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24 March 2026

Members of the Council

Chief Executive's Office

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

Notice is given that a Meeting of the **Council** is to be held in the Council Chamber, Civic Centre, Windmillhill Street, Motherwell, ML1 1AB on Thursday, 02 April 2026 at 16:00 PM which you are requested to attend.

The agenda of business is attached.

Des Murray
Chief Executive

Members :

D Ashraf, A Ballinger, C Barclay, B Baudo, A Beveridge, M Boyd, H Brannan-McVey, G Brennan, B Burgess, A Bustard, J Cairns, A Campbell, T Carragher, C Costello, M Coyle, S Coyle, D Crichton, G Currie, P Di Mascio, K Docherty, K Duffy, A Duffy-Lawson, H Dunbar, T Fisher, F Fotheringham, W Goldie, H Gray, K Harmon, M Hughes, J Hume, L Jarvie, D Johnston, T Johnston, J Jones, P Kelly, J Keltie, A Khan, K Larson, J Leckie, G Lennon, J Logue, H Loughran, F MacGregor, A Masterton, M McBride, B McCluskey, A McCrory, B McCulloch, M McCulloch, P McDade, F McKay, R McKendrick, J McLaren, C McManus, M McPake, J McPhilemy, A McVey, L Mitchell, L Nolan, P Patton, C Quigley, J Reddin, L Roarty, D Robb, G Robinson, N Shevlin, W Shields, A Smith, A Stubbs, L Stubbs, R Sullivan, A Thomas, J Toner, S Watson, C Williams, N Wilson, G Woods.

Agenda

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

- 2 **The Plan for North Lanarkshire**
Progress Video Presentation

- 3 **North Lanarkshire Council Best Value Controller of Audit Report** 7 - 38
Submit report by the Chief Executive setting out the Council's response to the Accounts Commission's Findings.

- 4 **Minutes of Meetings of Committees, Sub-Committees and Panels - Cycle One**
Submit volume of minutes of meetings of Committees, Sub-Committees and Panels for Cycle One for approval in terms of standing order number 21 (copy to follow)

- 5 **Membership of Committees, Sub-Committees, Panels, Working Groups and Outside Bodies**
Submit proposed amendments to Membership of Committees, Sub-Committees, Panels, Working Groups and Outside Bodies (copy to follow)

- 6 **Process for Selection of Elected Members to the Forgewood, North Motherwell and Motherwell Town Centre Neighbourhood Board** 39 - 46
Submit report by the Chief Officer (Place) seeking delegated authority for the Depute Chief Executive and Chief Officer (Place) to appoint two elected members and appropriate substitute members to the Neighbourhood Board in line with programme governance guidance and required timescales.

- 7 **North Lanarkshire Local Development Plan 2: Evidence Report** 47 - 56
Submit report by the Chief Officer (Place) seeking approval for the draft Evidence Report for the new North Lanarkshire Local Development Plan 2 (NLLDP2), as required by the Planning (Scotland) Act 2019.

- 8 **Scheme of Delegation to Officers**
Submit Report by the Chief Officer (Legal and Democratic) (copy to follow)

Remit

- 9 **Remit from Finance and Resources Committee of 4 March 2026 - Treasury Management Strategy 2026/2027 Treasury Management and Prudential Indicators 2026/2027 to 2030/2031** 57 - 102
- Submit report by the Chief Officer (Finance and Technology) seeking approval of the Treasury Management Strategy 2026/2027 and adoption of the Treasury Management and Prudential Indicators for 2026/2027 to 2030/2031.

NOTICE OF MOTIONS

- 10 **Notice of Motion submitted by Councillor Smith and Councillor Keltie**
- “Council acknowledges the contribution that community energy schemes can make to supporting local projects and reducing energy costs for local authorities and communities.
- In particular, Council recognises the potential of the community solar scheme recently installed in Wallacetown in South Ayrshire, with an estimated £1m expected to be generated for community projects in the area in the next 25 years, and the savings to be realised on energy costs for South Ayrshire Council. This project was funded by SP Energy Networks and the Scottish Government's Community Energy Generation Growth Fund.
- Council agrees that a report will be presented to a future meeting of the Environment and Climate Change Committee assessing the potential for similar community energy initiatives within North Lanarkshire, including consideration of opportunities to incorporate community energy projects within the Town and Community Hub programme”
- 11 **Notice of Motion submitted by Councillor Smith and Councillor Barclay**
- “Council acknowledges current arrangements do not allow paint to be disposed of at North Lanarkshire Council Household Waste and Recycling Centres (HWRCs), with any discarded paint tins to have contents absorbed and solidified before disposal, with estimates that 55 million litres of paint are potentially wasted across the UK each year.
- Council notes that some local authorities are now permitting paint donation points to be introduced in HWRCs, with members of the community, schools,

businesses, and third sector organisations permitted to collect donated paint for their own use, and as part of the Community RePaint scheme.

Council agrees that a report is presented to a future Environment and Climate Change Committee meeting assessing the feasibility, operational implications and any financial considerations associated with introducing paint donation points at HWRCs within North Lanarkshire”

12 **Notice of Motion submitted by Councillor Smith and Councillor Robinson**

“Council agrees to amend Standing Orders to update section 9 of the Protocol for Hybrid and Remote Council and Committee Meetings as follows:

After the sentence:

“If it is the intention of a member to move an Amendment to a report, they should inform the Committee Clerk in advance and send to them a copy of the Amendment, no later than 24 hours before the meeting regardless of whether they will be attending the meeting via remote access or will be physically present.

Add:

Where compliance with the 24-hour submission requirement is not reasonably practicable, an amendment may instead be submitted to the Committee Clerk no later than 10.00am on the day of the relevant Council or Committee meeting”

13 **Notice of Motion submitted by Councillor A Stubbs and Councillor Thomas**

“Council notes that a growing number of residential streets throughout Scotland are adopting mandatory 20 mile per hour speed limits in order to improve safety for road users and pedestrians.

Council therefore requests that a report be presented to the relevant committee on the feasibility of introducing 20mph speed limits across appropriate residential streets in North Lanarkshire, including the financial implications and evidence from other local authorities regarding road safety outcomes, including any data on reductions in road traffic related injuries”

North Lanarkshire Council Report

Council

Does this report require to be approved? Yes No

Ref DM/SL Date 02/04/26

North Lanarkshire Council Best Value Controller of Audit report

From Des Murray, Chief Executive

E-mail murraydes@northlan.gov.uk

Executive Summary

The Best Value duty requires all local authorities in Scotland to have arrangements in place to secure *continuous improvement* in delivering the best possible outcomes for the public.

Since the duty was introduced over 20 years ago, all councils have been subject to ongoing national and local audit processes to demonstrate that Best Value is being delivered in practice. While the national approach to auditing Best Value has evolved over time, the most recent framework came into effect with the external auditor five-year appointments in 2022/23. Under this approach:

- Auditing Best Value is fully integrated within the wider annual audit, with findings reported through the external auditor's Annual Audit Report (AAR).
- Thematic Best Value audit work is undertaken each year by the external auditor, in line with Accounts Commission requirements, to provide assurance on areas of risk or interest across Scotland at a defined point in time.
- Each council's Annual Audit Reports (AARs) and Best Value reports are considered by the Accounts Commission once during the five-year appointment, informing a statutory report produced by the Controller of Audit under Section 102(1) of the amended Local Government (Scotland) Act 1973.

The council was subject to the statutory Controller of Audit process in 2025, and the outcome from this was scrutinised by the Accounts Commission in December 2025 before being shared with all Elected Members and published nationally on 15th January 2026.

The Controller of Audit report is also submitted herewith to full Council to enable formal consideration through the council's committee process and to set out the council's response to the Accounts Commission's findings.

It should be noted that, because the Controller of Audit report is produced only once in each five-year cycle, it represents a point-in-time assessment and therefore includes findings from previous audits. These findings have already been reported to the Audit and Scrutiny Panel / Policy and Strategy Committee, and many of the associated recommendations have already been implemented and are complete.

Recommendations

It is recommended that the Council:

- (1) Note the ongoing national and local audit processes, which ensure the council is subject to externally validated Best Value audits every year,
- (2) Are aware of the Controller of Audit report presented in Appendix 1, and
- (3) Note the council's response to the Accounts Commission's findings, as set out in Appendix 2.

The Plan for North Lanarkshire

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

1. Background

1.1 Introduced under the Local Government in Scotland Act 2003, the council has a statutory duty to “*make arrangements which secure Best Value*”, and ensure “*continuous improvement in the performance of the authority's functions*”. In doing so, the council is required to maintain an appropriate balance across quality, cost, efficiency, effectiveness, economy, equal opportunities, and sustainable development.

1.2 The corresponding national Best Value guidance was introduced in 2004 and [updated in 2020](#) to reflect the changing environment in which councils deliver services. The revised guidance places greater emphasis on citizens, personalised services, outcomes, and innovation in service design and delivery. The 2020 guidance sets out seven Best Value themes and councils are required to demonstrate continuous improvement across each theme.

1. Vision and leadership.
2. Governance and accountability.
3. Effective use of resources.
4. Partnerships and collaborative working.
5. Working with communities.
6. Sustainability.
7. Fairness and equality.

Sustainability, along with fairness and equality, are cross-cutting themes integral to all council functions and activities in demonstrating Best Value and delivering the best possible outcomes for the public.

1.3 The [Code of Audit Practice 2021](#) sets out the requirements for external auditors across all areas of audit work, including Best Value. Issued by Audit Scotland, it defines auditors' objectives and responsibilities, and compliance with the Code is a condition of appointment. Supplementary guidance supports auditors in meeting the Best Value requirements and ensures a consistent audit approach across all 32 councils.

1.4 The Accounts Commission is the independent watchdog for local government in Scotland, ensuring councils are held to account for their financial performance, Best Value, and stewardship of public funds. It oversees the audit process by setting the strategic scope for audits, defining statutory performance information, and considering reports produced by the Controller of Audit. The Commission set the strategic audit direction, while Audit Scotland provide the audit capability and carry out the audit work on its behalf.

- 1.5 External audit appointments for all councils in Scotland are made by the Accounts Commission. Audit Scotland was appointed as the council's external auditor in October 2022 for the five-year term from 2022/23 to 2026/27. During the five-year appointment, Audit Scotland undertake a programme of audit work based on national priorities set by the Accounts Commission. This includes follow-up work on Best Value recommendations from previous reports, as well as additional risk-based audit activity.
- 1.6 Auditing Best Value has evolved over time, and the most recent framework came into effect with the new five-year external audit appointments in 2022/23. Under this approach:
- Auditing Best Value is fully integrated within the wider annual audit, with findings reported through the external auditor's Annual Audit Report (AAR).
 - Thematic Best Value audit work is undertaken each year by the external auditor, in line with Accounts Commission requirements, to provide assurance on areas of risk or interest across Scotland at a defined point in time.
 - Each council's Annual Audit Reports (AARs) and Best Value reports are considered by the Accounts Commission once during the five-year appointment, informing a statutory report produced by the Controller of Audit under Section 102(1) of the amended Local Government (Scotland) Act 1973.
- 1.7 The latest of these reports - the Controller of Audit report prepared under Section 102(1) of the amended Local Government (Scotland) Act 1973 - is submitted herewith to full Council to enable formal consideration through the council's committee process and to set out the council's response to the Accounts Commission's findings.

2. Auditing Best Value

- 2.1 Audit work supporting the Controller of Audit report was undertaken by the external auditors during 2025, with the final report scrutinised by the Accounts Commission in December 2025 before being shared with all Elected Members and published nationally on 15th January 2026.
- 2.2 A wide range of information over many years was used by the external auditors to inform the Controller of Audit report at Appendix 1. The evidence considered included the following:
1. The North Lanarkshire Best Value Assurance Report (BVAR) produced in 2019 as part of the national audit programme at that time - [reported to full Council](#) in June 2019. Implementation of the eight recommendations arising from the BVAR was confirmed as complete in the Annual Audit Report (AAR) 2022/23.
 2. Outcome reports produced for the council as part of the national thematic Best Value audit programme, covering:
 - (i) Leadership of the development of new strategic priorities - reported to the Audit and Scrutiny Panel in October 2023 and the [Policy and Strategy Committee](#) in December 2023. Implementation of the three recommendations arising from this audit was confirmed as complete in the Annual Audit Report (AAR) 2023/24.
 - (ii) Workforce innovation (how the council is responding to current workforce challenges through building capacity, increasing productivity, and innovation) - reported to the [Audit and Scrutiny Panel](#) in August 2024 and the Policy and Strategy Committee in September 2024.
 - (iii) Transformation (how councils are redesigning and delivering more efficient

services to achieve planned outcomes) - reported to the [Audit and Scrutiny Panel](#) and the Policy and Strategy Committee in September 2025.

3. Annual Audit Reports (AARs) for:
 - (i) 2022/23 - reported to the [Audit and Scrutiny Panel](#) in October 2023.
 - (ii) 2023/24 - reported to the [Audit and Scrutiny Panel](#) in October 2024.
 - (iii) 2024/25 - reported to the [Audit and Scrutiny Panel](#) in September 2025.

2.3 As such, the Controller of Audit report comprised previous years' findings that the council has already addressed through the reports listed in paragraph 2.2, along with recommendations that have since been completed or are in the process of being implemented.

2.4 Following their meeting on 11th December 2025, the Accounts Commission reported that it welcomed and endorsed the Controller of Audit report on Best Value in North Lanarkshire Council, as well as the recommendations made by auditors in their Annual Audit Report 2024/25. After considering these reports, the Commission agreed a number of findings, which are summarised below:

Best Value in North Lanarkshire Council
Extract from the Accounts Commission's findings

1. As one of Scotland's largest councils, and with significant and persistent socio-economic challenges, we are impressed with North Lanarkshire's commitment to improving outcomes for its communities and its outward-facing approach to working with partners across and outwith the region.
2. The council has an ambitious vision for the area that is shared with partners, underpinned by a well-established programme of work. Combined with effective financial and performance management, a track record of delivering savings, integrated workforce planning, and prioritisation of community engagement, the council has strong foundations for addressing its widening budget gap.
3. Transformation is embedded at a service level, and the council is taking an innovative place-based approach to addressing future financial sustainability and improving outcomes, including creating community hubs with partners such as the NHS.
4. The council's approach to housing and homelessness should be recognised and its Local Government Benchmarking Framework performance indicators in this service area are among the best in Scotland, demonstrating the impact of its sustained investment and preventative approaches.
5. We are pleased to see that the council has responded positively to the auditor's recommendations around improving processes for elected member engagement, including in strategic planning.
6. The council has made its expectations of staff very clear in relation to hybrid working.

Extract: Best Value, North Lanarkshire Council
prepared by the Controller of Audit, January 2026

2.5 In setting out their findings to the Controller of Audit report, the Accounts Commission also reiterated a number of recommendations which had been previously made through the reports listed in paragraph 2.2. These findings are set out in Appendix 2 along with the council's response.

Next steps

2.6 As part of the council's Internal Audit monitoring arrangements, quarterly reporting to the Audit and Scrutiny Panel provides an update on progress made in implementing

the recommendations arising from the external auditors' Annual Audit Reports (AARs). This approach also covers recommendations from the thematic Best Value audits and, going forward, it will track progress in implementing the Controller of Audit findings as well.

- 2.7 As reported to the Audit and Scrutiny Panel in March 2026, the thematic Best Value audit work for 2026 will see a focus on *Asset Management - how well councils are managing their assets to achieve their corporate objectives and responding to challenges around financial sustainability and climate change* - across all 32 councils in Scotland. In considering this matter, external auditors will focus on the following questions:
- a) To what extent does the council have a clear asset management strategy and plans that are affordable, and that align with its corporate objectives, new ways of working, the changing needs of its population, and net zero commitments?
 - b) To what extent do the council's governance and accountability arrangements support effective asset management?
 - c) To what extent does the council have a robust approach to working with partners and communities in managing its assets?
- 2.8 The Annual Audit Report (AAR) for 2025/26, and outcome report arising from the Asset Management thematic Best Value audit work, are expected to be reported to the Audit and Scrutiny Panel in the autumn of 2026.

3. Measures of success

- 3.1 Measures of success include:
- Ensuring the council can demonstrate there is good governance and effective management of resources, with a focus on improvement, to deliver the best possible outcomes for the public.
 - Continued oversight of Annual Audit Reports (AARs) via the Audit and Scrutiny Panel, and systematic review of thematic Best Value audit outcome reports through the Audit and Scrutiny Panel and Policy and Resources Committee.

4. Supporting documentation

- 4.1 Appendix 1: Best Value North Lanarkshire Council Controller of Audit report, January 2026
- Appendix 2: Council response to the findings in the Controller of Audit's report on Best Value in North Lanarkshire Council
- Appendix 3: Information link to Audit Scotland's website regarding auditing and reporting Best Value <https://audit.scot/best-value>



Des Murray
Chief Executive

5. Impacts

5.1 Public Sector Equality Duty and Fairer Scotland Duty

<p>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"/></p> <p>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"/></p> <p>If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>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"/></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>
<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 checked="" type="checkbox"/> No <input 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 checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p> <p>The legal impact in this report is only in relation to supporting demonstration of the council's compliance with the relevant legislation listed below. It does not introduce new legal duties or changes to the council's statutory duty in this respect.</p> <ul style="list-style-type: none"> The Local Government in Scotland Act 2003 introduced the statutory duty of Best Value which requires the council to "<i>make arrangements which secure Best Value</i>" and ensure "<i>continuous improvement in the performance of the authority's functions</i>".
<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"/></p> <p>If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>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?</p>

<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>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)?</p> <p>Yes <input type="checkbox"/> No <input 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 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>Ongoing national and local audit approaches, which ensure the council is subject to externally validated Best Value audit and assessment processes each year, as well as regular reporting to the Audit and Scrutiny Panel and Policy and Strategy Committee, contribute to the mitigation of the risk on the Corporate Risk Register for <i>governance, leadership, and decision making</i>.</p>
<p>5.10 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 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>

Best Value

North Lanarkshire Council



ACCOUNTS COMMISSION 

Prepared by the Controller of Audit
January 2026

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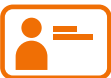




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Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Key facts

	181	Square miles
	344,540	Population
	34.2%	Proportion of all data zones in North Lanarkshire which are within the 20% most deprived in Scotland, according to Scottish Index of Multiple Deprivation (2020)
	16,830	Number of employees
	77	<p>Elected members</p> <p>32 Scottish Labour, 24 Scottish National Party, 14 Independent, five Scottish Conservative Unionist, one British Unionist and one Scottish Green Party. Minority Labour Administration</p>
	£136.9m	<p>General Fund cumulative budget gap for 2026/27 to 2030/31</p> <p>(based on flat cash settlement and no changes to council tax rates)</p>
	£1,024.2m	<p>General Fund net revenue budget 2024/25</p> <p>(revised)</p>
	£216.7m	<p>Capital expenditure 2024/25</p> <p>(£112.84m General Fund, £103.84m Housing Revenue Account (HRA))</p>

Commission findings

The Accounts Commission welcomes and endorses the Controller of Audit's report on Best Value in North Lanarkshire Council ([presented at page 6](#)) and the recommendations made by auditors in their Annual Audit Report 2024/25. Following consideration of these reports at its meeting on 11 December, the Commission has made the findings presented below:

- 1** As one of Scotland's largest councils, and with significant and persistent socio-economic challenges, we are impressed with North Lanarkshire's commitment to improving outcomes for its communities and its outward-facing approach to working with partners across and outwith the region. Examples include its partnership working with NHS Lanarkshire and North and South Lanarkshire Integration Joint Boards in the delivery of health and social care services, and with the construction sector in relation to skills.
- 2** The council has an ambitious vision for the area that is shared with partners, underpinned by a well-established programme of work. Combined with effective financial and performance management, a track record of delivering savings, integrated workforce planning, and prioritisation of community engagement, the council has strong foundations for addressing its widening budget gap. Given the significant financial challenges ahead, we expect the council to address the auditor's recommendation around reviewing its approach to the use of reserves and to now set out clearly how it intends to close the budget gap.
- 3** Transformation is embedded at a service level, and the council is taking an innovative place-based approach to addressing future financial sustainability and improving outcomes, including creating community hubs with partners such as the NHS. Ensuring that financial and non-financial benefits are tracked is essential, as is establishing what's worked well and what lessons can be learned when deciding where to focus limited resources going forward. We look forward to seeing progress on its benefits realisation tool in the next annual audit report, given the increasing role that transformation needs to play in closing the budget gap.
- 4** The council's approach to housing and homelessness should be recognised and its [Local Government Benchmarking Framework](#) performance indicators in this service area are among the best in Scotland, demonstrating the impact of

its sustained investment and preventative approaches. However, there is mixed performance in other service areas and like many others, the council has seen a sustained deterioration of satisfaction indicators since 2010/11 which should be further explored. Addressing future financial challenges is likely to continue to involve a mix of transformation, redesign and some service reductions, so we would urge the council to continue to monitor the impact on service performance and customer satisfaction. It should also ensure that work to improve public reporting of performance across its strategic key 'health check' indicators is concluded so that wider impacts on outcomes are visible.

