET [2] | PROJECTED OUTTURN [3] | PROJECTED OUTTURN VARIANCE [4] | % [5] | PERIOD MOVEMENT [6] | ANALYSIS [7] |
|------------------------------|----------------------|-----------------------------|--------------------------------------|-------------|---------------------------|--|
| DIRECTORATE & SUPPORT | 514,437 | 549,484 | (35,047) <i>ADV</i> | (6.8%) | (1,312) | Overspend in Legal Fees as a result of seeking external advice due to solicitor vacancies. |
| FINANCE | 45,111,074 | 44,997,486 | 113,588 <i>FAV</i> | 0.3% | 113,588 | Underspends due to vacancies and an over-recovery in income relating to rent allowances / rent rebates overpayments offset by projected overspends in insurance premiums and postages. |
| AUDIT & RISK | 577,028 | 569,655 | 7,373 <i>FAV</i> | 1.3% | 7,373 | Underspends due to vacancies. |
| LEGAL & DEMOCRATIC SOLUTIONS | 2,448,234 | 2,418,374 | 29,860 <i>FAV</i> | 1.2% | 53,430 | Underspends within employee costs and postages offset by an under-recovery in income in relation to insurance, photocopying and registrars. |
| BUSINESS & DIGITAL | 23,102,277 | 22,707,849 | 394,428 <i>FAV</i> | 1.7% | 237,273 | Underspends within ICT contracts linked to the timing of costs associated with cloud based systems and vacancies. |
| PEOPLE RESOURCES | 8,533,063 | 8,533,063 | 0 | 0.0% | 127,484 | Underspends within Employee Costs and training budgets are offset by turnover resulting in a balanced budget. |
| STRATEGIC COMMUNICATIONS | 5,126,925 | 5,126,925 | 0 | 0.0% | 44,575 | Balanced budget. |
| OTHER COPORATE SERVICES | 5,784,817 | 5,700,251 | 84,566 <i>FAV</i> | 1.5% | 12,357 | Underspend predominately relates to NLP Financial Guarantee and interest received offset by projected costs associated with byelections. |
| JOINT BOARDS | 13,554,070 | 13,554,070 | 0 | 0.0% | 0 | Balanced budget. |
| NET EXPENDITURE | 104,751,925 | 104,157,157 | 594,768 <i>FAV</i> | 0.6% | 594,768 | |

NORTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report - Subjective Analysis
Period 06 (01 April 2024 - 13 September 2024)
A - Chief Executives Service

| CATEGORY | ANNUAL BUDGET | PROJECTED OUTTURN | PROJECTED OUTTURN VARIANCE | % | PERIOD MOVEMENT | ANALYSIS |
|--------------------------|--------------------|--------------------|----------------------------|-------------|-----------------|--|
| [1] | [2] | [3] | [4] | [5] | [6] | [7] |
| EMPLOYEE COSTS | 41,584,276 | 41,232,506 | 351,769 FAV | 0.9% | 185,169 | Underspends due to vacancies partially offset by overtime costs. |
| PROPERTY COSTS | 1,846,382 | 2,027,497 | (181,115) ADV | (9.8%) | (45,000) | Assumed increased costs relating to the insurance premium coupled with building costs relating to the Civic Centre. |
| SUPPLIES & SERVICES | 10,730,875 | 10,213,715 | 517,160 FAV | 4.8% | 268,535 | Underspends within ICT contracts linked to the timing of costs associated with cloud based systems |
| TRANSPORT & PLANT | 365,671 | 333,200 | 32,471 FAV | 8.9% | 32,363 | Minor |
| ADMINISTRATION COSTS | 8,200,674 | 8,337,241 | (136,567) ADV | (1.7%) | 59,032 | Assumed insurance premium increase, legal fees as a result of using external advice due to the level of internal vacancies and postages offset by training costs. |
| PAYMENTS TO OTHER BODIES | 15,633,564 | 15,664,004 | (30,440) ADV | (0.2%) | 3,890 | Projected costs associated with by-elections and medical fees. |
| TRANSFER PAYMENTS | 108,757,069 | 108,757,069 | 0 | 0.0% | 0 | |
| CAPITAL FINANCING COSTS | 6,812,218 | 6,742,994 | 69,224 FAV | 1.0% | 0 | Over-recovery of income re NLP Financial Guarantee. |
| REVENUE FINANCING COSTS | 0 | 0 | 0 | 0.0% | 0 | |
| OTHER EXPENDITURE | 5,076,864 | 5,090,585 | (13,721) ADV | (0.3%) | 23,627 | Miscellaneous costs associated with the purchase of Cumbernauld Shopping Centre. |
| TOTAL EXPENDITURE | 199,007,594 | 198,398,810 | 608,783 FAV | 0.3% | 527,618 | |
| INCOME | (94,255,669) | (94,241,653) | (14,015) ADV | 0.0% | 67,150 | Under-recovery in income in relation to insurance, photocopying and registrars offset by over-recoveries for Rent Allowances / Rent Rebates Overpayments and interest. |
| NET EXPENDITURE | 104,751,925 | 104,157,157 | 594,768 FAV | 0.3% | 594,768 | |

NORTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report - Payments to Other Bodies
Period 06 (01 April 2024 - 13 September 2024)
A - Chief Executives Service

| CATEGORY [1] | ANNUAL BUDGET [2] | PROJECTED OUT-TURN [3] | PROJECTED OUT-TURN VARIANCE [4] | % [5] | PERIOD MOVEMENT [6] | ANALYSIS [7] |
|--------------------------------------|----------------------|---------------------------|------------------------------------|---------------|------------------------|---|
| PAYMENTS TO OTHER BODIES GENERAL | 669,400 | 699,400 | (30,000) ADV | (4.5%) | 0 | Projected costs associated with by-elections. |
| MEDICAL FEES | 10,659 | 16,665 | (6,006) ADV | (56.4%) | (111) | Increased costs in relation to medical fees. |
| AGENCY FEES | 71,686 | 71,686 | 0 | 0.0% | 0 | |
| TOWN TWINNING | 0 | 0 | 0 | 0.0% | 0 | |
| CHILDRENS PANEL | 25,035 | 21,035 | 4,000 FAV | 16.0% | 4,000 | Minor variance |
| COSLA ANNUAL LEVY | 195,000 | 193,434 | 1,566 FAV | 0.8% | 0 | Minor variance |
| COMMUNITY COUNCIL GRANTS | 125,222 | 125,222 | 0 | 0.0% | 0 | |
| GRANTS TO ORGANISATIONS | 987,294 | 987,294 | 0 | 0.0% | 0 | |
| EXTERNAL AUDIT FEE | 679,389 | 679,389 | 0 | 0.0% | 0 | |
| ELECTION PROVISION | 0 | 0 | 0 | 0.0% | 0 | |
| TOURISM - VISIT NORTH LANARKSHIRE | 37,000 | 37,000 | 0 | 0.0% | 0 | |
| SCOTTISH WELFARE FUND | 2,759,844 | 2,759,844 | 0 | 0.0% | 0 | |
| SUB-CONTRACTOR PAYMENTS | 1,869 | 1,869 | 0 | 0.0% | 0 | |
| LOCAL TAX PAYPOINT COMMISSION | 35,000 | 35,000 | 0 | 0.0% | 0 | |
| COSLA MIGRATION SCOTLAND | 150,000 | 150,000 | 0 | 0.0% | 0 | |
| LANDS VALUATION CONTRIBUTION | 1,814,004 | 1,814,004 | 0 | 0.0% | 0 | |
| SPT CONTRIBUTION | 5,472,132 | 5,472,132 | 0 | 0.0% | 0 | |
| SPT CONCESSIONARY FARES CONTRIBUTION | 579,419 | 579,419 | 0 | 0.0% | 0 | |
| CUSTOMER FIRST CONTRIBUTION | 2,700,000 | 2,700,000 | 0 | 0.0% | 0 | |
| TOTAL EXPENDITURE | 16,312,953 | 16,343,393 | (30,440) ADV | (0.2%) | 3,889 | |

NORTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report - Status of Earmarked Reserves
Period 06 (01 April 2024 - 13 September 2024)
A - Chief Executives Service

| DESCRIPTION OF EARMARKED RESOURCE | FINANCIAL YEAR - 2023/24 | | | | | | | | | |
|--|--------------------------|--------------------------|------------------------|---------------|-----------------------|--------|---------------------------|--------------------|---------------------------|--|
| | Reserve Allocation | Profiled in Future Years | Approved Reserve Total | Spend to Date | Projected Spend Value | % | Reprofile to Future Years | No Longer Required | Reserves Required In Year | Commentary Regards Usage |
| Service Specific Earmarked Reserves: | | | | | | | | | | |
| Admin of Covid and Cost of Living related support scheme | 11,919 | 0 | 11,919 | 11,919 | 11,919 | 100.0% | | | 11,919 | |
| COL Grant | 34,645 | 0 | 34,645 | 34,406 | 34,645 | 100.0% | | | 34,645 | |
| Modern Apprentices | 75,838 | (18,959) | 56,879 | 14,099 | 25,349 | 44.6% | 31,530 | | 25,349 | Service will look to appoint a further 1fte from the winter Intake and therefore require the balance to be carried forward to support these costs. |
| Insurance Premiums | 812,876 | 0 | 812,876 | 812,876 | 812,876 | 100.0% | | | 812,876 | |
| Digitisation | 83,797 | 0 | 83,797 | 83,797 | 83,797 | 100.0% | | | 83,797 | |
| B&D - Investment model replacement of funds | 627,000 | (168,382) | 458,618 | 121,551 | 458,618 | 100.0% | | | 458,618 | |
| NLC10 posts | 21,849 | 0 | 21,849 | 0 | 0 | 0.0% | | 21,849 | 0 | Budget no longer required as project is now complete. |
| NLC12 post | 312,055 | (251,905) | 60,150 | 22,711 | 57,182 | 95.1% | 2,968 | | 57,182 | Balance of budget required to support residual costs in 2025/26. |
| B&D - Backfill for EUC Infrastructure Team (Windows 11) | 137,900 | 0 | 137,900 | 42,543 | 104,576 | 75.8% | 33,324 | | 104,576 | Balance of budget required to support residual costs in 2025/26. |
| Learning Academy | 100,000 | 0 | 100,000 | 21,658 | 100,000 | 100.0% | | | 100,000 | |
| Construction Academy | 228,000 | 0 | 228,000 | 0 | 43,881 | 19.3% | 184,119 | | 43,881 | Balance required in 2025/26 to support ongoing commitments. |
| CSH Recover NL | 81,000 | 0 | 81,000 | 0 | 81,000 | 100.0% | | | 81,000 | |
| Recover NL CSH 2022/23 (Single Number) | 457,861 | (93,699) | 364,162 | 0 | 59,496 | 16.3% | 304,666 | | 59,496 | Recruitment exercise currently underway, balance will be required to be carried forward. |
| Recover NL Grants | 23,863 | 0 | 23,863 | 1,924 | 23,863 | 100.0% | | | 23,863 | |
| Cost of Living (Comms) | 35,372 | 0 | 35,372 | 7,000 | 35,372 | 100.0% | | | 35,372 | |
| Cumbernauld Community Grants (Antonine Centre) | 225,000 | 0 | 225,000 | | 225,000 | 100.0% | | | 225,000 | |
| Grant award Programme | 148,000 | (54,000) | 94,000 | 94,000 | 94,000 | 100.0% | | | 94,000 | |
| Audit Fee | 150,000 | 0 | 150,000 | 0 | 150,000 | 100.0% | | | 150,000 | |
| TOTAL | 3,566,975 | (586,944) | 2,980,030 | | | | 556,606 | 21,849 | 2,401,575 | |

NORTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report - Savings
Period 06 (01 April 2024 - 13 September 2024)
A - Chief Executives Service

| Ref. | DESCRIPTION OF APPROVED SAVING | APPROVED SAVINGS | | | |
|--------|---|------------------|-------------------|-------------|-------------------------|
| | | Target Value | Value Deliverable | Savings Gap | Reasons for Savings Gap |
| | | £000 | £000 | £000 | |
| 01CEX | Directorate & Support - Reivew of Support Services | 56 | 56 | 0 | |
| 03CEX | Directorate & Support | 4 | 4 | 0 | |
| 04CEX | Finance (5%) | 48 | 48 | 0 | |
| 07CEX | Legal & Democratic - Central Services (10%) | 14 | 14 | 0 | |
| 13CEXD | Business & Digital - Reivew of Support Services | 43 | 43 | 0 | |
| 10CEX | Business & Digital - Digital / Field Services - Technical Support to Education & Families | 92 | 92 | 0 | |
| 11CEXD | Business & Digital - DigitalINL (MS Licences) | 200 | 200 | 0 | |
| 12CEX | Business & Digital - Technoclogy Solutions - restructure and review of contracts | 110 | 110 | 0 | |
| 13CEX | Business & Digital - Business Strategy | 154 | 154 | 0 | |
| 19CEX | Strategic Communications & Engagement - Corporate Communications | 149 | 149 | 0 | |
| 20CEX | Strategic Communications & Engagement - Communities | 157 | 157 | 0 | |
| | Historic Recurring Underspends | 680 | 680 | 0 | |
| | | Page 86 of 218 | | | |
| | TOTAL | 1,707 | 1,707 | 0 | |

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref EK/GT/RM

Date 20/11/24

Capital Programme 2024/25 Monitoring Report

From Elaine Kemp, Chief Officer (Finance)

E-mail kempe@northlan.gov.uk

Telephone 07939 280 601

Executive Summary

The purpose of the report is to provide an update on the 2024/25 resources and expenditure for the Council's Strategic Capital Investment Programme. The report shows the 2024/25 projected outturn position and the resultant variances.

It is currently anticipated that the General Fund programme will have a projected programme expenditure variance of £5.923m, primarily due to the ongoing reassessment of vehicle replacement programme requirements, and timing delays within Town and Community Hub programme.

The HRA programme is currently anticipated to outturn on budget.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Acknowledges the provisional outturn financial position of the Council's Strategic Capital Investment Programme as at 13 September 2024.

The Plan for North Lanarkshire

| | |
|--------------------|---|
| Priority | Improve North Lanarkshire's resource base |
| Ambition statement | (25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning |
| Programme of Work | Statutory / corporate / service requirement |

1. Background

- 1.1 The Strategic Capital Investment Programme 2024/25 to 2028/29 was approved at Policy and Strategy Committee in March 2024 and represents the total Community Investment Programme incorporating the General Services Capital Programme and HRA Capital Programmes. The programme was developed in conjunction with Services and led by the Strategic Capital Delivery Group (SCDG) using the principles established by the Council's Capital Strategy.
- 1.2 The General Services Capital Programme supported by General Services resources demonstrates to communities that the place making visions for towns remains a priority and that the approved 5-year capital investment plan supports delivery of The Plan for North Lanarkshire. The programme includes additional investment in Town and Community Hubs, the City Deal programme, and external grant funding.
- 1.3 In addition, the Housing Revenue Account (HRA) resources support several HRA Capital Investment Programmes including the Mainstream programme for investment in the Council's existing estate and delivery of the ambition for 5,000 additional supply through the New Build and Council Buy Back programmes.
- 1.4 The 2024/2025 General Services Capital Programme is currently £143.101m with a £111.291m investment programme in relation to the Housing Revenue Account. This reflects the approved budget in March 2024 at Policy and Strategy Committee and subsequent decisions made at the Strategic Capital Delivery Group (SCDG) in accordance with the SCDG terms of reference, and where appropriate either by the individual service committees, Finance and Resources Committee or the Policy and Strategy Committee per the Scheme of Administration. Appendix 1 provides a breakdown of the overall 2024/25 budget by Service Programme and associated approved budget movements.

2. Report

Overall Council Strategic Capital Investment Programme

- 2.1 The overall Council Strategic Capital Investment programme for 2024/25 and the provisional outturn to 31 March 2025 is summarised in Table 1 as follows:

Community Capital Investment Programme Summary 2024/25

| | Current Programme £000s | Projected Outturn £000s | Outturn Variance £000s |
|---|-------------------------------|-------------------------------|------------------------------|
| Enterprise & Communities | 131,607 | 125,684 | 5,923 |
| Chief Executives | 9,323 | 9,323 | 0 |
| Adult Health & Social Care | 2,171 | 2,171 | 0 |
| General Services: Total Capital Investment | 143,101 | 137,178 | 5,923 |
| General Services Resources: | | | |
| General Fund | | | |
| External Grants & Contributions 2023/24 | 36,824 | 36,824 | 0 |
| External Grants & Contributions b/f 2022/23 | 7,203 | 7,203 | 0 |
| External Grants & Contributions Unapplied | (3,439) | (3,439) | 0 |
| Net External Grants & Contributions | 40,588 | 40,588 | 0 |
| Advanced Developers Contributions | 0 | 1,507 | 1,507 |
| Capital Receipts | 3,250 | 4,920 | 1,670 |
| Capital Receipts -Transfer to Capital Fund | 0 | 0 | 0 |
| CFCR | 24,383 | 24,383 | 0 |
| General Services: Total Resources | 68,221 | 71,398 | 3,177 |
| General Services : Borrowing Requirement | 74,880 | 65,780 | (9,100) |
| HRA : Total Capital Investment | 111,291 | 111,291 | 0 |
| HRA Resources: | | | |
| Net External Grants & Contributions | 15,452 | 15,452 | 0 |
| Capital Receipts | 0 | 8 | 8 |
| CFCR | 20,089 | 20,089 | 0 |
| HRA : Total Resources | 35,541 | 35,549 | 8 |
| HRA : Borrowing Requirement | 75,750 | 75,742 | (8) |
| Summary | | | |
| Total Council : Capital Investment | 254,392 | 248,469 | 5,923 |
| Total Council : Resources | 103,762 | 106,947 | 3,185 |
| Total Council : Borrowing Requirement | 150,630 | 141,522 | (9,108) |

- 2.2 On a budgeted programme of £254.392m expenditure is anticipated to be £5.923m lower than current programme at this stage of the financial year. Further financial performance information regarding each of the programmes is discussed in section 2.3 and 2.16 below.

General Services Capital Programme and Projected Outturn by Service/ Programme

- 2.3 The forecast financial performance of the overall General Services Investment programme at 31 March 2025 is detailed in Appendix 2 and summarised below.

General Services Total Resources

- 2.4 The revised programme approved by the SCDG is £143.101m with total resources available to meet the current programme forecast to be £68.221m, resulting in a borrowing requirement of £74.880m.
- 2.5 In 2024/25 net external grants and contributions of £40.588m will be utilised. This capital resource primarily includes the Scottish Government (SG) General Capital Grant receivable of £22.270m and other specific SG Grants including City Deal (£3.289m), Vacant and Derelict Land Fund (VDLF, £1.231m), Live Labs II (LLII £1.369m), Traffic Signals and Road Safety Fund (TSRS, £2.434m) and Shared Prosperity Fund (SPF £1.406m). It also includes contributions from other sources such as Salix (£2.345m) and developer contributions of £4.483m. In addition, capital grants received in 2023/24 have been added to the programme to match expenditure in 2024/25 including £1.418m for VDLF, £1.841m for PBIP, £1.875m for Regeneration Capital Grant Fund, £1.477m for Live Labs II and £0.231m for Community Bus Fund. This has been offset by £3.439m of external grant and contributions for Live Labs II (LLII £1.864m), VDLF (£1.549m) and the Scottish Wildlife Trust (£0.026m) which will not be applied in 2024/25 for projects which will not now be completed until 2025/26.
- 2.6 Receipts from the sale of assets are currently projected to be £4.920m, which is £1.670m greater than the budget of £3.250m. These receipts will continue to be closely monitored throughout the financial year.
- 2.7 While the approved 5-year capital programme has assumed phasing of known utilisation of developer contributions, the accelerated timing of drawdown of these contributions of an additional £1.507m during 2024/25 to match in-year expenditure reduces the borrowing requirement for 2024/25 and will instead be required in 2025/26 financial year.

General Services Total Expenditure

- 2.8 As indicated in Table 1 the General Services investment programme is £143.101m. At Period 6, the provisional outturn spend is £5.923m lower than current programme. Further analysis by service/programme is outlined below and summarised within Appendix 2.
- 2.9 **Enterprise and Communities** is projecting outturn expenditure of £125.684m, which is a £5.923m variance from current programme. Within the Community Operations theme, the ongoing assessment of the Council's vehicle requirements has resulted in a positive in-year variance in the vehicle replacement programme of £3.227m. In addition, a delay in commencing the new Roads and Infrastructure contract has resulted in a positive variance of £1.000m for the LED Infrastructure project. Discussions with the new provider Hochtief to establish the delivery timescales will be undertaken.
- 2.10 Within the Town and Community Hub theme, in-year expenditure on the St Kevin's Community Hub project is now expected to result in a variance of £4.414m due to the requirement for additional pollution control testing and mitigation. These issues have now been resolved, financial close has been signed off and works have now commenced on the project.

- 2.11 These are partially offset by cost increases within Assets and Procurement, where works have been accelerated within the Office Reconfiguration theme of £0.814m to support the needs of Services.
- 2.12 Within Maintaining Existing Assets a programme variance of £0.978m is projected, primarily due to an emerging issue within the Time Capsule for the water sports facility and lifts within the venue, has resulted in forecast additional costs of £0.859m this financial year. The Service are working with tender returns to decide on the package of works required and timing for these works with a virement to be requested to resolve the funding for these works. Within this theme, there have also been cost increases experienced on a major rewire project mainly linked to additional asbestos removal works of £0.819m but these have been offset by underspends on roofing works and delaying of another rewire project, roofing and toilet works into next financial year.
- 2.13 Additional unforeseen drainage works for two modular accommodation projects within Sustainable Estate theme and completion of the Heathery Park nursery project within the 1140 Early Learning and Childcare Expansion theme have resulted in cost increases of £0.223m and £0.300m respectively. It is also anticipated that it will now be possible to accelerate demolition works resulting in an in-year variance of £0.469m. These increased budget requirements will be managed by the Service within their overall 5-year budget allocation. Committed expenditure of £85.035m is currently reported, which represents 67.66% of the targeted expenditure, and actual expenditure is £35.489m which represents 28.24% of targeted expenditure.
- 2.14 **Chief Executives** is projecting outturn expenditure of £9.323m, which is on budget. Committed expenditure of £4.250m is currently reported, which represents 45.59% of the targeted expenditure. Actual expenditure is £2.185m, which is 23.44% of targeted expenditure.
- 2.15 **Adult Health & Social Care** is projecting outturn expenditure of £2.171m, which is on budget. Committed expenditure of £0.783m is currently reported, which represents 36.07% of the targeted expenditure, and actual expenditure is £0.624m which is 28.74% of targeted expenditure.

HRA Capital Investment

- 2.16 The financial performance of the HRA Capital Programme is reported in detail to the Housing Committee. A summary of performance as at 13 September 2024 is provided at Appendix 3. Total expenditure of £111.291m is forecast for 2024/25 which is on budget.
- 2.17 Committed expenditure of £100.252m is currently reported, which represents 90.08% of the targeted expenditure, and actual expenditure is £38.555m which is 34.6% of targeted expenditure.