- 5** We are pleased to see that the council has responded positively to the auditor's recommendations around improving processes for elected member engagement, including in strategic planning. Maintaining members' commitment to the council's vision, priorities and transformation will be essential as we approach an election year. The council's commitment to a review of democratic, committee and decision-making governance procedures is also welcomed. We expect to see evidence of enhanced scrutiny in relation to senior officer restructuring, which should include documented consideration of options around achieving value for money.
 - 6** The council has made its expectations of staff very clear in relation to hybrid working and we would encourage it to monitor the impacts of this policy on productivity, performance, staff wellbeing, recruitment and retention. Ongoing engagement and effective relationships with staff and trade unions will be essential to achieving financial sustainability and the council's vision for the area.
-

Controller of Audit report

1. This report is made by the Controller of Audit to the Commission under Section 102(1) of the amended Local Government (Scotland) Act 1973. It is based on evidence collected as part of the 2022/23, 2023/24 and 2024/25 annual audits of the council, with the latest audit reported in September 2025. [Appendix 1](#) includes links to the Annual Audit Reports (AAR) and [Appendix 2](#) includes a link to the Best Value Statutory Guidance.

2. The reporting of Best Value is undertaken through the annual audit of each council and includes detailed work focusing on a Scotland-wide theme. The Best Value theme for 2022/23 was councils' leadership of the development of new local strategic priorities while the 2023/24 theme focused on workforce innovation. The theme for 2024/25 was transformation and how councils are redesigning and delivering services to achieve planned outcomes.

Pace of continuous improvement

3. North Lanarkshire Council (the council) is committed to the principles of Best Value to deliver positive outcomes for the people and communities of North Lanarkshire. Where auditors have recommended improvements, the council has made good and timely progress in implementing agreed actions. A number of recommendations are due for implementation over the coming year, including actions around public performance reporting, acting on staff engagement feedback, monitoring the hybrid working policy, temporary workforce reporting, strategic use of reserves, tracking benefits realisation, and exit packages.

4. The council continues to have effective and appropriate overall arrangements in place for financial management and sustainability, demonstrating resilience in managing financial pressures and maintaining a stronger reserves position than many other councils. It is progressing with transformation activities as part of work to deliver its wider strategic priorities. However, there remains a mixed picture on performance ([paragraphs 23–29](#)). Given the scale of emerging challenges and the widening budget gap, a strategic shift is now essential to ensure continued financial sustainability and service delivery ([paragraph 48](#)).

Best Value Assurance Report (BVAR) follow-up

5. The council received a full BVAR in 2019. The auditor found that the council had demonstrated improvement in most areas since its previous Best Value report in 2008. The auditor also noted that the council had appointed a new chief executive in September 2018, which had presented an opportunity to increase the pace of change.

6. The Commission commended the council's vision, as set out in the Plan for North Lanarkshire, as ambitious and well-articulated. It noted that realising this vision would lead to significant regeneration and change in North Lanarkshire, an area with acute socio-economic challenges. Auditors found that the council was well placed to tackle financial challenges and had a clear focus on partnership working. Performance had improved in three of five priority service areas, but had declined in some other service areas.

7. The 2019 BVAR made eight recommendations, which the council has implemented. These related to specific actions within the broad areas of: developing strategies, policies and plans; performance management and reporting; workforce management; self-evaluation follow-up actions; and investigating reasons for falling satisfaction levels in some service areas, particularly in care services. The council continues to face challenges around care services and declining satisfaction levels, while, in line with the 2019 BVAR findings, housing remains an area of strength ([paragraphs 26 and 28](#)).

Leadership review

8. Leadership in the development of new local strategic priorities was the subject of Best Value thematic work in 2022/23. The Plan for North Lanarkshire was approved in 2019 and established the strategic direction for the area. It sets out a vision where North Lanarkshire is the place to live, learn, work, invest, and visit. This vision is shared by the council's partners and underpinned by a place-based approach. Auditors found that the council's vision is clear, ambitious, and driven by effective leadership.

9. The Plan for North Lanarkshire is supported by a Programme of Work, which was refreshed in 2023. The latest Programme of Work sets out seven priorities for delivery over the period to 2028.

10. Though elected members were involved in a review and approval capacity, the refresh of the Programme of Work was heavily officer-led. Auditors therefore recommended that the council improve its processes for engaging elected members on strategic planning.

11. The council subsequently updated its guidance to reflect the importance of elected member engagement on council strategies, policies, and plans. Ongoing effective collaboration between elected members and officers will be important in managing risks and delivering positive outcomes for the council and the wider area going forwards.

12. Auditors made two further recommendations in the leadership review, both of which have been implemented:

- Auditors recommended that the council work with elected members to understand the reasons for poor attendance at its elected member training and development programme. It has taken appropriate steps to address this.
- Auditors found that the council was proactive in engaging with communities, but should consider how it measured its level of engagement. The council addressed this in its 2024 Communication and Engagement Strategy, which sets out plans to monitor community engagement and participation.

Citizen and community engagement

13. Enhancing participation, capacity and empowerment across communities is one of the five priorities in the Plan for North Lanarkshire. The council's nine Community Boards play a key role in achieving this.

14. Each Community Board supports the delivery of a Local Outcome Improvement Plan for its local area. Board members include representatives from community groups and community planning partners. The council's Communities Committee provides oversight, receiving summary reports after each cycle of Community Board meetings.

15. For the most recent cycle of Community Board meetings, the council reported a slight decrease in the number of attendees since the previous cycle, but increased attendance from community representatives. Reporting assesses the level and nature of engagement with individuals and organisations, with specific consideration of seldom-heard voices, minorities, and young people.

16. The council regularly engages with communities on specific activities, including around transformation. In their 2024/25 Best Value thematic report on transformation, auditors noted that feedback from communities and vulnerable groups was reflected in Equality Impact Assessments, and that plans were updated accordingly.

17. The council relied on prior year budget engagement to inform its 2025/26 budget, on the basis that it remained relevant. Consultation for the 2024/25 budget included focus groups and in-depth interviews with residents across a range of demographics, **Page 29 of 104** vulnerable groups. The council also gathered views more widely through an online survey

accompanied by a digital information campaign. Officers summarised the results of these engagement activities for elected members' consideration during 2025/26 budget setting. The council will need to continue assessing the need for further budget consultation on an ongoing basis.

Effectiveness of performance reporting

18. The council has a Strategic Performance Framework that summarises its performance reporting arrangements, including how it measures and monitors progress against its strategic priorities. This framework is one of six key strategies aligned with the council's vision set out in the Plan for North Lanarkshire, contributing to a one council approach.

19. The Strategic Performance Framework supports the council's Programme of Work and is reviewed annually (alongside the council's other strategic frameworks) to ensure it remains aligned to the Plan for North Lanarkshire and supports delivery of the Programme of Work.

20. Local Government Benchmarking Framework (LGBF) reporting is integrated into the Strategic Performance Framework. The framework outlines performance measurement at three levels to assess the impact of the council's activities on service improvement and outcomes for communities:

- The North Lanarkshire context – a suite of 28 health check indicators.
- Improving outcomes – a suite of indicators and information enabling assessment of progress towards priorities and ambitions. This includes outcomes, targets and identified areas for improvement.
- Day-to-day operations – made up of performance indicators, targets and standards.

21. Performance is monitored through reporting to service committees with an overarching report summarising the council's various performance reports reported quarterly to the Audit and Scrutiny Panel. This provides a holistic view of the council's performance against the range of performance indicators underpinning the Plan for North Lanarkshire.

22. The council has suitable arrangements for the preparation and publication of statutory performance information. However, in the previous two Annual Audit Reports, auditors have noted that there is further scope to strengthen public performance reporting, including by reporting progress against the 28 health check indicators, which the council has committed to do by June 2026. Auditors will continue to monitor this as part of the 2025/26 Annual Audit Report.

Reported performance

23. In 2024/25, the auditor reported a mixed picture of performance, with a trend of improvement in several areas while challenges remain in others. Positives included growth in the local economy, above average gross weekly pay for local residents, and increasing waste recycling rates. Performance challenges remained, specifically in relation to an increase in the proportion of children in poverty over the period of the Plan for North Lanarkshire, an increase in recorded crime, and a lower than targeted proportion of the working age population who were economically active.

24. Performance was reported as part of the council's management commentary in the 2024/25 annual accounts. In addition, performance against the 28 health check indicators was reported to the council's Audit and Scrutiny Panel and Policy and Strategy Committee in March and September 2025 respectively. The latter showed 57 per cent of indicators have improved over the period of the Plan for North Lanarkshire, an improvement of seven percentage points since the previous update with reductions in recorded crime, children living in poverty and benefit claimant rates observed.

25. An overview of movements on all LGBF indicators is shown in [Exhibit 1 \(page 11\)](#) alongside the averages for all Scottish councils. The exhibit shows a good level of improvement since base years, but in the most recent year more indicators have declined than improved.

26. The majority of performance indicators have improved or stayed the same since base year and in the most recent year. Cost indicators have shown an overall improvement since base year but more have declined in the most recent year than improved. In contrast, satisfaction indicators have displayed sustained deterioration since base year, including in the most recent year.

27. The proportion of the council's indicators in the top two quartiles, when compared to other councils, has declined by four percentage points since the base year, suggesting the pace of improvement has slowed slightly in the short term compared to others driven by the decline in satisfaction indicators.

28. At service level, LGBF indicators show strong improvement since base year for all service areas other than Adult social work services, Culture and leisure services and Environmental services. Housing services continues to be an area of strength for the council with 100 per cent of indicators now in the top two quartiles. In contrast, only 18 per cent of indicators for Adult social work services remain in the top two quartiles.

Exhibit 1.

North Lanarkshire Council – LGBF indicator summary October 2025

Council movements are shown alongside Scotland averages in brackets.

Movement in last year	Cost indicators %	Performance indicators %	Satisfaction indicators %	All indicators %
Improved	35 (47) ¹	39 (42)	27 (25)	37 (41)
Stayed the same	5 (9)	28 (23)	0 (5)	21 (19)
Declined	60 (44)	33 (35)	73 (70)	42 (40)
Movement since base year				
Improved	60 (52) ¹	70 (65)	0 (10)	61 (56)
Stayed the same	0 (2)	5 (6)	9 (2)	5 (5)
Declined	40 (47)	25 (29)	91 (88)	35 (39)
Indicators in the top two quartiles				
Most recent year	40	50	9	44
Base year	40	49	55	48

Note: 1. Scotland average movements are shown in brackets.

Source: LGBF, October 2025

29. In addition to enabling national comparisons, the LGBF includes 'family groups' based on type of population (eg, level of deprivation) and type of area (eg, rural, urban). As of October 2025, the council ranks in the top two in both of its LGBF family groups for the percentage of indicators improved since base year (at 61 per cent). Contrastingly, the council ranks in the bottom two in each family group for the percentage of indicators improved in the most recent year (at 37 per cent).

Workforce planning

30. In 2023/24, the Best Value thematic review focused on workforce innovation and how councils are responding to workforce challenges.

31. The council's workforce planning approach is integrated with the Plan for North Lanarkshire, with a focus on developing the workforce of the wider North Lanarkshire area.

32. The council approved its One Workforce Plan in October 2023. The plan is integrated into the Programme of Work 2023-2026 supported by

robust service workforce plans, following a recommendation in the 2019 BVAR to put these in place.

33. As part of the One Workforce Plan, a revised hybrid working scheme was implemented during 2024, with hybrid staff required to split their time equally between office and home working according to a defined rota. Auditors recommended that the council monitor the impact of this relatively structured arrangement, which the council has committed to do by January 2026.

34. The council has initiatives to address skills shortages in particular service areas and is working on developing digital skills across its workforce as part of its Digital North Lanarkshire programme. This programme also aims to promote an innovative sustainable culture and to position the council as a digital leader for a transformed North Lanarkshire. The council has incorporated the programme into its Digital and IT Strategy for 2024–27.

35. The council monitors workforce matters through a variety of channels. The Business Management Team receive regular reports on sickness absence levels, and monitoring arrangements are in place for the delivery of workforce-related strategies. Auditors noted that the council could strengthen its public reporting on agency and temporary staff. The council is progressing this.

36. Auditors recognised that the council engages with both staff and trade unions while developing its plans. Recent staff engagement included 72 roadshow events in 2024, which were attended by over 2,200 staff. Auditors recommended that the council evidence how it is acting on findings from its roadshow events (as well as wider feedback from staff and trade unions) to support transparent decision-making. The council are taking this forward, with work under way on a refreshed staff survey and a review of trade union consultation arrangements.

Transformation

37. In 2024/25, the Best Value thematic review focused on transformation and how councils are redesigning and delivering services to achieve planned outcomes.

38. Reflecting the nature of the Plan for North Lanarkshire, the council sees transformation through the lens of the wider area. Transformation is embedded in the council's Programme of Work to 2028, the delivery plan for which included 243 projects/activities as of May 2025. These included projects such as the Chryston and Riverbank Community Hubs, the purchase of Cumbernauld Town Centre to facilitate significant town centre regeneration, and the development of digital classrooms.

39. The council has demonstrated its commitment to transformation through its innovative Community Investment Fund. This was created in 2018 to support capital investment and economic regeneration activity, facilitated by increased council tax income. In December 2024, the council reported an expected fund value of £793.1 million over the 15 years from its inception to 2033/34. To date, the fund has supported projects such as community hubs, the regeneration of Cumbernauld town centre, and the development of digital classrooms.

40. The council has effective governance arrangements in place to oversee its work on transformation. Six strategic boards, each chaired by a chief officer, are accountable for the delivery of Programme of Work priorities. Officers also provide comprehensive updates on the Programme of Work to elected members.

41. The council is working on projects with a range of partners. For example, it is creating community hubs to provide a range of council and partner services (such as NHS clinics) around school sites. The council has also collaborated with construction firms to create an Industry Skills Board and worked with the community on the Driving Digital Locally Intergenerational Project, in which school pupils provide digital skills training for older residents.

42. As set out in [paragraph 20](#), the council monitors the impact of the Plan for North Lanarkshire through its performance reporting to determine whether places and services are improving, but it is important that it also demonstrates the extent to which project benefits through the council's investment in transformation are realised. The council does not currently track or report transformation benefits at project level but is in the process of developing a benefits realisation tool to monitor the delivery of both financial and non-financial benefits.

43. The council recognises that transformation needs to be financially sustainable and has worked to direct resources to key priority areas. However, officers are clear that transformation will not close the budget gap alone. The council recognises that there needs to be a clear link between it transforming its services and addressing its budget gap by delivering transformation in a financially sustainable way.

Financial management and sustainability

44. The auditor has concluded that in general, the council has appropriate and effective overall arrangements in place for financial management and sustainability.

45. Key financial information for the council is included in [Exhibit 2 \(page 14\)](#).

Exhibit 2.

North Lanarkshire Council – key financial information

Budget-setting	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)
Budget gap	3.1	11.0	22.6	13.6
Additional investment	-	3.1	-	1.7
Planned to be met via:				
• Savings and flexibilities ¹	-	0.8	19.1	-
• Use of reserves ¹	-	7.0	3.5	-
• Additional Council Tax ¹ (% increase in Council Tax) ²	3.1 (3%)	6.4 (5%)	- (0%)	15.3 (10%)
Actual				
Savings delivered ³	5.3	7.4	20.2	
Reserves				
Contribution to / (Use of) reserves	35.4	17.2	3.7	
Total usable reserves carried forward	325.4	342.6	346.3	
• General fund:				
– Earmarked	210.8	253.7	282.0	
– Uncommitted	39.0	30.2	-	
• HRA	26.3	16.8	22.2	
• Capital and other	49.2	41.9	42.2	

Notes:

1. Figures reflect amounts agreed at budget-setting to meet the budget gap and fund any additional investment, but not amounts already included when calculating the budget gap.

2. This represents the approved percentage council tax increase and is not directly related to the additional council tax value noted.

3. Savings delivered reflects all savings delivered within the financial year, regardless of the year the saving was approved.

Source: The council's annual accounts and Policy and Strategy Committee papers

Financial sustainability

46. The medium-term financial plan is updated annually and forms the basis of the council's savings plans. The plan includes a range of risk-based outcomes which are presented over three scenarios: optimistic, envisaged and pessimistic. The council projected a budget gap of £13.6 million for General Fund revenue in 2025/26 under the envisaged scenario. This represents 1.2 per cent of the council's annual General Fund revenue budget of £1,103.4 million. The council increased council tax by ten per cent to bridge the budget gap for 2025/26. Over the period from 2026/27 to 2030/31, the council projects that the cumulative budget gap will increase to £136.9 million.

47. The council also projected a £7.0 million budget gap for its Housing Revenue Account in 2025/26, taking its total budget gap for the year to £20.6 million.

48. The council's 2025/26 **budget gap** is relatively low compared to other councils in Scotland when taken as a percentage of total budget. However, the forecasted budget gap continues to widen over the five years to 2030/31 and it is not yet clear how the council will fully address it. Given the scale of emerging challenges and the widening budget gap, a strategic shift is now essential to ensure continued financial sustainability and service delivery.

Financial management

49. The council has demonstrated effective financial management in consistently delivering savings, managing in-year pressures to operate within its budget, identifying sustainable recurring solutions to manage budget gaps, and setting aside reserves to safeguard against future financial pressures.

50. The council delivered £20.2 million of £21.7 million planned savings from its 2024/25 budget with the shortfall of £1.5 million being met through alternative savings. The 2024/25 savings were achieved through changes to service operating models, reducing levels of service provision, and efficiency measures. They take the cumulative total of savings delivered by the council since 2020/21 to over £80 million.

51. The council's 2025/26 budget included £5.6 million use of reserves to manage the cost pressure from increased employer national insurance contributions (£4.4 million) and to support the delivery of approved savings (£1.2 million). These are factored into the calculation of the 2025/26 budget gap.

52. The council's reserves have increased in recent years and now sit at a relatively high level, reflecting a trend of underspends at service level (2024/25 net underspend: £12.2 million). These have been earmarked to support future budget pressures and strategic change activity. While the council does not hold any unearmarked reserves, its £282.0 million



Budget gap

The Accounts Commission's [Local government budgets 2025/26](#) publication sets out Scottish councils' budget gaps as a percentage of their revenue budgets, but notes that budget gaps are not directly comparable owing to councils using different methodologies.

General Fund balance includes a £12.6 million Change Management Fund, an £8.0 million Contingency Fund, and £31.9 million to address future budget pressures.

53. In considering its financial sustainability, the council will need to ensure that it applies its reserves strategically. This will include reviewing how its reserves earmarked for future budget pressures can be used to support investment in long-term sustainability or improved outcomes. The council plans to undertake a review of reserves to determine target levels and timings of use.

Delivery of the capital programme

54. The council approved its five-year General Fund Strategic Capital Investment Programme in March 2024. As of March 2025, the council planned investment of £856 million over the five years of the programme (2024/25 to 2028/29). To support the capital programme, the council increased its long-term borrowing from £590.6 million at 31 March 2024 to £689.6 million at 31 March 2025.

55. The council also has a 30-year business plan for its Housing Revenue Account. This forecasts investment of £828 million in housing provision over 2024/25 to 2028/29.

56. Capital spend has been lower than planned in recent years. A number of external factors have contributed to this, including inflationary pressures and availability of materials and labour in the construction industry. The council has reprofiled capital spend of £15.7 million from 2024/25 to later years of its five-year capital programme, but still expects to incur planned expenditure in full over the course of the programme.

Exit packages

57. During 2024/25, two chief officers were granted early retirement on efficiency grounds as part of a restructure that reduced the number of chief officers in the chief executive service area from six to five. The restructure was incorporated into the 2024/25 budget as part of a range of savings initiatives.

58. The approval process for the early retirements was in line with the council's internal policy. However, auditors found that it was not always clear how the council had considered whether alternative options to early retirement would have: been feasible; and/or represented better value for money. From discussions with officers, auditors understand that while alternatives were considered, they would not have been suitable and were therefore documented as 'not applicable'. Auditors also concluded there was scope for greater transparency with elected members on the wider implications and risks of the proposed restructure, particularly around the potential for associated early retirement costs.

59. Auditors recommended that the council enhance the standard of its documentation of early retirement decisions and review its policies and procedures to ensure that exit packages for senior officers are subject to additional scrutiny. The council plans to address this as part of a wider upcoming governance review.

Contract management

60. In their [2023/24 Annual Audit Report](#), auditors reported on concerns raised by a whistleblower regarding the council's housing and property maintenance contract with Mears Scotland LLP (Mears). The council's internal auditors investigated and concluded that there was evidence of Mears staff changing completion dates for repair jobs. Internal auditors were satisfied that this had not resulted in any monetary loss to the council. However, internal auditors noted significant scope for improvements in how the relevant service was monitoring and overseeing performance under the contract.

61. The council entered into a new contract with Mears during the 2024/25 financial year following the end of the previous contract in June 2024. External auditors reviewed performance reporting arrangements for the new contract (as well as for a new contract with Hochtief for roads and infrastructure maintenance). They reported in their [2024/25 Annual Audit Report](#) that while performance reporting is still developing due to the early stage of implementation, the necessary tools are in place to support effective contract management.