3. Measures of success

- 3.1 N/A

4. Supporting documentation

- 4.1 Appendix 1: Strategic Capital Investment Programme 2024/25 budget movements
Appendix 2: General Services Capital Investment Programme Summary 2024/25

Appendix 3: HRA Capital Investment Programme Summary 2024/25



Elaine Kemp
Chief Officer (Finance)

5. Impacts

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

| | |
|--|--------------------------------------|
| 5.6 | Technology / Digital impact |
| Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? | |
| Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input type="checkbox"/> | |
| 5.7 | 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? | |
| 5.8 | 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? | |
| 5.9 | Risk impact |
| Is there a risk impact? | |
| Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | |
| 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? | |
| Despite the updated programme approved at Policy and Strategy Committee in March 2024 the capital programme continues to face challenges in relation to the wider economic climate, linked to availability of materials, contractors and inflationary pressures. These are currently being managed by services and Project Boards associated with specific programme delivery and will continue to be monitored throughout the year in accordance with the SCDG Terms of Reference | |
| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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

2024/25 Strategic Capital Investment Programme – budget movements

Appendix 1

| | Enterprise & Communities | Chief Executives | Adult Health & Social Care | Corporate | Total General Services Investment Programme | Total HRA Investment Programme | Total Community Investment Programme |
|--|--------------------------|------------------|----------------------------|-----------|---|--------------------------------|--------------------------------------|
| | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| 24/25 Opening programme approved Policy & Strategy Committee 1 March '24 | 99,161 | 5,589 | 2,200 | 450 | 107,400 | 115,291 | 222,691 |
| 23/24 Overs/Unders Carry Forward | 15,802 | 4,506 | (29) | (37) | 20,242 | 0 | 20,242 |
| 24/25 Budget adjustments approved by SCDG | 872 | 0 | 0 | (872) | 0 | 0 | 0 |
| Increase/(Decrease) in Externally Funded Projects | 18,789 | 1,031 | 0 | 0 | 19,820 | 0 | 19,820 |
| Increase/(Decrease) in CFR | 3,010 | 0 | 0 | 0 | 3,010 | 0 | 3,010 |
| 24/25 Re-profiling of projects to future years approved by SCDG | (6,027) | (1,803) | 0 | 459 | (7,371) | (4,000) | (11,371) |
| Revised Capital Programme 2024/25 | 131,607 | 9,323 | 2,171 | 0 | 143,101 | 111,291 | 254,392 |

General Services Capital Investment Programme Summary 2024/25 - as at 31 March 2025

Appendix 2

| Investment | Current Programme 2024/25 £000s | Projected Outturn 2024/25 £000s | Outturn Variance 2024/25 £000s | Committed Expenditure @ P6 £000s | Committed Expenditure % of Projected Outturn | Actual Expenditure @ P6 £000s | Actual Expenditure % of Projected Outturn |
|--|---------------------------------|---------------------------------|--------------------------------|----------------------------------|--|-------------------------------|---|
| Enterprise & Communities | 131,607 | 125,684 | 5,923 | 85,035 | 67.66% | 35,489 | 28.24% |
| Chief Executives | 9,323 | 9,323 | 0 | 4,250 | 45.59% | 2,185 | 23.44% |
| Adult Health & Social Care | 2,171 | 2,171 | 0 | 783 | 36.07% | 624 | 28.74% |
| Total General Services Investment | 143,101 | 137,178 | 5,923 | 90,068 | 65.66% | 38,298 | 27.92% |

| General Services Resources; | | | |
|---|----------------|----------------|----------------|
| External Grants & Contributions 2024/25 | 36,824 | 36,824 | 0 |
| External Grants & Contributions b/f 2023/24 | 7,203 | 7,203 | 0 |
| External Grants & Contributions Unapplied cfwd to 2025/26 | (3,439) | (3,439) | 0 |
| Net External Grants & Contributions | 40,588 | 40,588 | 0 |
| Advanced Developers Contributions | 0 | 1,507 | 1,507 |
| CFCR | 24,383 | 24,383 | 0 |
| Capital Receipts | 3,250 | 4,920 | 1,670 |
| Total Resources | 68,221 | 71,398 | 3,177 |
| <i>Borrowing Requirement:</i> | | | |
| General Services | 74,880 | 65,780 | (9,100) |
| Total General Services Borrowing Requirement | 74,880 | 65,780 | (9,100) |
| Total Resources incl Borrowing Requirement | 143,101 | 137,178 | (5,923) |

HRA Capital Investment Programme Summary 2024/25 - as at 31 March 2025

Appendix 3

| Investment | Current Programme 2024/25 £000s | Projected Outturn 2024/25 £000s | Outturn Variance 2024/25 £000s | Committed Expenditure @ P6 £000s | Committed Expenditure % of Projected Outturn | Actual Expenditure @ P6 £000s | Actual Expenditure % of Projected Outturn |
|-----------------------------|---------------------------------|---------------------------------|--------------------------------|----------------------------------|--|-------------------------------|---|
| Mainstream Programme | 63,114 | 63,114 | 0 | 57,780 | 91.55% | 21,519 | 34.1% |
| New Build Programme | 35,541 | 35,541 | 0 | 35,541 | 100.00% | 13,676 | 38.5% |
| Council Buy Back Scheme | 12,636 | 12,636 | 0 | 6,931 | 54.85% | 3,360 | 26.6% |
| Total HRA Investment | 111,291 | 111,291 | 0 | 100,252 | 90.08% | 38,555 | 34.6% |

| | | | |
|---|----------------|----------------|------------|
| HRA Capital Resources; | | | |
| External Grants & Contributions | 15,452 | 15,452 | 0 |
| External Grants & Contributions Unapplied | 0 | 0 | 0 |
| Net External Grants & Contributions | 15,452 | 15,452 | 0 |
| CFCR | 20,089 | 20,089 | 0 |
| Capital Receipts | 0 | 8 | 8 |
| Total Resources | 35,541 | 35,549 | 8 |
| <i>Borrowing Requirement:</i> | | | |
| HRA - Mainstream | 47,695 | 47,687 | (8) |
| HRA - New Build | 19,925 | 19,925 | 0 |
| HRA - Buyback Scheme | 8,130 | 8,130 | 0 |
| Total Borrowing Requirement | 75,750 | 75,742 | (8) |
| Total Resources incl Borrowing Requirement | 111,291 | 111,291 | 0 |

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref EK/NS/PF

Date 20/11/24

Chief Executive Service – Capital Monitoring Report 1 April to 13 September 2024 (Period 06)

From Elaine Kemp, Chief Officer (Finance)

E-mail KempE@northlan.gov.uk

Telephone 01698 302408

Executive Summary

This report highlights the financial performance and projected outturn of 2024/25 Chief Executive capital programme for the period ended 13 September 2024 (Period 06).

In summary the Service has a total capital budget of £9.323m, comprising of £6.317m within Business and Digital and £3.006m within Strategic Communications and Engagement. This budget reflects the budget approved by the Policy and Strategy Committee in March 2024; balances carried forward from previous years subsequent decisions made at the Strategic Capital Delivery Group (SCDG) in relation to reprofiling.

The Service is currently projecting a break-even position at this stage of the financial year. Further explanation of management action taken by the Service is included within the main report and attached appendices.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Considers the financial position of the 2024/25 Chief Executive capital programme.

The Plan for North Lanarkshire

| | |
|--------------------|---|
| Priority | Improve North Lanarkshire's resource base |
| Ambition statement | (25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning |
| Programme of Work | Statutory / corporate / service requirement |

1. Background

- 1.1 This report provides a summary of the Chief Executive Service financial performance for the period 1 April 2024 to 13 September 2024 (Period 06), with major outturn variances highlighted and explained per the Council's approved Financial Regulations.
- 1.2 The Council approved its Capital programme at Policy and Strategy Committee on 14 March 2024 with an allocated budget £6.620m for the current year. In addition, carry forwards from the previous year, Scottish Government funding for Play Areas and decisions made at SCDG in relation to reprofiling have resulted in a revised Capital Programme of £9.323m for the 2024/25 Financial Year as detailed in Appendix 1 of this report.
- 1.3 The Council's approved Financial Regulations required the Chief Executive to remain within his approved budgetary provision, and to report all significant deviations – defined as the higher of £0.100m or 5% - within their budget monitoring reports. Where significant deviations were identified, Chief Officers must provide explanatory commentary, outline the action required to rectify such deviations and where relevant, must also highlight the impact this has on other budget headings.

2. Report

Summary of Financial Position

- 2.1 The Service is currently projecting a break-even position for the financial year 2024/25 following approval from SCDG to reprofile budgets into future years. Capital budgets and expenditure are summarised in Appendix 1.

Analysis of Significant Variances

- 2.2 A explanation of the current position within Business and Digital is detailed below:
 - Line of Business (LOB)
Following approval from SCDG to reprofile £0.410m due to updated end-of-life dates for equipment coupled with delays within the CRM Psychological Services programme a break-even position is now forecast.
 - End User Devices (EUD)
Similarly following approval to reprofile £0.423m due to delays in placing orders with the corporate refresh programme due to timing of upgraded models coupled with reduced costs within the immersive programme, the service is now projecting a break-even position.
- 2.3 A explanation of the current position within Strategic Communications and Engagement is detailed below:

Following the recent reprofiling exercise of £0.970m due to the availability of suppliers to deliver play projects by 31 March 2025 and prioritisation of UKSPF funding to support groups applying for a Community Asset Transfer the service is projecting a break-even position.

Management Action

- 2.4 The Service closely monitors all activities to ensure available budgets are maximised whilst monitoring and actively managing the ongoing external challenges in delivery of

projects. The Service continues to review the programme with updates being provided to the SCDG and Committee.

3. Measures of success

- 3.1 The Service aim is to operate within approved budget resources over the term of the capital programme.
-

4. Supporting documentation

- 4.1 Appendix 1 Summary Expenditure by Project / Theme



Elaine Kemp
Chief Officer (Finance)

5. Impacts

| |
|--|
| <p>5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input type="checkbox"/></p> |
| <p>5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>As stated within the main body of the report.</p> |
| <p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
| <p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
| <p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p> |

| | |
|---|--------------------------------------|
| 5.6 | Technology / Digital impact |
| Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? | |
| Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input type="checkbox"/> | |
| 5.7 | 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? | |
| 5.8 | 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? | |
| 5.9 | Risk impact |
| Is there a risk impact? | |
| Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | |
| 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? | |
| 5.9.1 All activities undertaken by the Council are subject to risk, and in acknowledging the Council's approved Risk Management Strategy, Services manage these as part of their overall corporate and service planning processes. The current economic climate, in particular, has the potential to impact upon the Council's ability to provide quality services within approved budget levels. | |
| 5.9.2 To minimise risk this report was prepared by Finance personnel in consultation with budget managers, in accordance with the Financial Regulations. | |
| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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

Chief Executives Capital Programme 2024/25
Summary Expenditure by Thematic Categories
1st April 2024 - 13 September 2024 (Period 06)

| Theme | Budget £ | YTD | | | OUTTURN | |
|--|------------------|------------------|------------------|------------------|---------------------------|--------------------------|
| | | Actual £ | Committed £ | Uncommitted £ | Projected Outturn £ | Outturn variance £ |
| Digitisation & Innovation | 2,838,431 | 944,844 | 1,487,129 | 1,351,302 | 2,838,431 | - |
| Line of Business (LOB) System Portfolio | 1,835,243 | 453,925 | 453,925 | 1,381,318 | 1,835,243 | - |
| End User Device (Eud) Refresh | 1,301,045 | 108,794 | 341,707 | 959,338 | 1,301,045 | - |
| Cyber | 114,000 | - | - | 114,000 | 114,000 | - |
| Capacity | 128,000 | - | 127,642 | 358 | 128,000 | - |
| Innovation | 100,000 | - | - | 100,000 | 100,000 | - |
| TOTAL BUSINESS and DIGITAL | 6,316,719 | 1,507,563 | 2,410,403 | 3,906,316 | 6,316,719 | - |
| Community Board Project Investment Fund | 2,906,220 | 933,366 | 1,839,171 | 1,067,049 | 2,906,220 | - |
| Community Asset Transfers | 100,000 | - | - | 100,000 | 100,000 | - |
| TOTAL STRATEGIC COMMUNICATIONS and ENGAGEMENT | 3,006,220 | 933,366 | 1,839,171 | 1,167,049 | 3,006,220 | - |
| TOTAL CHIEF EXECUTIVES | 9,322,939 | 2,440,930 | 4,249,574 | 5,073,365 | 9,322,939 | - |

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref EK/KS/RM/GM

Date 20/11/24

Treasury Management Monitoring Report for quarter ended 30 September 2024

From Elaine Kemp, Chief Officer (Finance)

E-mail McnameeR@northlan.gov.uk **Telephone** Ryan McNamee, Finance Manager

Executive Summary

This report fulfils the key requirements of the Council's reporting procedures for Treasury Management in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. It informs on the quarterly Treasury Management activity for the period 1 July 2024 to 30 September 2024 and compliance with the mandatory treasury and prudential indicators.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Acknowledge the Treasury Management Activity for the quarter ended 30 September 2024 including the performance against the key treasury and prudential indicators.

The Plan for North Lanarkshire

| | |
|--------------------|---|
| Priority | Improve North Lanarkshire's resource base |
| Ambition statement | (25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning |
| Programme of Work | Statutory / corporate / service requirement |

1. Background

- 1.1 The Council manages its treasury activities in line with the CIPFA Code 'Treasury Management in the Public Services'. The Code requires the Council to produce reports on its Treasury Management policies, practices and activities on a regular and ongoing basis. The Council fulfils these obligations, in part, by the preparation of this Treasury Management Monitoring report produced on a quarterly basis, encompassing a review of performance.
- 1.2 The Council's "Treasury Management Strategy 2024/2025 and Treasury and Prudential Indicators 2024/2025 to 2028/2029" was approved by Committee at its meeting on 28 February 2024. The Treasury activity undertaken in the second quarter of 2024/25 reflects the key requirements of the Council's 2024/25 Treasury Management Strategy, with the Public Works Loan Board (PWLB) and Long-term Money Market being the prime source of long-term funds. In terms of investment activity, this is conducted in accordance with the approved 2024/25 investment strategy.

2. Report

Summary Position

- 2.1 The net overall borrowing position to 30 September 2024 is £997.4m, which is a reduction of £31.6m from the position at the 30 June 2024. A detailed breakdown of the net cash movement is shown in column (6) within Appendix 1 and is discussed below.

Borrowing

- 2.2 At the end of the quarter, total external debt amounted to £1,049.1m, a reduction of £13.3m. This was primarily due to repayment of existing PWLB debt of £16.8m, a reduction in lease payments under existing finance lease and Service Concessions obligations of £2.0m falling due for repayment. In addition, this was partly offset by an increase in net temporary borrowing of £5.5m, due to £85.5m of new borrowing being offset by £80.0m falling due for repayment.
- 2.3 The Council's approach to borrowing is in line with the approved strategy which aims to source long-term borrowing and take advantage of temporary (short-term) borrowing at attractive rates, and where possible, using internal cash balances, to meet the principal repayments, daily revenue account requirements and the capital financing requirement, in lieu of future borrowing for capital purposes. The strategy adopted considers interest rate forecasts, the management of carrying costs and the retention of cash balances at appropriate levels, whilst managing the associated investment, interest, and liquidity risk.
- 2.4 The Council made a successful application to the PWLB to access the certainty rate which allows a 20-basis point (bps) (0.20%) discount on loans from the PWLB under the prudential borrowing regime. This will continue to provide the Council with an opportunity to borrow from the PWLB at more beneficial rates until 30 April 2025.
- 2.5 A new PWLB HRA rate, which is 0.4% below the certainty rate, has been available from 15th June 2023, which will now be available until June 2025, to support local authorities borrowing for Housing capital purposes or refinancing existing loans. In conjunction with our treasury advisors, we continue to review borrowing requirements and assess borrowing opportunities for the Council during 2024/25.

- 2.6 The CIPFA Prudential Code stipulates that local authorities cannot borrow to invest primarily for financial return, deeming it imprudent to make investment or spending decisions which will increase the capital financing requirement resulting in new borrowing, unless it is directly and primarily related to the functions of the Council. The Council is compliant with this requirement. Members should note also that PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield.
- 2.7 Members will be aware interest rates have risen significantly over the past 2 years, increasing materially the cost of both short and long-term borrowing. In this quarter, the Bank of England reduced the base rate to 5.00% in August. It should be noted that the Council's cost of short-term borrowing reduced slightly during the quarter as whilst the cost of short-term borrowing from other local authorities spiked to around 7% in late March 2024, primarily due a dearth of local authority lending/borrowing activity during the month, as expected shorter-term rates reverted to a more normal range and were generally around 5.00% to 5.25% through the quarter. The average rate on the Council's short-term loans at 30th September 2024 was 5.15%.
- 2.8 After substantial rises in interest rates since 2021 many central banks have now begun to reduce rates, albeit slowly. Gilt yields were volatile over the period and reduced slightly between June and September 2024. Much of the downward pressure from lower inflation figures was counteracted by upward pressure from positive economic data. Data from the US continues to impact global bond markets including UK gilt yields. The PWLB certainty rate for 10-year maturity loans was 5.02% at the beginning of the quarter and 4.79% percent at the end. The lowest available 10-year maturity rate during the quarter was 4.52% and the highest was 5.06%. Rates for 20-year maturity loans ranged from 5.01% to 5.47% during the quarter, and 50-year maturity loans from 4.88% to 5.29%.

Debt Restructuring

- 2.9 In conjunction with our Treasury advisors, we monitored the economic climate in relation to our financial targets and Treasury Management Strategy, for the quarter under review. The interest rates prevailing throughout the period resulted in no beneficial opportunities for debt restructuring/rescheduling of the existing PWLB debt portfolio arising.
- 2.10 The Council continues to hold £3.0m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. The rise in market interest rates increases the probability of LOBOs being called, however, no lender exercised their option during the quarter.
- 2.11 Further reports regarding future activity will be presented to Committee as appropriate.

Investments

- 2.12 Treasury management investments arise from cash flows or treasury risk management activity, that results in balances being invested, until the cash is required for use in the course of business.
- 2.13 At the end of the second quarter of 2024/25, the Council held total investments of £51.7m, which is a net increase of £18.3m in cash and cash equivalents, primarily due

to a £14.7m increase in short-term investments, reflecting maturing temporary investments of approximately £305.8m, and undertaking new short-term investments of £320.5m, and a reduction in uncleared balances due to timing differences including cash in transit of £3.7m. See summary at Appendix 1, column 6.

- 2.14 At quarter end, the uncleared balances including cash in transit was £4.5m which is a net deficit position, a reduction of £3.7m compared to the position reported at the end of the previous quarter of £8.1m. The positive net cash movement primarily reflects a decrease in the value of BACS creditor payment runs compared with the previous period. The balance at 30 September 2024 comprises £4.5m of net BACS credits outstanding due for clearance within 3 days of the quarter end date, cash in transit balance of £0.2m, partly offset by cheques unrepresented of £0.2m.
- 2.15 In line with the approved strategy to manage liquidity, the Council aims to maintain a minimum balance of £30.0m available on an overnight basis (instant access), ensuring a prudent level of funds is maintained to meet all service requirements.
- 2.16 During the quarter, the MPC voted to reduce the Bank of England base rate by 0.25% to 5.00%. This reduction of the base rate over the period under review, resulted in short-dated cash rates also reducing, with rates ranging between 5.14% at the beginning of July to 4.88% at the end of September, a reduction of 0.26% for overnight/7-day maturities. There is little noticeable difference between the 7 day and 1-month SONIA (Sterling Overnight Rate) bid rates and generally available investment rates offered by financial institutions and money market funds. Despite this, the Council will endeavour to achieve good performance levels in investment activity.
- 2.17 Overall the Treasury Management team continues to take a prudent approach to investing surplus funds in line with the approved 2024/25 Investment Strategy. Security of investment followed by ensuring sufficient liquidity are key investment criteria governing Council investment decisions. This approach is aligned to the prudent management of liquidity to meet current commitments and future cash demands based on the latest cashflow projections. During the quarter, the rates on DMADF deposits ranged between 4.94% and 5.19% and money market rates between 4.90% and 5.21%.
- 2.18 However, as demonstrated by the liability benchmark reported at (xi) below and Appendix 3 attached, it is anticipated the Council will be a long-term borrower and therefore new treasury investments are primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.

Non-Treasury Management Investments

- 2.19 During the quarter, no repayments were made in respect of third-party advances in connection with the Cumbernauld Academy DBFM and Greenfaulds DBFM.

Interest Rate Movements & Other Economic Updates

- 2.20 As outlined by our treasury management advisors, UK headline consumer price inflation remained around the Bank of England (BoE) target later in the period, falling from an annual rate of 3.2% in March to 2.0% in May and then rebounding marginally to 2.2% in July and August, as was expected, due to base effects from energy prices. Core and services price inflation remained higher at 3.6% and 5.6% respectively in August.

- 2.21 The UK economy continued to expand over the period, albeit slowing from the 0.7% gain in the first calendar quarter to 0.5% (downwardly revised from 0.6%) in the second and 0.3% in the third. Of the monthly figures, the economy was estimated to have registered no growth in July, with growth of 0.2% in August.
- 2.22 Labour market data was slightly better from a policymaker perspective, showing an easing in the tightness of the job market, with inactivity rates and vacancies declining. However, a degree of uncertainty remains given ongoing issues around the data collected for the labour force survey by the Office for National Statistics. Figures for the three months to July showed the unemployment rate fell to 4.1% (3mth/year) from 4.4% in the previous three-month period while the employment rate rose to 74.8% from 74.3%. Over the same period average regular earnings (excluding bonuses) was 5.1%, down from 5.4% in the earlier period, and total earnings (including bonuses) was 4.0% (this figure was impacted by one-off payments made to NHS staff and civil servants in June and July 2023). Adjusting for inflation, real regular pay rose by 2.2% in May to July and total pay by 1.1%.
- 2.23 With headline inflation lower, the BoE cut base rate from 5.25% to 5.00% at the August Monetary Policy Committee (MPC) meeting. The decision was finely balanced, voted by a 5-4 majority with four members preferring to hold at 5.25%. At the September MPC meeting, committee members voted 8-1 for no change at 5.00%, with the lone dissenter preferring base rate to be cut again to 4.75%. The meeting minutes and vote suggested a reasonably hawkish tilt to rates, with sticky inflation remaining a concern among policymakers.
- 2.24 The latest BoE Monetary Policy Report, published in August, showed policymakers expected GDP growth to continue expanding during 2024 before falling back and moderating from 2025 to 2027. Unemployment was forecast to stay around 4.5% while inflation was shown picking up in the latter part of 2024 as the previous years' energy price declines fell out of the figures before slipping below the 2% target in 2025 and remaining there until early 2027.
- 2.25 Our treasury management advisors maintain its central view that base rate would steadily fall from the 5.25% peak, with the first cut in August being followed by a series of further cuts, with November 2024 the likely next one, taking base rate down to around 3% by the end of 2025.
- 2.26 In global terms, the US Federal Reserve also cut interest rates during the period, reducing the Federal Funds Rate by 0.50% to a range of 4.75%-5.00% at its policy meeting in September. Their forecasts released at the same time suggested a further 1.00% of easing is expected by the end of the calendar year, followed by the same amount in 2025 and then a final 0.50% of cuts during 2026. Having first reduced interest rates in June, the European Central Bank (ECB) held steady in July before cutting again in September, reducing its main refinancing rate to 3.65%. Unlike the US Federal Reserve, the ECB has not outlined a likely future path of rates, but inflation projections remain in line with the central bank's previous forecasts where it will remain above its 2% target until 2026 on an annual basis.
- 2.27 Sentiment in financial markets continued to mostly improve over the period, but the ongoing trend of bond yield volatility remained. The general upward trend in yields in the early part of the year was reversed in the later part, and yields ended not too far from where they started. However, the volatility in response to economic, financial and geopolitical issues meant it was a bumpy ride for bond investors during that time.

- 2.28 Over the period, the 10-year UK benchmark gilt yield started at 4.18% and ended at 4.00% but hit a high of 4.29% in early July and a low of 3.76% in mid-September. While the 20-year gilt started at 4.61% and ended at 4.51% but hit a high of 4.73% in early July and a low of 4.27% in mid-September. The Sterling Overnight Rate (SONIA) averaged 5.03% over the period to 30th September.
- 2.29 Due to holding of the base rate during the period, short-term borrowing interest rates stabilised with the short term 7-day offer rate ranging between 5.06% and 5.34% over the period. Taking account of the increase in borrowing rates and advice from our treasury management advisors, it was considered more cost effective in the near term to use a combination of internal resources or to borrow rolling temporary / short-term loans at lower interest rates where possible rather than long term borrowing. This will result in increased temporary borrowing costs for the Council partially offset by increased investment income earned on surplus balances.
- 2.30 The Treasury Management Section will continue to monitor financial and economic policy and their impact upon the Council's investment and borrowing activity.

The Prudential Code for Capital Finance in Local Authorities

- 2.31 The Local Government in Scotland Act 2003 requires the Council to undertake its Treasury activities in line with the Prudential Code for Capital Finance in Local Authorities.
- 2.32 Committee, at its meeting on 28 February 2024, approved a report titled, "Treasury Management Strategy 2024/2025 and Treasury and Prudential Indicators 2024/2025 to 2028/2029". This report detailed a variety of mandatory and local indicators aimed at assisting members to determine that proposed capital investment levels and treasury management decisions satisfied the key requirements of affordability, prudence and sustainability. Performance against key prudential indicators for 2024/25 to date is detailed within Appendix 2.
- (i) Indicator 1(a) illustrates planned investment on capital expenditure is forecast to be lower than initially anticipated by £63.8m in 2024/25. This reflects a reduction of £19.3m in the General Fund capital investment and £44.5m for the HRA Mainstream and New Build programmes. For further information, this is monitored in detail as part of the Council's capital programme reporting mechanisms which will provide spend details including any revisions to the estimates approved in 2024/25.
 - (ii) The mix of resources required to finance the capital expenditure in 2024/25 reflects the updates on forecast capital investment. Therefore, the level of in-year borrowing is anticipated to be lower by £75.3m due to a reduction in General Fund programme requirements of £49.0m and £26.3m for HRA programme. This forecast level of borrowing also reflects a net decrease in capital grants and external contributions of £14.6m with decreased funds available to HRA programmes of £18.3m partly offset by an increase in General Fund of £3.7m. An increase of £24.4m of CFCR is also anticipated, primarily due to an increase in General Fund related to one-off savings in pension costs in 2024/25 being utilised for capital investment, and an increase in capital receipts of £1.6m.
 - (iii) As a result of accounting issues arising from the pandemic recovery, the implementation of IFRS 16 Lease Accounting was further delayed. Therefore, a restatement of existing liabilities for operating leases to the credit arrangement category will be implemented in 2024/25 with an estimated impact of £2.2m. In

addition, subsequent impact of IFRS16 implementation on Service Concessions liabilities in 2024/25, is estimated to result in capital investment of £93.9m being recognised in the period to 2028/29. It should be noted that this does not represent cash expenditure and is offset by recognition of associated credit arrangements financing.

- (iv) Indicator 1(b) – The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). The CFR is essentially a measure of Council's underlying borrowing need i.e. capital expenditure not resourced by capital grants, receipts or CFR, with any new borrowing increasing the CFR. The CFR is projected to rise to £1,591.4m within the financial year as at 30 September 2024.
- (v) The Prudential Code requires the Council's capital investment to be prudent and affordable. To demonstrate this, a Prudential Margin (the need to borrow versus actual borrowing) is calculated. Indicator 1(c) demonstrates a healthy prudential margin of £262.8m estimated as at 30 September 2024. The timing and profile of external borrowing to replenish cash reserves and balances are being managed, giving full consideration to liquidity, interest rate and refinancing risk, whilst minimising the potential carrying costs.
- (vi) Indicator 1(d) illustrates that both the overall Authorised Limit and Operational Boundary limits for borrowing and long-term liabilities have not been exceeded, with the maximum borrowing undertaken within the period being well below the approved boundaries.
- (vii) Indicator 1(e) illustrates the financing costs forecasts as at 30 September 2024 for both general fund and HRA as a proportion of net revenue stream. Although capital expenditure is not charged directly to revenue, interest payable on loans, and loan fund and long-term liability repayments are. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, NDR and government grants.
- (viii) Indicator 2(a) highlights the proportion of external interest payable by the Council which is fixed and variable over the term of the borrowing, and therefore the exposure to the effects of interest rate changes. As at 30 September 2024, the level of borrowing subject to variability is deemed to be within acceptable levels.
- (ix) Indicator 2(b) highlights a projected increase in loan charges of £2.0m compared to the initial Treasury Management Strategy estimates for 2024/25. This projection takes into account treasury management activity, internal Interest on Revenue Balances (IORB) recharges due to increased market interest rates, the loans fund holiday flexibility adopted in 2022/23 and decisions of the Policy and Strategy Committee and the Strategic Capital Delivery Group to approve and reprofile the new capital programme for the period 2024/25 to 2028/29 based on current programme delivery plans. However, it should be noted that due to significant uncertainty and volatility within market conditions that there is a material risk of movement in applicable interest rates impacting IORB recharges. When applied to the high levels of balances held by the Council, this could lead to a significant movement in the level of financing costs expected. A review has been undertaken to model the potential impact of any changes and has been incorporated within this report and will continue to be reviewed throughout the year with further updates to be provided to members in future reports. This current loan charge variance is made up of:

- A net treasury management interest and expenses overspend of £2.3m is projected (£0.6m General Fund, HRA £1.7m), which is a primarily a reflection of increased internal IORB charges, and incorporates cashflow management techniques adopted, e.g. directing the timing of new borrowing, managing investment security, liquidity and interest rate risk.
 - In 2024/25 it is anticipated there will be a minor reduction in anticipated loans fund advance repayments of £0.3m (£0.2m General Fund, HRA £0.1m). This is primarily due to revised average loan pool rates from previously forecast.
- (x) Indicator 2(c) relates to the level of fixed debt due to mature within time periods. The level of debt maturing remains within the upper limits set for each category at the beginning of the financial year.
- (xi) The Liability Benchmark at Appendix 3 is a new indicator. The Treasury Management Code states that organisations should evaluate the amount, timing and maturities needed for new borrowing in relation to planned borrowing needs, in order to avoid borrowing too much, too little, too long or too short. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shapes its strategic focus and decision making. Essentially this benchmark identifies the projection of external debt/borrowing required over the long term to fund approved revenue & capital budgets, while keeping treasury investments at the minimum level required to manage day-to-day cash.
- (xii) This represents the comparison of the Council's actual borrowing against an alternative strategy. This utilises the forecasts for Capital Financing Requirement, long-term liabilities, current external borrowing, balance sheet resources i.e. reserves, and that cash and investment balances are kept to a minimum of £30.0m at each year-end to maintain sufficient liquidity but minimise credit risk.

| | 31/3/24 Actual £m | 31/3/25 Forecast £m | 31/3/26 Forecast £m | 31/3/27 Forecast £m | 31/3/28 Forecast £m | 31/3/29 Forecast £m |
|-------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Loans CFR | 1,175.8 | 1,292.7 | 1,522.0 | 1,736.5 | 1,876.7 | 2,027.6 |
| less Balance Sheet Resources | (369.5) | (344.5) | (312.7) | (295.8) | (236.8) | (224.0) |
| Net Loans Requirement | 806.3 | 948.2 | 1,209.3 | 1,440.6 | 1,639.9 | 1,803.6 |
| plus: Liquidity Allowance | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| Liability Benchmark | 836.3 | 978.2 | 1,239.3 | 1,470.6 | 1,669.9 | 1,833.6 |
| Existing Borrowing | 866.9 | 746.1 | 553.7 | 512.6 | 478.2 | 448.0 |
| New Borrowing Required | 0.0 | 232.1 | 685.6 | 958.0 | 1,191.7 | 1,385.5 |

- (xiii) The Loans CFR (solid light blue) represents the total cost of the capital expenditure plans based on the estimated current profile of the 5-year Capital Programme 2024/2025 to 2028/2029 as approved by Policy & Strategy Committee on 14th March 2024. This reduces over time as scheduled principal repayments are made to the loans fund. The Net Loans Requirement (dotted red line) represents the minimum external borrowing required to fund the current capital expenditure plans assuming all cash reserves and balances are utilised to offset borrowing requirements. The Liability Benchmark (solid red line) represents the estimated borrowing required, taken account of liquidity allowance required of £30.0m to be held to maintain liquidity and to manage day-to-day cashflows.
- (xiv) The solid grey section shows the maturity profile of current borrowing. The gap between the grey section and the liability benchmark line represents the estimated

additional borrowing that is forecast will be required to fund the current capital expenditure plans, via long-term and short-term borrowing options.

3. Measures of success

- 3.1 Overall the approach adopted by the Council's Treasury Management team during the quarter under review met the key requirements of the 2024/25 Treasury Management Strategy. Prudential indicators have remained in accordance with those approved by Committee on 28 February 2024. The projected final outturn illustrates a healthy prudential margin and borrowing levels that are below sustainable limits, ensuring that the projected capital investment levels remain affordable and sustainable. However, the current financial volatility and increased borrowing costs has resulted in an assessment being undertaken of the potential impact on future years of the current capital programme. This will continue to be monitored to determine if any further review of the programme is required to ensure that it remains sustainably affordable.
-

4. Supporting documentation

- Appendix 1: Loans, Long term Liabilities & Investments as at 30 September 2024
Appendix 2: Summary of Treasury and Prudential Indicators as at quarter ended 30 September 2024
Appendix 3: Liability Benchmark as at quarter ended 30 September 2024



Elaine Kemp
Chief Officer (Finance)

5. Impacts

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|--|
| <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>Financial impacts are outlined within the report.</p> |
| <p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
| <p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
| <p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p> |

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|--|
| <p>5.6 Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>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 type="checkbox"/></p> |
| <p>5.7 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 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 Risk impact Is there a risk impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> 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?</p> <p>As the Council borrows and invests significant sums of money it is exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. Therefore, successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.</p> <p>Treasury Management activity by its very nature has a number of inherent risks including interest rate, liquidity and refinancing risks. To minimise risk for its treasury management activities the Council adopts and operates in accordance with the guidelines for best practice prescribed within the CIPFA "Treasury Management in the Public Services" Code of Practice and the CIPFA Prudential Code for Capital Finance in Local Authorities.</p> |
| <p>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 <input type="checkbox"/> No <input checked="" type="checkbox"/> 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.</p> |

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

LOANS, LONG TERM LIABILITIES & INVESTMENTS AS AT 30 SEPTEMBER 2024

Appendix 1

| | BALANCE 1-July-24 (1) | DEBT RESTRUCTURING | | NEW BORROWING / LONG-TERM LIABILITIES (4) | PRINCIPAL REPAYMENTS (5) | NET CASH MOVEMENTS (6) | BALANCE 30-September-24 (7) |
|---|-----------------------------|----------------------------|--------------------|---|--------------------------------|------------------------------|-----------------------------------|
| | | EARLY REDEMPTION (2) | REFINANCING (3) | | | | |
| <u>LONG-TERM LOANS</u> | | | | | | | |
| PWLB | 564,709,637 | 0 | 0 | 0 | (16,735,005) | (16,735,005) | 547,974,632 |
| MONEY MARKET LOANS | 54,000,000 | 0 | 0 | 0 | 0 | 0 | 54,000,000 |
| LOBO | 3,000,000 | 0 | 0 | 0 | 0 | 0 | 3,000,000 |
| ENERGY EFFICIENCY LOAN | 631,571 | 0 | 0 | 0 | (26,023) | (26,023) | 605,548 |
| | 622,341,208.14 | 0 | 0 | 0 | (16,761,028) | (16,761,028) | 605,580,180.00 |
| <u>SHORT-TERM LOANS</u> | | | | | | | |
| TEMPORARY | 233,500,000 | 0 | 0 | 85,500,000 | (80,000,000) | 5,500,000 | 239,000,000 |
| MUNICIPAL BANK | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INTERNAL LOANS | 6,280 | 0 | 0 | 0 | 0 | 0 | 6,280 |
| | 233,506,280 | 0 | 0 | 85,500,000 | (80,000,000) | 5,500,000 | 239,006,280 |
| <u>LONG -TERM LIABILITIES</u> | | | | | | | |
| FINANCE LEASE OBLIGATIONS | 1,055,925 | 0 | 0 | 0 | 0 | 0 | 1,055,925 |
| LONG TERM LIABILITY | 205,410,993 | 0 | 0 | 0 | (1,992,769) | (1,992,769) | 203,418,224 |
| | 206,466,918 | 0 | 0 | 0 | (1,992,769) | (1,992,769) | 204,474,148 |
| <u>TOTAL EXTERNAL DEBT</u> | 1,062,314,406 | 0 | 0 | 85,500,000 | (98,753,797) | (13,253,797) | 1,049,060,608 |
| <u>INVESTMENTS</u> | | | | | | | |
| THIRD PARTY ADVANCES | 1,146,829.39 | 0 | 0 | 0 | 0 | 0 | 1,146,829 |
| BANKS & OTHER FINANCIAL INSTITUTIONS | 40,348,023.85 | 0 | 0 | 0 | 0 | 14,642,039 | 54,990,063 |
| UNCLEARED BALANCES INCL CASH IN TRANSIT | (8,118,919) | 0 | 0 | 0 | 0 | 3,662,428 | (4,456,491) |
| <u>CASH & CASH EQUIVALENTS</u> | 33,375,934 | 0 | 0 | 0 | 0 | 18,304,467 | 51,680,401 |
| <u>NET BORROWING</u> | 1,028,938,472 | 0 | 0 | 85,500,000 | 98,753,797 | (31,558,264) | 997,380,208 |

Appendix 2

Summary of Treasury and Prudential Indicators as at quarter ended 31 March 2025

1. Prudential Indicators

| (a) Capital Expenditure | <u>Initial Estimate</u> 2024/2025 (£m) | <u>Projected Outturn</u> 2024/2025 (£m) | <u>Variance</u> 2024/2025 (£m) | <u>Forecast</u> 2025/2026 (£m) | <u>Forecast</u> 2026/2027 (£m) | <u>Forecast</u> 2027/2028 (£m) | <u>Forecast</u> 2028/2029 (£m) |
|---|--|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Capital Expenditure: General Services | 156.5 | 137.2 | (19.3) | 187.3 | 139.2 | 86.6 | 133.2 |
| Capital Expenditure: HRA | 155.8 | 111.3 | (44.5) | 166.3 | 173.6 | 153.6 | 131.1 |
| Total spend : Capital Expenditure | 312.3 | 248.5 | (63.8) | 353.6 | 312.8 | 240.2 | 264.3 |
| Total spend : Credit Arrangement | 88.7 | 88.6 | (0.1) | 0.3 | 1.0 | 2.1 | 4.1 |
| Total Capital Investment | 401.0 | 337.1 | (63.9) | 353.9 | 313.8 | 242.3 | 268.4 |
| Financed By: | | | | | | | |
| Capital Grants & Other External Contributions | 72.1 | 57.5 | (14.6) | 49.1 | 44.9 | 44.6 | 52.0 |
| Capital from Current Revenue | 20.1 | 44.5 | 24.4 | 43.5 | 20.1 | 20.1 | 20.1 |
| Capital receipts | 3.3 | 4.9 | 1.6 | 5.0 | 3.0 | 1.5 | 4.0 |
| Capital receipts transfer to Capital Fund | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CFR : Borrowing - General Services | 114.8 | 65.8 | (49.0) | 126.8 | 108.4 | 57.6 | 94.3 |
| CFR : Borrowing - HRA | 102.0 | 75.7 | (26.3) | 129.2 | 136.4 | 116.4 | 93.9 |
| Credit Arrangements | 88.7 | 88.6 | (0.1) | 0.3 | 1.0 | 2.1 | 4.1 |

| (b) Capital Financing Requirement (CFR) | <u>Initial Estimate</u> 2024/2025 (£m) | <u>Projected Outturn</u> 2024/2025 (£m) | <u>Variance</u> 2024/2025 (£m) | <u>Forecast</u> 2025/2026 (£m) | <u>Forecast</u> 2026/2027 (£m) | <u>Forecast</u> 2027/2028 (£m) | <u>Forecast</u> 2028/2029 (£m) |
|---|--|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| General Services | 1,081.8 | 1,016.2 | (65.6) | 1,127.7 | 1,219.7 | 1,260.1 | 1,337.7 |
| HRA | 603.8 | 575.2 | (28.6) | 689.8 | 809.8 | 908.1 | 981.6 |
| Total CFR | 1,685.6 | 1,591.4 | (94.2) | 1,817.5 | 2,029.5 | 2,168.2 | 2,319.3 |
| Movement in CFR | 276.6 | 182.4 | | 226.1 | 212.0 | 138.7 | 151.1 |

| (c) Gross Debt and the Capital Financing Requirement | <u>Initial Estimate</u> 2024/2025 (£m) | <u>Projected Outturn</u> 2024/2025 (£m) | <u>Variance</u> 2024/2025 (£m) | <u>Forecast</u> 2025/2026 (£m) | <u>Forecast</u> 2026/2027 (£m) | <u>Forecast</u> 2027/2028 (£m) | <u>Forecast</u> 2028/2029 (£m) |
|--|--|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Gross Borrowing : Loan Debt | 1,147.1 | 1,034.6 | (112.5) | 1,295.7 | 1,526.6 | 1,726.2 | 1,896.6 |
| Long-term Liabilities | 293.0 | 294.0 | 1.0 | 290.9 | 288.4 | 287.0 | 287.4 |
| Gross Debt | 1,440.1 | 1,328.6 | (111.5) | 1,586.6 | 1,815.0 | 2,013.2 | 2,184.0 |
| Capital Financing Requirement | 1,685.6 | 1,591.4 | (94.2) | 1,817.5 | 2,029.5 | 2,168.2 | 2,319.3 |
| Prudential Margin | 245.5 | 262.8 | 17.3 | 230.9 | 214.5 | 155.0 | 135.3 |

Appendix 2 (cont)

Summary of Treasury and Prudential Indicators as at quarter ended 31 March 2025

1. Prudential Indicators

| (d) Authorised Limit and Operational Boundary | <u>Initial Authorised Limit 2024/2025 (£m)</u> | <u>Initial Operational Boundary 2024/2025 (£m)</u> | <u>Maximum Borrowing Level Q2 2024/2025 (£m)</u> |
|---|--|--|--|
| Borrowing | 1,515.0 | 1,465.0 | 855.8 |
| Other Long-term Liabilities | 340.0 | 340.0 | 204.5 |
| Total Debt | 1,855.0 | 1,805.0 | 1,060.3 |

| (e) Proportion of Financing Costs to Net Revenue Stream | <u>Initial Estimate 2024/2025 (£m)</u> | <u>Projected Outturn 2024/2025 (£m)</u> | <u>Variance 2024/2025 (£m)</u> | <u>Forecast 2025/2026 (£m)</u> | <u>Forecast 2026/2027 (£m)</u> | <u>Forecast 2027/2028 (£m)</u> | <u>Forecast 2028/2029 (£m)</u> |
|---|--|---|--|--|--|--|--|
| General Fund Loan Charges | 49.8 | 44.1 | (5.7) | 46.7 | 53.6 | 60.2 | 64.8 |
| General Fund Finance Lease/PPP Costs | 15.3 | 19.7 | 4.4 | 19.3 | 20.3 | 20.2 | 20.7 |
| General Fund : Capital Financing Costs | 65.1 | 63.8 | (1.3) | 66.0 | 73.9 | 80.4 | 85.5 |
| General Fund : Net Revenue Stream | 988.8 | 990.3 | 1.5 | 988.8 | 988.8 | 988.8 | 988.8 |
| Proportion of Financing Costs to Net Revenue Stream - GF | 6.6% | 6.4% | (0.1%) | 6.7% | 7.5% | 8.1% | 8.6% |

| Proportion of Financing Costs to Net Revenue Stream | <u>Initial Estimate 2024/2025 (£m)</u> | <u>Projected Outturn 2024/2025 (£m)</u> | <u>Variance 2024/2025 (£m)</u> | <u>Forecast 2025/2026 (£m)</u> | <u>Forecast 2026/2027 (£m)</u> | <u>Forecast 2027/2028 (£m)</u> | <u>Forecast 2028/2029 (£m)</u> |
|--|--|---|--|--|--|--|--|
| HRA Loan Charges | 42.8 | 38.9 | (3.9) | 42.2 | 49.2 | 56.7 | 64.8 |
| HRA Finance Lease/PPP Costs | 0.3 | 0.3 | 0.0 | 0.3 | 0.3 | 0.3 | 0.3 |
| HRA : Capital Financing Costs | 43.1 | 39.2 | (3.9) | 42.5 | 49.5 | 57.0 | 65.1 |
| HRA : Net Revenue Stream | 167.1 | 160.5 | (6.6) | 167.1 | 175.8 | 186.0 | 196.3 |
| Proportion of Financing Costs to Net Revenue Stream - HRA | 25.8% | 24.4% | (1.4%) | 25.4% | 28.2% | 30.6% | 33.2% |

Summary of Treasury and Prudential Indicators as at quarter ended 31 March 2025

2. Treasury Management Indicators

a) Interest Rate Exposures on External Interest Payments

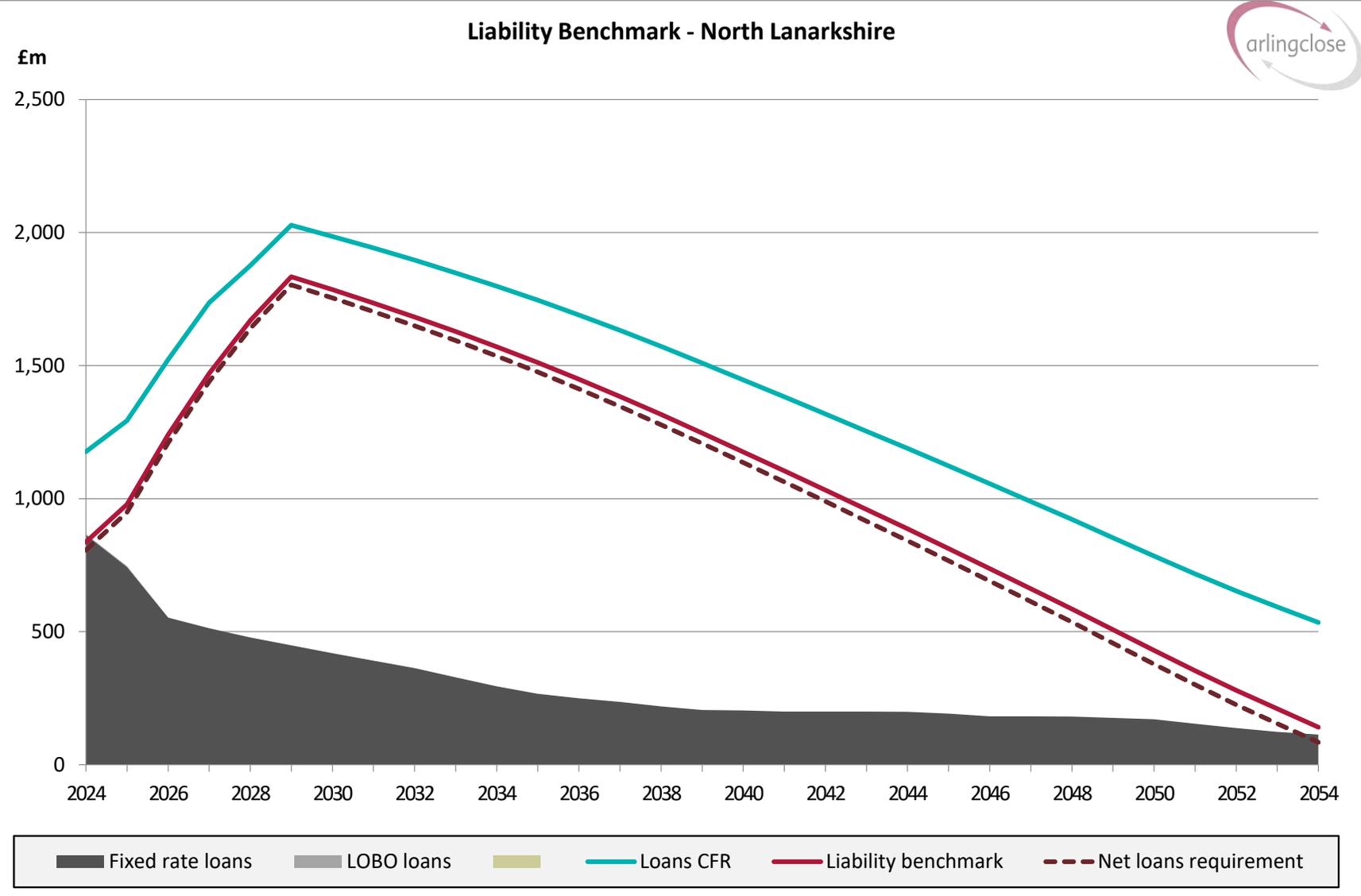
| | Position as at | |
|--|-----------------------|----------|
| | 30/09/2024 | % |
| | (£m) | |
| External Interest Payable on Fixed Rate Loan Debt | 38.5 | 99.2% |
| External Interest Payable on Variable Rate Loan Debt | 0.3 | 0.8% |

b) Loans Fund Revenue Account

| | Initial Estimate | Projected | Variance | |
|--|-------------------------|------------------|------------------|---------------|
| | 2024/2025 | Outturn | 2024/2025 | |
| | (£m) | (£m) | (£m) | %age |
| Loans Fund Interest Payments | 58.2 | 60.5 | (2.3) | (4.0%) |
| Loans Fund Expenses | 0.4 | 0.4 | 0.0 | 0.0% |
| Total Loans Interest Payments & Expenses | 58.6 | 60.9 | (2.3) | (3.9%) |
| Loans Funds Investment Income | (1.9) | (1.9) | 0.0 | 0.0% |
| Total Loans Fund Interest Payments Investment Income & Expenses | 56.7 | 59.0 | (2.3) | (4.1%) |
| Allocated as follows : | | | | |
| Loans Fund Interest Payments Investment Income & Expenses:General Fund | 32.4 | 33.0 | (0.6) | (1.9%) |
| Loans Fund Interest Payments Investment Income & Expenses:HRA | 24.3 | 26.0 | (1.7) | (7.0%) |
| Capital Advances Repayments - General Fund | 11.3 | 11.1 | 0.2 | 1.8% |
| Capital Advances Repayments - HRA | 13.0 | 12.9 | 0.1 | 0.8% |
| Total Capital Advances | 24.3 | 24.0 | 0.3 | 1.2% |
| Total Loan Charges | 81.0 | 83.0 | (2.0) | (2.5%) |

c) Maturity Structure of Borrowing

| | <12months | 12 months to 2 years | 2 to 5 years | 5 to 10 years | 10 to 20 years | 20 to 40 years | >40 years |
|--|---------------------|-----------------------------|---------------------|----------------------|-----------------------|-----------------------|---------------------|
| Upper Limit maturing :Fixed & Variable Rate Debt | 15.0% | 15.0% | 25.0% | 30.0% | 35.0% | 45.0% | 30.0% |
| Lower Limit maturing :Fixed & Variable Rate Debt | 0.0% | 0.0% | 5.0% | 5.0% | 5.0% | 10.0% | 10.0% |
| Maturity structure at the start of Q2 | 5.8% | 6.0% | 16.7% | 26.6% | 12.9% | 27.8% | 4.1% |
| Maturity structure at the end of Q2 | 5.9% | 7.1% | 15.6% | 26.1% | 13.6% | 27.4% | 4.3% |



North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref EK/KS

Date 20/11/24

2024 Review of Financial Regulations and Scheme of Financial Delegation

From Elaine Kemp, Chief Officer (Finance)

E-mail KempE@northlan.gov.uk

Telephone 07939 280601

Executive Summary

This report provides Committee with the outcome of the annual review of the Financial Regulations and Scheme of Financial Delegation. Full consideration continues to be given to the collective responsibility for the long-term financial sustainability of the Council and how the Council's financial governance arrangements including the Financial Regulations, and Scheme of Financial Delegation, can further support this.

A number of minor amendments have been made, with two of the main changes summarised at Appendix 1, and a full amended version of the documents is provided at appendix 2 and 3.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Acknowledge the revisions made to the Council's Financial Regulations and Scheme of Financial Delegation.

The Plan for North Lanarkshire

| | |
|--------------------|---|
| Priority | All priorities |
| Ambition statement | (25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning |
| Programme of Work | Statutory / corporate / service requirement |

1. Background

- 1.1. This report advises Committee of the outcome of the annual review of the Council's Financial Regulations and Scheme of Financial Delegation, noting the main amendments.

2. Report

- 2.1 The annual review ensures that both the Financial Regulations and Scheme of Financial Delegation remain appropriate for the effective stewardship of the Council's financial resources.
- 2.2 A number of minor amendments were made to the Financial Regulations. These are highlighted in yellow on Appendix 2, with the two main changes highlighted Appendix 1. There are no changes to report on the Financial Scheme of Delegation.

3. Measures of success

- 3.1 The Council continues to operate within approved budgeted resources.