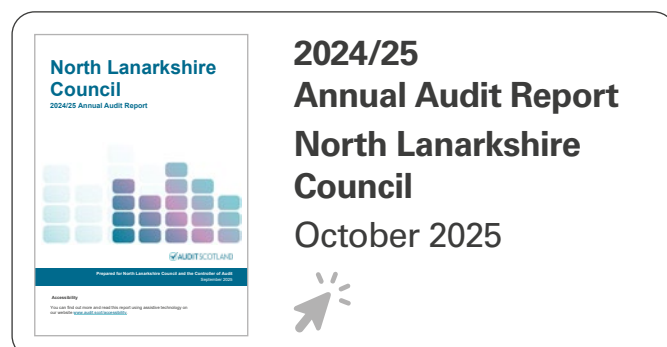
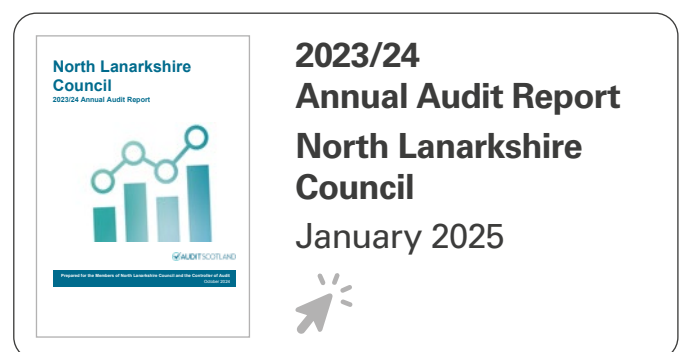
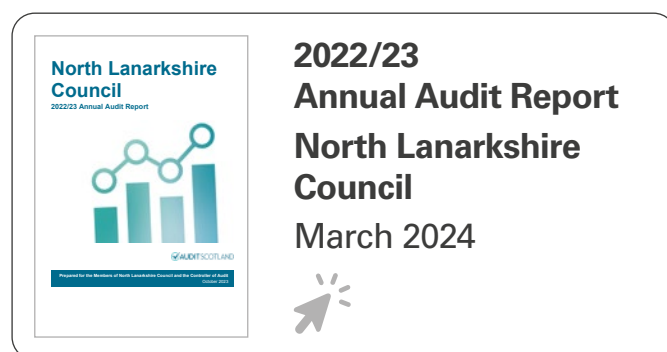
Appendix 1

Annual Audit Reports

These reports summarise the findings from the 2022/23, 2023/24 and 2024/25 annual audits of North Lanarkshire Council.

Each Annual Audit Report comprises:

- significant matters arising from the audit of the council's Annual Accounts
- conclusions on the council's performance in meeting its Best Value duties
- conclusions on the following wider scope areas that frame public audit as set out in the Code of Audit Practice 2021:
 - Financial management
 - Financial sustainability
 - Vision, leadership and governance
 - Use of resources to improve outcomes.



Appendix 2

Best Value Statutory Guidance

The Local Government in Scotland Act 2003 introduced a statutory framework for Best Value for local authorities. The Best Value duties set out in the Act are:

- to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and, in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirement and to contribute to the achievement of sustainable development
- to achieve break-even trading accounts, subject to mandatory disclosure
- to observe proper accounting practices
- to make arrangements for the reporting to the public of the outcome of the performance of functions.

Best Value

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Appendix 2

Council response to the findings in the Controller of Audit’s report on Best Value in North Lanarkshire Council

Findings in the Controller of Audit report	Council response (as at March 2026)
<p>1. As one of Scotland’s largest councils, and with significant and persistent socio-economic challenges, we are impressed with North Lanarkshire’s commitment to improving outcomes for its communities and its outward-facing approach to working with partners across and outwith the region. Examples include its partnership working with NHS Lanarkshire and North and South Lanarkshire Integration Joint Boards in the delivery of health and social care services, and with the construction sector in relation to skills.</p>	<p>The council’s commitment was first recognised in the Best Value Assurance Report, presented to Council in 2019, where the Accounts Commission commended the “<i>ambitious and well-articulated vision of the council and its partners in their Plan for North Lanarkshire. Realising this vision would lead to significant regeneration and change in North Lanarkshire, an area with some acute socio-economic challenges.</i>” The report also recognised that “<i>the council and its partners understand the key challenges facing the area</i>”.</p> <p>The extent of the outcomes achieved for the people and communities of North Lanarkshire through the delivery of The Plan for North Lanarkshire by the council and partners was recognised in the Best Value thematic audit outcome report on Transformation, which was presented to both the Audit and Scrutiny Panel and the Policy and Strategy Committee in September 2025.</p> <ul style="list-style-type: none"> • A dedicated section of the Best Value thematic report highlighted the impact of transformation, noting significant improvements made across the 28 Health Check Indicators used to assess whether changes in service delivery are improving outcomes for people and communities (e.g. gross weekly wages, economic growth, school exclusion rates). As at March 2025, 50% of these indicators had improved over the period of delivering The Plan for North Lanarkshire. • By September 2025, the proportion of improving indicators had risen to 57%, increasing further to 68% (over two-thirds) by March 2026. The deep dive reported to the Policy and Strategy Committee in March 2026 shows encouraging progress across several key economic and social measures, including continued improvements in gross weekly wages, economic growth, and benefit claimants, as well as record-high rates for breastfeeding and recycling. • The March 2026 deep dive report includes comparisons with the national position and with the average for similar councils. These show that the council performs above both benchmarks on several key measures.
<p>2. The council has an ambitious vision for the area that is shared with partners, underpinned by a well-established programme of work. Combined with effective financial and performance management, a track record of delivering savings, integrated workforce planning, and prioritisation of community engagement, the council has strong foundations for addressing its widening budget gap.</p> <ul style="list-style-type: none"> • Given the significant financial challenges ahead, we expect the council to address the auditor’s recommendation around reviewing its approach to the use of reserves and to now set out clearly how it intends to close the budget gap. 	<p>The audit recommendation in relation to the council’s strategic use of reserves was set out in the Annual Audit Report (AAR) 2024/25 presented to the Audit and Scrutiny Panel in September 2025. The management response in this report advised that “<i>The council will undertake a review of reserves to determine a planned / target level appropriate and timing of use</i>”. The agreed implementation date for this is June 2026.</p> <ul style="list-style-type: none"> • An updated Reserves Policy was approved at Policy and Strategy Committee in December 2025 which reviewed and updated the council’s approach to utilisation of reserves. • The council set its Revenue Budget and Council Tax for 2026/27 in February 2026 and agreed an update to its contingency reserve position to align with the revised reserves policy, and provide a forecast Revenue Budget position for 2027/28. Council also agreed to proceed to the next phase of the council’s transformation journey to redesign services to maximise effectiveness and efficiency.

Findings in the Controller of Audit report	Council response (as at March 2026)
<p>3. Transformation is embedded at a service level, and the council is taking an innovative place-based approach to addressing future financial sustainability and improving outcomes, including creating community hubs with partners such as the NHS.</p> <ul style="list-style-type: none"> Ensuring that financial and non-financial benefits are tracked is essential, as is establishing what's worked well and what lessons can be learned when deciding where to focus limited resources going forward. We look forward to seeing progress on its benefits realisation tool in the next annual audit report, given the increasing role that transformation needs to play in closing the budget gap. 	<p>The Best Value thematic audit outcome report on Transformation, presented to both the Audit and Scrutiny Panel and the Policy and Strategy Committee in September 2025, recognised the council <i>"has made a strategic decision to integrate transformation activity across its Programme of Work, giving services direct responsibility for delivering change. The Programme of Work and the council's accompanying Delivery Plan set out how it will deliver The Plan for North Lanarkshire, the council's transformative, place-based strategic plan that focuses on improving outcomes and the lives of its people and communities by transforming the area's physical environment, bringing about economic, social and health benefits."</i></p> <ul style="list-style-type: none"> Six-monthly reports to the Policy and Strategy Committee provide ongoing updates on delivery of the Programme of Work and wider transformation activity, most recently in March 2026. Progress continues to be supported by consistent decision-making by the Policy and Strategy Committee and the wider committee structure, helping maintain momentum while safeguarding financial sustainability. These reports also acknowledge the established benefits reporting arrangements for major programmes, such as new supply and city deal. The audit recommendation in relation to benefits realisation was set out in the Best Value thematic audit outcome report on Transformation, presented to both the Audit and Scrutiny Panel and the Policy and Strategy Committee in September 2025. The management response advised that following sign off by the One Service Programme of Work Board, arrangements are being made to roll this out to all of the other Programme of Work Boards. The agreed implementation date for this is June 2026.
<p>4. The council's approach to housing and homelessness should be recognised and its Local Government Benchmarking Framework performance indicators in this service area are amongst the best in Scotland, demonstrating the impact of its sustained investment and preventative approaches.</p> <ul style="list-style-type: none"> However, there is mixed performance in other service areas and like many others, the council has seen a sustained deterioration of satisfaction indicators since 2010/11 which should be further explored. Addressing future financial challenges is likely to continue to involve a mix of transformation, redesign and some service reductions, so we would urge the council to continue to monitor the impact on service performance and customer satisfaction. It should also ensure that work to improve public reporting of performance across its strategic key health check indicators is concluded so that wider impacts on outcomes are visible. 	<p>The council has integrated reporting of Local Government Benchmarking Framework (LGBF) indicators into each Chief Officer's performance report to service committees, alongside the full suite of indicators within their portfolio. This supports a more complete and informed assessment of performance in line with the Strategic Performance Framework which supports The Plan for North Lanarkshire. This recognises that a single performance indicator on its own rarely provides the full picture and that a balanced range of indicators is required to demonstrate continuous improvement and ensure services are delivering Best Value.</p> <ul style="list-style-type: none"> In place for 15 years, the LGBF draws on a defined set of indicators to benchmark aspects of service performance, such as cost, efficiency, and satisfaction. As a result, it does not provide comprehensive coverage of all areas of activity within a service function. LGBF satisfaction data comes from the Scottish Household Survey - an annual survey of around 10,000 people nationally - only about 5% of whom live in North Lanarkshire and who may not necessarily be service users. Comprising benchmarking measures which are classed as <i>can openers</i>, the LGBF provides high level performance data that is not designed to give final answers, but rather to open up conversations and prompt questions into why variations occur in the data between similar councils. With such significant challenges faced across the whole local government sector before, during, and after the pandemic it is surprising that 2010/11 was used as the baseline for assessment in the Controller of Audit report as there are many factors which can impact on performance over 15 years. An analysis carried out the same way across all 32 councils also does not take into consideration each council's strategic priorities or local priorities that have been decided upon. The council monitors performance across all service indicators within each Chief Officer's portfolio and, as

Findings in the Controller of Audit report	Council response (as at March 2026)
	<p>noted above, these reports are scrutinised by the relevant service committee. Existing arrangements will therefore continue to ensure the council monitors the impact on service performance and customer satisfaction in line with the Controller of Audit report. This can already be evidenced in the aforementioned reports which are required to follow a standard template to ensure consistency; this includes:</p> <ol style="list-style-type: none"> a. Setting out the current context within which the service is operating. b. Highlighting areas of good performance evidenced in the accompanying data. c. Providing a summary of areas of performance requiring improvement, including narrative explaining performance levels and the remedial actions taken or planned. d. Demonstrating that the improvement loop has been closed through the implementation and ongoing monitoring of actions and subsequent performance levels. <p>The audit recommendation in relation to public reporting of performance against the 28 Health Check Indicators was set out in the Best Value thematic audit outcome report on Transformation, presented to both the Audit and Scrutiny Panel and the Policy and Strategy Committee in September 2025. The management response advised that the dedicated performance section of the council's website was being redeveloped to create a single portal for all council and Programme of Work performance reporting. The agreed implementation date for this is June 2026.</p> <ul style="list-style-type: none"> • As reflected in the report to Policy and Strategy Committee in March 2026 (The latest North Lanarkshire context, challenges, and next steps), this year's deep dive into the 28 Health Check Indicators adopted a less technical approach, presenting the information in a clearer way with focused sections to enable readers to more easily interpret meaning from the data. This information will also inform the contents of the council's website.
<p>5. We are pleased to see that the council has responded positively to the auditor's recommendations around improving processes for elected member engagement, including in strategic planning. Maintaining members' commitment to the council's vision, priorities and transformation will be essential as we approach an election year. The council's commitment to a review of democratic, committee and decision-making governance procedures is also welcomed.</p> <ul style="list-style-type: none"> • We expect to see evidence of enhanced scrutiny in relation to senior officer restructuring, which should include documented consideration of options around achieving value for money. 	<p>The audit recommendation in relation to elected member engagement in strategic planning was set out in the Best Value thematic audit outcome report on Leadership of strategic priorities, presented to the Audit and Scrutiny Panel in October 2023 and the Policy and Strategy Committee in December 2023.</p> <ul style="list-style-type: none"> • The subsequent Annual Audit Report (AAR) 2023/24, presented to the Audit and Scrutiny Panel in October 2024, confirmed that this action had been implemented and was therefore complete. • Nevertheless, the council ensures ongoing elected member engagement in strategic planning. A report to the Policy and Strategy Committee in March 2026 (The latest North Lanarkshire context, challenges, and next steps) outlined the next steps following the mid-term review of the Programme of Work. This includes a spring 2026 engagement programme to further enhance elected member involvement ahead of a follow-up report to Policy and Strategy Committee in June 2026. <p>Elected members on the Policy and Strategy Committee receive six-monthly Programme of Work updates on the council's strategic plan. These reports reaffirm the Committee's strategic oversight role, as defined in the Scheme of Administration, including oversight of The Plan for North Lanarkshire, Programme of Work, and associated transformation activity.</p> <ul style="list-style-type: none"> • The significant transformation delivered across North Lanarkshire has been supported by consistent decision-making through the Policy and Strategy Committee and the wider committee structure, enabling

Findings in the Controller of Audit report	Council response (as at March 2026)
	<p>progress at pace while maintaining the financial sustainability of the council.</p> <ul style="list-style-type: none"> • Service committees also receive regular reports on individual Programme of Work projects and activities (consistent with their defined role as per the Scheme of Administration). This ensures continued engagement, scrutiny, and oversight across all levels of the organisation. <p>The audit recommendation regarding enhanced scrutiny in relation to senior officer restructuring was set out in the Annual Audit Report (AAR) 2024/25 presented to the Audit and Scrutiny Panel in September 2025. The management response in this report advised that <i>“The council intends to undertake a wider review of its democratic, committee and decision-making governance procedures.”</i></p> <ul style="list-style-type: none"> • As outlined in the report approved at Policy and Strategy Committee in September 2025 (i.e. Review of the council’s democratic, committee, and decision making governance procedures), <i>“Phase 4 of this review includes a review and update of the Scheme of Administration and Delegation, which will now incorporate consideration of the governance around early release of senior staff.”</i> • The agreed implementation date for this is December 2026.
<p>6. The council has made its expectations of staff very clear in relation to hybrid working.</p> <ul style="list-style-type: none"> • We would encourage it to monitor the impacts of this policy on productivity, performance, staff wellbeing, recruitment and retention. • Ongoing engagement and effective relationships with staff and trade unions will be essential to achieving financial sustainability and the council's vision for the area. 	<p>The audit recommendations in relation to (a) acting on staff feedback, (b) monitoring the impact of the hybrid working policy, and (c) reporting data on the temporary workforce were set out in the Best Value thematic audit outcome report on Workforce Innovation, presented to the Audit and Scrutiny Panel in August 2024 and the Policy and Strategy Committee in September 2024.</p> <p>An update on implementing these recommendations was reported to the Policy and Strategy Committee in December 2025 (through the One Workforce annual update report). Highlights in this report included:</p> <ul style="list-style-type: none"> • Development of a new staff survey based on the fair work first framework which had been piloted in three service areas initially (covering more than 800 staff) with a plan to roll out to all services in the coming year. The content of the survey was agreed with Trade Unions and includes questions relating to the Programme of Work and The Plan for North Lanarkshire. • Development of the council’s final hybrid working survey which was issued to all relevant staff to assess the effectiveness of the permanent hybrid working policy (which was implemented in 2024), as well as key highlights from the survey results - which are encouraging. This shows that most staff feel well supported by the permanent hybrid policy with the majority spending 10 or more days in the office each month. These positive perceptions provide a strong foundation for the council’s hybrid approach and reinforce its value for both staff and the organisation. Key highlights show that: <ul style="list-style-type: none"> - 80% of hybrid staff feel that the permanent hybrid scheme supports them well in their role and responsibilities or has no impact. - 91% of hybrid staff have reported that they are doing 10 or more days in the office with some reporting that they are doing between 10 and 15 days in the office. • An update that data on temporary workforce is now included within the workforce dashboard and data regarding agency workers is currently reported through the workforce steering group, providing oversight and governance. Reports on agency spend will be produced every six months to ensure that there is regular oversight on levels of agency spend and the business reasons for it.

North Lanarkshire Council Report

Council

Does this report require to be approved? Yes No

Ref PH/PIP

Date 02/04/26

Process for Selection of Elected Members to the Forgewood, North Motherwell and Motherwell Town Centre Neighbourhood Board

From Pamela Humphries, Chief Officer (Place)

E-mail humphriesp@northlan.gov.uk

Executive Summary

The purpose of this report is to update Council on the allocation of funding to Forgewood, North Motherwell and Motherwell Town Centre through the UK Government's Pride in Place Programme and to seek approval for the process for appointing elected member representation to the Pride in Place Neighbourhood Board.

The report also seeks delegated authority for the Depute Chief Executive and Chief Officer (Place) to appoint two elected members and appropriate substitute members to the Neighbourhood Board in line with programme governance guidance and required timescales.

Recommendations

It is recommended that Council:

- (1) Acknowledge the allocation of up to £19.6 million from the UK Government's Pride in Place Programme for Forgewood, North Motherwell and Motherwell Town Centre over a ten-year period.
- (2) Approve the proposed process for identifying and appointing two elected members and substitute members to the Pride in Place Neighbourhood Board.
- (3) Delegate authority to the Depute Chief Executive and Chief Officer (Place) to implement the selection process and appoint two elected members and substitute members in accordance with the process outlined in section 2 of this report.
- (4) Acknowledge that following the appointment of the elected members, work will commence to appoint non-elected community and stakeholder representatives, ensuring that the Board remains resident-led in line with Pride in Place Programme governance guidance.
- (5) Acknowledge that the Neighbourhood Board membership and boundaries must be confirmed to the Ministry of Housing, Communities and Local Government by 17 July 2026.

- (6) To ensure consistency transparency and fairness in governance arrangements, approve that the process for any future appointments of elected and non-elected representatives to the Coatbridge Neighbourhood Board and any other Pride in Place Neighbourhood Boards, follows the standardised approach now prescribed for the Forgewood, North Motherwell and Motherwell Town Centre Neighbourhood Board.
- (7) Acknowledge the requirement to establish the Neighbourhood Board by 17 July 2026 and approve that officers take all necessary preparatory and contingency actions to ensure the Board is fully constituted within required timescales, including expedited appointment processes, proactive stakeholder engagement, and alignment with UK Government governance requirements.

The Plan for North Lanarkshire

Priority	Improve economic opportunities and outcomes
Ambition statement	(2) Refocus our town centres and communities to be multi-functional connected places which maximise social, economic, and environmental opportunities
Programme of Work	Transforming Places

1. Background

- 1.1 The UK Government announced on Friday 12 December 2025 that Forgewood, North Motherwell and Motherwell Town centre had been selected as the 2nd area in North Lanarkshire to receive up to £20m (63% capital/ 37% revenue) Pride in Place Funding over 10 years.
- 1.2 The Pride in Place Programme is a UK Government initiative providing 10 years of funding to “*strengthen local pride, improve community infrastructure, and empower neighbourhoods to shape their future*”.
- 1.3 Phase 1 focused on 75 towns, including Coatbridge. Phase 2 now extends support to 169 smaller neighbourhoods (around 10,000 residents), each receiving £19.6 million over the next decade.
- 1.4 An initial revenue payment of £150,000 has been received , to support the setup of a Neighbourhood Board and to commence community engagement. This funding can be carried forward into 2026/27. The delivery phase will commence from April 2026, with investment period 1 covering 2026/27 – 2029/30.
- 1.5 The Funding profile is as follows:

Grant	25/26	26/27	27/28	28/29	29/30	30/31 – 35/36	Total
£m							
Capital		0.12	0.67	1.46	1.46	8.72	12.43
Revenue	0.15	0.27	0.69	0.69	0.77	4.6	7.17
Total	0.15	0.39	1.36	2.15	2.23	13.32	19.6

- 1.6 Further to the report agreed at the Enterprise and Fair Work Committee on 20 February 2026, work is now underway to appoint a chair of the Board.