4. Supporting documentation

- Appendix 1 2024 Financial Regulations and Scheme of Financial Delegation Amendments
Appendix 2 Financial Regulations
Appendix 3 Finance Scheme of Delegation



Elaine Kemp
Chief Officer (Finance)

5. Impacts

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|--|
| <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 type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
| <p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
| <p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
| <p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p> |

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| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input type="checkbox"/> | |
| 5.7 | 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? | |
| 5.8 | 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? | |
| 5.9 | Risk impact |
| Is there a risk impact? | |
| Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input type="checkbox"/> | |

| 2023 Financial Regulations | | 2024 Financial Regulations | | Rationale |
|----------------------------|--------------|----------------------------|--|--|
| Section | | Section | | |
| 12.5 | No narrative | 12.5 | Misuse of credit cards will result in action under the Council's disciplinary procedures. | Update to include misuse procedure |
| 14.4 | No narrative | 14.4 | all contract documents are available for inspection should they be requested. This should include sufficient evidence to justify annual price increases and tables of agreed charges where appropriate | Update on current creditors procedure following internal audit recommendations |



NORTH LANARKSHIRE COUNCIL

FINANCIAL REGULATIONS

APPROVED – 23 May 2018
Updated May 2019
Updated November 2020
Updated November 2021
Updated November 2022
Updated November 2023
Updated November 2024

NORTH LANARKSHIRE COUNCIL

FINANCIAL REGULATIONS

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1. INTRODUCTION

- 1.1 Financial Regulations are an integral part of the Council's framework of internal financial controls, which are designed to ensure the effective stewardship of North Lanarkshire Council funds. Compliance with these regulations will ensure that public money is safeguarded and properly accounted for, and all Council financial transactions undertaken in a manner which demonstrates openness, transparency and integrity.
- 1.2 The Financial Regulations forms a key part of the overarching Financial Strategy and the corporate governance arrangements of the Council.
- 1.3 Any breach or non-compliance with these Regulations must be reported immediately to the Chief Officer (Finance) who may consult the Chief Executive and/or the appropriate Service Chief Officer in order to determine the proper action to be taken. Failure to comply with the Financial Regulations may result in an investigation and disciplinary action under the Council's Discipline Policy

2. RESPONSIBILITIES

- 2.1 Financial Regulations are the responsibility of all Council employees and should be distributed annually by the Chief Executive, **Deputy Chief Executive**, Chief Officers and the Chief Officer (Finance), highlighting the importance of complying with the regulations and the Council's proper financial management. It is the responsibility of each Chief Officer to ensure all staff have read and understood the Financial Regulations.
- 2.2 In addition, Chief Officers have a responsibility to consult with the Section 95 officer on any matter affecting their Service which is liable to materially impact the finances of the Council before making any commitment. In fulfilling this responsibility, Chief Officers must consider spending within the context of the Council's overall financial position. Appropriate mutual discussions and collective decisions at Corporate Management Team (CMT) level are required to manage the overall financial stewardship of the organisation, and should not focus on an individual Service, Division or Function's financial requirements.
- 2.3 All officers employed by the Council must ensure that all financial transactions are Intra Vires and in line with these regulations.
- 2.4 Adult Health and Social Care – as a result of the Health and Social Care Integration legislation which came into force on the 1st April 2016, the Council is jointly responsible with the NHS for the Adult Health and Social Care of service users within North Lanarkshire. The legislation saw the creation of the North Lanarkshire Integration Joint Board (IJB), responsible for directing health and social care expenditure within the partnership area. North Lanarkshire Integrated Joint Board Members include North Lanarkshire councillors, senior officers in NHS Lanarkshire and stakeholder representatives from across the health and social care sector. As per the approved IJB Financial Regulations, the Council Section 95 Officer retains the duty to monitor and regulate the financial performance of the Council's share of available Board resources. As such, the Section 95 Officer retains the right to comment and make recommendations to the Board on the suitability of the IJB's Financial Regulations.
- 2.5 Priority will be given to the IJB's Financial Regulations first and foremost however where a situation arises that is not covered within those regulations, employees/members shall refer to the Council's Financial Regulations, or where required, obtain guidance from the Council's Section 95 Officer to ensure proper financial management.
- 2.6 At the time of update, consultation is ongoing in respect of Social Care reforms over the implementation of recommendations made by the Independent Review of Adult Social Care and the establishment of a National Care Service. The impact arising from the outcome of the consultation exercise and any subsequent reforms implemented will be considered as

part of future reviews of the Financial Regulations however until such time paragraph 2.5 remains relevant.

- 2.7 Arm's Length External Organisations (ALEOs) are used as an alternative way of delivering vital council services. This delivery involves the use of public funds therefore the Council has a statutory duty to demonstrate openness, transparency and accountability regarding the monies spent through these Arms-length bodies. These financial regulations are not applicable to arms-length bodies, which are separate legal entities with responsibility for their own stewardship and governance arrangements. However, to enable the Council to satisfy its public accountability duties, services must adhere to the Corporate Guidance on Arms-length bodies, and must ensure all Council relationships with such bodies properly comply with the principles contained within the Code of Guidance on Following the Public Pound. It is expected that due cognisance is given to the Council's approved Financial Regulations by respective ALEO Board/Management Teams, however it is their responsibility to ensure proper financial management and the development of appropriate Financial Regulations. The Section 95 Officer reserves the right to comment on the appropriateness of ALEO financial management and regulations to the respective Board/Management Team, as well as the Enterprise and Communities Committee.
- 2.8 Community Boards and Participatory Budgeting. A Framework for Working with Communities was approved by Policy and Strategy Committee in March 2020 which included the establishment of 9 Community Boards. It is intended that these boards will drive and support locality engagement and planning which will partly be achieved through optimising funding and resource opportunities to deliver and improve services in addition to supporting the development and implementation of Participatory Budgeting (PB). This will allow the community a voice in the decision making process of how money is spent. These financial regulations set out remain applicable in these arrangements.
- 2.9 Where potential ambiguity in the Financial Regulations arises, advice should be sought from the Council's Section 95 Officer. The Chief Officer (Finance) will provide advice to ensure the aims of the guidance is met and that the Council is in full compliance with financial management requirements.

3. DEFINITIONS

- 3.1 The following expressions are used throughout the Regulations with the following meanings:

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| 3.1.1 | Chief Officer | The Chief Executive, Deputy Chief Executive or Chief Officer, regardless of specific title. This includes the Chief Officer's authorised substitute(s), except in cases where it is stated that substitutes may not act. A Chief Officer may have different authorised substitutes, depending on the topic. |
| 3.1.2 | As delegated | Any grant of delegated powers by the Council to such persons as may be specified from time to time. |
| 3.1.3 | By the Section 95 Officer | By the <i>Section 95 Officer</i> , or under arrangements made by/ or approved by the Section 95 Officer, a Chief Officer or an external agency. |
| 3.1.4 | Records | All or any records, forms, books, documents, certificates, tickets or correspondence, whether on paper, on film, on computer file or any other medium. |

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| 3.1.5 | Authorised signatories | <p>A Chief Officer may authorise officers within their service to commit the Council to obtaining goods, services and other items in respect of which expenditure may competently be incurred. These officers are known as Authorised Signatories. The Section 95 Officer will require the Chief Officers to confirm their lists annually.</p> <p>The list shall include specimen signatures, and where appropriate, specimen initials, persons whose authorisation is applied by some means other than manuscript, and the manner of their personal authorisation, and also specify the items which each officer is authorised to sign, and the financial limit on any one item.</p> <p>Any proposed amendment of the list must be notified immediately to the Section 95 Officer.</p> |
| 3.1.6 | Emergency | <p>An actual or potential emergency or disaster involving or likely to involve any or all of the following:</p> <ul style="list-style-type: none"> i) Danger to life or health ii) Serious damage to or destruction of property iii) Major financial penalties. |
| 3.1.7 | Service | <p>In addition to each recognised Council Service, "Service" includes those limited companies or other organisations which are wholly owned or controlled by the Council, and which have adopted the Council's financial regulations for their own use.</p> |
| 3.1.8 | Capital Expenditure | <p>Expenditure on the acquisition, creation or enhancement of fixed assets, provided it yields benefit to the Council for more than one year (reference CIPFA/LASAAC Code of Practice on Local Authority Accounting and Scottish Government Finance Circular No. 3/2018). It is the responsibility of officers to ensure expenditure in the capital programme is 'capital' as per proper accounting practices required by the Local Government Scotland Act 2003.</p> <p>The Council has set a de-minimis, for materiality, whereby no individual item of less than £10,000 will be regarded as Capital. However due notice should be given to groups of items which fall below the de-minimis as a single unit but should collectively be capitalised i.e. laptop refresh programme. It should be noted that items above the de-minimis are not necessarily capital and officers should refer to relevant Finance staff for guidance.</p> |
| 3.1.9 | Revenue Expenditure | <p>All expenditure which is not Capital.</p> |
| 3.1.10 | Virement | <p>A transfer of money between budget headings. Authorisation levels are outlined in the Financial Regulations.</p> <p>Virements shall not be used to:</p> <ul style="list-style-type: none"> • Mask overspend and underspend issues; • Apply underspends and over-recoveries of income without approval by the SCDG and Committee in line with authorisation levels; or • Reverse any decision made by the Council during its budget process unless subsequently approved by Council. |

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| 3.1.11 | Contracts | As defined within the General Contract Standing Orders (effective from 1 January 2020) |
| 3.1.12 | Statutory Officer | Officers designated for particular statutory purposes as set out in legislation: <ul style="list-style-type: none"> • Section 95 Officer, Chief Officer (Finance) • Chief Social Worker, Chief Social Work Officer (Children, Families, Justice and Integrated Practice); and • Monitoring Officer, Chief Officer (Legal and Democratic) |
| 3.1.13 | Recovery Plan | Robust, affordable and sustainable plans to mitigate known financial burdens either, on a one-off or a recurring basis, presented to and agreed by Corporate Management Team. |

4. RESPONSIBILITY FOR FINANCIAL ADMINISTRATION

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| 4.1 | Council | Ultimate authority over decision-making. |
| 4.2 | Finance and Resources | Committee responsible for financial decision-making. |
| 4.3 | Enterprise and Fair Work Committee, Environment and Climate Change Committee, Housing Committee, Regulatory Committee, and Finance and Resources Committee | Responsibility depending on service nature for the monitoring of specific ALEOs' financial, service and operational performance including risk management and to ensure effective governance is in place within the ALEOs. |
| 4.4 | Section 95 Officer (Chief Officer (Finance)) | <p>To administer the financial affairs of the authority, as the proper officer for the purposes of Section 95 of the Local Government (Scotland) Act 1973, and in accordance with part 7 of the Local Government in Scotland Act 2003.</p> <p>To ensure the Council has put in place suitable arrangements to ensure compliance with the CIPFA Statement on the role of the Chief Financial Officer (CFO) in Local Government.</p> <p>To ensure the Council's financial management arrangements are in line with the Council's strategic policies, plans and objectives.</p> <p>To ensure all staff involved in financial management across the Council maintain professional accounting standards and comply with expected standards of conduct and integrity.</p> <p>To provide financial advice to the Council and its Committees, and monitor overall compliance with these Regulations.</p> <p>To obtain assurance regarding the financial governance arrangements of subsidiary companies, associate companies and partnerships which the Council is able to control or influence.</p> |

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| 4.5 | Chief Officers | <p>To assist the Council and the Chief Executive at all times in achieving Best Value in the conduct of their service activities.</p> <p>Chief Officers are fully accountable for the financial performance of their service area, and must manage, monitor and control Service budgets in line with the Code of Practice on Local Authority Accounting and agreed timescales, ensuring compliance with Contract Standing Orders and Financial Regulations regarding their service activities.</p> <p>Except in an emergency, or as Delegated, to consult with the Section 95 Officer or relevant Business Finance Manager on any matter affecting their services which is liable to affect materially the finances of the Council before making any commitment, and before reporting thereon to a Committee.</p> <p>To maintain effective stewardship of their Services' funds, ensuring that all financial transactions undertaken are within their powers.</p> <p>To ensure appropriate management of risks associated with the delivery of effective financial management inherent in providing their service activities.</p> <p>To ensure the relevant Business Finance Manager (or their assigned deputy) is part of the Service's Senior Management Team (SMT) and provide them with the opportunity to attend all meetings.</p> <p>To liaise with the Chief Officer (Finance) or the nominated representative, regarding any appointments to or changes to the financial management establishment supporting their service activity.</p> |
| 4.6 | Statutory Officers | <p>The Financial Regulations should be strictly adhered to ensuring all expenditure incurred is within approved budgets. These regulations still apply when making professional judgements while carrying out a role. However in the instance that a statutory officer's judgement may lead to a breach in the Financial Regulations, the Section 95 Officer must be notified in the first instance and the level of breach reported to CMT thereafter with a Service Recovery plan to manage the additional spend.</p> |

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| 4.7 | Partner Organisations | <p>Reflecting the nature of partnership arrangements and the drive towards Shared Services and possibly pooled budgets, elements of Council budgets may be delegated or shared with external organisations.</p> <p>Following approval from the Chief Officer (Finance), the Chief Executive or Chief Officer can delegate budget to an external organisation, providing the Section 95 Officer is satisfied that governance arrangements and responsibilities are clearly defined and that appropriate management controls regarding usage and monitoring of budget are in place.</p> <p>Chief Officers must ensure that all relevant staff are aware of and adhere to the Corporate Guidance on Arms-length, thereby ensuring the Council's relationships with ALEOs comply with the principles contained within the Code of Guidance on Following the Public Pound.</p> <p>This responsibility includes ensuring that the Council is clear as to the purpose of any financial support provided, that the funding is used in a manner consistent with good governance principles and that the Council can demonstrate that the organisation's achievements provide best value for that funding support.</p> |
| 4.8 | All Officers and employees | <p>All officers employed by the Council, or by an organisation associated with the Council, whether or not their financial statements are consolidated in the Group Accounts of North Lanarkshire Council, must ensure that all financial transactions are Intra Vires and are in line with Financial Regulations.</p> |

5. POLICY AND STRATEGIES

There are some areas that require more detailed guidance or procedures. Although the specific detail is not included within these Financial Regulations, the expectation is that officers and Elected Members adhere to the requirements of these additional documents.

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| 5.1 | Financial Strategy | <p>Financial Strategy sets out the overarching framework for financial governance, planning and management. The aim is to ensure robust, affordable, sustainable and best value financial plans are developed to support decision making and prioritise the use of available resources.</p> |
| 5.2 | Revenue Resources Budget Strategy | <p>The key principles of the Revenue Resources Budget Strategy were approved by Policy and Strategy Committee in June 2019 and have been subject to annual review. The strategy sets out the Council's approach to budgeting and the identification of future saving ensuring the financial sustainability of the Council and the safeguarding of public funds. The strategy is underpinned by the financial regulations and its principles should be considered in conjunction with these where appropriate.</p> |

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| 5.3 | Reserves Policy | In January 2020, Policy and Strategy Committee approved the Council's Reserves Policy which sets out the types of reserves held by the Council and their purpose; establishes procedures for governance of the reserves; outlines the circumstances for the utilisation of reserve balances; and outlines the approach taken to determine the appropriate reserve levels held by the Council. |
| 5.4 | Capital Strategy | The Prudential Code for Capital Finance in Local Authorities and good financial management practice requires Councils to produce a Capital Strategy. The Capital Strategy ensures the Council takes capital expenditure and investment decisions in line with the Council's priorities, service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. |
| 5.5 | Treasury Management Strategy | The Treasury Management in the Public Services Code of Practice requires the Council to produce and report Treasury Management policies, practices and activities on a regular and ongoing basis. This encompasses the preparation and approval of an Annual Treasury Management Strategy , which defines the arrangements for managing the Treasury Management function. The Strategy covers the Council's debt and investment projections; expected movement in interest rates; borrowing and investment strategies; Treasury Management performance indicators; and sets specific limits for treasury management activities. |

6. CAPITAL EXPENDITURE

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| 6.1 | Capital Programmes | The Chief Officer (Finance) and the Chief Officer (Enterprise and Communities) will co-ordinate the Composite and Housing Capital Programmes respectively in accordance with any Government requirements as to timescale and the format, for presentation to the Policy and Strategy Committee, and Council thereafter for approval. |
| 6.2 | Capital Estimates | Once the programmes are approved, and provided that ministers do not use the powers available to them under s36 of the Local Government in Scotland Act 2003 to control capital expenditure limits, the figures for the first year of the Programmes become the official Capital Estimates for that year, reflecting committed projects and approved new projects. They will also include any preliminary expenses, design costs and land purchases, which are necessary prerequisites to projects included in year two of the Programmes. |

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| 6.3 | Preparation | <p>With respect to the Composite Programme, the Strategic Capital Delivery Group (SCDG) shall provide all the information, in accordance with a timetable set by, and in a form determined by, the Chief Officer (Finance) when developing the Council's Capital Programme.</p> <p>Development of the programme is devolved to the Strategic Capital Delivery Group, in line with its Terms of Reference. Approval of the programme is required from the Council's Section 95 Officer prior to consideration by Council.</p> |
| 6.4 | Right to proceed | <p>After Council approval, subject to any further consents required, and subject to all other requirements of the Financial Regulations and Contract Standing Orders, Chief Officers may proceed with projects contained in the Estimates, unless:</p> <ul style="list-style-type: none"> (i) the tender cost or revised estimate exceeds the provision in the estimate, or (ii) the nature of the project has changed substantially from that originally envisaged. <p>In either case, approval must be sought from the SCDG, and will be granted only if the expenditure can be contained within the overall programme. Approval for adjustments in respect of the above must be reported to individual Service Committees and the Policy & Strategy Committee, subject to the approved limits set out in the SCDG Terms of Reference.</p> |
| 6.5 | Acceleration | <p>Projects contained within years 2-5 of the Programme can be introduced into the current year if they can be contained within the total resources only on the recommendation of the SCDG, in line with their Terms of Reference.</p> |
| 6.6 | Additional Projects | <p>Additional projects that are over and above the allocations approved in the Council's five year capital programme require specific consent in the first instance from the Chief Officer (Finance) and approval by the Policy and Strategy Committee.</p> |
| 6.6 | Duty regarding Approvals | <p>The spending Chief Officer (the Budget Holder) must ensure that all necessary approvals have been obtained before commencing any project.</p> |
| 6.7 | Revenue Effects | <p>Each Chief Officer, when making proposals on any capital project shall include a report, agreed with the Chief Officer (Finance), showing details of the revenue consequences (costs or savings) in the current and subsequent years, ensuring they are managed.</p> |
| 6.8 | Deviations | <p>Each Chief Officer (Budget Holder) must draw to the attention of the SCDG and the Spending Committee, in consultation with the Section 95 Officer any circumstance that may lead to a significant deviation from the approved Capital Estimates, either in expenditure or in income. In this context significant means £100,000 or 5%, whichever is the higher, of the Policy & Resources approved programme expenditure. The SCDG should authorise action designed to rectify the situation, and if they are unable to do so, the Chief Officer (Finance) must report the facts to the Spending Committee and the Finance and Resources Committee for consideration.</p> |

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| 6.9 | Agents | Where an agent of any service, including a contractor, Council-controlled Company or Trust, identifies the probability of a significant deviation occurring, the agent is required to report the fact, including reasons for this deviation, to the appropriate Chief Officer (Budget Holder) immediately. |
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7. REVENUE EXPENDITURE

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| 7.1 | Policy Guidelines | The Section 95 Officer will advise the Chief Officers of the Guidelines and timetable for preparing the annual revenue budget estimates. |
| 7.2 | Budget Estimates | The Chief Officer (Finance) will co-ordinate the preparation of the annual Estimates of Income and Expenditure in accordance with the Guidelines, ensuring compliance with the Council's priorities and targets within that planning time frame. |
| 7.3 | Preparation | Chief Officers will supply all necessary information to the Chief Officer (Finance), in accordance with a timetable set by and in a form determined by the Section 95 Officer, regarding the requirements of their services. Where relevant, such information will be supported by equality impact assessments. |
| 7.4 | Authorisation | The Revenue Budget Estimates will be submitted to Council for approval, together with recommendations as to the levels of Council Tax for the coming year. |
| 7.5 | Right to Proceed | After the Revenue Budget Estimates are approved, Chief Officers may proceed to incur that expenditure, subject to the contractual provisions of the Standing Orders and Financial Regulations and any other legal requirements in respect of contracts, except where any item has been specifically identified as requiring further Committee consideration and approval. |
| 7.6 | Further approval | Any proposals requiring Committee approval must include a report from the Chief Executive or spending Chief Officers, agreed by the Chief Officer (Finance), stating whether there is adequate provision in the Revenue Budget Estimates or not. |
| 7.7 | Additional Items | Expenditure not included in, or in excess of, the Revenue Budget Estimates, or income reduced from that included in the Revenue Budget Estimates, may be authorised in the following circumstances only:- (i) Where a Supplementary Estimate/budget has been approved by both the Spending Committee and Finance and Resources Committee, on receipt of a report from the Chief Officer (Finance) including details of any implications for policy or future years' spending; or (ii) In an emergency, where powers have been specifically delegated to officers for Building Control or Environmental Health (Food Safety) purposes, or with the approval of the Spending Committee and the Finance and Resources Committee as soon as possible thereafter, or (iii) Where adjustments to the budget have been approved in accordance with the provisions of these Regulations. |

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| 7.8 | Contingency Sum | Where a Contingency Sum has been included in the Revenue Estimates, draws on the Contingency must be authorised by the Finance and Resource Committee, on the recommendation of the Section 95 Officer, except in an emergency situation when they may be authorised by the Chief Officer (Finance) in consultation with the Convenor of the Finance and Resources Committee. The facts are to be reported to the Finance and Resources Committee as soon as possible thereafter. |
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8. BUDGETARY CONTROL

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| 8.1 | Information | <p>The Section 95 Officer will establish a reporting template which each Chief Officer shall use to compile both their Capital and Revenue Budget Monitoring reports.</p> <p>The reports will detail actual and projected expenditure and income against year to date and annual budgets. The contents of the report must be confirmed by the Chief Officer (Finance) and submitted to the appropriate committee at each cycle.</p> <p>The Section 95 Officer will also present an overall summary of the council's budgetary position regarding Capital and Revenue expenditure to the Finance and Resources Committee.</p> |
| 8.2 | Control | <p>Each Chief Officer must ensure that sums provided in the budget, whether revenue or capital, are not exceeded, and that all expenditure conforms to requirements of the Standing Orders and of these Regulations.</p> <p>No Chief Officer or official may incur expenditure unless:</p> <ul style="list-style-type: none"> (a) It is a capital expense approved in line with the SCDG Terms of Reference; (b) It is a revenue expense approved as part of the revenue budget under 5.4 of these Regulations; (c) The expense has been authorised as supplementary through one of the mechanisms outlined in paragraph 5.7 of these Regulations. <p>Any official proposing to incur revenue or capital spending which is not included within approved budgets must seek approval for a supplementary budget before incurring such expenditure.</p> |
| 8.3 | Deviations | <p>Each Chief Officer (Budget Holder) must draw to the attention of the Spending Committee, in consultation with the Chief Officer (Finance), any circumstance that may lead to a significant deviation from the agreed subjective headings used for budget monitoring purposes, either in expenditure or in income. In this context significant means £100,000 or 5%, whichever is the higher, at divisional summary subjective account code level. Services must clearly outline the action required to rectify significant deviations and where relevant, must also highlight the impact this has on other budget headings. The Committee must authorise action designed to rectify the matter, and if they are unable to do so the Section 95 Officer must report the facts to the Finance and Resource Committee for consideration.</p> |

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| 8.4 | Virement | A Chief Officer may transfer money between approved Capital & Revenue expenditure budgets, but must ensure the nature of such transfers is clearly outlined in monitoring and committee reports, where applicable. The rules for virement of Revenue budgets apply to transfers at divisional summary subjective account code level e.g. Environment & Estates division property costs. The rules are as follows: |
| 8.4a | Revenue Virement | <p>Must comply with the definition of a virement as per Section 3.1.10.</p> <ul style="list-style-type: none"> i) Up to £50,000 in consultation & agreement with both the Chief Officer and Section 95 Officer; ii) £50,001-£100,000 following consultation & agreement with the appropriate Convenor and thereafter with the agreement of the Section 95 Officer; iii) Over £100,000 on the recommendation of the Spending Committee, and following notification to the Section 95 Officer, either in the form of a specific report to that Committee or requested within Budget Monitoring reports; iv) For Educational Establishments under Devolved School Management, the notes for virement are laid down in their schemes of delegation; v) The Chief Officer (Enterprise and Communities) may transfer either £100,000 or up to 20% (whichever is higher) of the total Repairs Budget between Repairs Budget headings without recourse to Committee; vi) Regardless of purpose, budget transfers which impact a future year or years require the approval of the Policy and Strategy Committee. |
| 8.4b | Capital Virement | <p>Capital Virements will be made in line with the SCDG Terms of Reference, in conjunction with the Chief Officer (Finance).</p> <p>Where this ceases to be the case, capital virements should match the requirements outlined in Section 8.4a (Revenue Virement). Virements will be classed as those reported at project level, as outlined in the Councils Composite 5 Year Capital Programme approved at Policy and Strategy Committee on the 14th March 2024 (updated for Committee annually).</p> |
| 8.5 | Inter-Service Recharges (Revenue) | <p>Clear documentary justification should be available to the budget holder to support and substantiate any service recharges.</p> <p>Inter-Service Recharges should not be treated as External Income and should utilise a relevant Internal Recharge code. Where required, guidance should be sought from Finance staff.</p> |
| 8.6 | Inter-Service Recharges (Capital) | <p>Clear documentary justification should be available to the budget holder to support and substantiate any service recharges.</p> <p>Chief Officers must also ensure that any recharges to capital are in line with capital guidance/code as outlined in these Financial Regulations.</p> <p>Where Inter-service recharges to capital do not meet the definition of capital these must be funded through revenue sources.</p> |

9. LEGALITY OF EXPENDITURE

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| 9.1 | Legality of Expenditure | Chief Officer must ensure that any proposed expenditure is within the legal powers of the Council. If in doubt, the Monitoring Officer – Chief Officer (Legal and Democratic) – should be consulted. |
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10. INCOME

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| 10.1 | Setting of Charges | With the exception of charges imposed by Law and those which are deemed the responsibility of the Council's Charitable Trusts, all alterations to charges require advance approval of the relevant Committee. |
| 10.2 | Review of Charges | All Chief Officers shall review their service charges annually in the light of inflation and report the outcome of the review to the Chief Executive and the Section 95 Officer. In line with the principles of the Revenue Budget Strategy, where possible Chief Officers should aim for full cost recovery. |
| 10.3 | Debtors Control | Each Chief Officer shall make arrangements for the issue and follow-up of accounts and the collection, control and banking of all monies due to the Council. |
| 10.4 | Notification of Income | Chief Officers will provide prompt and full particulars of charges made for work, supplies, goods or services, or other sums due to the Council to, and in a form approved by, the Chief Officer (Finance), to ensure the proper recording and prompt collection by them , or under arrangements approved by them , of all monies due. |
| 10.5 | Write-offs | Any proposal to write off sums due to the Council requires the following approvals: (i) For individual sums of less than £500, the relevant Chief Officers and the Chief Officer (Finance), with an annual report to the Finance and Resources Committee for information; (ii) For individual sums of £500 or over, the Spending Committee and the Finance and Resources Committee. |
| 10.6 | Money Collection | All monies collected in any service must be recorded and deposited, without delay , with the Section 95 Officer or in a Bank in accordance with their instructions. No deductions may be made from income without the specific authorisation of the Chief Officer (Finance). |
| 10.7 | Personal cheques | Personal cheques will not be cashed out of monies held on behalf of the Council. |
| 10.8 | Grants | Where appropriate, the Section 95 Officer shall be advised of all relevant information necessary to allow the submission of all applications for Grants due to the Council. Where applications are submitted directly by the Chief Executive or Chief Officers, they shall be responsible for their timeous and accurate submission. Where Chief Officers, and those with devolved responsibility, are responsible for grant submissions, they are required to advise and provide evidence to relevant Finance staff of the grant application. |

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| 10.9 | Controlled Stationery | All receipt forms, books, tickets and other such items shall be ordered and supplied to services by the Section 95 Officer, or by arrangements approved by them. |
| 10.10 | Transfer of Money | All such transfers between staff will be evidenced in the records of the Services concerned by the signature of the receiving officer. |

11. TREASURY MANAGEMENT

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| 11.1 | CIPFA Code of Practice | The Section 95 Officer – Chief Officer (Finance) - to ensure the Council adopts the key clauses within Section 5 of CIPFA's "Treasury Management in the Public Services" Code of Practice (the Code) and most up to date revisions to the Code. |
| 11.2 | Treasury Management Policy Statement and Practices | The Section 95 Officer must arrange for the creation and maintenance of a Treasury Management Policy Statement and Treasury Management Practices, which identify the manner in which the Council shall manage and control its Treasury Management activities. |
| 11.3 | Prudential Code for Capital Finance in Local Authorities | The Chief Officer (Finance) is responsible for establishing a control framework that complies with the requirements of the Prudential Code for Capital Finance in Local Authorities, and for regular monitoring of prudential indicators during the financial year. |
| 11.4 | Investment Strategy | In accordance with the Local Government Investments (Scotland) Regulations 2010, the Section 95 Officer must arrange for the creation and maintenance of an Annual Investment Strategy and Annual Investment Report. Council funds shall be invested in accordance with the approved annual investment strategy and shall be held in the name of the Council. |
| 11.5 | Borrowing and Investment | All borrowing, investment and leasing including that related to Trust and Charitable Funds, will be under the control of the Chief Officer (Finance) in accordance with the provisions of the aforementioned Code of Practice on Treasury Management, Prudential Code for Capital Finance in Local Authorities, Treasury Policy Statement and Treasury Management Practices, all of which have been adopted by the Council. |
| 11.6 | Leasing | Services must obtain the approval of the Chief Officer (Finance) before entering into any leasing agreements (operational and finance) with a finance company. Leases affected must be in the Council's name. Leases must be reviewed with Finance staff and reported to the Treasury, Capital and Controls team to ensure compliance with proper accounting practices (IFRS 16). Where guidance is required, Finance staff and the Treasury, Capitals and Controls team will provide support. |

12. BANKING

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| 12.1 | Bank Accounts | All arrangements with the Council's Bankers shall be made by the Chief Officer (Finance), who shall be authorised to open such bank accounts as they may consider necessary. |
| 12.2 | Cheques | All cheques required to support the banking arrangements of Council-operated Services shall be ordered only on the authority of the Section 95 Officer, who shall make proper arrangements for their safe custody. |
| 12.3 | Signatures | With reference to 12.2 above, all cheques, excluding those required by Charitable Trusts, shall be signed by the Chief Officer (Finance); manual cheques may be signed by other responsible persons, per the Councils bank mandate, specified by the Section 95 Officer, on their behalf. |
| 12.4 | Petty cash | There are separate arrangements for the operation of petty cash Accounts. These are described in Regulation 20. |
| 12.5 | Credit Cards | Any requests for a corporate credit card must be made in accordance with the Councils Corporate Credit Card Policy with all aspects of the policy properly adhered to. Misuse of credit cards will result in action under the Council's disciplinary procedures. |
| 12.6 | Purchase Cards | Purchase cards will be issued only where there is a clear business benefit or need. Their issue will be approved by service managers and the cardholders will need to agree to the terms of their use. Restrictions on their use will normally be applied and will be coded into the card itself. Misuse of purchase cards will result in action under the Council's disciplinary procedures. The Chief Officer (Finance) is responsible for overseeing the issue and use of cards as well as associated VAT compliance. |
| 12.7 | Direct Debits/Standing Orders | All direct debit instructions and standing orders approved for payment by Services must be authorised by the Chief Officer (Finance). |
| 12.8 | Banking Contract | All services provided by the bank in relation to the management of the Council's bank accounts and the issue of cheques shall be renewed periodically by a competitive tendering process. |

13. PAYROLL

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| 13.1 | Payment | Payment of all wages, salaries, travelling and subsistence expenses and other Payroll items will be made by the Chief Officer (People Resources), with delegated authority from the Section 95 officer. |
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| 13.2 | Information | The Chief Executive, Chief Officers, or other officer where appropriate, will provide to the Section 95 officer, delegated to the Chief Officer (People Resources), in accordance with a timetable laid down by, and in a form approved by them , information regarding appointments, resignations, dismissals, promotions, increments, pay awards, hours worked, overtime, sickness, travel and subsistence and any other items affecting the remuneration of employees, or essential to maintain records regarding Tax, National Insurance and Superannuation. |
| 13.3 | Certification | All payroll information must be supplied by Authorised Signatories. Signatories are certifying that the information is accurate and that any overtime and expenses relate directly and exclusively to the Council's business. |
| 13.4 | Payment method | The normal method of payment shall be by the Bankers Automated Clearing System (BACS). Where this is not possible, payment will be made by cheque or under special circumstances by prior agreement with the Treasury, Capital and Controls team using online banking payment services e.g. faster payment, CHAPS. |

14. PAYMENT OF CREDITORS

In conjunction with Internal Audit, a number of interim arrangements have been put in place to allow the continuation of payments to creditors whilst a large proportion of staff work from home. The key principles set out in these regulations stand however where a working from home arrangement is in place this will be displayed in *italics*.

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| 14.1 | Ordering | Chief Officers are responsible for ordering goods and / or services for their Services, which shall be carried out in accordance with the Council's contract standing orders, approved procurement strategy and guidance notes. |
| 14.2 | Electronic Purchase Order Processing | Where available, Services shall use PECOS or other approved electronic procurement systems for all purchases. Services using electronic procurement systems must use electronic order forms for all purchases, which require to be authorised electronically by an authorised signatory. Where an urgent order is made by letter or on the telephone, an electronic order form must subsequently be sent in confirmation within a day of the request |
| 14.3 | Manual Purchase Order Processing | Manual purchase orders should only be used where Services do not have access to PECOS or other approved electronic procurement systems. Official Order Forms will be used for all purchases and must be signed by Authorised Signatories. Where an urgent order is made by letter or on the telephone, an official order form must subsequently be sent in confirmation <u>within a day of the request</u> . |

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| 14.4 | Certification | <p>Chief Officers will arrange for the certification of invoices and other equivalent payment vouchers received from suppliers, contractors, or generated from Service systems, and remit them, physically or electronically, to the Chief Officer (Finance) for payment. In making these arrangements, Chief Officers must have regard to the need for Internal Check (19.3 below). Authorised Signatories are certifying that:</p> <ul style="list-style-type: none"> • the goods or services included are as ordered, • the payment is properly due under the terms of any contract, and that the prices, all arithmetical details are correct, and all contract documents are available for inspection should they be requested. This should include sufficient evidence to justify annual price increases and tables of agreed charges where appropriate, and the expenditure has been properly incurred. <p>In addition, they are also confirming that they have delegated authority to certify payment to the value of each individual invoice or equivalent payment voucher enclosed in the batch.</p> <p>The Chief Officer (Finance) is responsible for overseeing the compliance of creditors payments certification with any issues reported to the Section 95 Officer where appropriate.</p> <p><i>Arrangements have been put in place to facilitate the authorisation of invoices whilst staff work from home. This process requires dual authorisation through email with the following certification statement:</i></p> <p><u>Certification Statement</u></p> <p>I confirm that I am certifying payment of the enclosed invoices or other equivalent payment vouchers in accordance with North Lanarkshire Council's current Financial Regulations and that:</p> <p>(a) The goods or services included are as ordered; (b) The payment is properly due under the terms of any contract and that the prices and all arithmetic details are correct; and (c) The expenditure has been properly incurred.</p> <p>I also confirm that I have delegated authority to certify payment to the value of each individual invoice or equivalent payment voucher enclosed in this batch.</p> <ul style="list-style-type: none"> • Contract documents are available for inspection, should they be required, which confirm relevant contract details to support the payment, including evidence supporting annual price increases and tables of charges. <p>Total Count of invoices or other equivalent payment vouchers being certified: _____</p> <p>Total Gross Value of invoices or other equivalent payment vouchers being certified: _____</p> |
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| | | <p>Certified by: _____ (print name)</p> <p>_____ (date)</p> |
| 14.5 | Certification of Cheque request forms | <p>All payment / cheque requests must be made using the Standard Template and must be authorised by two different authorised signatories (i.e. officers with the appropriate level of delegated authority per the authorised signatory list). As with invoice certification, authorisation by email is acceptable.</p> <p>Once the Standard Template has been completed, it should be saved as a PDF (so that it cannot be amended) and sent to the first authorised signatory, with the email subject stating 'Request for payment / cheque'. The first authorised signatory should check the form and be satisfied that it should be processed for payment.</p> <p>Once satisfied that the form should be processed for payment, the first authorised signatory should forward the email to the second authorised signatory for checking and agreement. Once agreed, the second authorised signatory should then forward the email to CreditorsDPMailbox@northlan.gov.uk for processing, ensuring that the email trail clearly indicates the dual authorisation process.</p> <p>As this is the authorisation process, any payment / cheque requests which do not follow this process and clearly show the dual authorisation process will not be processed for payment and will be returned to the sender's mailbox.</p> |
| 14.6 | Payment | <p>All invoices and other equivalent payment documents, with the exception of petty cash items, may only be paid by the Section 95 Officer who may carry out such additional checks as deemed necessary. Petty cash items are covered by Regulation 18.</p> |
| 14.7 | Alterations | <p>In the unlikely event that a voucher has to be altered, this should be done by an Authorised Signatory, clearly, by stroking out and correcting in ink. Correcting fluid must not be used. Invoices must not be altered by staff, but must be sent back to the supplier for correction.</p> |
| 14.8 | Payment method | <p>The normal method of payment shall be by the Bankers Automated Clearing System (BACS). Where this is not possible, payment will be made by cheque following written confirmation with the Creditors Section or under special circumstances by prior agreement with the Treasury, Capital and Controls team using online banking payment services e.g. faster payment, CHAPS.</p> <p>Note that arrangements for same day faster payments must be notified to the Treasury, Capital and Controls team before 10am on the required day.</p> |

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| 14.9 | Payment Timing | Every effort will be made to adhere to any payment timetable stipulated in contracts (including Small, Medium Enterprises currently on 20-day terms), or otherwise within 30 days. Where special circumstances exist for a contract's payment terms, these must be notified in writing to the Creditors Section by the appropriate authorised signatory. Chief Officers should pass certified invoices to Finance within 20 days of receipt. Finance should process properly certified invoices within 5 days of receipt. |
| 14.10 | Certification of urgent payments | All invoices that are overdue and presented late to creditors should be submitted individually by email. If a service wishes these overdue invoices to be treated as urgent, the invoice certification checks and reviews should be carried out as usual, however, the authorisation for payment of these invoices must be submitted to creditors by email to 'Data Processing Mailbox – Creditors' by the Chief Officer responsible for that area of business directly, with the subject line 'Urgent Payments – Invoices Overdue'. The following text must be added to the body of the email, "I authorise the attached batch containing xx invoices/documents to the value of £xx.xx to be processed for payment. These invoices are already overdue and should be treated as urgent because" |

15. CONTRACTS

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| 15.1 | Register | Chief Officers shall maintain records of all contracts relevant to their Services and payments made. The Chief Officer (Finance) shall have access to all such records. |
| 15.2 | Payments contracts) (re | Payment Certificates to Contractors may be signed only by Authorised Signatories. |
| 15.3 | Variations | Subject to the conditions of contract in each case, every variation shall be authorised in writing by the appropriate Chief Officer (Budget Holder) or private professional or consultant as appropriate, or by other officer nominated by them, or, in special circumstances, by other officer approved by the Section 95 Officer. |
| 15.4 | Significant Variations | Any variations where the outturn/expected costs exceed the tendered contract price by the higher of £25,000 or 5%, or where the outputs/outcomes achieved by the expenditure differ significantly from those originally envisaged, shall be reported by the appropriate Chief Officer (Budget Holder) to the relevant Spending Committee at the earliest opportunity. |
| 15.5 | Time Delay | Where completion is delayed beyond the agreed timescale, the Chief Officer (Budget Holder) shall, in consultation with the Monitoring Officer – Chief Officer (Legal and Democratic) - take appropriate action in regard to liquidate ascertained or other damages. |

16. SECURITY

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| 16.1 | Responsibility | All Chief Officers are responsible for maintaining proper security over all buildings, stores, furniture, equipment, cash, etc., under their control. Chief Officers will consult the Section 95 Officer when advice may be required, concerning existing or new situations. |
| 16.2 | Cash Holdings | Chief Officers will agree limits for cash holdings on their premises with the Section 95 Officer. These may not be exceeded without the prior written agreement of the Chief Officer (Finance). |
| 16.3 | Key holders | Chief Officers must ensure that keys for safes and similar receptacles for cash or other valuables are securely controlled by persons specified as key holders. Each Chief Officer will keep a register of key holders. Any loss of such keys must be reported to the Chief Officer (Finance) immediately upon discovery of loss. |
| 16.4 | Controlled Stationery | The Chief Officer (Finance) shall ensure that secure arrangements are in place for the custody and issue of pre-printed/pre-signed cheques, and any other stocks of stock certificates, bonds, and any other valuable financial documents. |
| 16.5 | Retention Documents of | Chief Officers are responsible for the safekeeping and control of all documents in their services. The Section 95 Officer in consultation with the Monitoring Officer will specify the retention period for documents of a financial nature, which is prescribed within the NLC Retention Schedule. |
| 16.6 | Data Protection | Personal data (both manual and computerised) held by the Council may not be used for any purposes other than those which are registered by the Council under the Data Protection Act 1998. The Council has a duty to respond timeously, within 40 days, to requests for information ("Subject Access Requests"), provided that the conditions contained in the Data Protection Act 1998 are met. The Service receiving the request should deal with the subject access request and maintain a record of information provided in respect of all subject access requests, in accordance with the Council's Data Protection Policy. The above applies with reference to subsequent amendments to the Data Protection Act 1998 to take account of General Data Protection Regulations. |

17. STORES AND INVENTORIES

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| 17.1 | Storekeeping | Chief Officers are responsible for the safe keeping and control of all stocks and stores in their Services and must arrange for regular stocktaking. |
| 17.2 | Adjustments | Where a Chief Officer has had to make adjustment for stock surpluses or deficiencies, a report must be submitted to the Spending Committee and the Finance and Resource Committee specifying the reasons for the adjustments and the amounts thereof. |
| 17.3 | Disposal equipment of | A Chief Officer who has equipment, furniture or stock surplus to requirements (excluding ICT equipment) should first offer it to other Chief Officers. Thereafter, Chief Officers wishing to dispose |

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| | | <p>of surplus items shall do so by sale advertised in the press, either by sealed offer or by public auction. Any proposals for a different method of disposal must be approved by the Section 95 Officer.</p> <p>Assets which are obsolete or beyond economic repair, and whose individual estimated value at the date of disposal is less than £1,500, can be disposed of by the Service without prior approval by the Section 95 Officer provided that the disposal of each item has been authorised by the relevant Chief Officer.</p> |
| 17.4 | Disposal of ICT equipment | Where a Chief Officer has ICT equipment that is surplus to requirements, obsolete or beyond economic repair, their nominee shall contact the IT Service Desk to ensure that all data is safely removed and the equipment disposed of in accordance with the Council's IT policies. |
| 17.5 | Stock Levels | Stocks and stores must not be in excess of normal requirements. Chief Officers wishing to make exceptional arrangements must seek the authority of the appropriate spending Committee. |
| 17.6 | Inventories | Chief Officers must maintain inventories, in a form specified by or approved by the Chief Officer (Finance) and must have them checked annually. |
| 17.7 | Removal | Council property, excluding portable devices (e.g. Laptops), may not be removed from Council premises without the written authority of the appropriate Chief Officer. Line management approval must be obtained prior to removing portable devices from Council premises. |
| 17.8 | Valuations | Chief Officers shall supply to the Chief Officer (Finance) annually, certified and dated copies of stock lists and inventories required for the closing of the Accounts. |

18. INSURANCE

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| 18.1 | Insurance | Where insurance is the chosen option, the Chief Officer (Finance) shall effect and maintain suitable cover, and will put in place suitable arrangements for the negotiation of any claims, in consultation with other Chief Officers. |
| 18.2 | New Risks | <p>Chief Officers must immediately notify the Chief Officer (Finance) of:</p> <ul style="list-style-type: none"> i) any new Service activities or practices which could have a significant effect on the potential liability of the Council to other parties so as to allow for effective insurance arrangements; or ii) any changes to the Council's asset portfolio which will affect the level of cover required for Council owned property i.e. significant additions or deletions of premises, so that the Chief Officer (Finance) can change the level of cover in place. |
| 18.3 | Insurance Management Risk | The Chief Officer (Finance) shall, at not less than five-yearly intervals, submit to the Finance and Resources Committee an insurance risk management and funding strategy. |

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| 18.4 | Losses | Chief Officers must immediately notify the Section 95 Officer of any losses or other events likely to lead to a claim, who is responsible for taking appropriate action after liaising with the relevant Chief Officer. |
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19. ACCOUNTING PROCEDURES

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| 19.1 | Systems and Records | The Chief Officer (Finance) shall specify or approve all accounting systems and records of the Council, wherever kept. |
| 19.2 | Principles | All systems will be designed in accordance with best practice, and will incorporate internal controls to ensure that, as far as possible:- (i) all income of the Council is promptly and properly recorded and collected, (ii) all expenditure of the Council is properly incurred, authorised and duly paid, (iii) all cash, stores and other assets of the Council are safely kept and controlled, (iv) due cognisance of the Section 95 Officer's requirements in respect of reconciliations, audit trails and control, and (v) Finance should be directly involved at the tender, implementation and post-implementation review of new internal control and recording systems to ensure they comply with the above requirements. |
| 19.3 | Internal check | As far as possible, segregation of duties should occur among employees so that:- (i) the calculation, recording or certification of sums due to or by the Council should not be in the hands of one person, (ii) those who calculate, record or certify sums due to or by the Council should not be involved in the eventual receipt or payment of those sums, and (iii) those who examine or check cash transactions should not be directly involved in those transactions (iv) all checking and authorisation undertaken by officers must be evidenced by initials or signature. Where segregation of duties is not possible, direct line managers should be made aware and the associated risk included on the relevant Risk Register. |
| 19.4 | Provision of Information | Chief Officers will supply to the Section 95 Officer, in accordance with their timetable, all information necessary, including that relating to ALEOs, to enable them to close the Council's Accounts by the statutory date each year. The statutory date is currently 30 June. Final Audited Accounts of Council Subsidiary Companies should also be made available to allow the Council to comply with the statutory deadline of publishing those accounts on the Council website by 31 October each year as per the Local Authority Accounts (Scotland) Regulations 2014. |

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| 19.5 | Statutory Accounts Audited Annual Accounts Deadlines | <p>The Chief Officer (Finance) requires the attendance and signature of the following members and officers by the statutory completion date:</p> <p>Chief Officer (Finance); Chief Executive; and Council Leader.</p> <p>The Annual Accounts require the signature of the Leader of the Council and the Chief Executive directly following the approval at the Council's Audit and Scrutiny Panel. Approval of the accounts for signature should be no later than 30 September unless special/temporary legislation states otherwise.</p> |
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20. CASH ADVANCES – GENERAL AND IMPREST

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| 20.1 | Responsibility | <p>The Chief Officer (Finance) shall provide cash advances to those who require them for the purpose of minor items of expenditure. The Advance for Officials Expenses form should be completed by the relevant officer and signed by their authorised Service Contact and countersigned by the relevant Finance accountant. Whilst working from home, this process can be completed through email authorisation with a clear trail shown between appropriate personnel. The completed form should be emailed to the “cash advances” mailbox ready for an officer to collect from their preferred First Stop Shop – Motherwell, Wishaw, Coatbridge or Kilsyth.</p> <p>All receipts to support the spend should be retained and returned with any cash remaining from the advance within 1 month of the cash advance being received.</p> |
| 20.2 | System – Imprest | <p>The particular bookkeeping system in use for petty cash in all Services is the Imprest System, and those who have cash advances are referred to as imprest holders.</p> |
| 20.3 | Rules – Imprest | <p>Imprest accounts will be operated to rules set by the Section 95 Officer. These will be notified to all imprest holders, and must be strictly adhered to.</p> |
| 20.4 | Termination Imprest – | <p>Any imprest holder who leaves the Council's employment or through any other circumstances ceases to be entitled to be an Imprest Holder, must account to the Section 95 Officer for the amount of the advance.</p> |
| 20.5 | Payment Method – Imprest | <p>Imprest holders may make payments in cash or by cheque drawn by them on their respective Imprest Bank Accounts.</p> |

21. AUDIT

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| 21.1 | Responsibility | <p>The Section 95 Officer and Chief Officer (Audit and Risk) shall ensure the adequacy and effectiveness of the Council's internal controls including financial and operational controls, risk management systems and key governance processes are independently reviewed on a regular basis in accordance with the Public Sector Internal Audit Standards and associated Local Government Application Note.</p> <p>Internal Audit will operate in a manner consistent with the Internal Audit Charter which explains in more detail its purpose, authority and responsibilities. This document is reviewed annually and is approved by the Section 95 Officer, the Chief Executive and the Audit and Scrutiny Panel.</p> |
| 21.2 | Access | <p>Internal Audit staff have authority to:-</p> <ul style="list-style-type: none">(i) enter all Council premises or land at all reasonable times,(ii) have access to all records,(iii) require and receive any explanations necessary concerning any matter under investigation, and(iv) require any employee to produce cash, stores or other property under that employee's control. |
| 21.3 | Value for Money | <p>Internal Audit staff will contribute in an appropriate manner to the achievement of value for money in Council services.</p> |
| 21.4 | Irregularities | <p>Chief Officers must report any evident or suspected irregularity involving cash, stores, expenditure, income, contractual powers or any other item of a financial nature, immediately, to the Audit and Risk Manager.</p> |
| 21.5 | Reporting | <p>The Chief Officer (Audit and Risk) shall report on Audit activity to the Chief Executive, Section 95 Officer and the Audit and Scrutiny Panel.</p> |
| 21.6 | External Audit | <p>External Audit staff must be given access by Services to all relevant records required to enable them to conduct the external audit of the Council in accordance with the Code of Practice issued by Audit Scotland. Where staff are unsure about providing access, advice should be sought from the Section 95 Officer.</p> |

22. MEMBERS' REMUNERATION AND EXPENSES

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| 22.1 | Responsibility | <p>The Section 95 Officer shall be responsible for the administration of expenses and remuneration to members of the Council in accordance with Scottish Government Regulations.</p> |
| 22.2 | Payment | <p>Payment to members, including co-opted members, will be made by the Chief Officer (Finance) in accordance with the Regulations, upon receipt of the prescribed form duly completed, where appropriate. All claims for a financial year are to be submitted within one month after 31st March of that financial year.</p> <p><i>Working from home arrangements require claim forms to be received electronically.</i></p> |

23. FINANCIAL REGULATIONS

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| 23.1 | Authority | These Regulations were approved by the Committee in May 2018 and have been subject to annual review since. |
| 23.2 | Responsibilities | Chief Officers are responsible for ensuring that all appropriate members of staff, and where appropriate, external consultants, contractors and relevant partner organisations, have access to the Council's Financial Regulations and Contract Standing Orders. |
| 23.3 | Breach | Any employee discovering a possible breach of these regulations must report the matter immediately to their Chief Officer, who must in turn immediately report it to the Section 95 Officer. Failure by any employee to comply with the Regulations, or, in the case of staff with appropriate supervisory responsibilities, failure to ensure the compliance of others, can be a serious offence which may give rise to action. |
| 23.4 | Special Provisions | The Education, Children and Families Committee may request amendments to these Regulations insofar as they apply to the devolved Management of Resources by educational establishments, in consultation with the Chief Officer (Finance), and reported to the Finance and Resource Committee. |
| 23.5 | Annual Review | The Chief Officer (Finance) will consider these Regulations annually, and having consulted the Chief Executive, Chief Officers and Chief Accountable Officer for Health and Social Care, will present proposals for revision of the Regulations, where appropriate, to the Finance and Resource Committee for approval. |
| 23.6 | Circulation | Electronic copies of these Regulations are issued directly to the Chief Officers. In addition, the document can be accessed on the Council's Intranet, or via the Council's Minutes, Agenda and Reporting system – Finance and Resource Committee. |
| 23.7 | Advice | Any queries regarding the Regulations or their interpretation should be made in the first instance to the Chief Officer (Finance), or your relevant Finance contact who can refer any queries on to the relevant officer for review. |

FINANCE
SCHEME OF DELEGATION
FINANCIAL MANAGEMENT RESPONSIBILITIES

1. Section 95 Officer

- 1.1. The Council, in terms of Section 95 of the Local Government (Scotland) Act 1973, has designated the Chief Officer (Finance) as the officer responsible for the proper administration of the Council's financial affairs, and nothing in this Scheme alters that responsibility. However, to enable the Section 95 Officer to fulfil his/her responsibilities in the most effective manner and to ensure that there is no ambiguity in relation to accountability, it is necessary for each level of management to delegate formally, and to issue a clear statement detailing, operational responsibility.
- 1.2. The Chief Officer (Finance), as Section 95 Officer, has the following specific responsibilities:
 - 1.2.1. To ensure the accurate and timeous preparation of the Council's Revenue Estimates, Medium-term and Long-term Financial Plans as appropriate, Capital Programmes and Statutory Accounts; all in accordance with laid-down timetables and procedures.
 - 1.2.2. To report the summary position for both revenue and capital budgets at each committee cycle, with the intervening reports being presented to the Corporate Management Team.
 - 1.2.3. To ensure reports are prepared by Service based Finance personnel in consultation with budget managers, in accordance with the Financial Regulations and ensure they are presented to the relevant Committee of the Council.
 - 1.2.4. To ensure that all government and other external reporting body returns (POBE, LFR's, Whole of Government Accounts, Prudential Code Indicators, Capital Expenditure and Income Statistics etc.) and Grant claims are submitted to the appropriate body by the due dates.
 - 1.2.5. To ensure the development of Finance's response to Best Value as set out in the Local Government Act 2003.
 - 1.2.6. To review government grant mechanisms, identifying areas of potential review, and research alternative methods of funding.
 - 1.2.7. Ensure the development of financial and management systems.
 - 1.2.8. Maintain, review and update financial policies to reflect the corporate priorities of the Council.
 - 1.2.9. To ensure that the Council has an appropriate Treasury Management Strategy which complies with recommended best practice and accords with the CIPFA Code of Practice and Prudential Code for Capital Finance.
 - 1.2.10. To ensure that the Council's Loans Fund and day to day borrowing and investment arrangements are in line with the statutory Annual Investment Strategy, and to report the Council's Treasury Management Performance to Committee as required.
 - 1.2.11. To ensure that professional standards and staff performance are maintained by all staff delivering financial services.