- 1.7 In line with Pride in Place (PiP) Programme guidance, the local constituency MP, MSP and at least one ward councillor will sit on the Board. Governance arrangements for the programme require the establishment of a Neighbourhood Board chaired by an independent chair, with representation from local residents, businesses, community organisations and local political representatives. The guidance requires that non-elected members must form the majority of the Board to ensure that decision-making is community-led.
 - 1.8 The Chair, Board membership and 'default' boundaries must be confirmed to Ministry of Housing, Communities and Local Government (MHCLG) by 17 July 2026. The Pride in Place Plan and 4 Year Investment Plan should be submitted by November 2026 for approval.
 - 1.9 The purpose of this paper is to outline the proposed process for selection of the elected member representation to sit on the Forgewood, North Motherwell and Town Centre Pride in Place Neighbourhood Board.
 - 1.10 North Lanarkshire Council will act as the accountable body for the Pride in Place Programme funding for the neighbourhood area. In this role the Council will provide financial governance, administrative support and oversight to ensure that programme funding is managed in accordance with UK Government requirements.
-

2. Report

- 2.1 A condition of the PiP funding is that a Neighbourhood Board must be established with an independent chair (who cannot be an elected politician). The guidance states that the local constituency MP, MSP and at least one ward councillor will sit on the Board. There must however be more non-elected representatives on the Board than elected members to ensure the Board is 'resident-led'.
- 2.2 At the Enterprise and Fair Work Committee on 20 February, the committee endorsed the proposal for there to be two elected members on the Board (the same number as the Coatbridge Board) drawn from the three wards within the Pride in Place neighbourhood boundary.
- 2.3 The three wards are Motherwell West, Motherwell North, and Motherwell S.E and Ravenscraig, and there are 11 elected members:
 - Labour – four
 - Others – three
 - SNP – two
 - Conservative – two
- 2.4 The intention is now to seek declarations of interest from all 11 elected members for inclusion on the Board.
- 2.5 Prior to putting their names forward for potential selection, the Councillors will be asked to confirm that they are able to commit the time involved in being part of the Board and

are able to attend meetings during the day on a Friday which is the most suitable date for the MP, who must be part of the Board.

- 2.6 It is proposed that delegated authority is provided to the Depute Chief Executive and Chief Officer (Place) to commence the selection process for the two elected members and to then appoint the two elected members (and delegates) to the Board.
- 2.7 To ensure transparency and fairness in the appointment of elected member representatives, the following selection process is proposed should more than two expressions of interest be received:
- Seek expressions of interest from the 11 eligible elected members to be members of the Neighbourhood Board.
 - Assuming more than two members put their names forward it is proposed that the Chief Officer (Audit and Risk) will oversee the selection process to ensure transparency and independence which would result in no more than one member from any ward (unless all those expressing an interest in being part of the Board are from the same ward) and no more than one member from the same political group (with Independent members being counted as a 'group' for this purpose).
 - So, for example, if the first Councillor selected at random was a Labour member from Motherwell West, then no other Labour Councillors or Motherwell West Councillors would be eligible for selection for the 2nd place on the Board.
 - For complete transparency, it would be the intention to invite all elected members who have put their names forward to the selection process.
 - Following this process, the elected members selected would be asked to confirm they still wish to be members of the Board. The selected elected members will also be asked to nominate a substitute elected member from within the same ward to attend meetings where the appointed member is unable to attend.
- 2.8 Following appointment of the elected members and delegates, work will then commence in conjunction with the Chair to select the non-elected representatives to the Board.
- 2.9 Members will also be aware that the Coatbridge Neighbourhood Board is already established. To promote consistency, transparency and good governance across all Pride in Place areas, it is proposed that any future appointments of both Councillors and non-elected representatives to the Coatbridge Board, and to any other Neighbourhood Boards, adopt the standardised selection process set out in this report.

Conclusion

- 2.10 The Neighbourhood Board will operate in accordance with the governance guidance set out by the UK Government's Pride in Place Programme. The Board will be chaired by an independent chair and will include elected representatives, local residents, businesses and community organisations, with non-elected representatives forming the majority of membership. North Lanarkshire Council will act as the accountable body for

programme funding and will provide financial administration, governance oversight and support to the Board.

3. Measures of success

The measures of success will include:

- 3.1 Establishment of the Pride in Place Neighbourhood Board by **17 July 2026** in accordance with programme governance guidance.
- 3.2 Development and submission of the Pride in Place Plan and Four-Year Investment Plan by November 2026.
- 3.3 Delivery of projects and interventions aligned with the priorities of the Pride in Place Plan.
- 3.4 Effective community engagement and participation in shaping neighbourhood investment priorities.
- 3.5 Consistency of approach across all Neighbourhood Boards.

4. Supporting documentation

- 4.1 [Pride in Place Programme prospectus - GOV.UK](#)



Pamela Humphries
Chief Officer (Place)

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 checked="" 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 report relates to the allocation of up to £19.6 million through the Pride in Place Programme over a ten-year period for Forgewood, North Motherwell and Motherwell Town Centre.</p> <p>An initial £150,000 revenue allocation has been provided to support the establishment of the Neighbourhood Board and early community engagement activity. North Lanarkshire Council will act as the accountable body for the programme funding and will be responsible for financial governance and administration of the funds in accordance with UK Government requirements.</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 checked="" 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 checked="" type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>The report seeks approval for a governance process to appoint elected members to the Neighbourhood Board and to delegate authority to the Depute Chief Executive and Chief Officer (Place) to undertake the appointment process.</p> <p>North Lanarkshire Council will act as the accountable body for the programme funding and will be required to ensure compliance with the governance requirements</p>

set out by the Ministry of Housing, Communities and Local Government for the Pride in Place Programme.

5.5 Data protection impact

Does the report / project / practice contain or involve the processing of personal data?

Yes No

If Yes, is the processing of this personal data likely to result in a high risk to the data subject?

Yes No

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

Yes No

5.6 Technology / Digital impact

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

Yes No

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

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

Yes No

5.7 Environmental / Carbon impact

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

Yes No

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

5.8 Communications impact

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

Yes No

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

Corporate Communications will be involved in supporting the promotion and dissemination of information relating to the Pride in Place Programme, including community engagement activity and communication of opportunities for local residents, businesses and stakeholders to participate in the development of the Pride in Place Plan.

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?

There is a programme risk associated with the requirement to establish the Neighbourhood Board and confirm Board membership and boundaries to the UK Government by 17 July 2026.

Failure to establish governance arrangements within the required timescales could impact on the council's ability to progress programme activity and access future funding allocations. These risks will be monitored and managed through the

programme governance arrangements and recorded within the relevant programme and service risk registers.

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).

No direct impacts have been identified arising from this report.

The report relates to the governance arrangements for the establishment of a Neighbourhood Board as part of the Pride in Place Programme and the appointment of elected member representation to that Board.

The development of the Pride in Place Plan and the subsequent delivery of projects over the lifetime of the programme may include initiatives which benefit children and young people within the neighbourhood area. Where this occurs, appropriate consideration will be given to the relevant Articles of the United Nations Convention on the Rights of the Child and to ensuring that the views and interests of children and young people are considered as part of the community engagement process.

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

Yes No

North Lanarkshire Council Report

Council

Does this report require to be approved? Yes No

Ref Date 02/04/26

North Lanarkshire Local Development Plan 2: Evidence Report

From Pamela Humphries, Chief Officer (Place)

E-mail laingg@northlan.gov.uk

Telephone

Gordon Laing,
07970018874

Executive Summary

The purpose of this report is to seek approval for the draft Evidence Report for the new North Lanarkshire Local Development Plan 2 (NLLDP2), as required by the Planning (Scotland) Act 2019. The purpose of the Evidence Report is to compile research, data, and stakeholder views to inform land-use planning, guiding where development should or should not happen over the plan period. The Evidence Report requires to be approved by the Scottish Government's Reporter's unit (DPEA) prior to the preparation of the Proposed Local Development Plan which will also be subject to approval at Council and statutory consultation. It is currently anticipated that the new Local Development Plan will be adopted by May 2028.

Recommendations

It is recommended that Council

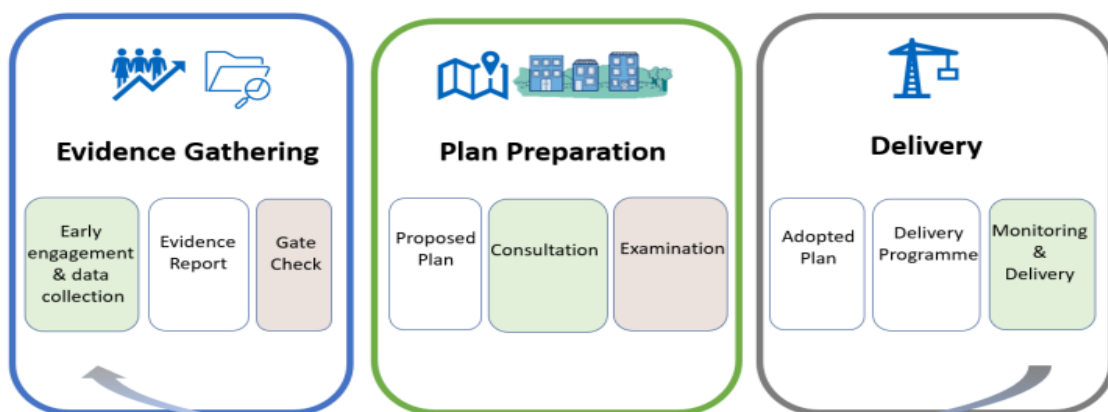
- 1) Approve the North Lanarkshire Local Development Plan 2 Evidence Report for submission to the DPEA, subject to any necessary final updates, background reports and minor editing.
- 2) Agree that the Chief Officer (Place) is authorised to update and re-submit the Evidence Report, if required, in response to feedback from the DPEA in order to obtain the necessary Gate check approval.

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 North Lanarkshire Local Development Plan (NLLDP), adopted in July 2022, sets out the spatial framework for where development should and should not occur. It guides the future use of land and is a key consideration in planning decisions.
- 1.2 Reforms to Scotland's planning system introduced through the Planning (Scotland) Act 2019, along with the Town and Country Planning (Development Planning) (Scotland) Regulations 2023 and the Local Development Planning Guidance (effective from May 2023), have updated the process for preparing development plans. The Scottish Government has also recently published *Local Development Plans: Evidence Reports and Gate Checks – Action Plan and Advice Note*. While the Council was already implementing much of this advice, the note provides further clarification without altering the fundamental requirements of the Evidence Report.
- 1.3 The *Local Development Planning Guidance 2023* outlines 3 key parts to the Local Development Plan process, with a target for all LDPs to be adopted by May 2028, with new plans produced every 10 years thereafter.
- **Evidence Gathering** of data and information to inform the Plan followed by a Gate Check by the Scottish Government,
 - **Plan preparation** including production of a Proposed Plan and its Examination, followed by;
 - **Delivery** including subsequent Adoption of the plan and a Delivery Programme as well as ongoing monitoring.



- 1.4 The first stage in preparing NLLDP2 is the compilation of the Evidence Report, which brings together relevant data and analysis to inform the new plan. The Evidence Report does not include strategy, policy, or site allocations.
- 1.5 Under the Act, the Evidence Report must be approved by Full Council before being submitted to the Scottish Ministers for Gate Check. A Reporter will then assess whether the evidence is sufficient for work to progress to the Proposed Plan stage.
- 1.6 The Reporter may confirm the Evidence Report as sufficient or, if gaps are identified, may recommend withdrawal and resubmission. If the Report is deemed insufficient, a formal report will set out the reasons and required actions. The Advice Note also encourages authorities to highlight to committee the potential need for resubmission and to secure delegated authority to avoid delays. Draft Evidence Reports may be

provided to the DPEA for early feedback, and the Council has already engaged with the DPEA, submitting draft Housing and Transport chapters.

- 1.7 The Advice Note further emphasises the importance of evidence relating to housing, transport, and wider infrastructure as key priorities in the preparation of NLLDP2.

2. Report

- 2.1 The Evidence Report has been prepared in accordance with the statutory requirements of the Act, the associated Regulations, and the Scottish Government's Local Development Planning Guidance published in May 2023.

- 2.2 The baseline information and context presented has been compiled following a long process of collation of information and discussion with key internal and external stakeholders. Where a theme intersects with a corporate council theme which uses specific evidence and context in delivery of a service, plan, policy or strategy that evidence is presented along with a narrative on the corporate structures.

- 2.3 The Evidence Report sets the Plan for North Lanarkshire and the Programme of Work as the clear context for defining all of the Council and Community Planning Partnership work across communities, stakeholders, and partners and the approach has been endorsed by the North Lanarkshire Partnership (NLP) Board.

2.4 Evidence Report Structure and Contents

- 2.4.1 Each chapter includes an introduction, summary of evidence and a summary of implications for the Proposed Plan.

- 2.4.2 The contents of the Evidence Report are arranged in thematic chapters as follows

1. Introduction
2. North Lanarkshire Context
3. Evaluation of NLLDP 2022
4. Natural & Built Environment
5. Climate Change, Energy & Resources
6. Housing
7. Green Belt
8. Strategic Infrastructure
9. Community Infrastructure – Local Living & 20-Minute Neighbourhoods
10. Sustainable Transport
11. Business & Economy
12. Centres Network & Retail
13. Site Assessment Methodology

- 2.4.3 Work is being undertaken by consultants to support the development of the LDP, with the following reports currently being prepared:

- Green Belt Review
- Forest and Woodland Strategy Update
- Renewables Development Landscape Sensitivity Study
- Conservation Area Assessment Process
- Conservation Area Appraisal and Management Plans for existing areas
- Development Planning Transport Appraisal
- Integrated Impact Assessment Scoping

2.4.4 Draft versions of the Green Belt Review, Forest and Woodland Strategy Update, and a scope for Renewables Landscape Sensitivity Study have been received and are reflected within the Evidence Report. Once the final versions are received, the Evidence Report will be updated, prior to submission to the DPEA. The Evidence Report also reflects the draft Open Space Strategy, draft Local Transport Strategy and the draft Play Sufficiency Assessment which are due to be adopted prior to submission for Gatecheck. Any amendments resulting from the adoption process will be reflected in the submission.

2.5 Key Findings and Implications

2.5.1 As referenced earlier in this report a key focus for Reporters is evidence in relation to housing and infrastructure. For North Lanarkshire, with its key contribution to the regional economy, the provision of opportunity for business and economic growth is also a key part of our consideration of evidence. With regard to these topics the key findings based on the collated evidence and implications for the Local Development Plan for housing, business & economy, infrastructure and the Green Belt are outlined below.

2.5.2 Housing

- Household projections show continued growth due to demographic change, including an ageing population and smaller household sizes.
- The indicative Local Housing Land Requirement of 13,830 homes significantly exceeds the National Planning Framework 4 (NPF4) minimum of 7350 and highlights substantial land release requirements.
- Strong established supply exists in the 2025 Housing Land Audit, but many sites will complete before LDP2 adoption.
- An Infrastructure First approach is essential to ensure alignment with education, health, transport, utilities, digital connectivity and open space capacity.
- The Spatial Strategy should prioritise urban brownfield, promote higher density where appropriate, a mix of house types and minimise greenfield development.
- Additional land release is however likely, supported by a Call for Ideas/Sites currently underway.
- A review of the Affordable Housing Policy will be required due to a distribution of pressures across all Housing Letting Areas.

2.5.3 Business and Economy

- North Lanarkshire has extensive business and industrial land, but much is constrained by remediation, servicing and infrastructure limitations.
- Industrial vacancy rates remain exceptionally low, reflecting strong demand for business, industrial and storage and distribution development.
- Strategic Business Centres remain the key focus for market demand and economic performance and should be protected and enhanced to provide modern, high-quality space.
- Local Business Centres often contain ageing stock, with limited development activity and potential for refurbishment or repurposing.
- LDP2 should prioritise unlocking constrained, well-located sites through remediation, servicing and infrastructure alignment.
- Local Business Centres may require policy support for refurbishment, repurposing and SME focused investment aligned with 20minute neighbourhood and Community Wealth Building aims - focused investment aligned with 20-minute neighbourhood and Community Wealth Building aims.

- The ageing business estate highlights the need for energy efficient, low carbon modernisation.
- Ongoing targeted intervention is required to turn vacant and derelict land into deliverable opportunities.

2.5.4 Strategic Infrastructure

- Evidence supports an Infrastructure First approach to ensure development aligns with realistic capacity and planned investment.
- Water supply is sufficient, but wastewater treatment may require upgrades depending on development distribution.
- Electricity and gas networks have available capacity but will need reinforcement to support decarbonisation and growth.
- Residential digital connectivity is strong, but commercial full-fibre provision needs improvement.
- Existing transport networks can support current commitments; major investments (East Airdrie Link Road, Ravenscraig access improvements, City Deal projects) may influence development distribution.
- LDP2 allocations should be based on deliverable infrastructure capacity.
- Continued early engagement with infrastructure providers is essential.

2.5.5 Community Infrastructure & Local Living

- Strong need to embed Local Living principles: walkable neighbourhoods, accessible services, quality public spaces.
- The draft Open Space Strategy and draft Play Sufficiency Assessment identify overall good quality and accessibility, but there is potential targeted action required.
- Education capacity constraints exist in certain areas and must align with housing growth. Education contributions may be required where capacity is constrained.
- The Town & Community Hub Programme is reshaping service delivery and will influence future infrastructure needs.
- Some services require specific policy attention or land allocation:
 - Health and social care (pending NHS Lanarkshire estate review).
 - Burial provision, with some cemeteries reaching capacity within the next decade.
 - Town and local centres as critical Local Living anchors.
- LDP2 must integrate Local Living at settlement scale, including active travel, green networks and accessible community infrastructure.

2.5.6 Green Belt

- Meeting the identified housing and business land requirements is likely to necessitate limited Green Belt release.
- Any release must be considered using the Green Belt Review, landscape assessment findings, local living, infrastructure, sustainability and accessibility implications.
- Decisions must reflect NPF4's focus on compact growth, low carbon development and minimising land take.

2.6. Consultation and Engagement

2.6.1 The Development Plan Scheme & Participation Statement 2025 sets out North Lanarkshire Council's timetable and approach for preparing Local Development Plan 2, explaining the key stages, timescales (to adoption in 2028), and how evidence will be gathered. It also outlines how and when communities, stakeholders, and agencies will be consulted and involved throughout the plan making process. The Draft Evidence Report for Gatecheck will be shared with key partners and may be updated to reflect any final feedback.

2.6.2 During the development of the Evidence Report, a wide range of engagement and consultation activities have been undertaken. The findings and outcomes of these activities have been taken into account in the preparation of the Evidence Report. Key activities included:

- Community Engagement
 - Issued invitations for communities to prepare Local Place Plans, supported by guidance and two dedicated information-sharing events (Oct 2024 and Jan 2025).
 - Ran a four-month Place Survey (Dec 2024–Mar 2025) to identify local priorities, complemented by targeted outreach to children and young people through schools and youth forums.
 - Held an online Schools Session and engaged with them through the Place Survey and raised awareness/understanding of Planning among young people.
 - Hosted public drop-in sessions across Community Board areas (Feb 2025) to raise awareness and gather views.
- Stakeholder Engagement
 - Published NLLDP2 newsletters widely (April 2024 and January 2025) to update stakeholders on progress.
 - Delivered workshops for elected members (May 2024 and Sept 2025), youth councillors and youth parliament representatives (Feb 2025), and internal staff (Jan 2025).
 - Maintained ongoing engagement and provided updates to the Access Panel and Voice of Experience Forum to ensure inclusive participation.
 - Joint working approach with SLC to engage with Gypsy and Travellers communities and Health boards.
- Evidence Gathering
 - Conducted multiple batches of NPF4-related topic surveys between May 2024 and Jan 2025 to inform the Evidence Report.
 - Undertook landowner, housebuilder, and developer surveys (Sept 2024 and May–Aug 2025) to support housing land audits and site assessments.
- Technical and Policy Workshops
 - Held a site assessment workshop with key agencies, developers, and briefed elected members (Aug and Sept 2025).
 - Facilitated Community Board sessions (Nov 2025) to share Place Survey findings, seek views on important community issues, and discuss the draft Open Space Strategy.

- 2.6. As the Evidence Report emphasises the importance of the Plan for NL, Programme of Work, Local Outcome Improvement Plans (LOIPs) and other corporate strategies, which have been subject to their own consultation and engagement, additional consultation on these matters is not part of the preparation of the LDP.
- 2.7. Next Stages
- 2.7.1 Once approved, and prior to submission, the Evidence Report will be updated and refined to reflect any feedback from the DPEA, the outcomes of final background reports, and comments from key partners, defined in legislation. Any areas of disagreement will be discussed in the final evidence report and the DPEA will consider any required resolution.
- 2.7.2 Further work will be undertaken to finalise formatting, graphic alignment, mapping and typographic presentation. A full list of core documents (currently shown as 'DOCXX' placeholders within the Report) will be prepared and inserted. The addition of references to and collation of background papers into an appendix will be completed.
- 2.7.3 The Evidence Report will be submitted to the Scottish Ministers for consideration through the Gate Check process. It is proposed that the Chief Officer (Place) is authorised to submit any required edits or resubmissions arising from the Gatecheck process.
- 2.7.4 To maintain momentum in preparing NLLDP2, a Call for Sites and Ideas commenced in February 2026 and will continue throughout the Gatecheck period. Work will also continue to finalise key supporting strategies and progress stakeholder engagement in preparation for the Proposed Plan.
- 2.7.5 Further details on the anticipated timetable for NLLDP2, including the key stages of publication of the Evidence Report, publication of the Proposed Plan, submission of the Proposed Plan to the Scottish Ministers and expected adoption, are set out in the Development Plan Scheme & Participation Statement 2025.

3. Measures of success

- 3.1 Implementation of a statutory function, as required by the Planning (Scotland) Act 2019.
- 3.2 Approval of Evidence Report at gate check review
- 3.3 Formal adoption of the new Local Development Plan by May 2028.