- 1.2.12. To ensure that appropriate access to training needs is available to enable staff to achieve their potential.
- 1.2.13. To ensure that a library of standard financial and accounting procedures is maintained for each Service, Trading Activity, Trust and other body such as a Private Company, in which the Council has a financial interest.
- 1.3. The Chief Officer (Finance) has delegated the areas of responsibility described in this Scheme of Delegation to specified officers of Finance. In fulfilling any responsibilities delegated to them, specified officers will:
 - 1.3.1. Conform with professional guidelines and standards of competence;
 - 1.3.2. Comply with recognised accounting codes of practice.
 - 1.3.3. Act in a professional and competent manner.
 - 1.3.4. Seek to ensure that members of their staff do the same.
- 1.4. Specified officers will not sub-delegate any of their delegated responsibilities without the written consent of the Chief Officer (Finance). Duties may be sub-delegated, but not responsibilities.

2. Specific Delegation to Officers

- 2.1. The items listed in Section 2 of this Scheme of Financial Delegation are not to be regarded as an exhaustive list of the responsibilities of the specified officers. The Scheme must be read in conjunction with the officer's Contract of Employment, Job Description and Professional Codes of Conduct.
- 2.2. The Chief Officer (Finance) has made the following specific delegations in respect of the provision of Finance.

2.3. Business Finance Manager

- 2.3.1. Develop strategic business plans and manage service delivery consistent with these plans and in line with national and council policies.
- 2.3.2. Ensure best value in the management and delivery of services under direct control, ensuring that all relevant legislative requirement and professional standards are fulfilled and the best available assistance and advice is provided to Chief Officers within a changing economic and legislative environment.
- 2.3.3. Monitor along with other members of the Management Team, the external environment to ensure continued strategic fit between organisational capabilities and the changing demands upon the service.
- 2.3.4. Identify and develop opportunities for service improvement through collaborative projects/joint ventures with partner agencies.
- 2.3.5. Represent the Service and Council as necessary, including attendance at all relevant committees of the Council, working groups, conferences, seminars and meetings.
- 2.3.6. Provide support to national activities, including COSLA and Scottish Government as required.
- 2.3.7. Provide performance information and the preparation of reports for Council Committees, Sub Committees and working groups as required.
- 2.3.8. Promote and develop the use of options appraisal and other business and analytical techniques in support of continuous improvement.

- 2.3.9. Support Chief Officers to ensure the effective and efficient deployment of financial resources within Services.
- 2.3.10. Ensure employees adhere to the Council's Financial Regulations and Scheme of Financial Delegation and ensure probity in the use of financial resources.
- 2.3.11. Manage the accounting and audit process, ensuring adherence to council financial policies and procedures, legislative requirement and professional standards.
- 2.3.12. Ensure effective operational financial management of revenue and capital budgets and establish and maintain systems whereby budget managers regularly account for the budgets under their control.
- 2.3.13. Provide financial management information and professional advice, direction and support to delegated budget holders on all financial matters.
- 2.3.14. Monitor, measure and report on financial performance according to agreed performance indicators and frameworks.
- 2.3.15. Maintain positive working relationships with other officers, elected members (individually and collectively at Committee/Working Groups etc) and Community Planning partners. This will involve working across all service groups and with chief officers to ensure a joined up approach to the delivery of such services.
- 2.3.16. Oversee the Council's monitoring and maintenance of effective controls and reconciliations of data or cash controls as appropriate.
- 2.3.17. Ensure that statutory returns and grant claims are completed and returned within required deadlines.
- 2.3.18. Identify Key financial risks and address these as appropriate, in terms of internal controls, monitoring and planning arrangements.
- 2.3.19. Support the Council's pursuit of an effective health and safety culture by using the policies, procedures, risk assessments and training provided to work safely, giving due regard to yourself, others you work with and those who may use council services.
- 2.3.20. Deputise for the Chief Officer (Finance) as appropriate.
- 2.3.21. Coordinate and prepare the Council's annual revenue and capital budgets providing advice on matter relating to financial strategy, funding resources and expenditure pressures.
- 2.3.22. Oversee the preparation of the Annual Accounts of the Council and associated bodies in accordance with legislative accounting requirements and professional standards.
- 2.3.23. Oversee the Council's Treasury Management function ensuring the effectiveness of the Authority's Treasury Management policy and borrowing strategy.
- 2.3.24. Oversee the Council's financial monitoring and governance arrangements of our Arms Length External Organisations (ALEO's).
- 2.3.25. Provide a comprehensive financial systems development, research and Taxation service.
- 2.3.26. Manage the rent accounting function, developing and maintaining a fair and effective differential rent structure.
- 2.3.27. Ensure that adequate systems are in place to collect and account for other sources of income.

- 2.3.28. Consult with the Service Management Teams to assess how the existing financial management needs have been met and plan for future requirements.
- 2.3.29. Oversee the monitoring of the Councils Devolved School Management (DSM) scheme, ensuring adherence to the scheme and the effective use of budgets and recommending changes where appropriate.
- 2.3.30. Manage elements of the DSM scheme not directly within the Finance structure.
- 2.3.31. Consult with the Service Management Teams to assess how the existing financial management needs have been met and plan for future requirements.

2.4. **Finance Manager**

- 2.4.1. Manage all activities to ensure that appropriate professional advice and guidance is provided on all relevant financial issues within the scope of the Finance Manager's responsibilities.
- 2.4.2. Ensure effective arrangements are implemented and adopted for providing prompt customer focussed service. Develop solutions to complex problems and respond to high level queries from senior managers, service managers, elected members and external bodies.
- 2.4.3. Ensure team members follow Council policies, procedures, legislative requirements and professional standards.
- 2.4.4. Provide the Finance Management Team and Council Services with professional advice on matters relating to the operation and development of the Services including:
 - 2.4.4.1. Providing financial management, business planning and accounting services for a range of specified Council Services.
 - 2.4.4.2. Ensuring financial support provided to Services is efficient, integrated and responsive to change. Support Services in the delivery of the transformational change by providing professional guidance and support on business planning and financial management.
 - 2.4.4.3. Directing the activities of Accountants, Assistant Accountants and other support staff to ensure revenue and capital plans, budget monitoring and annual accounts arrangements are effectively in place across the Council.
 - 2.4.4.4. Identifying key financial risks and addressing these as appropriate in terms of internal controls, monitoring and planning arrangements.
 - 2.4.4.5. Reviewing and ensuring compliance with financial regulations including SORPs and CIPFA Codes of Practice and other financial controls. Act upon internal and external audit reports relevant to areas of responsibility.
 - 2.4.4.6. Promoting best financial practice to ensure effective use of and accountability for revenue and capital resources. Develop and maintain effective procedures in line with the scheme of financial delegation.
 - 2.4.4.7. Reviewing statutory and statistical returns and grant claims to ensure that the Council's needs and resources are accurately identified. Ensure all grant claims and statutory returns are completed and submitted within required deadlines.
- 2.4.5. Manage and develop the staff in the group, ensuring the highest professional standards by setting objectives and performance standards, developing work

plans identifying training requirements, reviewing performance and taking such remedial action as necessary to ensure that standards are maintained.

- 2.4.6. Develop and maintain good working arrangements with other Finance Managers, Service Managers, elected members, trusts and external organisations to ensure efficient, effective and corporate working.
 - 2.4.7. Respond positively to changes affecting the service, advocate new practice and procedures and drive forward change processes. Ensure that the professional integrity of the service is maintained at all times.
 - 2.4.8. Represent Finance where appropriate at e.g. national associations, professional working groups, Council meetings etc.
 - 2.4.9. Ensure that income and expenditure are monitored against Service budgets and that variances are reported timeously.
 - 2.4.10. Prepare reports to senior management and the Council, as required.
 - 2.4.11. Support the Council's pursuit of an effective health and safety culture by using the policies, procedures, risk assessments and training provided to work safely, giving due regard to yourself, others you work with and those who may use Council services.
 - 2.4.12. Manage the preparation and production of the Council's annual revenue and capital budgets and supporting strategies and plans.
 - 2.4.13. Co-ordinate the preparation of the Annual Accounts and other statutory returns of the Council and associated bodies in accordance with legislative accounting requirements and professional standards.
 - 2.4.14. Manage Council's Treasury Management function ensuring the effectiveness of the Authority's Treasury Management policy and Borrowing Strategy.
 - 2.4.15. Manage the Council's financial monitoring and governance arrangements of Arms Length Organisations (ALEO's)
 - 2.4.16. Assist in providing a comprehensive financial systems development, research and Taxation service.
 - 2.4.17. Ensure effective ledger control.
- 2.5. **Accountant**
- 2.5.1. Manage all activities within the job remit ensuring professional advice and guidance is provided at all times.
 - 2.5.2. Provide the Chief Officer (Finance), Business Finance Managers, Finance Managers, Council Services and ALEOs Management teams/boards with professional advice on all matters relating to the financial management of the Council including:
 - 2.5.2.1. Taking a lead role in financial management, business planning and accounting services for a range of specified Council services/ALEOs, promoting best financial practice across the Council.
 - 2.5.2.2. Providing financial support to service in an efficient, client-focussed and integrated manner.
 - 2.5.2.3. Assisting senior management in the development and maintenance of effective financial controls across the Council/ALEOs, assessing potential for improvements to internal controls and monitoring processes.

- 2.5.2.4. Assisting senior management on the financial implications of the implementation of policy and legislative changes.
- 2.5.2.5. Provide financial advice and support to transformational projects as identified by the Transformation Committee.
- 2.5.2.6. Ensuring compliance with the Council's Financial Regulations and proper accounting practice, including relevant Code of Practice on Local Authority Accounting and other relevant legislation and guidance.
- 2.5.2.7. Contributing to the provision of best value services within a changing and challenging environment.
- 2.5.2.8. Compiling statutory and statistical returns and grant claims to ensure that the client needs and financial resources are accurately identified.
- 2.5.3. Develop and maintain good working arrangements with service managers, senior staff and outside bodies to ensure efficient and effective corporate working.
- 2.5.4. Provide financial support to major projects, developments and initiatives including option appraisal techniques, financial analysis, affordability levels and methods of funding, representing the client as required on multi-disciplinary teams.
- 2.5.5. Represent senior management where appropriate at service and corporate working groups, project teams and national associations, etc.
- 2.5.6. Supervise and direct the activities of assistant accountants, administrative staff and Modern Apprentices, through preparation and monitoring of annual work plans/key objectives, managing performance to deliver effective outcomes and developing individual skills and expertise.
- 2.5.7. Prepare corporate and committee monitoring reports in the approved format.
- 2.5.8. Monitor the capital programme and prepare reports on capital expenditure patterns and the performance of the capital programme against approved plans.
- 2.5.9. Provide advice and guidance to managers and staff on budgetary control and financial information systems, ensuring robust, well-documented procedures are in place.
- 2.5.10. Prepare and provide formal training and guidance to Senior Managers and budget holders.
- 2.5.11. Working closely with the Finance Manager, prepare the Annual Statutory Accounts of the Council and related support documentation in accordance with accounting standards and legislative requirements. Liaise with controls and reconciliations staff on the effective reconciliation of all expenditure, revenue and suspense accounts.
- 2.5.12. Maintain awareness of and proactively report on issues which may impact on local government finances.
- 2.5.13. Undertake research into government grant funding mechanisms and other external sources. Prepare briefing papers and supporting analysis for the Chief Officer (Finance), senior officers of the Council and Elected Members to support decision making.
- 2.5.14. Provide a VAT service to the Council ensuring the proper treatment of VAT transactions and maintenance of VAT procedures and records.
- 2.5.15. Provide financial management and accounting support for council tax, general revenue grant, non-domestic rates and other corporate funds managed by Finance.

- 2.5.16. Maintain and update the Service's performance management framework including preparing, collating, and reporting performance and required actions against key indicators and service objectives.
 - 2.5.17. Ensure ALEO's compliance with the Council's approved financial governance arrangements in accordance with our requirement to follow the public pound, reporting periodically to the Council.
 - 2.5.18. Support Board Director or Council representative responsibilities through reviewing strategic and financial plans to ensure consistency with Council aims, objectives, budgetary provision and to ensure external bodies have robust and sustainable business plans.
 - 2.5.19. Ensure accuracy of ALEOs statutory accounts, necessary for satisfying the Council's statutory responsibility regarding entities' financial statements in accordance with relevant timescales.
 - 2.5.20. Appraise the financial performance of companies and other bodies who work to conduct business with the Council.
 - 2.5.21. Prepare detailed corporate capital planning and expenditure programmes in conjunction with other senior officers in the Council and the strategic capital delivery group, policy priorities and available capital resources and in accordance with the capital investment strategy.
 - 2.5.22. Manage the effective monitoring of capital programmes and prepare reports on capital expenditure patterns and the performance of programmes against approved plans.
 - 2.5.23. Maintain the Council's fixed asset register and capital accounting requirements.
- 2.6. Controls and Reconciliations**
- 2.6.1. Ensure the effective on-going control and reconciliation of Council bank accounts and suspense accounts, Debtors, Creditors, and Payroll Systems, and ensure all payovers (PAYE etc.) and submission of returns are made within deadlines.
 - 2.6.2. Oversee the daily control and reconciliation of all Council income and ensure robust procedures are in place for corporate Cash Receipting and the Municipal Bank.
- 2.7. Rent Income Team**
- 2.7.1. Oversee the effective control of rent income including reconciliation of the bank account and direct debit compliance.
 - 2.7.2. Plan and action rent assessments as part of the overall control of rent.
- 2.8. Revenues and Benefits**
- 2.8.1. Under the remit of the Section 95 officer the Revenue and Benefits teams have the responsibility for the effective control of administering, processing and maintaining revenue and benefit transactions and systems. This includes for example Council Tax, Non Domestic Rates, Housing Benefits, Council Tax Reduction Scheme

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref JMcK/BF

Date 20/11/24

Procurement and Commercial Improvement Programme (“PCIP”) Assessment Results for North Lanarkshire Council 2023/24

From James McKinstry, Chief Officer (Assets and Procurement)

E-mail McKinstryJ@northlan.gov.uk **Telephone** 07939 281 102

Executive Summary

The ‘Procurement and Commercial Improvement Programme’ (“PCIP”) is a national assessment process used to appraise the procurement and commercial capability of public bodies. Scotland Excel conduct the PCIP assessments for the local authority sector.

This is the third round of PCIP assessments; previous assessments were carried out in 2017 and 2019. For the 2023/24 assessment programme, North Lanarkshire were 1 of 20 local authorities that decided to undergo assessment, while 12 opted not to participate.

Based on the comparable questions used in all three rounds of PCIP assessments, North Lanarkshire have continued to improve its overall scoring.

There are no outputs with a league table of scores by each participating local authority, however the supporting report from Scotland Excel provides a question-by-question comparison allowing the council to see where its individual score ranks alongside the other 19 participants.

The identified strengths and feedback provided by Scotland Excel will be used to help the council maintain progress and improvement in its procurement function and associated commercial activities.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Endorse the content of this report; and
- (2) Acknowledge the Scotland Excel PCIP Assessment Report.

The Plan for North Lanarkshire

| | |
|--------------------|-------------------------|
| Priority | All priorities |
| Ambition statement | All ambition statements |
| Programme of Work | All Programmes of Work |

1. Background

- 1.1 The 'Procurement and Commercial Improvement Programme' ("PCIP") is a national assessment process used to appraise the procurement and commercial capability of public bodies.
- 1.2 As the centre of expertise for 'local authority' procurement, Scotland Excel have the assignment to conduct the PCIP assessments within the local authority sector.
- 1.3 The PCIP assessment programme was introduced in 2015 and the previous PCIP assessments for North Lanarkshire Council were carried out in 2017 and 2019, both using a question set of 23 items.
- 1.4 The 2023/24 PCIP assessment format was designed to be a 'pulse check' in which 11 questions would be used, focussing on policies, procedures and performance. Of the 11 questions, 10 questions belonged to the full question set used in 2017 and 2019, while 1 new question was introduced to cover 'climate change'.
- 1.5 The assessment scoring model for 2023/24 was as follows:
- Developing Area;
 - Improving Area;
 - Good Practice; or
 - Advanced Practice.
- 1.6 A change for 2023/24 determined that no partial or half scores would be given. The assessments would require all elements within the scoring criteria to be demonstrated for the public body to achieve the desired level.

2. Report

- 2.1 The 2023/24 PCIP assessment was the council's third PCIP assessment with Scotland Excel, and our first 'pulse check'.
- 2.2 The finalised 2023/24 PCIP assessment scores for the council were:

| PCIP QUESTION | Level Achieved |
|---|-------------------|
| 1 Procurement Influence | Advanced Practice |
| 2 Procurement Strategy | Advanced Practice |
| 3 Learning and Skills: Capability | Improving Area |
| 4 Risk Management | Good Practice |
| 5 Commercial Awareness and Acumen | Good Practice |
| 6 Continuous Improvement of Procurement Activity | Good Practice |
| 7 Climate Change | Improving Area |
| 8 Implementation & Exit Strategies, Life Cycle Planning | Good Practice |
| 9 Contract and Supplier Management | Good Practice |
| 10 Contractual Obligations & Additional Benefits | Improving Area |
| 11 Lessons Learned | Good Practice |

- 2.3 As can be seen from the table with results above, the council achieved the highest level of 'Advance Practice' in 2 of the 11 question themes, with 6 determined to be 'Good Practice'. There were 3 themes identified as 'Improving', and we were not assessed as 'Developing' for any question.

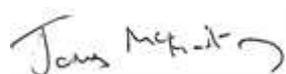
- 2.4 There are no outputs with a league table of scores by each participating local authority, however the supporting report from Scotland Excel (reference to **Appendix 1** of this report) provides a question-by-question comparison allowing the council to see where its individual score ranks alongside the other 19 participants.
- 2.5 If we consider that 10 of the questions were applicable for the previous two rounds of PCIP assessments the council has undertaken, then the council can show improvement in each successive result. For comparison, our results would be:
- 2017 – 57.50%
 - 2019 – 68.75%
 - 2024 – 75.00%
- 2.6 Whilst the PCIPs are not supposed to be directly comparable, particularly due to the increased expectation in assessors score guide for 2023/24 and the stricter assessment criteria that does not afford half marks, we can clearly see continual progress in a challenging and robust assessment process.
- 2.7 Based on our internal comparator scores increasing through each PCIP assessment, we are demonstrating a continuous upward trend, and it is an external testimony presenting a positive message that our application of procurement, our procurement function and procurement professionals are doing things well.

3. Measures of success

- 3.1 The scores achieved against each PCIP assessment theme, including qualitative feedback from Scotland Excel, must be used as the basis determining focus areas for improvements to the council's procurement activity and processes, while building upon the identified strengths.
- 3.2 The council continue to achieve a comparable higher overall score in each successive PCIP assessment.

4. Supporting documentation

Appendix 1 – Scotland Excel's Report to North Lanarkshire Council, outlining the PCIP Assessment 2023/24 scores and feedback.



James McKinstry
Chief Officer (Assets and Procurement)

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 type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
| <p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
| <p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
| <p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p> |

| | |
|--|---|
| 5.6 | Technology / Digital impact |
| Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? | |
| Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input type="checkbox"/> | |
| 5.7 | 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? | |
| 5.8 | 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? | |
| 5.9 | Risk impact |
| Is there a risk impact? | |
| Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input type="checkbox"/> | |

North Lanarkshire Council

PCIP Pulse Check Assessment Report 2024



Introduction

On 21st March 2024 Scotland Excel carried out a Procurement and Commercial Improvement Programme (PCIP) Pulse Check assessment with North Lanarkshire Council as part of the third round of such assessments of local authorities in Scotland.

This document sets out:

- The questions assessed and levels achieved.
- The key strengths and opportunities for development that the assessors identified from the PCIP
- Qualitative narrative that identifies positive changes in local practice.

Supporting you to improve

As the national centre of expertise for local government procurement, Scotland Excel is responsible for working with Scottish councils to improve procurement performance and practice. Working across the sector, and with individual councils, we can provide a range of support.



Workshops – covering a range of issues identified as key challenges across the sector, including input from experts and practitioners.



Accredited work based learning and development – delivered in person and online through the Scotland Excel Academy (academy.scotland-excel.org.uk)



Tailored change support – bespoke change support, delivered by our Project & Account Managers, to enable the change you need.

Overview of PCIP

Background

The Procurement and Commercial Improvement Programme (PCIP) was introduced in 2015 and is a maturity model designed to assess Scottish public sector procurement performance in a common format.

The annual assessments set out to build foundations of good public sector procurement and to signpost good practice. The assessments were demonstrably at the heart of procurement improvements across Scotland.

The PCIP is a continuation of the work undertaken by the Procurement Capability Assessment (PCA) carried out on an annual basis since 2008 until introduction of the PCIP.

PCIP Pulse Check commenced in 2023, with the offer of a new approach to further support the sector. The PCIP Pulse Check focuses on the policies and procedures driving procurement performance and, more importantly, the results they deliver. These pulse checks were undertaken with the assumption that the foundation elements identified and implemented since The McClelland report remain in place within organisations.

For PCIP Pulse Check, the assessment model developed offers a reduced question set and streamlined process for organisations whilst still assessing and supporting current procurement priorities. This hybrid model allows for greater flexibility and consists of a blended question set that can be tailored to the organisation and the sectoral context.

The model consists of eleven mandatory questions and nine discretionary questions.

Each question has four levels that an organisation may indicate it has achieved and will be assessed on the day. The levels are:

1. Developing Area
2. Improving Area
3. Good Practice
4. Advanced Practice

Further information on the PCIP can be obtained at the Scottish Government website:

<https://www.procurementjourney.scot/pcip/pcip-overview>



Overview of PCIP

PCIP Assessments 2023/2024

Scotland Excel worked with colleagues within Scottish Government and in conjunction with other public sector centres of expertise and our own Procurement Improvement Programme Steering Group, made up of local government procurement managers to consider the assessment route for 2023/24.

Of the thirty-two councils, twelve opted to not participate in this tranche of assessments. Irrespective of participation, all good practice and learning gathered as a result of the assessments will be shared with all members.

A number of councils volunteered to undertake pilot assessments. Output from these pilot sessions was shared with the wider community.

Prior to the commencement of assessments, Scotland Excel undertook a series of workshops across the sector to review typical evidence and to discuss each of the eleven mandatory questions as a group to achieve a common understanding.

The sector agreed to proceed with assessments on the understanding that council level results will not be shared beyond individual councils. Sector reporting, where possible, will be shared beyond individual councils.

Unlike previous PCIPs, there is no overall score that an organisation can compare with other organisations or sectors. Any comparisons will have to be undertaken based on the four levels indicated within this document.

One of the main benefits of sectoral assessment is the location and signposting of good practice. This will be a key aim of this assessment cycle.

A note on the assessment approach and judgments

Scotland Excel assessors have made the judgements and recommendations in this report based on evidence presented to them by your council, either in the form of documentation or verbal evidence.