4. Supporting Documentation

- 4.1 A link to the evidence report will be issued under separate cover.
- 4.2 Link to [Development Plan Scheme and Participation Statement 2025](#)



Pamela Humphries
Chief Officer (Place)

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 checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact? The appropriate assessments will be carried out alongside preparation of the new LDP, as noted within the DPS timescales. If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
5.2 Financial impact Does the report contain any financial impacts? Yes <input 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?

<p>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)?</p> <p>Yes <input type="checkbox"/> No <input 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>
<p>5.10 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 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 Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref GT/KS/RM

Date 04/03/26

Treasury Management Strategy 2026/2027 Treasury Management and Prudential Indicators 2026/2027 to 2030/2031

From Greg Telfer, Chief Officer (Finance and Technology)

E-mail TelferG@northlan.gov.uk

Telephone

Executive Summary

This report fulfils the key requirements of the Local Government Act 2003 to:

- Outline the Treasury Management Strategy for 2026/2027 in accordance with the CIPFA Code of Practice on Treasury Management.
- Report on the treasury and prudential indicators as required by the above code and the CIPFA Prudential Code for Capital Finance in Local Authorities.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Approves the Treasury Management Strategy 2026/2027 and adopts the Treasury Management and Prudential Indicators for 2026/2027 to 2030/2031, set out within Appendix 1 to this report.
- (2) Remits the Treasury Management Strategy 2026/2027 to the Council for approval.

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 Each year, in line with the Code of Practice, the Council approves a Treasury Management Strategy. This report updates the strategy for year 2026/2027.
- 1.2 In addition, the Treasury Management Strategy outlines the Prudential and Treasury Indicators, which are monitored on a regular basis to demonstrate that the Council's investment plans are managed within a sound financial environment.
- 1.3 This strategy continues to emphasise, under the revised Code of Practice, an enhanced role for members in terms of accountability and awareness. The Finance & Resources Committee is responsible for the development of the strategy, its implementation and monitoring, while the Audit and Scrutiny Panel have a specified role in the effective scrutiny, as part of its work on reviewing the internal financial controls of the Council.
- 1.4 The report also reflects The Local Government Investments (Scotland) Regulations 2010 which were enacted from 1 April 2010 containing a requirement for the annual investment strategy and annual investment report to be approved by the full Council and not delegated to a committee or sub-committee. As a result, this strategy, if endorsed by committee, should be remitted to the Council for approval.

2. Report

- 2.1 The strategy fully detailed within Appendix 1 covers the:
 - debt and investment projections
 - outlook in interest rates
 - borrowing and investment strategies
 - treasury management performance measures
 - policy on repayment of loans funds advances
 - treasury management/prudential indicators.
- 2.2 The requirements of the Local Government Investments (Scotland) Regulations 2010 have been incorporated within the 2026/2027 Strategy.
- 2.3 The introduction of the Prudential Code for Capital Finance in Local Authorities in April 2004 brought about a change to capital spending controls, giving councils the freedom to invest in capital projects without the limitation of legislative controls, provided their programmes can be shown to be prudent, affordable, and sustainable.
- 2.4 This report builds on this framework outlining the Council's prudential and treasury management indicators for 2026/2027 to 2030/2031. The key mandatory indicators required by both the Treasury Management Code and the Prudential Code are illustrated for these years and, along with local indicators, with a view to more fully informing the decision-making process.
- 2.5 Members should note that the forecasts contained within this report are indicative, as per the 5-year Strategic Capital Investment Programme 2024/25 to 2028/29 approved by the Policy and Strategy Committee on 13 March 2025 and reviewed on a continual basis by the Strategic Capital Delivery Group (SCDG) including re-profiling adjustments within the 5-year programme. It should be noted therefore that the estimates presented within this report are based on the current forecasts of the progression of the programme and projected resources available. The financial implications of

implementing this plan will be accounted for in the Council's Medium Term Financial Planning assumptions.

- 2.6 Material changes to the estimates/forecasts provided within this strategy and prudential indicators will be reported during the quarterly Treasury Management monitoring process and future annual updates to the Treasury Management Strategy.

3. Measures of success

- 3.1 The Treasury Management Strategy and the Prudential/Treasury Management indicators illustrated in Appendix 1, provide members with assurance that the key objectives of the Prudential Framework (i.e. prudence and affordability) will be satisfied, and the inherent risks of Treasury Management risks will be controlled effectively and efficiently, providing value for money. When taken together, the indicators illustrate that the proposed capital investment plans for 2026/2027 onwards are prudent and affordable. Healthy prudential margins from 2026/2027 onwards justify the investment levels, the cost or affordability of which is contained within the existing financial management strategies.

4. Supporting documentation

- 4.1 Appendix 1 Treasury Management Strategy 2026/2027 and the Treasury Management and Prudential Indicators for 2026/2027 to 2030/2031.



Greg Telfer
Chief Officer (Finance and Technology)

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>
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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?	
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If Yes, please provide a brief summary of the impact?	
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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?	
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.	
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"/>	
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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

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

Yes No

**Treasury Management Strategy
2026/2027
&
Treasury Management Indicators
& Prudential Indicators
2026/2027 to 2030/2031**

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 2. Annual Borrowing Requirement 2026/2027
 3. Outlook for Interest Rates
 4. Annual Borrowing Strategy 2026/2027
 5. Annual Investment Strategy 2026/2027
 6. Performance Measurement Indicators and Benchmarking
 7. Treasury Management Indicators 2026/2027 to 2030/2031
 8. Prudential Indicators 2026/2027 to 2030/2031
 9. Policy on Repayment of Loans Fund Advances 2026/2027
- Annex A: Treasury Management Policy Statement and
Clauses adopted
- Annex B: Explanation of Long-term Rating Definitions
- Annex C: Permitted Investments, Associated Controls Credit
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- Annex D: Interest Rate Forecast March 2026 until December
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Treasury Management Strategy 2026/2027, Treasury Management Indicators and Prudential Indicators 2026/2027 to 2030/2031

1. Introduction

- 1.1 Treasury Management (TM) deals with the borrowing and investment activity of the Council and is an integral part of the financial management strategy of the Council. It seeks to ensure that both capital borrowing requirements and day-to-day revenue cash transactions are fully funded. Its importance has increased as a result of the additional freedoms provided by the Prudential Code, with specific treasury management and prudential indicators included in this Strategy that require approval.
- 1.2 The treasury management and prudential indicators outlined within section 7 and 8 below consider the affordability and impact of capital expenditure decisions, whilst the treasury management service considers the effective funding of these decisions. Together these form part of a process to ensure the Council meets its balanced budget requirement.
- 1.3 The Council's treasury management activities are strictly regulated by statutory requirements and a professional code of practice. In accordance with the Council's financial regulations the Council adopts the CIPFA "Treasury Management in the Public Services" Code of Practice (the Code) issued in December 2021 including the Treasury Management Policy statement, and the adoption of the key clauses outlined within Annex A. The Council also complies with the CIPFA Prudential Code with the setting of at least three-year prudential indicators.
- 1.4 The Council has a Capital Strategy which is approved and reviewed annually by the Policy and Strategy Committee, in conjunction with the Strategic Capital Investment Programme to demonstrate that the Council takes capital expenditure and investment decisions in line with the Council's service objectives and properly takes account of stewardship, value for money, prudence, affordability and sustainability.
- 1.5 The Prudential Code requires the Council's Capital Strategy to be aligned to the Treasury Management Strategy. To ensure this integrated approach between the capital expenditure plans and Treasury Management Strategy, the Council will continue to incorporate the Prudential Indicators with regard to capital expenditure within this document.
- 1.6 The Treasury Management Strategy outlines the Council's debt position, including the anticipated level of debt and the authorised borrowing limit. The capital expenditure plans determine the borrowing need of the Council. The Treasury Management team essentially monitor the long-term cash flow planning, to ensure the Council can meet its capital spending obligations.
- 1.7 The Code re-affirms the Audit and Scrutiny Panel's role in providing effective scrutiny of the Treasury Management Strategy and policies, whilst the Finance and Resources Committee remains responsible for the development of the strategy, its implementation and monitoring.
- 1.8 The revised Prudential and Treasury Codes emphasises members responsibility in this area, requiring increased member awareness, to enable greater member scrutiny of treasury management activity. This also enables local authorities to demonstrate that members have the necessary skills and knowledge in this complex and technical area, to make informed decisions. The Treasury Management team provide in-house awareness sessions, with members also provided with the opportunity to review the Council's Treasury Management Practices manual. A Treasury Management Toolkit has been developed by CIPFA Scotland Treasury Management Forum and CIPFA, which provides an online training resource to elected members and financial staff, to further develop knowledge and understanding of elements of treasury management.
- 1.9 In accordance with the CIPFA Treasury Management Code recommendations, the Council has a Treasury Management advisory contract in place. The current providers are Arlingclose Ltd, who provide specific advice on investment, debt and capital finance issues.
- 1.10 Per the CIPFA Treasury Management Code, the Council adopts a high-level approach to setting policies for borrowing and investment activity. An appropriate scheme of delegation is in place to ensure all staff employed in treasury management have the suitable skills and resources, to carry out delegated treasury management activities effectively, efficiently and achieving value for money.
- 1.11 The treasury management staff regularly attend training courses, seminars and workshops provided by the Council's advisors, the CIPFA Scotland Treasury Management Forum and other ad hoc providers, including brokers and financial institutions. Staff also receive regular treasury

Treasury Management Strategy 2026/2027, Treasury Management Indicators and Prudential Indicators 2026/2027 to 2030/2031

related updates, information, and newsletters on a daily/weekly basis via email from banks and other financial institutions. Staff also have access to treasury related websites to maintain awareness of treasury management issues.

- 1.12 The requirements of the Code have been incorporated within the 2026/2027 Treasury Management Strategy and in the preparation of the Treasury Management Indicators & Prudential Indicators for 2026/2027 to 2030/2031.
- 1.13 The Code of Practice requires the Council to produce reports on its Treasury Management policies, practices, and activities on a regular and ongoing basis. This encompasses the preparation and approval of an Annual Strategic Plan, which defines the arrangements for managing the Treasury Management function in the incoming year. This report details the proposed Strategy for 2026/2027.
- 1.14 This Strategy covers:
 - ◆ The debt and investment projections
 - ◆ Outlook in interest rates
 - ◆ The borrowing and investment strategies
 - ◆ Treasury Management performance indicators
 - ◆ Specific limits on treasury management activities
- 1.15 The requirements of the Local Government Investments (Scotland) Regulations 2010 have been incorporated within the 2026/2027 Strategy, including the preparation of an investment strategy which must be approved by the full Council.
- 1.16 Members should note that the forecasts contained within this report are indicative, as per the 5-year Strategic Capital Investment Programme 2024/25 to 2028/29 approved by the Policy and Strategy Committee on 13 March 2025 and reviewed on a continual basis by the Strategic Capital Delivery Group (SCDG) including re-profiling adjustments within the 5-year programme. It should be noted therefore that the estimates presented within this report are based on the current forecasts of the progression of the programme and projected resources available. Material changes to the estimates/forecasts provided within this Treasury Management strategy and Prudential indicators will be reported during the quarterly Treasury Management Monitoring Process.

2. Annual Borrowing Requirement 2026/2027

- 2.1 At the beginning of 2026/2027, it is anticipated that the Council's total debt outstanding including long term liabilities will amount to £1,395.8m. The Strategic Capital Investment Programme for the period 2024/2025 to 2028/2029 will be reviewed on a continual basis by the Strategic Capital Delivery Group (SCDG), including any re-profiling adjustments required. On this basis, it is currently anticipated that during 2026/2027 there will be a total capital expenditure (excluding credit arrangements) of £329.3m which comprises the General Fund Community Investment programme of £155.2m and the Housing Revenue Account programme of £174.1m.
- 2.2 The forecast capital expenditure will be resourced by capital grants, external contributions and capital funded from current revenue (CFCR) of £93.0m, with £236.3m representing capital investment funded by borrowing. This represents an in year borrowing need, which will contribute towards the net increase in the Capital Financing Requirement (CFR). Table 7 within Section 8 below sets out the forecast Capital Expenditure plans for the period 2026/2027 to 2030/2031.
- 2.3 During 2025/2026 the Council has primarily used a combination of internal cash balances / reserves, short term borrowing (<1 yr) and credits due to the scheduled principal repayments to the loans fund from service departments (annuity based) to meet its borrowing requirement and refinancing of long-term debt maturing in lieu of long-term borrowing where possible however long-term borrowing is undertaken when deemed appropriate. This strategy is adopted in light of interest rate expectations, management of carrying costs, and the availability of short-term borrowing up to 364 days at attractive rates. Whilst it will be kept under continual review, a similar borrowing strategy is anticipated during 2026/2027 with other funding sources utilised in lieu of future long-term borrowing, where possible, and in line with the borrowing strategy outlined below.
- 2.4 To meet the capital programme financing requirement, the replacement of maturing long-term debt and the maintenance of cash balances necessary to meet on going daily liquidity

Treasury Management Strategy 2026/2027, Treasury Management Indicators and Prudential Indicators 2026/2027 to 2030/2031

requirements, it is estimated that the Council will require to source long-term borrowing of £306.0m in 2026/2027, £312.0m in 2027/2028, £439.0m in 2028/29, £196.0m in 2029/30 and £175.5m in 2030/31.

- 2.5 These borrowing projections exclude temporary borrowing undertaken, with average levels held expected to be approximately £242.0m over the forecast period. This level of short-term borrowing can be attractive, due to generally lower rates. It should be noted that short-term interest rates have fallen over the past year, and are expected to fall a little further, therefore it is likely to be more cost effective over the medium-term to borrow short-term loans where possible instead.
- 2.6 The Council's borrowing requirement is set firmly within the framework of wider Council activity and will be driven by 'The Plan for North Lanarkshire', the Capital Strategy and the Medium-Term Financial Plan.

3. Interest Rates Outlook and Other Economic Updates

- 3.1 The most significant impacts on the Council's treasury management strategy for 2026/27 are expected to include: the influence of the UK government's 2025 Autumn Budget, lower short-term interest rates alongside higher medium and longer-term rates, slower economic growth, together with ongoing uncertainties around the global economy, stock market sentiment, and geopolitical issues.
- 3.2 The Bank of England (BoE)'s Monetary Policy Committee (MPC) cut Bank Rate to 3.75% in December 2025, as expected. The vote to cut was 5-4, with the minority instead favouring holding rates at 4.0%. Those members wanting a cut judged that disinflation was established, while those preferring to hold the Bank Rate argued that inflation risks remained sufficiently material to leave rates untouched at this stage.
- 3.3 Figures from the Office for National Statistics show that the UK economy expanded by 0.1% in the third quarter of the calendar year, this was unrevised from the initial estimate. The most recent Monetary Policy Report in November 2025 projected modest economic growth, with GDP expected to rise by 0.2% in the final calendar quarter of 2025. Annual growth is forecast to ease from 1.4% before improving again later, reflecting the delayed effects of lower interest rates, looser monetary conditions, stronger global activity, and higher consumer spending. The view of modest economic growth going forward was echoed by the Office for Budget Responsibility in its Economic and fiscal outlook published in line with the Autumn Statement, which revised down its estimate of annual real GDP to around 1.5% on average between 2025 and 2030.
- 3.4 CPI inflation was 3.2% in November 2025, down from 3.6% in the previous month and below the 3.5% expected. CPI inflation rose to 3.4% in December, slightly above the 3.3% expected. Core CPI eased to 3.2% from 3.4% in November, contrary to forecasts to remain at 3.6% and thereafter remaining steady at 3.2% in December. Looking forward, the MPC continues to expect inflation to fall, to around 3% in calendar Q1 2026, before steadily returning to the 2% target by late 2026 or early 2027.
- 3.5 The labour market continues to ease with rising unemployment, falling vacancies and flat inactivity. In the three months to November 2025, the unemployment rate increased to 5.1%, higher than the level previously expected by the BoE, while the employment rate slipped to 75.1%. Pay growth for the same period eased modestly, with total earnings (including bonuses) growth at 4.7% and while regular pay was 4.5%.
- 3.6 In global terms the US Federal Reserve also continued to cut rates, including reducing the target range for the Federal Funds Rate by 0.25% at its December 2025 meeting, to 3.50%-3.75%, in line with expectations. The minutes of the meeting noted that most Fed policymakers judged that further rate cuts would be likely in 2026 if inflation continues to ease, however they were still divided in their assessment of the risks between inflation and unemployment. The European Central Bank (ECB) kept its key interest rates unchanged in December for a fourth consecutive meeting, maintaining the deposit rate at 2.0% and the main refinancing rate at 2.15%. The ECB maintained that future policy decisions will remain data-dependent, that inflation is close to its 2% target and that the euro area economy is expected to expand despite a challenging global environment, including heightened geopolitical risks and trade tensions.
- 3.7 Arlingclose, the Council's treasury management advisers, currently forecasts that the Bank of

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England's Monetary Policy Committee will continue to reduce Bank Rate in 2026, reaching around 3.25%. This forecast reflects amendments made following the Autumn Budget and an assessment of the fiscal measures and their market implications and following the BoE MPC meeting held on 18th December.

- 3.8 Long-term gilt yields, and therefore interest rates payable on long-term borrowing, are expected to remain broadly stable on average, though with continued volatility, and to end the forecast period marginally lower than current levels. Yields are likely to stay higher than in the pre-quantitative tightening era, reflecting ongoing balance sheet reduction and elevated bond issuance. Short-term fluctuations are expected to persist in response to economic data releases and geopolitical developments.
- 3.9 Movements in supply and demand for UK gilts heavily influence the gilt prices and yields, with corresponding movements up or down in the PWLB interest rates reflecting the perception of improved stability or increased uncertainty in both the UK and other non-UK financial markets respectively.
- 3.10 Annex D provides details of the forecast official Bank rate, 3-month money market rate and PWLB rates over the next five years which are underpinned by the economic risks and uncertainties outlined in the preceding paragraphs above.
- 3.11 The Council's main source of borrowing is the HM Treasury's PWLB lending facility (PWLB), with PWLB lending generally available at 100bps (1.00%) above UK gilt prices with any forecast movements in PWLB interest rates closely correlated to gilt movements.
- 3.12 Table 1 below includes forecast average PWLB rates anticipated for a range of maturity periods over the next 5 years based on the forecast per Annex D. The interest rates shown take account of the 0.20% reduction in the standard rates which will apply if the Council, as expected, meets the qualifying criteria for the certainty rate in 2026/2027 and future years. Please note as per para 4.22 that there may be an additional discount available on PWLB rates of 0.4% for qualifying HRA borrowing that relates to the period to post-March 2026 if formally announced.

Annual Average	Bank Rate	3 months Money Market Rate	PWLB Rates			
			5 Year	10 Year	20 Year	50 Year
2026	3.31%	3.36%	4.59%	5.14%	5.74%	5.38%
2027	3.25%	3.30%	4.55%	5.10%	5.70%	5.40%
2028	3.25%	3.34%	4.59%	5.14%	5.74%	5.44%
2029	3.25%	3.34%	4.59%	5.14%	5.74%	5.44%
2030	3.25%	3.34%	4.59%	5.14%	5.74%	5.44%

Table 1 - Medium Term Interest Rate Estimates (averages)

- 3.13 These projections underpin the borrowing and investment strategies outlined in the following paragraphs.

4.0 Annual Borrowing Strategy 2026/2027

- 4.1 The Council uses a combination of internally accumulated cash funds i.e. its revenue reserves/balances plus working capital, temporary borrowing (up to 364 days) and external borrowing from both the markets and PWLB, to fund its capital financing requirement (CFR). This minimises the amount of investment balances held, managing credit and counterparty risk and the impact of low investment returns, resulting in the Council currently being in an under borrowed position, which is in line with the strategic approach adopted.
- 4.2 The borrowing strategy to meet the current year (2025/2026) capital programme financing requirement of £157.2m (excluding credit arrangements), has been to use a combination of internal cash balances, and short-term borrowing where available at attractive rates plus credits due to the scheduled principal repayments, in lieu of future long-term borrowing where possible, however long-term borrowing has been taken when deemed appropriate. This strategy is supported by efficient cashflow management, interest rate outlook, forecast balance sheet

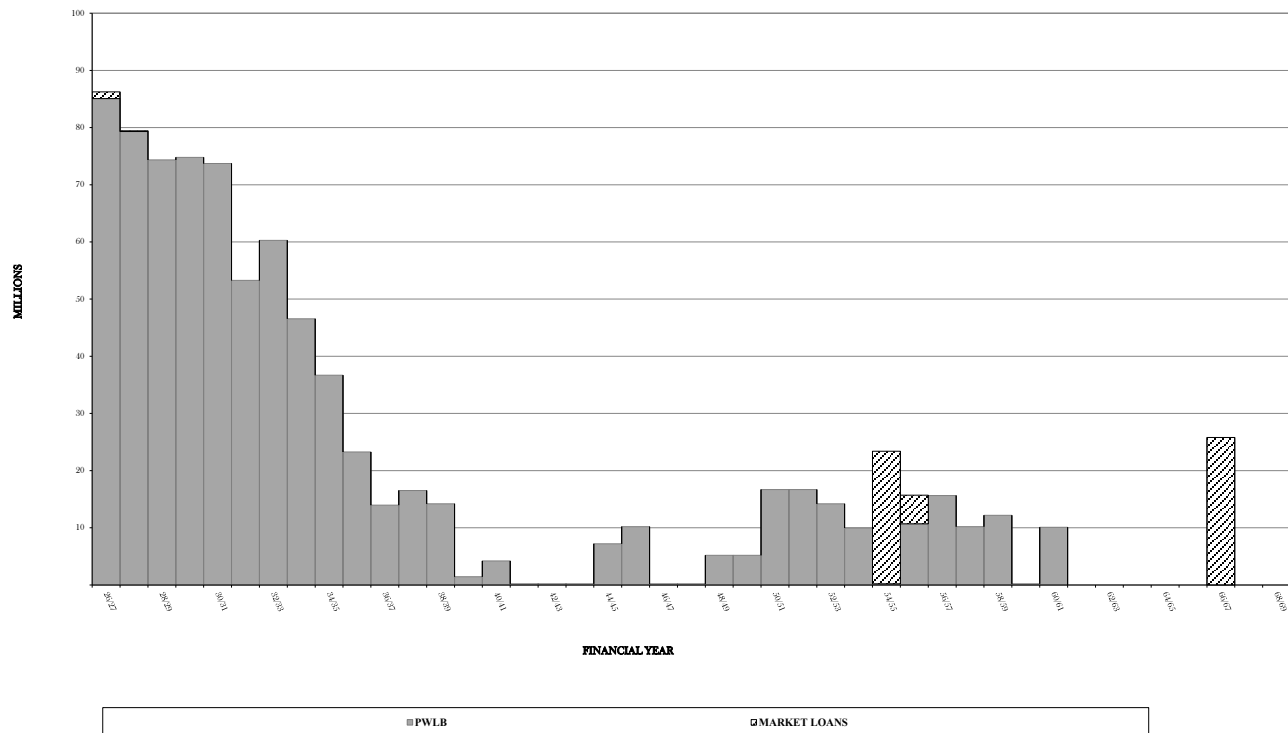
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analysis of reserves and provisions, and effective treasury risk management. It is proposed that a similar borrowing strategy be adopted where possible to meet the financing requirement of £236.3m in 2026/2027.

- 4.3 The successor to *IAS17 Leases*, *IFRS16 Leases* was implemented in 2024/2025 financial year, primarily impacting upon the accounting treatment for operational property and vehicles, plant and equipment (VPE), acquired under operating lease arrangements, as well as impacting on PPP contract liabilities, with an increase in the Council's 2024/2025 Capital Financing Requirement of £93.6m (PPP £88.2m, Property £2.9m & VPE £2.5m).
- 4.4 For 2026/2027, it is anticipated that the Capital Financing Requirement will increase by £206.3m, which comprises the capital investment funded by borrowing and movement in balances held under credit arrangements due to ongoing impact of *IFRS16 Leases*, offset by scheduled principal repayments of loan fund advances and finance leases.
- 4.5 It is estimated that the Council will require to source long-term borrowing of £306.0m in 2026/2027, £312.0m in 2027/2028, £439.0m in 2028/29, £196.0m in 2029/30 and £175.5m in 2030/31 to meet the on-going capital financing requirements, the replacement of maturing long-term debt and the maintenance of cash balances necessary to meet on going daily liquidity requirements.
- 4.6 The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the Authorised Limit for borrowing as per section 8.5 and per the principles in section 5.6.
- 4.7 These borrowing projections exclude monies borrowed and repayable over a shorter period, with average levels held expected to be approximately £242.0m over the five-year period. This level of short-term borrowing is generally attractive due to lower rates typically available.
- 4.8 The Council's capital expenditure planning processes and investment/borrowing analysis enables it to time its borrowing to take advantage of opportunities that may arise to achieve beneficial borrowing rates, minimising interest rate risk.
- 4.9 The timing of new borrowing will also take into account the level of cash balances and investments held so that there may be an option of postponing borrowing and continuing to use these balances in the short term.
- 4.10 The Councils borrowing strategy will be underpinned not only by the absolute borrowing rates but also the relationship between short and long-term interest rates. This difference creating a 'cost of carry' for any new longer-term borrowing where the proceeds of borrowing are temporarily held as investments because of the difference between what is paid on the borrowing and what is earned on the investment.
- 4.11 The Council will closely monitor movements in long and short-term interest rates to manage its interest rate risk.
- 4.12 The repayment terms of new borrowing will take account of the debt maturity profile to ensure that an acceptable amount matures in any one year, managing the refinancing risk, whilst being undertaken at the most advantageous rate.
- 4.13 The forecast debt maturity profile at the 31 March 2026 per the graph below highlights that there are a number of points in the maturity spectrum at which the Council has little or no debt due for repayment. In general, the current maturity profile provides the Council with flexibility in determining the maturity period for new borrowing, whilst ensuring the strategy adopted minimizes the debt interest costs.
- 4.14 It should be noted that the debt maturity profile per the graph is based on the maturity date of LOBO (Lender's Option Borrower's Option) loans, whilst noting the Code requires the Council to classify LOBO type loans as having a potential maturity in the year where options or calls exist. A LOBO option is called, when the lender exercises its right to amend the interest rate, at which point the Council can accept the revised terms or reject them and repay the loan.

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Forecast Long Term Debt Maturity Profile 31 March 2026



- 4.15 The Council currently has £1.0m exposure to LOBO loans which can be called within 2026/2027, which represents less than 0.12% of the projected long-term debt held at the 31 March 2026 of £858.4m. The interest rates on the LOBO loans held is 10.937%.
- 4.16 A comparison of the LOBO loan option 2026/2027 call dates to the maturity date is provided within Table 2 below:

Loan Value	2026/2027 Call Dates	Year of Maturity	Current Interest Rate
£1,000,000	3 April & 3 October	2026/2027	10.9375%

Table 2 - LOBO Loans Summary

- 4.17 Based on the current and the forecast interest rates, the likelihood of these loans being called has been assessed as minimal. In the event that the call option is exercised, the default position will be the repayment of the LOBO without penalty, with the associated treasury management risks (refinancing/interest rate/liquidity) managed in line with the borrowing strategy for other maturing debt.
- 4.18 The Council's Treasury Management advisors provide forecasts of interest rates for different maturity dates in future years. Using these forecasts, it is projected over the years 2026/2027 to 2030/2031, the PWLB borrowing rates may average between 4.55% and 4.60% (up to 5 years) and between 5.38% and 5.45% (up to 50 years).
- 4.19 Uncertainty over future interest rate movements increases the risks associated with treasury management borrowing activity, therefore it should be noted, that the period over which any new borrowing is taken will be guided by movements and fluctuations in the interest rate yield curve and capital financing requirement.
- 4.20 No more than 25% of the total debt outstanding shall be taken from any one lender at any one time, except for borrowing from Public Works Loan Board (or its successor body), unless expressly approved by the Chief Officer (Finance and Technology) in line with current policy.

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- 4.21 The Council must apply annually to be eligible for a certainty rate discount of 20 basis points (bps) on the standard borrowing rate. The Council was successful in its application to the PWLB in April 2025, meeting the criteria and obtaining eligibility for the certainty rate discount on PWLB loans, accessible from 1 April 2025. Note within Table 1 above the medium-term interest rate average forecasts for the PWLB interest rates include the 20bps discount.
- 4.22 A new PWLB HRA rate, which is 40bps below the certainty rate, has been available from 15th June 2023. This rate is available until March 2026, and whilst it is envisaged that this facility may be extended further by the UK Government, it has not however been formally announced at the time of this strategy. This rate is available to support local authorities to borrow for Housing capital purposes or refinancing existing loans. In conjunction with our treasury advisors, we will continue to review the requirements and assess the borrowing opportunities for the Council.

4.23 The Council will consider a number of borrowing structures in 2026/2027 which will include;

- **Internally accumulated cash funds.**

The Council may temporarily use its cash-backed revenue reserves/balances plus working capital to support its capital programme generally known as internal borrowing, in lieu of future short and long-term borrowing. This approach may be adopted to manage the level of investment balances held, managing credit and counterparty risk and the impact of low investment returns and cost of carry.

- **Short-term Borrowing**

The Council may borrow on a temporary basis (up to 364 days) which would significantly reduce the carrying costs whilst managing the refinancing and interest rate risk. For example, for loans up to 364 days, other local authorities may generally offer better terms than those of the PWLB for a 1-year loan, with this option therefore being more attractive. This may also be used to meet cashflow demands to manage temporary fluctuations in cash balances held on a daily basis. Short-term interest rates have fallen over the past year, and are expected to fall a little further, therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead.

- **PWLB Variable Rate Loans**

These loans are available for periods of up to 10 years with the interest payable generally linked to movements in short term rates. Liquidity within the short-term borrowing market may supersede the potential benefits of this type of borrowing.

- **PWLB Fixed Rate Maturity Loans (< 20 years)**

New loans for periods up to 20 years, which fit in with the existing debt maturity profile, are attractive, providing relatively low refinancing risk as short-term rates are expected to remain lower than their longer dated counterparts for the foreseeable future. These could offer greater flexibility to repay/reschedule on beneficial terms in the future, depending on the volatility of interest rates.

- **PWLB Equal Instalment Payment and Annuity Loans (< 30years)**

These loans are different from fixed rate maturity loans as the repayments are made up of both interest and principal with the principal outstanding reducing at 6 monthly intervals throughout the life of the loan, with corresponding reduction in interest payments on the balance outstanding. The interest rates payable are lower than the fixed rate maturity loans for short and medium dated maturities with an additional benefit being a smoother debt maturity profile on the debt e.g. £2.5m every year for 10 years as opposed to £25m payable in 10 years. This also spreads the refinancing risk and may also present beneficial opportunities dependent upon the interest yield curve at the time repayments are due.

- **Medium/Long Term Fixed PWLB Loans (> 20 years)**

These loans will be considered in conjunction with managing the current debt maturity profile, the higher interest rate profile and the additional cost of carry. These loans currently offer less flexibility in terms of debt restructuring as a result of PWLB Circular 147, which left the premature repayment rates unaltered. As a result, these are currently the least attractive option, but circumstances will be monitored to identify beneficial opportunities to source PWLB loans within this maturity spectrum.

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- **Market Loans**

At present availability is limited, but in the future these loans may become more attractive given the 0.80% margin on PWLB loan rates, as these loans could be cheaper than similar long term PWLB loans despite this being partially offset by the certainty rate. In addition to the possibility of advantageous interest rates, there is also the ability to fix the rate for receipt at a date in the future, avoiding the cost of carry for example to cover future maturities in the period 2026/2027 to 2030/2031.

- **Local Authority Bonds**

Local authority bonds can be issued by a public stock exchange listing, a private placement or a retail bond but would only become a viable option if the size of funds to be borrowed reached a minimum of £150m. Prior to undertaking a bond issuance, the Council would carry out a due financial diligence process. Factors to be considered would be the type of bond issue e.g. index linked, the set-up costs, the timing of the issue, the potential cost of carry, the credit rating process, the projected long term capital financing requirement position and the nature of the projects being funded e.g. income streams index linked.

- **Leasing**

On occasions, leasing will be used if an option appraisal review identifies this as being advantageous to the Council and considering *IFRS16 Leases* impacts.

4.24 As part of its borrowing strategy, the Council will seek to identify and evaluate opportunities for debt rescheduling to accrue potential benefits including:

- achievement of cash interest savings, without exposing the Council to additional risk;
- ensuring a more balanced maturity profile and volatility ratio; and
- achieving the desired borrowing strategy.

4.25 The Council will continue to monitor its debt portfolio and movements in interest rates across PWLB interest rate structures, to identify opportunities to generate interest savings, whilst strategically managing any premiums or discounts incurred as a result of the rescheduling/restructuring.

4.26 The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 legislation enacted on 1 April 2016 and associated Local Government Circular 7/16 Statutory Guidance on Loans Fund Accounting provide the legislative background governing the Council's borrowing activity.

5.0 Annual Investment Strategy 2026/2027

5.1 Investment Regulations

5.1.1 The Investment Regulations became statutory instruments by force of the Scottish Parliament on the 1 April 2010 in conjunction with the associated Code on the Investment of Money by Local Authorities. This requires the Council to approve all the types of investments to be used and set appropriate time and money limits for the amount that can be held in each investment type. These types of investments are termed permitted investments and any investments used which have not been approved as a permitted investment will be considered as ultra vires.

5.1.2 Following a Markets in Financial Instruments (MiFID III) directive, from the 3 January 2018, local authorities were to be treated as retail clients, with the option to opt up to professional status provided certain criteria was met. The Council continues to meet the conditions to opt up to professional status and therefore continues to have access to products including money market funds, pooled funds, treasury bills, bonds shares and to financial advice.

5.2 Risk Management

5.2.1 In accordance with the revised code, the Council recognises the importance of risk management, and the effective management of all the associated treasury management risks encountered in working with the approved permitted list of investments. The treasury management risks and tools put in place to manage these risks include:

- **Credit and counterparty risk:** this is the risk of failure by a counterparty to meet its contractual obligations to the Council, particularly as a result of the counterparty's diminished

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creditworthiness and the resulting detrimental effect on the Council's capital or revenue resources. There are no counterparties where the risk is zero although AAA rated organisations have a very high level of creditworthiness. The Council has in place minimum credit criteria to determine which counterparties and countries are of high creditworthiness to enable investments to be made safely.

- **Liquidity risk:** this is the risk that cash will not be available when it is needed. While it could be said that all counterparties are subject to at least a very small level of liquidity risk, the Council measures this risk on whether or not, instant access to cash can be obtained from each form of investment. The Council has developed a detailed cashflow model to record known and forecast income and payment events arising in the short, medium to long term.
- **Interest Rate Risk:** This is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances against which the Council has failed to protect itself adequately. To manage this risk, the Council takes a view of the future course of interest rates and formulates a Treasury Management Strategy accordingly, aiming to maximise investment earnings and minimise borrowing costs, whilst giving full regard to other treasury management risk factors including security and liquidity.
- **Price Risk Management:** This risk primarily relates to financial instruments that are regularly traded in the various financial market exchanges. This is the risk that the Council is required to redeem this type of investment prematurely at prices above and below the price on which the financial instrument was originally purchased (par value) and thus be subjected to the market conditions prevailing at that time. If the investment is held to maturity the principal sum is guaranteed with it being redeemed at par value. The Council will only use those which appear on its permitted investment list, if their redemption price is not expected to vary much during its short life or for example in the case of treasury bills they offer a higher rate of return than depositing in the Debt Management Account Deposit Facility for a similar level of security.
- **Legal and Regulatory Risk:** This is the risk that the Council itself or an organisation with which it is dealing in its treasury management activities fails to act in accordance with its legal powers or regulatory requirements and the Council suffers losses accordingly. In the event of any doubt as to the legal and regulatory issues the Council has recourse to its own in-house legal services team and also the Council's appointed treasury advisors Arlingclose Ltd. The Council also currently has in place a highly experienced and qualified Treasury Management team.

5.3 Permitted Investments

5.3.1 The permitted investments which may be used in the forthcoming year are:

- a. Deposits with the Debt Management Account Facility (UK Government);
- b. Deposits with other local authorities or public bodies;
- c. Instant Access Accounts;
- d. Call Accounts;
- e. Term Deposits;
- f. Money Market Funds;
- g. Instant Access Funds held with Council's own bank;
- h. UK Government Gilts and Treasury Bills;
- i. Supranational Bonds (e.g. World Bank);
- j. Certificates of deposits with financial institutions (banks and building societies);
- k. Covered Bonds;
- l. Reverse repurchase agreements and other collateralised arrangements;
- m. Investment properties;
- n. Loans to third parties, including soft loans;
- o. Loans to a local authority company;
- p. Shareholdings in a local authority company;
- q. Non-local authority shareholdings;
- r. Subordinated debt in projects delivered via 'Hubco / DBFM' model

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- 5.3.2 In respect of Money Market funds (MMF) listed per f) above, these funds invest in high-quality short-term fixed income instruments and adhere to very strict credit quality, diversification and maturity guidelines with preservation of capital constituting the primary objective. Prior to January 2019, the Council used Constant Net Asset Value (CNAV) Funds meaning for every £1 of principal invested the fund will return £1 of principal on withdrawal by the investor, plus interest with preservation of capital the prime objective.
- 5.3.3 However on the 21 January 2019, as a result of MMF Industry reform, the CNAV funds are no longer available and on this date two types of funds became available to the Council:
- a Public Debt CNAV (assets invested in government debt); and
 - a ‘Low Volatility NAV’ (LVNAV) that is a hybrid between CNAV and VNAV
- 5.3.4 After scrutiny of the new products available, the Council continues to use money market funds, primarily using the LVNAV type as an investment instrument. It is worth noting that one of the main differences between the LVNAV and CNAV fund is the Council is no longer guaranteed preservation of capital i.e. for every £1 of principal invested the fund will no longer guarantee a return £1 of principal on withdrawal.
- 5.3.5 However, the day-to-day operation of LVNAV funds is very similar and has many of the attractive features of the CNAV fund and the probability of the price changing and loss of capital, within the boundaries set for price changes i.e. “the collar”, is widely regarded as de minimis. Therefore, the use of these investments continue to remain within the risk appetite adopted by the Council per its investment approach.
- 5.3.6 Bail-in legislation which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, is now fully implemented in the UK. Under the UK Financial Services Compensation Scheme and similar European Schemes most private sector investors are now partially or fully exempt from contributing to a bail-in. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options.
- 5.3.7 To manage the bail-in risk, covered bonds, reverse repurchase arrangements and other collateral arrangements with financial institutions are included within the permitted investment list. These investments are secured on the assets of the borrower, which limits the potential losses in the unlikely event of insolvency and would be exempt from bail-in.
- 5.3.8 Whilst there is no investment specific credit rating for these types of arrangements, the collateral upon which the investment is secured has a credit rating, with the highest of the collateral credit rating and the counterparty credit rating being used to determine cash and time limits. Note the combined secure and unsecured investments in any one bank should not exceed the cash limit for that counterparty.
- 5.3.9 Investments in subordinated debt in projects delivered via the ‘Hubco/DBFM’ model included within the permitted investments list will only be undertaken, following a full risk/benefit analysis, subject to a maximum investment amount of £1.5m per project and for a maximum term of 30 years.
- 5.3.10 For cash investments, there is a risk of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates and for term deposits and loans if they are redeemed early. Therefore, the Council will undertake these investments in conjunction with its cashflow/liquidity projections and medium-term financial plans to manage this risk.
- 5.3.11 Within the Treasury Management code, it suggests the use of financial derivatives but given that the legal power to use derivative instruments remains unclear, the Council does not intend to use derivatives. Should the legal position change, the Council may seek to develop a detailed and robust risk management framework, governing the use of derivatives, but prior to adoption, full Council approval will be sought.

5.4 Investment Security

- 5.4.1 Although the yield on investment is a key consideration, the primary principle governing the Council’s investment criteria is the security of its investments.

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5.4.2 After this main principle the Council will ensure:

- It has sufficient liquidity in its investments, carefully selecting the maximum periods for which funds may prudently be committed also applying the Council's prudential and treasury management indicators covering the maximum principal sums invested.
- It maintains a policy covering the categories of investment types it will invest in, the criteria for choosing investment counterparties with adequate security, and to continually monitor security.

5.4.3 The Council minimises risk by identifying those financial institutions that it may invest in to maximise security and liquidity of investment including the specification of maximum time and money limits for each type of permitted investment offered by financial institutions. The counterparty must meet the relevant credit rating requirement with the focus being on the minimum acceptable quality adding a further security overlay to the investment activity of the Council.

5.4.4 The Council utilises the research of the world's foremost providers of independent credit ratings. The ratings defining the likelihood of an investor such as the Council receiving their money back on the terms in which it was invested. (Long term Rating types and definitions are shown in Annex B).

5.4.5 The Council defines 'high credit quality' organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market and other pooled funds, the Council defines a high credit rating as those having a credit of A- or higher. Investments with organisations with long term ratings in the BBB long term category will therefore be restricted by cash and maturity limits.

5.4.6 The Council also supplements its credit rating information by accessing and applying additional operational market information before making any specific investment decision from the agreed pool of counterparties.

5.4.7 This additional market information will be applied to compare the relative security of differing investment counterparties and will include:

- Credit Default swap prices;
- Quality financial press;
- Share prices;
- Government support status / Bank Resolution and Recovery Directive;
- Annual Reports;
- Statements to the market; and
- Financial Regulations;

5.4.8 Should this additional market information raise concerns regarding the security of a financial institution, then subject to further investigation this may also result in removal from the list.

5.4.9 The creditworthiness of counterparties will be monitored regularly. The Council receives credit rating information from Arlingclose Ltd (the Council's advisors) as and when ratings change, and counterparties are checked promptly. If a rating change results in the counterparty failing to meet the Council's strict criteria, they are removed immediately from the list. Similarly, if a counterparty rating is updated and they meet the Council's strict criteria, they will be added to the list.

5.4.10 Full details of the Council's investment approach including the type of investments, treasury management risks, associated controls, credit rating, money and time limits are shown in Annex C. The credit rating criteria indicated within the Annex stipulates a long-term rating requirement as this is considered the ultimate driver of credit worthiness of financial institutions. This represents a rating agency view of an institutions capacity to honour its financial obligations and its vulnerability to foreseeable events. The Council in conjunction with its advisors will continue to monitor other information provided from credit rating agencies in terms of short term, individual rating, support rating and outlook.