PCIP is not an audit. Restraints on time and resources, coupled with a desire to ensure a proportionate approach to the assessments, means it is not possible for assessors to independently verify the evidence on the assessment day. Instead, evidence is assessed in good faith with the onus on the council to be open and transparent.



Summary of overall performance

Overall performance

North Lanarkshire Council undertook the PCIP assessment in March 2024. The table shows what level your organisation thought they would achieve for each question prior to the assessment and the levels that were achieved on the day.

| Question | Level Council Requested | Level Council Achieved |
|--------------------------------------|-------------------------|------------------------|
| 1 – Procurement Influence | Advanced Practice | Advanced Practice |
| 2 – Procurement Strategy | Good Practice | Advanced Practice |
| 3 – Learning & Skills | Improving Area | Improving Area |
| 4 – Risk Management | Good Practice | Good Practice |
| 5 – Commercial Acumen | Good Practice | Good Practice |
| 6 – Continuous Improvement | Good Practice | Good Practice |
| 7 – Climate Change | Developing Area | Improving Area |
| 8 – Implementation & Exit Strategies | Good Practice | Good Practice |
| 9 – Contract & Supplier Management | Improving Area | Good Practice |
| 10 – Contractual Obligations | Improving Area | Improving Area |
| 11 – Lessons Learned | Good Practice | Good Practice |

North Lanarkshire Council v All Councils

Q1: Procurement Influence

This question focuses on what level of influence the procurement function has over routine and major procurement activity and what the procurement function delivers to the organisation:

- Procurement professionals set all sourcing procedures
- Procurement procedures and national policy are being adhered to
- All influenceable spend has had procurement input helping to deliver sustainable and wider socio-economic outcomes

Q2: Procurement Strategy

This question focuses on links between the organisation's procurement strategy and its corporate strategy. It also considers if the procurement strategy is delivering the sectors strategic objectives.

In particular it looks at:

- Does the procurement function understand their sector environment
- How procurement helps the organisation deliver its objectives, embedding wider national ambitions, such as climate.

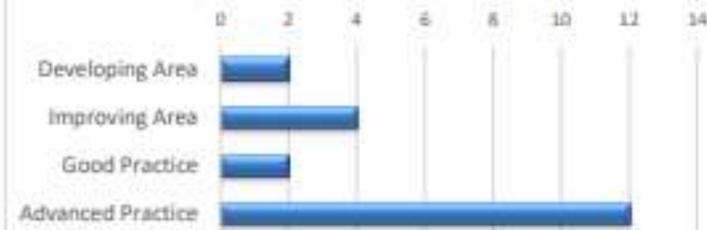
6

Q1. Procurement Influence

Level Achieved

| Developing Area | Improving Area | Good Practice | Advanced Practice |
|-----------------|----------------|---------------|-------------------|
|-----------------|----------------|---------------|-------------------|

Q1. Procurement Influence (Sector Results)

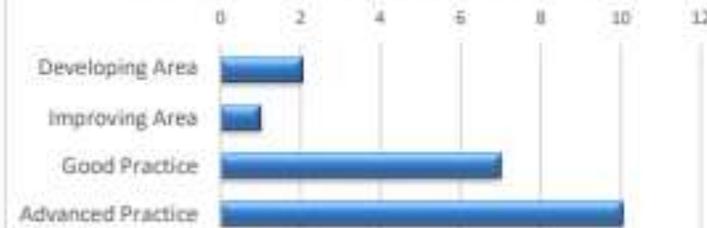


Q2. Procurement Strategy

Level Achieved

| Developing Area | Improving Area | Good Practice | Advanced Practice |
|-----------------|----------------|---------------|-------------------|
|-----------------|----------------|---------------|-------------------|

Q2. Procurement Strategy (Sector Results)



North Lanarkshire Council v All Councils

Q3: Learning & Skills

This question focuses on what the organisation does to develop existing procurement individuals and future talent:

- Development of existing professionals including undertaking a formal assessment of skills.
- Utilises a range of development methods including coaching and mentoring.
- Supports the development of future talent.
- Skills are recorded and tracked.

Q4: Risk Management

This question focuses on the organisation's approach to managing risk and contingency planning within procurement activity. In particular it looks at:

- The corporate level understands how procurement risks affect the organisation and manages them well.
- There is a clear understanding of why a Counter Fraud Strategy (CFS) is required, with controls in place.

7

Q3. Learning & Skills

Level Achieved

| Developing Area | Improving Area | Good Practice | Advanced Practice |
|-----------------|----------------|---------------|-------------------|
|-----------------|----------------|---------------|-------------------|

Q3. Learning & Skills (Sector Results)

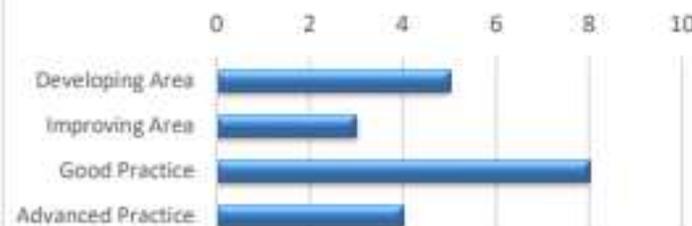


Q4. Risk Management

Level Achieved

| Developing Area | Improving Area | Good Practice | Advanced Practice |
|-----------------|----------------|---------------|-------------------|
|-----------------|----------------|---------------|-------------------|

Q4. Risk Management (Sector Results)



North Lanarkshire Council v All Councils

Q5: Commercial Awareness & Acumen

This question focuses on the organisation's approach to promote commercial competence and ensure it is embedded within its organisation and culture. In particular it looks at:

- Procurement focus on commercial acumen; judgement and negotiation skills.
- When making commercial decisions, there is clear evidence of data and information gathering to create an informed assessment of costs, benefits and risks to manage the commercial risk and exposure to customers.

Q6: Continuous Improvement of Procurement activity

This question focuses on the organisation's approach to drive continuous improvement in its procurement activity. In particular it looks at:

- How the organisation measures performance.
- Does the organisation seek to improve procurement activities, processes and procedures.

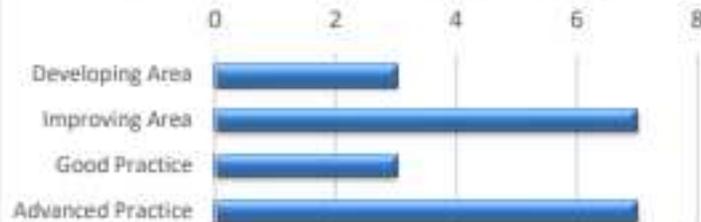
8

Q5. Commercial Acumen

Level Achieved

| Developing Area | Improving Area | Good Practice | Advanced Practice |
|-----------------|----------------|---------------|-------------------|
|-----------------|----------------|---------------|-------------------|

Q5. Commercial Acumen (Sector Results)

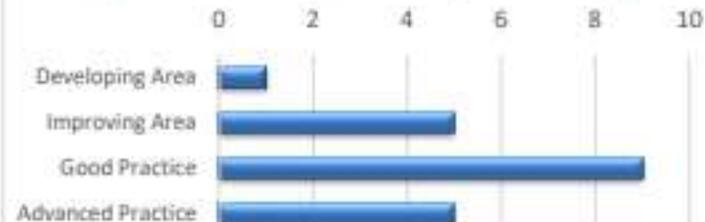


Q6. Continuous Improvement

Level Achieved

| Developing Area | Improving Area | Good Practice | Advanced Practice |
|-----------------|----------------|---------------|-------------------|
|-----------------|----------------|---------------|-------------------|

Q6. Continuous Improvement (Sector Results)



North Lanarkshire Council v All Councils

Q7: Climate Change

This question focuses on the organisation's approach to embedding climate and circular economy considerations into its corporate procurement strategy and delivery.

In particular it looks at:

- Does senior management actively measure and recognise the positive environmental impact that procurement can make in a planned, organisational approach?
- Are progress and achievements included in the organisation's annual procurement reports?

Q8: Implementation & Exit Strategies

This question focuses on the how the organisation uses implementation plans and exit strategies efficiently.

In particular it looks at:

- how procurement will ensure new contracts will be successfully implemented and drive maximum benefits, timescales, uptake etc.
- Show consideration has been given to the end of an agreement - processes for implementation and exit plans.



North Lanarkshire Council v All Councils

Q9: Contract and Supplier Management

This question focuses on the organisation's approach to managing contracts and suppliers. In particular it looks at:

- The organisation has an understanding of who its key suppliers are, how suppliers should be managed and the benefits from contract and supplier management
- CSM being used to drive compliance with Ts & Cs and delivery of targeted outcomes – i.e. prompt payment through the supply chain; climate etc.

Q10: Contractual Obligations

This question focuses on what the organisation does to work with suppliers throughout the life of a contract.

In particular it looks at:

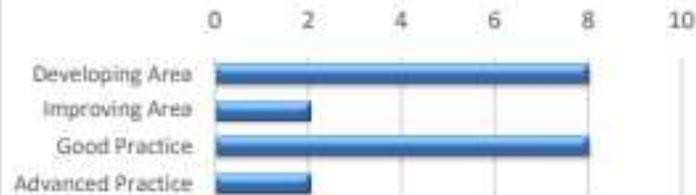
- Ensure suppliers are delivering what has been agreed and the process to ensure contractual obligations are met.
- How additional benefits are identified and delivered to both parties through continuous improvement and partnership models to drive additional value.

Q9. Contract & Supplier Management

Level Achieved

| | | | |
|-----------------|----------------|---------------|-------------------|
| Developing Area | Improving Area | Good Practice | Advanced Practice |
|-----------------|----------------|---------------|-------------------|

Q9. Contract & Supplier Management (Sector Results)

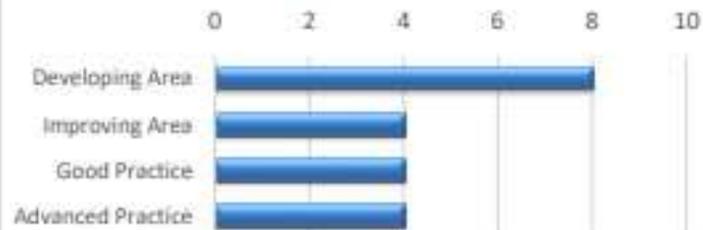


Q10. Contractual Obligations

Level Achieved

| | | | |
|-----------------|----------------|---------------|-------------------|
| Developing Area | Improving Area | Good Practice | Advanced Practice |
|-----------------|----------------|---------------|-------------------|

Q10. Contractual Obligations (Sector Results)



North Lanarkshire Council v All Councils

Q11: Lessons Learned

This question focuses on what benefits have been delivered through reviewing lessons learned from procurement exercises.

In particular it looks at:

- The process for reviewing, collating and distributing lessons learned as part of continuous improvement.
- That lessons learned have been applied and shared across similar organisations to maximise cross sectoral benefits.



Key areas of strength

The PCIP assessment identified the following key areas of strength based on the evidence provided. Please note it is not intended to be an exhaustive list.

| Ref | Description |
|-----|--|
| S1 | <ul style="list-style-type: none">The council has a clear governance structure with all high value and high-risk procurement influenced by the Corporate Procurement Team. This ensures strong procurement controls and influence. |
| S2 | <ul style="list-style-type: none">There is clear senior management support for procurement across the organisation with procurement clearly supporting the organisation aims of the council. The procurement strategy benefits from wide organisational input and collaboration. |
| S3 | <ul style="list-style-type: none">Risk Management is clearly a key part of the procurement process. Risks are collated and mitigation plans shared. |
| S4 | <ul style="list-style-type: none">Regular senior representation at key high value/strategic supplier meetings. Innovation is facilitated and responsibilities of dedicated contract owners clearly defined. |

Key opportunities for further improvement

The PCIP assessment also highlighted the following key opportunities for further improvement. Please note it is not intended to be an exhaustive list.

| Ref | Description |
|-----------|---|
| <i>11</i> | <ul style="list-style-type: none">• Develop formal mentoring, coaching, secondment opportunities and similar as an integral part of training. Capture and record benefits directly linked to training investment. |
| <i>12</i> | <ul style="list-style-type: none">• Ensure climate considerations are embedded within governance processes with clear accountability. Enable cross functional working that supports aligned climate and circular economy ambitions. |
| <i>13</i> | <ul style="list-style-type: none">• Consider amending governance process to facilitate a more expediated approval process, for example special committees and/or retrospective reporting. |
| <i>14</i> | <ul style="list-style-type: none">• Ensure that findings from independent project reviews are used to develop and deliver continuous improvement. |

Further information

Scotland Excel would like to thank you for completing the PCIP Pulse Check Assessment 2023/24. We appreciate your organisation's professionalism and are grateful for the preparation and hard work that was provided to support the assessment.

PCIP assessment information

North Lanarkshire Council Procurement and Commercial Improvement Programme (PCIP) Pulse Check assessment was carried out on 21st March 2024.

Further information on PCIP

You can find out more about PCIP on the Procurement Journey website here:

<https://www.procurementjourney.scot/pcip/pcip-overview>

Contact details

For support and further information, please contact your account manager:

What's next

It is proposed that all organisations will undertake a fourth assessment within two to three years. Scotland Excel will be in touch in due course.

In the meantime, Scotland Excel will work with councils to share and discuss examples of best practices by facilitating workshops sessions during August 2024. This will also be supported via the PIP Steering group.

Scotland Excel will continue to work across the sector, and with individual councils to provide a range of support. If you need help with any of the identified opportunities for improvement, please contact us.

Further information about Scotland Excel

To find out more about Scotland Excel, please visit our website:

www.scotland-excel.org.uk



North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref KH/TH/MB Date 20/11/24

Microsoft Enterprise Agreement 2025-2028 – Procurement Update

From Katrina Hassell, Chief Officer (Business and Digital)

E-mail HassellK@northlan.gov.uk **Telephone** 07903 096 121

Executive Summary

The purpose of this report is to update the Finance and Resource Committee on current procurement activity relating to the Microsoft Enterprise Agreement (EA) contract and seek approval to progress procurement arrangements as outlined in the report.

It is recommended that the Finance and Resources Committee approves:

- (1) The award of a contract procured via a collaborative procedure through the Crown Commercial Service (CCS) and Digital Office NFC180 Provision of Microsoft Licenses and related services up to the value of £11.3M.

The Plan for North Lanarkshire

| | |
|--------------------|--|
| Priority | All priorities |
| Ambition statement | (18) Ensure our digital transformation is responsive to all people's needs and enable access to the services they need |
| Programme of Work | Digital North Lanarkshire |

1. Background

- 1.1 The Council's digital ambitions have seen a significant change in how employees communicate and collaborate using Microsoft 365 Enterprise Edition Licenses introduced by Business and Digital through a Microsoft Enterprise Agreement (EA). Microsoft Licenses support and enable digital transformation, service redesign and business change processes.
- 1.2 The current Enterprise Agreement (EA) facilitates council-wide provision of Microsoft Licenses and support. It includes Server Cloud Enrolment (SCE), Enrolment for Education (EES), Dynamics and Centre of Excellence licenses and Azure consumption. This contract is presently with Phoenix Software Ltd and is due to expire on 31 March 2025.
- 1.3 Licenses contained within the Microsoft Enterprise Agreement (EA) enable users across the Council, including the school estate to securely access desktop/laptop software, and on premise and cloud-hosted servers.

2. Report

- 2.1 The council requires to renew the portfolio of Microsoft Licenses and associated support across all agreements detailed in section 1.2 above for a period of three years from 1 April 2025 to 31 March 2028.
- 2.2 In order to maximise efficiencies within procurements, the council is currently participating in Public Sector Reform Shared Services as part of the Programme of Work 2023-2028. This workstream is driven through the One Service Programme of Work Board.
- 2.3 The Digital Office for Scotland has created an opportunity for shared services through the Digital Office Collaborative Procurement which provides councils the opportunity to take part in an aggregated procurement for Microsoft licences with benefits advised as follows:
 - Price savings – better value for money through increased buying power
 - Process savings – a third part runs the procurement
 - Freeing up of resource for more strategic purchases
 - Collaboration and knowledge share
 - Legally compliant route to market
 - Procurement to tried and tested standard operating procedures
- 2.4 This route to market will be advantageous for the council due to its previous success rate within other Local Authorities (highlighted in Appendix 1) and as such, the Council is currently in collaboration with Scotland Excel, The Digital Office for Scotland and Crown Commercial Services (CCS), who are supporting Scottish Councils with their Microsoft Enterprise Agreement.
- 2.5 CCS are running the procurement through their framework 'Technology Products & Associated Services 2 (TPAS2) Lot 3 Software' with only those on the Commercial Agreement able to submit a bid.
- 2.6 Discounts available on Microsoft Licences are negotiated every three years between CCS and Microsoft as part of a Memorandum of Understanding (MoU) where CCS use

national buying power to agree preferential pricing and discounts on products and services across the technology landscape. CCS are working on a Strategic Partnership Agreement (SPA24) which is due to be released in November 2024.

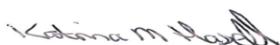
- 2.7 Due to the timing of SPA24 a benchmarking exercise was undertaken to ensure currently available costs represent best value and these have been applied to the Council's current licence profile with details of costs outlined in Appendix 1 of this report.
- 2.8 Following publication of SPA24 any changes to the pricing strategy will be applied and a final report will be submitted to this Committee in Cycle One of 2025 providing the final contract values.
- 2.9 The pricing mechanism is a fixed priced contract for individual licences offering a good level of cost certainty; any fluctuation in overall contract value will be related to volume changes throughout course of contract.
- 2.10 The council is committed to maximising the delivery of community benefits and fair working practices. The aggregation exercise being undertaken by CCS includes social value at tender stage using the social value priority theme of tackling economic inequality.
- 2.11 Officers from Business and Digital will be responsible for managing the contract which will be undertaken in accordance with the council's agreed approach to contract and supplier management.

3. Measures of success

- 3.1 The proposed contract award detailed within this report will deliver the following outcomes:
- a) The successful and optimum provision of Microsoft Licenses across a subscription model for Microsoft 365 services. This includes the Microsoft Office product lines in the Microsoft Enterprise Agreement (EA), including Server and Cloud Environment (SCE) and Enrolment for Education Solutions (EES), Dynamics & Centre of Excellence licenses and Azure consumption.
 - b) That best value will be both demonstrable and achieved.
 - c) That the performance of contracts awarded are proactively managed against the council's agreed approach to contract and supplier management.

4. Supporting documentation

Appendix 1 - Microsoft Aggregation Procurement outcomes & Contract Benchmarking



Katrina Hassell
Chief Officer (Business and Digital)

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 have 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>Based upon the maximum contract value detailed within the report, and benchmarking completed to date, there is scope for revenue costs to increase by around £0.600m over the 3-year contract period. Business and Digital expect to manage these cost increases within their existing contract budgets.</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 have 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 have 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</p> <p>Does the report / project / practice contain or involve the processing of personal data?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, is the processing of this personal data likely to result in a high risk to the data subject?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> |
| <p>5.6 Technology / Digital impact</p> <p>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?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p> <p>Microsoft Licenses whether modern workplace, digital platform or cloud services are required to enable council employees to undertake their work. These licenses help support and enable digital transformation, service redesign and business change processes.</p> <p>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)?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> |
| <p>5.7 Environmental / Carbon impact</p> <p>Does the report / project / practice contain information that has an impact on any environmental or carbon matters?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p> |
| <p>5.8 Communications impact</p> <p>Does the report contain any information that has an impact on the council's communications activities?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p> |
| <p>5.9 Risk impact</p> <p>Is there a risk impact?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>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?</p> |

5.10 Armed Forces Covenant Duty

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

Yes No

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

5.11 Children's rights and wellbeing impact

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

Yes No

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

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

Yes No

Appendix 1

Microsoft Aggregation Procurements

| National Further Competition | Dates | Winning Bidder | No of participants | No who signed best value contracts |
|------------------------------|--|----------------|--------------------|------------------------------------|
| NFC157 | Feb 2023 for enrolments from 1/4/2023 | Phoenix | 11 | 10 |
| NFC162 | Sep 2023 for enrolments from 1/11/2023 | Phoenix | 1 | 1 |
| NFC166 | Feb 2024 for enrolments from 1/4/2024 | Insight | 5 | 5 |
| NLC174 | May 2024 for enrolments from 1/6/2024 | Ultima | 2 | 1 |

CCS Benchmarking

| | Annual CCS Benchmark Pricing | 3 Year CCS Benchmark Pricing |
|-------------------------------------|------------------------------|------------------------------|
| Microsoft Enterprise Agreement (61) | £2,334,825.05 | £7,004,475.15 |
| Server & Cloud (62) | £84,716.66 | £254,149.98 |
| Education Campus (63) | £520,927.58 | £1,562,782.74 |
| Microsoft Dynamics (112) | £321,330.59 | £963,991.77 |
| PAC (61c) | £62,041.54 | £186,124.62 |
| Azure Cloud (165a) | £439,000.00 | £1,317,000.00 |
| Total Contract Budget | £3,762,841.42 | £11,288,524.26 |

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref Date 20/11/24

Local Public Holidays for Factories and Businesses 2025

From Archie Aitken, Chief Officer (Legal and Democratic)

E-mail hamillm@northlan.gov.uk
swank@northlan.gov.uk

Telephone

Executive Summary

The purpose of the report is to submit for consideration local public holidays in calendar year 2025 for factories and businesses in North Lanarkshire.

Recommendations

It is recommended

- (1) That the Finance and Resources Committee is asked to agree local public holidays in calendar year 2025 for factories and businesses in North Lanarkshire.

The Plan for North Lanarkshire

| | |
|--------------------|---|
| Priority | Improve economic opportunities and outcomes |
| Ambition statement | (15) Encourage the health and wellbeing of people through a range of social, cultural, and leisure activities |
| Programme of Work | Statutory / corporate / service requirement |

1. Background

- 1.1 The Council requires to determine, annually, the dates to be set for local public holidays for factories and businesses.
- 1.2 Public or local holidays are determined by local councils and can differ between each local authority area.

2. Report

- 2.1 it is proposed that local public holidays for factories and businesses in 2025 be as follows: -

Wednesday, 1 and Thursday, 2 January 2025
Friday, 18 April 2025

Monday, 21 April 2025
Monday, 21 July 2025
Monday, 29 September 2025
Thursday, 25 and Friday, 26 December 2025

[Scottish bank holiday dates - gov.scot \(www.gov.scot\)](http://www.gov.scot)
[UK bank holidays - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

3. Measures of success

3.1 Confirmation of local public holidays for factories and businesses in North Lanarkshire.

4. Supporting documentation

N/A



Archie Aitken
Chief Officer (Legal and Democratic)

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 type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
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| <p>5.6 Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |

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

Yes No

5.7 Environmental / Carbon impact

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

Yes No

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

5.8 Communications impact

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

Yes No

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

5.9 Risk impact

Is there a risk impact?

Yes No

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

5.10 Armed Forces Covenant Duty

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

Yes No

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

5.11 Children's rights and wellbeing impact

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

Yes No

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

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

Yes No

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref: NLC-CPT-24-059

Date: 20 November 2024

Contract Award for Provision of Domestic Furniture & Furnishings 2024-2027

From Elaine Kemp, Chief Officer (Finance)

E-mail KempE@northlan.gov.uk

Telephone: 01698 302408

Executive Summary

The Committee is asked to approve the award of a contract for Provision of Domestic Furniture & Furnishings 2024-2027 (the 'Agreement') to CF Services Limited.

The Agreement is for an initial period of 24 months anticipated to commence on 13 January 2025. The council reserves the right to extend the Agreement for additional periods up to a maximum of a further 12 months.

The maximum value of the Agreement is Seventeen Million Two Hundred and Fifty Thousand Pounds Sterling (£17,250,000) exclusive of VAT.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Approves the award of the Agreement to CF Services Limited at the maximum value of Seventeen Million Two Hundred and Fifty Thousand Pounds Sterling (£17,250,000) exclusive of VAT.

The Plan for North Lanarkshire

Priority Improve the health and wellbeing of our communities

Ambition Statement (12) Ensure our residents are able to achieve, maintain, and recover their independence through appropriate supports at home and in their communities

Programme of Work Resilient People

1. Background

- 1.1 Under terms of the Housing (Scotland) Act 1987, Housing Management (Housing) have responsibility for providing temporary housing solutions for service users who have presented to the authority as homeless while an assessment is made on their application for housing. In addition, under the terms of the Welfare Funds (Scotland) Act 2015, the Scottish Welfare Fund in Finance the Council provides essential pieces of furniture and equipment to support residents in emergency situations to ensure they can retain tenancies and remain within their communities.
- 1.2 As number of applicants applying to the council as homeless are presenting in a crisis situation. They do not have any household items available for their use at the time of presentation therefore the council provide furnished temporary accommodation for their use pending the outcome of their homeless persons application, ensuring they have access to safe accommodation which aims to minimise the impact / disruption caused as a result of their homeless situation. Through the Scottish Welfare Fund, goods are provided following an emergency situation which could include homelessness but may also includes incidences such as a flood or a fire.
- 1.3 The needs of individuals vary and may depend on the priority level SWF applications are assessed at but goods that may be required include but are not limited to flooring i.e. carpet and vinyl, white goods, general furniture i.e. wardrobes, chest of drawers, tables etc. curtains, sofas, bedding, cutlery, crockery etc.
- 1.4 Where possible, items that are no longer required that still considered as in good condition are refurbished and upcycled for reuse however new requirements are still needed to be purchased on a fairly regular basis.
- 1.5 Both Housing and SWF have historically used the Scotland Excel Domestic Furniture and Furnishings framework agreements with spend of circa £5 million per annum.
- 1.6 The requirements of this Agreement will be used by Housing when furnishing the temporary accommodation which is provided to applicants applying for housing under terms of the Housing (Scotland) Act 1987. For SWF the goods are provided in accordance with guidance provided to support the Welfare Funds (Scotland) Act 2015.
- 1.7 The requirements of the Agreement will replace existing and historical approaches that were provided by The Furnishing Service Limited.