5.4.11 The Council will give due care when considering the country, group and sector exposure of the Council's investments and will endeavour to have no more than 25% placed with any non-UK country at any time. A group of banks under the same ownership will be treated as a single

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organisation for limit purposes with industry /sector activity monitored regularly for appropriateness.

5.4.12 The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing. ESG considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the UK Stewardship Code and/or the Net Zero Asset Managers Alliance.

5.5 Investment Strategy

5.5.1 The Council, by efficient cashflow management and balance sheet analysis, will identify its liquidity requirements and the core funds within its cash balances that could be locked in over a longer period up to the maximum limits as defined within Annex C. This will achieve the optimum performance, spreading investment periods and security of return, subject to over-riding credit counterparty security.

5.5.2 The 2026/2027 Treasury Management Strategy has been developed assuming that the annual borrowing requirement and debt repayments, net of credits due to the scheduled principal repayments to the loans fund, will be fully funded by undertaking external borrowing. Therefore, it is anticipated that the Council cash balances available for short term investment will average approximately £60.0m throughout the period 2026/2027 to 2030/2031.

5.5.3 This projected balance being subject to variation dependent upon actual level and timing of external borrowing undertaken, which will reflect positive and negative movements in working capital and level of revenue reserves/balances held during the 5-year period.

5.5.4 As demonstrated by the liability benchmark reported in section 8.4 below, it is anticipated the Council will be a long-term borrower, therefore new treasury investments will be made primarily to manage day-to-day cash flows using short-term low risk instruments.

5.5.5 All investment activity will be governed by the principles laid out within sections 5.1 to 5.4 above and 5.6 and 5.7 below.

5.6 Borrowing and the Investment of Money

5.6.1 The Council will not borrow more than or earlier than required with the prime intention to profit from the investment return of the extra sums borrowed.

5.6.2 Borrowing in advance will only be taken for risk management reasons subject to sound justification. When considering borrowing in advance the Council will balance investment risks, such as the credit and interest risks resulting from the temporary investment of the proceeds of borrowing, against the risk of adverse interest rate movements if borrowing is deferred. Consideration will also be given to the existing debt maturity profile over the medium term.

5.6.3 The Council will appraise all risk associated with advance borrowing activity with subsequent reporting either within the mid-year or annual reporting mechanism. This report will comply with the minimum data and analytical requirements outlined within The Local Government Investments (Scotland) Regulations 2010.

5.7 Non-Treasury Management Investment Activity

5.7.1 The CIPFA Treasury Management Code includes a section on Non-Treasury Management investment activity, which would normally be for those investments made for policy reasons outside of normal Treasury Management Activity, and may include:

- service investments held clearly and explicitly in the course of the provision and for purposes of operational services
- commercial investments which are taken mainly for financial reasons and to achieve a financial return

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- 5.7.2 Normal treasury management activity would cover those investments which arise from the organisation's cashflows and debt management activity and ultimately represent balances which need to be invested until cash is required for use in the course of the Council's normal business.
- 5.7.3 For investments that fall outwith normal treasury management activity the Council will ensure that proper due diligence is carried out to ensure that there is a proper understanding as to:
- the powers under which the investment is made to ensure the activity is legal
 - the service rationale behind the decision to undertake this type of investment
 - the extent to which capital invested is placed at risk
 - impact of any potential losses on the financial sustainability of the Council
 - the specialist professional advice required to assist in the decision-making process
- 5.7.4 The Council will carry out more careful risk assessment, as it recognises there may be instances where such investments do not give priority for security and liquidity over yield whether due the nature of the transaction itself e.g. commercial investments or for valid service reasons.
- 5.7.5 Effective scrutiny will be carried out and the justification behind the decision should be explicit, clearly outlining that it is within the Councils legal powers, the level of risk to both capital and returns, the requirement to seek specialist advice if sought and the potential impact on future sustainability if risks come to pass.
- 5.7.6 This would also include any external underwriting of those risks e.g. guarantees. Given the increase in Councils creating ALEO's and increasing partnership working, the Council may be asked to provide a financial guarantee to enable other parties to access funds which may not otherwise be available due to their size / lack of credit history. This may also result in external funds being accessed at more favourable terms than they are likely to receive, which will accrue both operational and financial benefit to the Council.
- 5.7.7 In general, a financial guarantee is a promise to take responsibility for another company's financial obligation if that company cannot meet its obligation. Prior to agreeing to the provision of a financial guarantee, due financial diligence of the terms of the financial guarantee must be carried out, including an assessment as to the likelihood of the guarantee being called and potential financial liability to the Council.
- 5.7.8 The responsibility for proper scrutiny and final approval is the Council's Chief Officer (Finance and Technology). Information in respect of non-Treasury Management investments must be clearly laid out and available within the Council's statutory accounts.
- 5.7.9 Following the PWLB consultation in the first half of 2020, the PWLB announced revised terms of engagement for borrowing in particular around non-Treasury Management activity. Of greater relevance in England and Wales, given recent activity, Councils are required to confirm there is no intention to borrow for the purposes of acquiring investment assets primarily for yield e.g. retail outlets, hotels in the current or next two financial years otherwise the facility may be suspended or withdrawn fully. The revised Prudential Code also makes it a requirement that local authorities must not borrow to invest primarily for financial return.

6.0 Performance Measurement Indicators & Benchmarking

- 6.1 The Code of Practice on Treasury Management requires the Council to use performance indicators to assess the adequacy of the treasury management function over the year and incorporate benchmarking to assess performance which is reported within the Annual Treasury Management Activity report. These are distinct historic indicators, which are additional to the predominantly forward-looking prudential indicators outlined in later sections of this report.
- 6.2 In respect of liquidity which is defined as the Council "having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives" (CIPFA Treasury Management Code of Practice) the Council will seek to maintain: Liquid short term deposits of at least £3m available on an overnight basis.

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6.3 This Council generally uses the following historic indicators to monitor its loan portfolio performance and benchmarking:

- ❖ **Borrowing:** Average rate of borrowing for the year compared to average in previous year.
- ❖ **Investments:** Local measures of yield benchmarks are the Council's average return on short term investment activity in comparison to:
 - 3-month money market rate
 - Council's own bank: Instant Access Account;
 - Council's Advisors benchmarking club

6.4 In the context of benchmarking security, this is a much more subjective area to assess. The Council currently evidences this by the application of minimum quality criteria to investment counterparties, through the use of credit ratings, supplied by the three main credit rating agencies, together with additional market information available as described earlier within this report and outlined within Annex C.

7.0 Treasury Management Local and Mandatory Indicators 2026/2027 to 2030/2031

7.1 Treasury Management Local Indicator: Interest Rate Exposure

7.1.1 Per the revised CIPFA TM code, the Council is no longer required to set a mandatory indicator for limits with regard to fixed and variable interest rate exposure. The Council will monitor its interest rate exposure by the local indicator shown in Table 3 below. The proportion of fixed interest rate costs to variable interest costs will be monitored on a quarterly basis to identify if there are any potential risks if interest rates were to move significantly upwards. The Council will also monitor debt maturity profile, the spend profile of the capital programme and also continue to adopt a prudent approach to use of internal balances in lieu of future long-term borrowing i.e. monitor under borrowing position. The economic outlook and interest rate forecast will supplement this on-going review of interest rate exposure.

Content of loan portfolio	2026/27		2027/28		2028/29		2029/30		2030/31	
	£m	%	£m	%	£m	%	£m	%	£m	%
External Interest Council is due to pay:										
Fixed rate loan debt	52.9	100.0%	66.9	100.0%	85.5	100.0%	101.2	100.0%	109.2	100.0%
Variable rate loan debt	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
	52.9	100.0%	66.9	100.0%	85.5	100.0%	101.2	100.0%	109.2	100.0%
External Interest Council is due to receive:										
Investments - variable terms	2.0	100.0%	2.0	100.0%	2.0	100.0%	2.0	100.0%	2.0	100.0%
Net Loan Interest Payments	50.9		64.9		83.5		99.2		107.2	

Table 3 - Loan Indicators Interest Rate Exposures 2026/27 to 2030/31

7.1.2 Table 3 above relates only to external interest payments, excluding interest on revenue balances, and includes a number of assumptions regarding the timing and nature of the new borrowing anticipated. As mentioned previously the capital planning process and investment/borrowing analysis enables the Council to take advantage of opportunities that may arise, to achieve beneficial borrowing rates over the same period.

7.1.3 Table 3 highlights that the Council anticipates net loan external interest payments of approximately £50.9 million for 2026/2027. Of this total, £52.9 million relates to interest payable on fixed rate debt, for which interest payments are guaranteed until the loans mature and (£2.0) million relates to interest receivable on funds invested. Variable rate funds deposited are subject to changes in interest rates and will be monitored as part of the Council's Treasury Management Strategy on an ongoing basis.

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7.1.4 The table below highlights the estimated impact of a one basis point increase or decrease (e.g. 4.0% variable rate rising to 5.0% or falling to 3.0%) in interest rates to treasury management costs/income for next year. Fixed interest rate debt will not be affected by interest rate changes.

Financial Year: 2026/2027	Estimate £m	+1% £m	-1% £m
Net Impact on Council	(2.0)	(0.6)	+0.7

Table 4 - Sensitivity to Interest Rate Movements 2026/27

7.2 Treasury Management Mandatory Indicator: Maturity Structure of Borrowing

7.2.1 The Treasury Management Code requires the Council to specify upper and lower limits regarding the maturity structure of its long-term borrowing in order to minimise the risk associated with the Council having to replace large sums of long-term debt at a time when there may be uncertainty over interest rate exposure.

7.2.2 Table 3 illustrates that the Council has high levels of fixed rate debt however the current maturity profile of this debt is unlikely to be a major risk factor for the Council. The limits of fixed and variable rate maturity are set out within Table 5 below;

Maturity Structure of Borrowing	<12 months	12m to 2 years	2 to 5 yrs	5 to 10 yrs	10 to 20 yrs	20 to 30 yrs	30 to 40 yrs	40 to 50 yrs	50 yrs+
Upper limit - long term debt	15.00%	15.00%	35.00%	35.00%	25.00%	25.00%	15.00%	15.00%	15.00%
Lower limit - long term debt	0.00%	0.00%	10.00%	10.00%	5.00%	0.00%	0.00%	0.00%	0.00%

Table 5 - Maturity Structure of Fixed Rate Borrowing

7.2.3 The upper limit for long-term rate debt, maturing in less than 12 months, is set at 15.0% to accommodate the requirement within CIPFA TM Code to recognise the possibility of the Council loans classified as LOBO type loans having their option or call exercised within the next 12 months, under the terms of the loans as described within paragraph 4.15 above.

7.3 Treasury Management Indicator: Credit Risk

7.3.1 The Council will manage its credit risk by implementing the investment strategy per Section 5 and remaining within the guidelines outlined within Annex C.

7.3.2 The Council has also adopted a voluntary measure of its exposure to credit risk by monitoring the value weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment and taking the arithmetic average weighted by the size of each investment.

	Target
Portfolio Average Credit Rating	A-

Table 6 – Credit Risk Indicator 2026/27

8.0 Prudential Indicators 2026/2027 to 2030/2031

8.1 Prudential Indicator: The Capital Expenditure Plans

8.1.1 The Prudential Code requires the Council to outline its capital expenditure plans taking into account the sources of funding available and also the cost to the council in supporting any additional borrowing burden which will require to be paid for from the Council's own resources. The Government has power to control the level of prudential borrowing although no control has yet been implemented. Some of the estimates for other sources of funding may also be subject to change over this timescale.

8.1.2 Table 7 sets out the revised Capital Expenditure plans for 2025/2026 (Outturn) and forecast for the period 2026/2027 to 2030/2031 incorporating the 5-year Strategic Capital Investment Programme (2024/25 to 2028/29) approved by the Policy and Strategy Committee on 13 March 2025, and reviewed on a continual basis by the Strategic Capital Delivery Group (SCDG) including re-profiling adjustments within the 5-year programme and longer-term capital investment programmes including HRA and City Deal. It should be noted therefore that the estimates presented within this report are based on the current forecasts of the progression of the programmes and projected resources available.

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Capital Expenditure	2025/26 Outturn £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m	2029/30 Forecast £m	2030/31 Forecast £m
Capital Expenditure: General Services	155.0	155.2	175.0	256.0	82.5	43.6
Capital Expenditure: HRA	140.5	174.1	166.0	202.4	174.0	183.7
Total Capital by Expenditure	295.5	329.3	341.0	458.4	256.5	227.3
IFRS16: PPP Contracts	4.9	4.6	4.7	2.8	3.4	(0.5)
Service Concessions: PPP Schools	9.1	11.3	11.5	12.7	12.1	13.2
Total Capital by Credit Arrangements	14.0	15.9	16.2	15.5	15.5	12.7
Total Capital Investment	309.5	345.2	357.2	473.9	272.0	240.0
Financed By:						
Capital Grants	103.0	61.7	67.6	51.4	72.2	50.6
Capital from Current Revenue	33.1	27.9	27.9	27.9	27.9	27.9
Capital Receipts	2.2	3.4	3.4	0.3	0.0	0.0
CFR: Borrowing: General Services	75.0	114.3	128.2	228.4	34.5	17.2
CFR: Borrowing: HRA	82.2	122.0	113.9	150.4	121.9	131.6
Credit Arrangements	14.0	15.9	16.2	15.5	15.5	12.7
Total Capital Funding Resources	309.5	345.2	357.2	473.9	272.0	240.0

Table 7 - Capital Expenditure Plans 2025/26 to 2030/31

8.1.3 General Services within Table 7 above encompasses the Capital Financing Requirement, reflecting the borrowing needs, for the General Fund Community Investment Programme which includes City Deal, Town and Community Hubs, Maintaining Existing Assets, Office Rationalisation & Carbon Management, Greenspace & Cemeteries, Roads & Street Lighting, Operational, Infrastructure & Transportation Development, Economic Regeneration, Digital Infrastructure & Innovation and Community Board Investment Fund, whilst HRA includes the New Build, Buy Back Scheme, Mainstream and Ambition programmes.

8.1.4 Following implementation of *IFRS16 Leases* in 2024/25, further estimates of £19.9m are included for future estimates of annual recalculation of lease liabilities. Members should note that this was a change in accounting treatment of leases and does not represent additional cash expenditure.

8.2 Prudential Indicator: Capital Financing Requirement (CFR)

8.2.1 The CFR is essentially a measure of Council's underlying borrowing need i.e. capital expenditure which is not resourced by capital grants, receipts or CFRR - and any new borrowing will increase the CFR. The CFR includes long term liabilities representing outstanding obligations under the education PPP/DBFM finance leasing arrangements and the Clyde Valley Waste Facility plus *IFRS16 Leases* implications.

8.2.2 However the Council pays off an element of the accumulated capital spend each year through a revenue charge, comprising scheduled debt repayments from service departments (annuity based) which reduces the CFR. Committee is asked to approve the CFR projections at the 31 March for each financial year set out below.

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Capital Financing Requirement	2025/26 Outturn £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m	2029/30 Forecast £m	2030/31 Forecast £m
General Services	1,060.0	1,160.2	1,273.0	1,481.7	1,493.9	1,483.7
HRA	629.6	735.7	832.5	963.7	1,064.0	1,171.6
Total CFR	1,689.6	1,895.9	2,105.5	2,445.4	2,557.9	2,655.3
Movement in CFR	129.5	206.3	209.6	339.9	112.5	97.4

Table 8 - CFR Projections 2025/26 to 2030/31

8.2.3 The year-on-year movement in CFR is shown in Table 9 below.

	2025/26 Outturn £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m	2029/30 Forecast £m	2030/31 Forecast £m
CFR : Borrowing : General Services	75.0	114.3	128.2	228.4	34.5	17.2
CFR : Borrowing : HRA	82.2	122.0	113.9	150.4	121.9	131.6
Credit Arrangements	14.0	15.9	16.2	15.5	15.5	12.7
Scheduled Loan Debt Amortisation	(26.2)	(29.0)	(32.0)	(36.2)	(41.8)	(45.6)
Leasing Amortisation	(2.6)	(1.4)	(0.9)	(0.9)	(0.5)	(0.5)
Education PPP Amortisation	(12.9)	(15.5)	(15.8)	(17.3)	(17.1)	(18.0)
Movement in CFR	129.5	206.3	209.6	339.9	112.5	97.4

Table 9 - Movements in CFR 2025/26 to 2030/31

8.2.4 The scheduled loan debt, education PPP amortisation and credit arrangement figures presented within Table 9 above are based on the estimated profile of the Strategic Capital Investment Programme 2024/2025 to 2028/2029, and implementation of the changes to accounting for service concessions as a result of Scottish Government fiscal flexibilities options applied in 2023/2024 and *IFRS16 Leases* in 2024/2025.

8.3 Prudential Indicator: Gross Debt and the Capital Financing Requirement:

8.3.1 Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well-defined limits. For the first of these the Council needs to ensure that its total borrowing, does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2026/2027 and the next four financial years.

	2025/26 Outturn £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m	2029/30 Forecast £m	2030/31 Forecast £m
Gross Borrowing : Loan Debt	1,100.4	1,320.1	1,552.7	1,917.3	2,038.6	2,140.4
Long Term Liabilities	295.4	294.5	294.0	291.2	289.2	283.4
Gross Debt	1,395.8	1,614.7	1,846.7	2,208.6	2,327.8	2,423.7
Capital Financing Requirement	1,689.6	1,896.0	2,105.6	2,445.3	2,557.9	2,655.3
Prudential Margin	293.8	281.3	258.9	236.8	230.1	231.5
Gross Debt =< Future 3 Year CFR	Yes	Yes	Yes	Yes	Yes	Yes

Table 10 - Prudential Margins 2025/26 to 2030/31

8.3.2 The above table demonstrates that healthy prudential margins will continue to exist from 2026/2027 onwards and that the Council complies with this prudential indicator in the current year and does not envisage difficulties in the future. This view takes into account current commitments, existing plans and the proposals in respect of the capital investment levels proposed.

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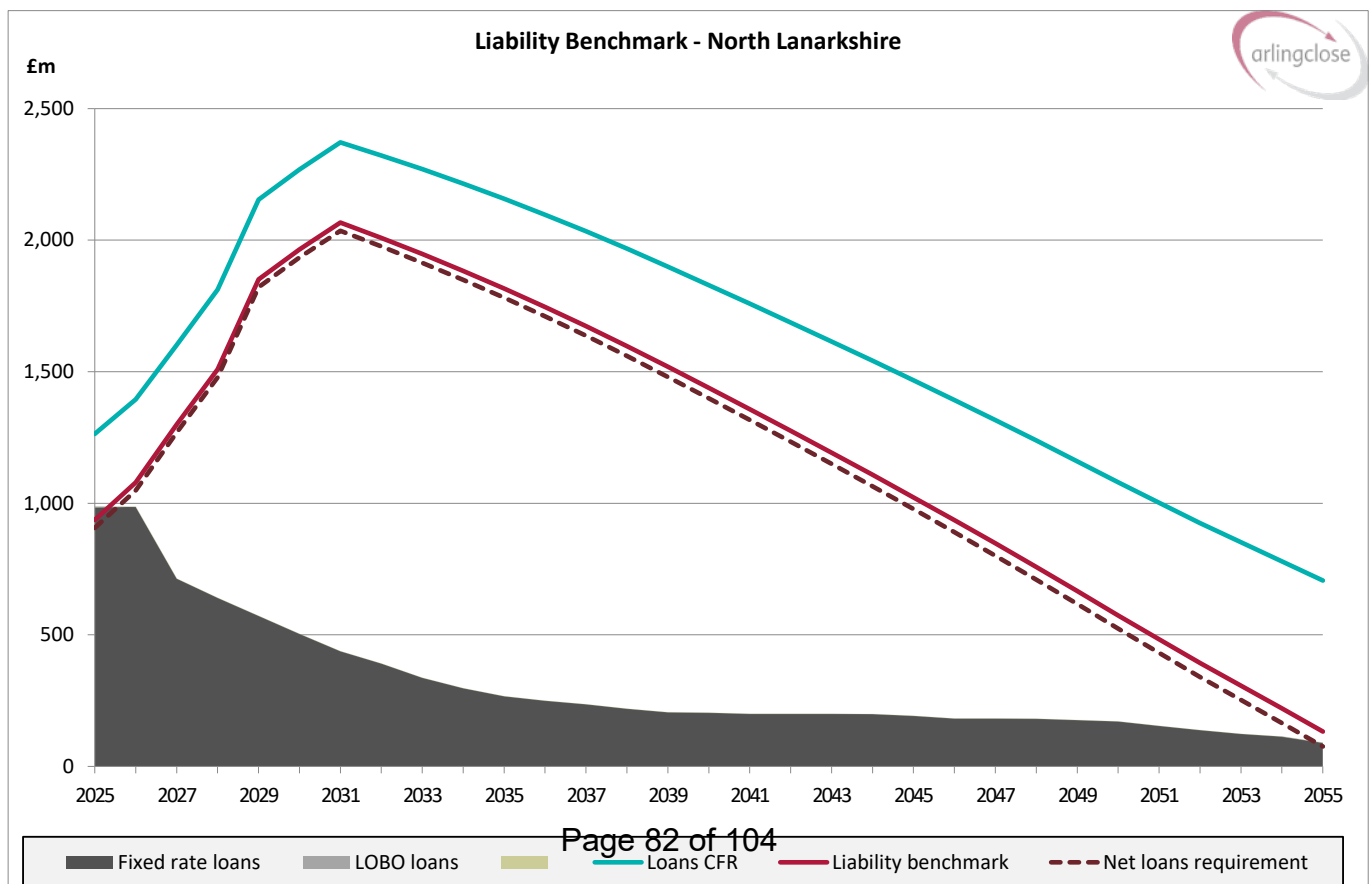
8.4 Prudential Indicator: Liability Benchmark

8.4.1 The Treasury Management Code states that organisations should evaluate the amount, timing and maturities needed for new borrowing in relation to planned borrowing needs, for example using a liability benchmark, 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 therefore 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 flow.