2. Report

- 2.1 A group of technical and procurement representatives was formed to develop and agree the procurement strategy for the Agreement to enable the council to achieve maximum benefit for the requirements.
- 2.2 The initial estimated value of the Agreement dictated that the procurement procedure be undertaken in accordance with the Procurement (Scotland) Regulations 2016.
- 2.3 The procurement procedure was undertaken as a mini competition from the Scotland Excel framework agreement for Domestic Furniture and Furnishings – Lot 1 (the “Framework Agreement”).
- 2.4 Invitation to Tender documentation was issued to three companies appointed to the Framework Agreement with the council receiving three tender submissions.

- 2.5 This recommendation to award the Agreement follows the completion of a procurement procedure where CF Services Limited has been evaluated as demonstrating Best Value for the council.
- 2.6 Appendix 1 confirms the scoring achieved by each tenderer, further details of the procurement procedure is provided in Appendix 2 and the SME status and location of all tenderers is located within Appendix 3.

Financial / Budget Consideration

- 2.7 The pre-tender wholelife estimate budget for the Agreement was Seventeen Million Two Hundred and Fifty Thousand Pounds Sterling (£17,250,000) exclusive of VAT.
- 2.8 Following completion of the procurement procedure, the new rates tendered are, on average, 14.3% lower than the rates currently in effect under the framework agreement.
- 2.9 The costs associated with delivery of the Agreement will be contained within the H.R.A and Revenue budget for Housing and the Scottish Welfare Fund.

Price Stability

- 2.10 The prices submitted within the procurement shall remain fixed for 12 months. Thereafter they will be subject to an annual price review.

Community Benefits

- 2.11 The council is committed to maximising the delivery of community benefits. The procurement included a community benefit requirement, this approach is designed to deliver local community benefits where possible.
- 2.12 Within their tender, CF Services Limited committed to deliver the following community benefits within the Agreement:
- New job for an individual from a Priority Group
 - New job for an apprentice from a Priority Group
 - Work Experience for an individual aged 14 to 16 years of age
 - Financial support for a Community Project / Organisation
 - Non-financial support for a Community Project / Organisation
- 2.13 The number of community benefits provided will be in line with expectations set out in the Framework Agreement and the contract will be managed to ensure that the council receive the correct amount of community benefits due in line with the spend going through the Agreement.
- 2.14 The community benefits delivered as part of the Agreement includes the creation of jobs or apprenticeships.

Fair Work First

- 2.15 As part of the tender process for the Framework Agreement, Scotland Excel assessed areas such as how tenderers will commit to fair work practices and confirmation that staff in Scotland are paid a minimum of the real living wage or higher. As this was assessed within the procurement procedure of the Framework Agreement, it could not

be reassessed within the mini competition for the Agreement however CF Services Limited confirmed that that they pay the Real Living Wage to all employees and already have the associated accreditation.

Contract Management

2.16 Officers from Housing Solutions and Scottish Welfare Fund will be responsible for managing the Agreement which will be undertaken in accordance with the contract and supplier management conditions applied within the Agreement.

3. Measures of success

The Agreement will deliver the following outcomes;

- 3.1 Best Value has been considered to be demonstrated by CF Services Limited.
- 3.2 The appointment of a supplier who has the experience and capability to provide the requirements in an efficient form of arrangement.
- 3.3 Conclusion of a procurement procedure that is compliant with procurement legislation and internal procedures.
- 3.4 Delivery of a range of Community Benefits which will be contract managed by officers from both the Scottish Welfare Fund and Housing Solutions.

4. Supporting documents

| | |
|------------|--|
| Appendix 1 | Summary of Tender Evaluation Process |
| Appendix 2 | Summary of Procurement Process |
| Appendix 3 | SME Status and Location of All Tenderers |



Elaine Kemp
Chief Officer (Finance)

5. Impacts (<http://connect/report-template-guidance>)

5.1 Public Sector Equality Duty and Fairer Scotland Duty

Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty?

Yes No

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

By providing furnished temporary accommodation we are ensuring service users have access to safe and secure accommodation which they can utilise pending the offer of long-term secure accommodation. Many of our service users present to the service with limited resources and do not have the means to furnish accommodation at the outset of their presentation. The lack of secure, furnished accommodation will ultimately have a detrimental impact on the overall wellbeing of the service users which in turn may impact their ability to integrate fully into society, find employment etc – the provision of furnished temporary accommodation ensures all services users are given equal support in relation to their housing needs.

If Yes, has an assessment been carried out and published on the council's website?

<https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments>

Yes No

5.2 Financial impact

Does the report contain any financial impacts?

Yes No

If Yes, have all relevant financial impacts been discussed and agreed with Finance?

Yes No

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

Previous spend on domestic furniture is as noted below:

2021/22: - £3,804,832.37

2022/23: - £4,642,869.47

2023/24: - £5,043,386.14

The spend in 2021 was significantly lower than subsequent years as a result of the slower turnover of temporary accommodation resulting from the periodic restrictions in place as a result of the Covid pandemic. These restrictions had a direct impact on the number of homeless presentations received by the service and subsequent requests for temporary accommodation. However, as restrictions were lifted, presentations and requests for accommodation increased resulting in a higher turnover of accommodation and therefore more spend on domestic furniture for these properties. With the increasing difficulties society faces with the cost-of-living increases etc the service are continuing to experience further increasing demand on their homeless services and temporary accommodation and therefore it is anticipated that the levels of spend on domestic furniture for our temporary accommodation will increase further in the near future. It is anticipated that the cost of items being purchased will also increase in future frameworks and therefore securing the call off contract from the existing framework will help to minimise increases for our service at this time.

| | |
|--|--------------------------------------|
| 5.3 | HR policy impact |
| <p>Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p> | |
| 5.4 | Legal impact |
| <p>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"/></p> <p>If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p> | |
| 5.5 | Data protection impact |
| <p>Does the report / project / practice contain or involve the processing of personal data? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> | |
| 5.6 | Technology / Digital impact |
| <p>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 type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p> <p>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 type="checkbox"/></p> | |
| 5.7 | Environmental / Carbon impact |
| <p>Does the report / project / practice contain information that has an impact on any environmental or carbon matters? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p> <p>The implementation of a supplier code of conduct that insists supply chain partners operate in the most environmentally conscious manner possible.</p> | |
| 5.8 | Communications impact |
| <p>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"/></p> <p>If Yes, please provide a brief summary of the impact?</p> | |

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?

An inability to provide Domestic Furniture could result in our inability to utilise temporary accommodation and fulfil our requirements in terms of Housing (Scotland) Act 1987.

5.10 Armed Forces Covenant Duty

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

Yes No

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

5.11 Children's rights and wellbeing impact

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

Yes No

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

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

Yes No

Appendix 1 – Summary of Tender Evaluation Process

| Final Rank | Tenderer Name | Total Tender Score (%) | Recommended for Award (Yes / No) |
|-------------------|-------------------------------|-------------------------------|---|
| 1 | CF Services Limited | 92.00 | Yes |
| 2 | The Furniture Service Limited | 88.81 | No |
| 3 | New Two Limited | 76.12 | No |

Appendix 2 – Summary of Procurement Process

| | Response | | | |
|--|--|-----|---------------|-----|
| CPT Contract Reference Allocated: | NLC-CPT-24-059 | | | |
| Procurement Procedure Utilised: | Mini Competition | | | |
| Governing Legislation / Regulations: | Public Contracts (Scotland) Regulations 2015 | | | |
| Date Contract Strategy Approved: | 05 September 2024 | | | |
| Framework / DPS Owner: | Scotland Excel | | | |
| Framework / DPS Title: | Domestic Furniture and Furnishings | | | |
| Framework / DPS Reference Number: | 2019 | | | |
| Lot Reference / Title: | Lot 1 – New Furniture | | | |
| Companies Appointed to Framework / Lot: | 3 | | | |
| Number of Companies Invited to Take Part: | 3 | | | |
| Date ITT Published: | 06 September 2024 | | | |
| Tender Platform Utilised: | PCS-Tender (PCST) | | | |
| Tender Return Deadline: | 27 September 2024 | | | |
| Number of Tenders Received: | 3 | | | |
| Tenders from SME's: | 3 | | | |
| Tenders from NLC Based Tenderers: | 0 | | | |
| Tenders from Supported Businesses: | 0 | | | |
| Number of Non-compliant Tenders: | 0 | | | |
| Number of Compliant Tenders: | 3 | | | |
| Number of Recommended Tenderers: | 1 | | | |
| Basis of Award: | Quality: | 30% | Price: | 70% |
| Evaluation Team: | Officers from Housing Solutions | | | |
| Anticipated Start Date of the Agreement: | 13 January 2025 | | | |
| Total Agreement Period (Months): | 36 months (24 + 12) | | | |
| Awarded Value of the Agreement: | £17,250,000 | | | |

Appendix 3 – SME Status and location of all Tenderers

| Name of Tenderer | Size of Tendering Organisation (Micro, Small, Medium or Large) | Location (Local Authority / Council Area) |
|--------------------------------|---|--|
| CF Services Limited | SME | Glasgow |
| New Two Limited | SME | Glasgow |
| The Furnishing Service Limited | SME | South Lanarkshire |

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref: NLC-CPT-23-111

Date: 20 November 2024

Contract Award for Supply and Delivery of Janitorial Products

From Lyall Rennie, Chief Officer (Community Operations)

E-mail hanlona@northlan.gov.uk

Telephone: Anne Hanlon, Facility Support Services Manager – 07939 280199

Executive Summary

This report is to advise Committee of the decision taken in accordance with condition 21.3.2 of the Council's General Contract Standing Orders (GCSO's) where in the absence of committee, the Depute Chief Executive on 7 August 2024, approved the award of a contract for Supply and Delivery of Janitorial Products (the 'Agreement') to Arrow County Supplies Limited.

The approval to award the Agreement in accordance with GCSO 21.3.2 was sought due to extension periods applied within the procurement procedure that resulted in a delayed evaluation process. Additionally, the previous contract expired on 19 July 2024 and given the importance of requirements within the Agreement which are required to enable clean and safe properties throughout the council's estate, an expedited award process is required to ensure compliance with relevant regulations, standards etc.

The Agreement was formally awarded on 28 August 2024 and is for an initial period of 22 months that commenced on 16 September 2024. The council reserves the right to extend the Agreement for additional periods up to a maximum of a further 24 months in two 12-month periods.

The maximum value of the Agreement is FIVE MILLION FIVE HUNDRED THOUSAND POUNDS STERLING (£5,500,000) exclusive of VAT.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Acknowledges the award of the Agreement to Arrow County Supplies Limited at the maximum value of FIVE MILLION FIVE HUNDRED THOUSAND POUNDS STERLING (£5,500,000) exclusive of VAT.

The Plan for North Lanarkshire

| | |
|---------------------------|---|
| Priority | Improve economic opportunities and outcomes |
| Ambition Statement | All ambition statements |
| Programme of Work | Sustainable Futures |

1. Background

- 1.1 The council has an ongoing requirement to purchase cleaning and janitorial products including a wide range of products such as rubber gloves, disinfectant, toilet paper, mops, hand towels, soaps, refuse sacks, washing up liquid etc.
- 1.2 The requirements of the Agreement are used at approximately 500 properties within North Lanarkshire and vital to ensure that all staff can perform their duties effectively and efficiently whilst ensuring properties are clean and fit for purpose.
- 1.3 The requirements within the Agreement are currently under contract with Arrow County Supplies Limited. This arrangement expired on 19 July 2024 and the Agreement detailed within this report will supersede it.
- 1.4 Based on recent financial data, the council historically spends on average circa £1m annually for these requirements. Although purchased throughout the council, Facility Support Services (FSS) are by far the biggest spend area making up circa 48% of the councils total spend.
- 1.5 Historically, the council as a collective spends on average £1m of revenue budget per annum on the requirements. However, costs have increased over the recent past given the well-publicised rise in inflation and cost of living. Accordingly, the Agreement includes a provisional contingency sum to cover any increase in cost whilst also providing flexibility in the event of product changes etc. However, the council offers no guarantee to any or all of the maximum value / budget applied within the Agreement being spent.
- 1.6 Additionally, the Agreement also includes a capital budget of circa £250k for the outright purchase of unbranded soap, hand towel etc. dispensers. This requirement to purchase dispensers outright is an option within the Agreement and will be pertinent to the council identifying appropriate funding.
- 1.7 Dispensers are currently provided free on loan by the incumbent supplier however their replacement (in the event of a supplier change) can lead to significant disruption and charges as suppliers will not place their own products in other suppliers branded dispensers. Accordingly, purchasing and installing unbranded dispensers throughout the councils estate should futureproof ongoing service provision whilst also potentially enabling greater competition within the next procurement procedure to replace this Agreement.

2. Report

- 2.1 A group of technical and procurement representatives was formed to develop and agree the procurement strategy for the Agreement to enable the council to achieve maximum benefit for the requirements.
- 2.2 The initial estimated value of the Agreement dictated that the procurement procedure be undertaken in accordance with the Public Contracts (Scotland) Regulations 2015.
- 2.3 The procurement procedure was undertaken as a mini competition from the Scotland Excel Supply and Delivery of Janitorial Products (1222) framework agreement, Lot 4 – One Stop Shop (the “Framework”).
- 2.4 Invitation to Tender documentation was issued to seven companies appointed to the Framework with the council receiving seven tender submissions.
- 2.5 This recommendation to award the Agreement follows the completion of a procurement procedure where the tender received Arrow County Supplies Limited has been evaluated as demonstrating Best Value for the council.

- 2.6 Appendix 1 confirms the scoring achieved by each tenderer, further details of the procurement procedure is provided in Appendix 2 and the SME status and location of all tenderers is located within Appendix 3.

Financial / Budget Consideration

- 2.7 As above, the pre-tender whole life estimate budget for the Agreement was FIVE MILLION FIVE HUNDRED THOUSAND POUNDS STERLING (£5,500,000) exclusive of VAT.
- 2.8 Following conclusion of the procurement procedure, it has been identified that unit rates tendered by Arrow County Supplies Limited resulted in a circa £19,500 saving per annum when compared to their existing rates within the Framework. Additionally, Arrow County Supplies Limited have also committed to a 30% discount against their retail price at time of order for products not included within the Agreement or the Framework.
- 2.9 The costs associated with delivery of the Agreement will be contained within the revenue budgets for FSS and various other service areas throughout the council including education establishments, housing operations etc.

Price Stability

- 2.10 Prices within the Agreement are fixed for the initial 12 month period of the Agreement. Thereafter, prices may be subject to annual review however this review under no circumstances will introduce price increases greater than the latest / current value (%) as determined by the National Retail Price Index at time of a request.

Community Benefits

- 2.11 The council is committed to maximising the delivery of community benefits. The procurement included a community benefit requirement, this approach is designed to deliver local community benefits where possible.
- 2.12 The Community Benefit approach was directed by the Framework and within their tender, Arrow County Supplies Limited committed to deliver the following community benefits within the Agreement:

| Community Benefit | Annual Delivery Target |
|---------------------------------------|--|
| Fundraising | Provide support to hold three fundraising events to local schools / homeless shelters, emergency services etc. |
| Community Volunteering | Improve access to local greenspace through four x annual litterpick events. |
| Employability Workshop / Event | Deliver a workshop focussing on CV writing, interview techniques and Investment and provide a BICS-accredited cleaning course for council cleaning managers. |
| Donation of Materials / Labour | £250 donation of goods to support litter picks, foodbank drives etc. within the council area |
| Sponsorship | Promote physical activity through sponsoring one local sports team e.g. financial support / facility investment. |
| Donation of IT Equipment | £500 donation to support an individual facing digital exclusion by donating used IT equipment. |
| Recruitment | One new person employed on Real Living Wage for local delivery / installation teams |

2.13 The community benefits delivered as part of the Agreement includes / does not include the creation of jobs or apprenticeships.

Fair Work First

2.14 As part of the tender process for the Framework, Scotland Excel assessed areas such as how tenderer's will commit to fair work practices and confirmation that staff in Scotland are paid a minimum of the real living wage or higher. As this was assessed within the procurement procedure of the Framework, it could not be reassessed within the mini competition for the Agreement however Arrow County Supplies Limited confirmed that that they pay the Real Living Wage to all employees and committed to gaining associated accreditation.

Contract Management

2.15 Officers from FSS, Community Operations will be responsible for managing the Agreement which will be undertaken in accordance with the contract and supplier management conditions applied within the Agreement.

3. Measures of success

3.1 The Agreement will deliver the following outcomes;

- Best Value has been considered to be demonstrated given the route to market applied via the Framework, a circa £19,500 cost saving per annum being envisaged, the receipt of a 30% discount for products not included within the Agreement or the Framework, and a more robust contract and supplier management approach being applied within the Agreement.
- the appointment of a supplier who has the experience and capability to provide the requirements in an efficient form of arrangement;
- conclusion of a procurement procedure that is compliant with procurement legislation and internal procedures; and,
- delivery of a range of Community Benefits in the form of a rebate provided direct to the council to apply accordingly.

4. Supporting documents

4.1 Appendix 1: Summary of Tender Evaluation Process
Appendix 2: Summary of Procurement Procedure
Appendix 3: SME Status and Location of All Tenderers



Lyall Rennie
Chief Officer (Community Operations)

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 type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
| <p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
| <p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> |
| <p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p> |

| |
|--|
| <p>5.6 Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>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 type="checkbox"/></p> |
| <p>5.7 Environmental / Carbon impact Does the report / project / practice contain information that has an impact on any environmental or carbon matters? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>Scotland Excel included a number of sustainability related method statements in the procurement of the Framework including the following:</p> <ul style="list-style-type: none"> • Reducing and improving the packaging on products to increase the use of recyclable or biodegradable packaging; • Reducing the use of single use plastics; • Sustainable certified products |
| <p>5.8 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 Risk impact Is there a risk impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>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?</p> <p>All associated risks have been assessed and will be monitored through appropriate FSS corporate risk register. Ongoing assessment of all risks will also be discussed as part of the Contract Management arrangements with contractor</p> |

5.10 Armed Forces Covenant Duty

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

Yes No

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

5.11 Children's rights and wellbeing impact

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

Yes No

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

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

Yes No

Appendix 1 – Summary of Tender Evaluation Process

| Final Rank | Tenderer Name | Total Tender Score (%) | Recommended for Award (Yes / No) |
|-------------------|-------------------------------|-------------------------------|---|
| 1 | Arrow County Supplies Limited | 86.07% | Yes |
| 2 | Bunzl UK Limited | 85.30% | No |
| 3 | Unico Limited | 85.05% | No |
| 4 | Alliance Disposables Limited | 79.90% | No |
| 5 | Enviroclean Global Limited | 75.07% | No |
| 6 | GMC Corsehill Limited | 67.39% | No |
| 7 | Instock Limited | N / A ¹ | No |

¹ During the evaluation process, Instock Limited advised the council that they withdrew their tender therefore it was not evaluated.

Appendix 2 – Summary of Procurement Procedure

| | Response | | | |
|--|--|-----|---------------|-----|
| CPT Contract Reference Allocated: | NLC-CPT-23-111 | | | |
| Procurement Procedure Utilised: | Mini Competition | | | |
| Governing Legislation / Regulations: | Public Contracts (Scotland) Regulations 2015 | | | |
| Date Contract Strategy Approved: | 16 April 2024 | | | |
| Framework Owner: | Scotland Excel | | | |
| Framework Title: | Supply and Delivery of Janitorial Products | | | |
| Framework Reference Number: | 1222 | | | |
| Lot Reference / Title: | Lot 4 – One Stop Shop | | | |
| Companies Appointed to Framework / Lot: | Seven (7) | | | |
| Number of Companies Invited to Take Part: | Seven (7) | | | |
| Date ITT Published: | 29 April 2024 | | | |
| Tender Platform Utilised: | PCS-Tender (PCST) | | | |
| Tender Return Deadline: | 12 Noon, 04 June 2024 | | | |
| Number of Tenders Received: | Seven (7) | | | |
| Tenders from SME's: | Five (5) | | | |
| Tenders from NLC Based Tenderers: | None | | | |
| Tenders from Supported Businesses: | None | | | |
| Number of Non-compliant Tenders: | None | | | |
| Number of Compliant Tenders: | Seven (7) | | | |
| Number of Recommended Tenderers: | One (1) | | | |
| Basis of Award: | Quality: | 25% | Price: | 75% |
| Evaluation Team: | Officers from the Corporate Procurement Team, FSS (Community Operations and Housing Operations (Housing Management)) | | | |
| Agreement Award Date | 28 August 2024 | | | |
| Anticipated Start Date of the Agreement: | 01 September 2024 | | | |
| Total Agreement Period (Months): | 46 Months (22 + 12 + 12) | | | |
| Awarded Maximum Value of the Agreement: | £5,500,000 | | | |

Appendix 3 – SME Status and location of all Tenderers

| Name of Tenderer | Size of Tendering Organisation (Micro, Small, Medium or Large) | Registered Location (Local Authority / Council Area) |
|-------------------------------|---|---|
| Alliance Disposables Limited | Large | Cheshire |
| Arrow County Supplies Limited | Medium | Shropshire |
| Bunzl UK Limited | Large | City of Westminster |
| Enviroclean Global Limited | Small | Falkirk |
| GMC Corsehill Limited | Small | North Ayrshire |
| Instock Limited | Medium | Aberdeen City |
| Unico Limited | Medium | Falkirk |

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref JMcK/CPT

Date 20/11/24

Contracts awarded below Committee approval threshold

From James McKinstry, Chief Officer (Assets and Procurement)

E-mail McKinstryJ@northlan.gov.uk **Telephone** 07939 281 102

Executive Summary

In accordance with the Council's [General Contract Standing Orders \("GCSOs"\)](#), GCSO 21.10 requires a summary report be presented to members with details of contracts awarded since last committee, specifically for the spend range:

- over £50,000 but below £500,000 for supplies or services; and,
- over £500,000 but below £2,000,000 for works.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Acknowledge the contract awards made since last committee reporting cycle.

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 Local Government (Scotland) Act 1973 section 81 requires local authorities to “...make standing orders with respect to the making by them or on their behalf of contracts for the supply of goods or materials or for the execution of works.”.
- 1.2 The Council’s [General Contract Standing Orders \(“GCSOs”\)](#) set out the council’s specific procurement procedures and responsibilities at all spend levels, and include the reporting requirements of procurement activity, including contracts awards, to committee for either approval or acknowledgement.
-

2. Report

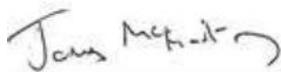
- 2.1 In accordance with GCSO 21.10, this report summarises the contract awards since last committee, specifically for the spend range:
- over £50,000 but below £500,000 for supplies or services; and,
 - over £500,000 but below £2,000,000 for works.
- 2.2 If you require further information regards the contract awards reported, please refer to the lead service area / Chief Officer detailed in the appendix.
-

3. Measures of success

- 3.1 All requirements contracted contribute to either the council’s programme of work and/or fulfil a statutory requirement.
- 3.2 All contract awards secure best value for the council in accordance with their evaluation criteria.
- 3.3 All necessary diligence has been undertaken in the evaluation and appointment of contractors.
- 3.4 All contract awards are logged in the council’s contract register.
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4. Supporting documentation

Appendix 1 – Summary of contracts awarded.



James McKinstry
Chief Officer (Assets and Procurement)

5. Impacts

- 5.1 Impacts considered as part of the contract award procedures are recorded in the individual contract award reports held by the lead service area.

Appendix 1 – Summary of Contracts Awarded

| | | | | | | |
|--|--|---|--|---|---|---|
| Contract | Ref | NLC-SLP-23-109 | | | | |
| | Title | Supply of Building Cleaning Equipment | | | | |
| | Classification | Supplies | | | | |
| | Lead Service Area / Chief Officer | Lyll Rennie, Chief Officer (Community Operations) | | | | |
| Competition | Governance by Value | Higher Threshold Regulated Procurement – The Public Contracts (Scotland) Regulations 2015 | | | | |
| | Procurement Route | Open Procedure | | | | |
| | No. of Expressions of interest | 22 | | | | |
| | No. of Bids Received | 4 | | | | |
| | Award Criteria | Most Economically Advantageous Tender; Quality 25%, Price 75% | | | | |
| | Evaluation Scores – Successful | 94.90% | | | | |
| | Evaluation Scores – Unsuccessful | 94.79% to 81.60% | | | | |
| Award Details | Value | £475,000.00 | | | | |
| | Contract Duration | 48 months, option to extend a further 12 months | | | | |
| | Contractor Name | Bunzl UK Ltd T/A Bunzl Cleaning and Hygiene Supplies | | | | |
| | Contractor Size | Large Company | | | | |
| | Contractor Location | London | | | | |
| | Status - Payment of Living Wage? | Yes | | | | |
| | Status - Living Wage Accredited? | Yes | | | | |
| Impacts <i>this section highlights which impacts were considered for this contract award procedure</i> | Public Sector Equality Duty and Fairer Scotland Duty <input type="checkbox"/> | HR Policy Impact <input type="checkbox"/> | Data Protection Impact <input type="checkbox"/> | Environment / Carbon Impact <input checked="" type="checkbox"/> | Risk Impact <input checked="" type="checkbox"/> | Children’s Rights and Wellbeing Impact <input type="checkbox"/> |
| | Financial Impact <input checked="" type="checkbox"/> | Legal Impact <input type="checkbox"/> | Technology / Digital Impact <input type="checkbox"/> | Communications Impact <input type="checkbox"/> | Armed Forces Covenant Duty <input type="checkbox"/> | |
| | Further details regarding these impacts can be obtained from the Lead Service Area / Chief Officer | | | | | |