8.4.2 This represents the comparison of the Council's actual borrowing against an alternative strategy. A liability benchmark has been calculated showing the lowest risk level of borrowing. 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.

	31/3/25 Actual £m	31/3/26 Forecast £m	31/3/27 Forecast £m	31/3/28 Forecast £m	31/3/29 Forecast £m	31/3/30 Forecast £m	31/3/31 Forecast £m
Loans CFR	1,263.2	1,394.2	1,601.4	1,811.6	2,154.1	2,268.7	2,371.9
less Balance Sheet Resources	(357.1)	(345.7)	(332.8)	(332.8)	(332.8)	(334.8)	(336.3)
Net Loans Requirement	906.1	1,048.4	1,268.6	1,478.8	1,821.3	1,933.9	2,035.5
plus: Liquidity Allowance	30.0	30.0	30.0	30.0	30.0	30.8	31.5
Liability Benchmark	936.1	1,078.4	1,298.6	1,508.8	1,851.3	1,964.7	2,067.0
Existing Borrowing	987.6	986.9	713.6	640.7	571.9	503.6	437.3
New Borrowing Required	0.0	91.6	585.0	868.1	1,279.4	1,461.0	1,629.7

8.4.3 This is shown in the chart below together with the maturity profile of the Council's existing borrowing;



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8.4.4 The Loans CFR line (solid light blue) represents the total cost of the capital expenditure plans based on the estimated profile of the capital investment programme to 2030/2031. This reduces over time as scheduled principal repayments are made to the loans fund. The Net Loans Requirement line (dotted red) 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 line (solid red) 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.

8.4.5 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.

8.5 Prudential Indicator: The Authorised Limit for External Debt.

8.5.1 This represents the maximum limit beyond which borrowing is prohibited. Although this limit is deemed to be affordable in the short-term, it is not desirable or a sustainable level of borrowing for the council and is therefore being set at a level as the maximum allowable in each of the years 2026/2027 through to 2030/2031. The initial level set for 2025/2026 is shown for comparison. The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 provide a statutory backing to the Prudential Code requirement for an authority to set an authorised limit for external debt.

Authorised Limit	2025/26 Initial Limit £m	2026/27 Estimated £m	2027/28 Estimated £m	2028/29 Estimated £m	2029/30 Estimated £m	2030/31 Estimated £m
Gross Borrowing : Loan Debt	1,524.0	1,540.0	1,840.0	2,070.0	2,190.0	2,240.0
Long Term Liabilities	325.0	301.0	300.0	298.0	296.0	290.0
Total External Debt	1,849.0	1,841.0	2,140.0	2,368.0	2,486.0	2,530.0

Table 11 - Authorised Limit 2025/26 to 2030/31

8.6 Prudential Indicator: The Operational Boundary for External Debt.

8.6.1 This indicator is based on the expected maximum external debt during the course of the year; it is not a limit. This operational boundary allows flexibility to borrow, re-invest and undertake debt restructuring during the course of the year. It is therefore possible and acceptable, for actual borrowing to vary around this boundary for short periods during the year.

Operational Boundary	2025/26 Initial Limit £m	2026/27 Estimated £m	2027/28 Estimated £m	2028/29 Estimated £m	2029/30 Estimated £m	2030/31 Estimated £m
Gross Borrowing : Loan Debt	1,474.0	1,350.0	1,580.0	1,950.0	2,070.0	2,170.0
Long Term Liabilities	325.0	295.0	294.0	292.0	290.0	284.0
Total External Debt	1,799.0	1,645.0	1,874.0	2,242.0	2,360.0	2,454.0

Table 12 - Operational Boundary 2025/26 to 2030/31

8.7 Prudential Indicators: Affordability

8.7.1 The previous sections cover the treasury management and overall capital and control of borrowing prudential indicators, but within this framework, prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the overall Council finances. The Council is asked to approve the following affordability indicator.

8.8 Prudential Indicator: The Proportion of Financing Costs to Net Revenue Stream.

8.8.1 Since capital expenditure impacts on the revenue budget through financing charges, the Council needs to ensure that financing costs not only remain affordable but also do not constitute an excessive proportion of the revenue resources available. The proportion of capital financing costs

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to revenue forecasts for the next 5 years are illustrated in Table 13 below showing that the General Services loan charges represent up to 8.34% of the total revenue budget available. The increase in the proportion still remains within prudent levels demonstrating that the capital programme investment appears to be affordable and sustainable.

8.8.2 In noting the percentage on loan charges within the HRA budget, a major element of revenue costs in the Housing Account is the funding support to sustain the substantial investment programme; the other main elements of expenditure being repair costs and management costs. The level of loan charges is acceptable and deemed prudent and affordable within the framework of the Council's 30-year Housing investment plan.

Proportion of Financing Costs to Net Revenue Stream	2026/27 Estimated £m	2027/28 Estimated £m	2028/29 Estimated £m	2029/30 Estimated £m	2030/31 Estimated £m
Total General Fund (GF) Loan Charges	46.5	55.6	68.1	81.0	84.5
Total General Fund Finance Lease / PPP Costs	15.5	14.8	14.5	14.0	13.7
Total General Fund : Capital Financing Costs	62.0	70.4	82.6	95.0	98.2
General Fund : Net Revenue Stream	1,149.2	1,158.4	1,164.7	1,169.4	1,176.7
GF - Proportion of Financing Costs to Net Revenue Stream	5.40%	6.08%	7.10%	8.12%	8.34%
Total Housing Revenue Account (HRA) Loan Charges	45.5	53.0	63.3	71.4	79.3
Total Housing Revenue Account Finance Lease Costs	0.4	0.4	0.3	0.0	0.0
Total HRA : Capital Financing Costs	45.9	53.4	63.6	71.4	79.3
HRA : Net Revenue Stream	184.6	194.5	205.5	215.5	226.9
HRA - Proportion of Financing Costs to Net Revenue Stream	24.87%	27.44%	30.93%	33.14%	34.95%

Table 13 - Proportion of Financing Costs to Net Revenue Stream 2026/27 to 2030/31

8.8.3 The estimated loan charges, PPP and credit arrangement amortisation figures presented within Table 9 above are based on the estimated profile of the Strategic Capital Investment Programme 2024/2025 to 2028/2029, and implementation of the changes to accounting for service concessions as a result of Scottish Government fiscal flexibilities options applied in 2023/2024 and *IFRS16 Leases* in 2024/2025.

8.9 Prudential Indicator: Affordability – Sensitivity Analysis

8.9.1 For the Prudential Indicators relating to affordability, the table within Annex E provides a summary of the sensitivity of the most likely outcomes outlined within the preceding paragraphs provided above to the following movements, all assessed independently of each other:

- (i) a plus or minus 10% change in the capital financing requirement i.e. the level of borrowing undertaken to retain average investment balances and under borrowing position at prudent levels.
- (ii) a plus or minus 50 bps change in the interest rates achievable for new long-term borrowing i.e. ½ percent movement
- (iii) a plus or minus 10% change in the net revenue stream used to calculate the proportion of financing costs to net revenue stream.

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9.0 Policy on Repayment of Loans Fund Advances 2026/2027

- 9.1 The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 (as amended in 2024) within Regulation 13 require the Council to make a loans fund advance equal to the amount of capital expenditure that the Council has determined will be financed by borrowing. The Capital Expenditure definition being that adopted by proper accounting practice, the statutory control framework and the Prudential Code.
- 9.2 Loans fund advances also incorporate grants to third parties on third party assets and loans to third parties where the other party meets the criteria laid out within Part 3 of the Regulations e.g. other local authorities or joint boards.
- 9.3 Accounting for loans fund advances also changed from 1st April 2016. Prudent repayment of loans fund advances are required to be made in line with Scottish Government Statutory Guidance on Loans Fund Accounting (Circular 7/16).
- 9.4 The broad aim of prudent repayment is to ensure that the Council's unfinanced capital expenditure is financed over a period of years which that expenditure is expected to provide a benefit, and that each year's repayment amount is reasonably commensurate with the period and pattern of the benefits. Where a loans fund advance is made for an asset, that period will be the asset's useful life. Where an asset life cannot reasonably be established, the repayment period will not exceed 50 years.
- 9.5 The statutory guidance requires the Council to approve a policy on loans fund repayments each year and it is proposed the Council adopts the following options for calculating prudent repayments in 2026/27.
- 9.6 For pre-existing Loans Fund advances made up to 31st March 2016 and for the most part capital expenditure plans for the period up to and including the 31 March 2021, the Council continued to use Option 1: Statutory Method. This approach taking into account the 5-year transitional period from 31/3/2016 to 31/3/2021 available within the new guidance, during which the current methodology may continue to be selected. The repayment of Loans Fund advances therefore being equal to the annual amount determined in accordance with Schedule 3 of the Local Government (Scotland) Act 1975.
- 9.7 However the Council undertook an initial review of the loans fund advances annuity models in 2021/22 and a review of the initial asset lives adopted and determined it would be prudent to adopt Option 3: Asset Life Method, with the Council applying this option accordingly for 2020/2021. This approach allowed a retrospective review for 'prudent repayment' of all historic loans fund advances outstanding at 31 March 2020 with no distinction made between debt held prior to 31 March 2016 and since the prudent repayment methodology was introduced on 1 April 2016.
- 9.8 Following this initial exercise, a further review was carried out during 2020/2021 in conjunction with Treasury specialists to investigate further adaptations to the repayments policy. Per the report submitted to this Committee on the 26 November 2020 entitled Loans Fund Advance Repayment Policy Review a revised policy was approved.
- 9.9 This included the application of a fixed average life to all loans fund advances, and changes to the annuity rate adopted to calculate loans fund advance repayments, including the retrospective adjustment to the period over which historic loans fund advance repayments can be made and applying this approach to future loans fund advances going forward. The repayment periods and annuity rate can be updated in future years, if deemed prudent to do so, to reflect the changing nature and durability of assets financed by loans fund advances linked to Treasury Management strategy.
- 9.10 The revised Policy resulted in a revised loans fund advance repayment profile, the Council adopting the flexibility within the policy and will consider alternative approaches including reprofiling back to initial advance date. A prudent approach specific to the Council's financial position will be adopted including an assessment of the whole life impact both in nominal and NPV terms of this proposal.
- 9.11 Alternatively if it is determined that it may be prudent to recognise grant funding or other income streams when determining both the period of the repayment and/or the annual repayment of any

Treasury Management Strategy 2026/2027, Treasury Management Indicators and Prudential Indicators 2026/2027 to 2030/2031

loans fund advance, Option 4 Funding/Income profile method will be selected. Some examples of where this income approach may be considered prudent would include the deferred UK and Scottish Government grant support for the City Deal. Therefore, for capital expenditure incurred for specified projects where it is reasonable to link an income /funding stream, the annual repayment of Loans Fund advances may be profiled to reflect the income/funding stream. The Council will keep the income streams under review to ensure the provision for repayment remains prudent and, if required, address any shortfall.

- 9.12 The Statutory Guidance, allows a further option referred to as Option 2: the Depreciation method within the guidance and after due consideration the Council did not adopt this in 2021/2022.
- 9.13 The Council made use of the permitted short-term financial flexibility to defer Loans Fund repayments in 2022/23 which has resulted in higher repayments in the following 20 years.
- 9.14 In accordance with the Statutory Guidance, the Council has outlined within Annex F its commitments in respect of loans fund advance repayments, however these are based on the estimated profile of the Strategic Capital Investment Programme 2024/2025 to 2028/2029 and the implementation of approved loans funds advance repayment policy and service concessions arrangements. Material changes to these estimates/forecasts will be reported during the quarterly Treasury Management Monitoring Process.
- 9.15 In accordance with the statutory guidance the HRA Loans Fund advances and associated annual repayments have been identified separately from that of the General Fund.
- 9.16 Loans Fund advances are not made for credit arrangements such as leases and service concession (PFI/PPP) arrangements, but a statutory charge to revenue similar to a Loans Fund repayment is made to repay the associated debt. Except where flexible arrangements have previously been approved, the charge will be equal to the contractual unitary payment due for the financial year after deducting (a) those amounts which have been already charged to revenue such as interest and (b) actual or prepaid lifecycle replacement costs.

Treasury Management Policy Statement & Clauses adopted

The Treasury Management Policy Statement adopted by North Lanarkshire Council:

1. The Council defines its Treasury Management activities as:

“The management of the organisation’s borrowing investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council and any financial instruments entered into to manage these risks.
3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
4. The Council adopts a high-level approach to setting policies for borrowing and investment activity having in place an appropriate scheme of delegation and ensuring all staff employed in Treasury Management have the suitable skills and resources to carry out delegated treasury management activities effectively, efficiently and achieving value for money.

CIPFA Treasury Management code clauses formally adopted by North Lanarkshire Council:

1. This Council will create and maintain, as the cornerstones for effective treasury management:
 - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
 - Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
2. The Council will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
3. The Council delegates responsibility for the development of the Treasury Management Strategy and implementation and monitoring of its treasury management policies and practices to the Finance and Resources Committee and for the execution and administration of treasury management decisions to the Chief Officer (Finance), who will act in accordance with the Council's Treasury Policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
4. The Audit and Scrutiny Panel will be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies as part of its work on reviewing the internal financial controls of the Council.
5. In accordance with The Local Government Investments (Scotland) Regulations 2010, the Council is responsible for the approval of the Annual Investment Strategy and Annual Investment Report.

Explanation of Long-Term Rating Definitions

Type of Rating	Rating	Explanation
Fitch – long-term	AAA	Indicates exceptionally <i>strong</i> capacity for timely payment of financial commitments and this capacity is highly unlikely to be adversely affected by foreseeable events.
	AA-	Indicates very <i>strong</i> capacity for timely payment of financial commitments and this capacity is not significantly vulnerable to foreseeable events.
	A-	Indicates <i>strong</i> capacity for timely payment of financial commitments. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.
	BBB	Indicates an <i>adequate</i> capacity for timely payment of financial commitments but adverse business or economic conditions more likely to impair this capacity.
Moody's – long-term	Aaa	Offer <i>excellent</i> credit quality, with susceptibility to long-term risks that are mostly unlikely to materially impair the banks strong position.
	Aa	Offer <i>excellent</i> credit quality, with susceptibility to long-term risks with a vulnerability to greater fluctuations within protective elements.
	A	Offer <i>excellent</i> credit quality, but elements suggest a susceptibility to impairment over the long-term.
	Baa	Rated as <i>medium</i> grade, with some speculative elements and moderate credit risk.
Standard & Poor's - long-term	AAA	Indicates extremely <i>strong</i> capacity for timely payment of financial commitments
	AA-	Indicates very <i>strong</i> capacity for timely payment of financial commitments
	A-	Indicates <i>strong</i> capacity for timely payment of financial commitments This capacity may, nevertheless, be more susceptible to the adverse effects of changes in circumstances or in economic conditions than is the case for higher rated category.
	BBB	Indicates an <i>adequate</i> capacity for timely payment of financial commitments but adverse business or economic conditions more likely to impair this capacity.

Permitted Investments, Associated Controls, Credit Rating, Money and Time Limits

Type of Investment	Treasury Management Risks	Mitigating Controls	Credit Rating		Money Limits	Time Limits
a. Deposits with the Debt Management Account Facility (UK Government).	Deposit with the UK Government and as such credit/counterparty and liquidity risk is very low, and there is no market risk to the principal sum.	Little mitigating controls required as this is a UK Government investment. The monetary limit is unlimited to allow for a safe haven for investments. The sovereign rating is monitored with the impact of any changes to this sovereign rating evaluated and removal of the investment from the permitted list if necessary.	Long-term rating	n/a	No limit	up to a max of 364 days
b. Deposits with other local authorities or public bodies	Quasi UK Government debt and as such credit/counterparty risk is very low, and there is no market risk to principal sum. Liquidity may present a problem as deposits can only be broken with the agreement of the counterparty, and penalties can apply.	Little mitigating controls required for local authority deposits, as this is a quasi-UK Government investment. The sovereign rating is monitored with the impact of any changes to this sovereign rating evaluated and removal of the investment from the permitted list if necessary.	Long-term rating	n/a	£20m	Up to a max period of 3 years
c. Instant Access Accounts	These tend to be low risk investments but will exhibit higher risks than categories (a) and (b) above. These investments are subject to risk of loss via bail-in should the regulator determine that the bank is failing or likely to fail.	Lending will be restricted to those counterparties meeting the credit rating criteria with the selection defaulting to the lowest available credit rating to provide additional risk control measures. Assessment of credit worthiness will be further strengthened by the use of additional market intelligence including credit default swaps, sovereign support and share price data.	Long-term rating	Above or equal to A- or equivalent	£20m	Daily access if required
				BBB or equivalent	£10m	

Permitted Investments, Associated Controls, Credit Rating, Money and Time Limits

Type of Investment	Treasury Management Risks	Mitigating Controls	Credit Rating		Money Limits	Time Limits
d. Call Accounts	<p>These tend to be low risk investments but will exhibit higher risks than categories (a) to (c) above. With this type of investment liquidity can be low or high, determined by the call account facility adopted e.g. 35 days. Call deposits can only be broken with the agreement of the counterparty, and penalties may apply.</p> <p>These investments are subject to risk of loss via bail-in should the regulator determine that the bank is failing or likely to fail.</p>	<p>Lending will be restricted to those counterparties meeting the credit rating criteria with the selection defaulting to the lowest available credit rating to provide additional risk control measures. Assessment of credit worthiness will be further strengthened by the use of additional market intelligence including credit default swaps, sovereign support and share price data.</p>	Long-term rating	Above or equal to A- or equivalent	£20m	up to a max of 364 days
				BBB or equivalent	£10m	up to a max of 30 days.
e. Term Deposits	<p>These tend to be low risk investments but will exhibit higher risks than categories (a) to (d) above. With this type of investment, liquidity is low, and term deposits can only be broken with the agreement of the counterparty, and penalties may apply.</p> <p>These investments are subject to risk of loss via bail-in should the regulator determine that the bank is failing or likely to fail.</p>	<p>Lending will be restricted to those counterparties meeting the credit rating criteria with the selection defaulting to the lowest available credit rating to provide additional risk control measures. Assessment of credit worthiness will be further strengthened by the use of additional market intelligence including credit default swaps, sovereign support and share price data.</p>	Long-term rating	Above or equal to A- or equivalent	£20m	up to a max of 364 days.
				BBB or equivalent	£10m	up to a max of 30 days.

Permitted Investments, Associated Controls, Credit Rating, Money and Time Limits

Type of Investment	Treasury Management Risks	Mitigating Controls	Credit Rating		Money Limits	Time Limits
f. Money Market Funds (MMFs)	<p>The Council is no longer guaranteed preservation of capital i.e. for every £1 of principal invested the fund will no longer guarantee a return £1 of principal on withdrawal.</p> <p>However the day to day operation of LVNAV funds is very similar and has many of the attractive features of the former Constant Net Asset Value (CNAV) fund and the probability of the price changing and loss of capital, within the boundaries set for price changes i.e. “the collar”, is widely regarded as de minimis.</p>	<p>Two types of funds are available to the Council</p> <ul style="list-style-type: none"> • a Public Debt CNAV (assets invested in government debt); and • a ‘Low Volatility NAV’ (LVNAV) <p>The Council will not use Variable NAV Funds.</p> <p>Assessment of credit worthiness will be underpinned by additional market intelligence including credit default swaps, sovereign support and share price data and information regularly received from the Council’s Treasury Advisors Arlingclose Ltd.</p>	Long-term rating	n/a	£10m per MMF fund up to a max of £60m in total or 0.5% of fund size.	Daily access if required
g. Instant Access Funds held with Council’s own bankers	<p>These tend to be low risk investments but will exhibit higher risks than categories (a), (b) and (c) above.</p> <p>These investments are subject to risk of loss via bail-in should the regulator determine that the bank is failing or likely to fail.</p>	<p>If the council’s own bankers fail to meet the credit rating criteria per c) above, for operational purposes limited funds may be held within this account but the Council will ensure funds kept at the lowest levels manageable</p>	Long-term rating	n/a	n/a	Overnight basis only

Permitted Investments, Associated Controls, Credit Rating, Money and Time Limits

Type of Investment	Treasury Management Risks	Mitigating Controls	Credit Rating		Money Limits	Time Limits
h. Government Gilts and Treasury Bills	These are marketable securities issued by the UK Government and as such counterparty and liquidity risk is very low, although there is potential risk to the market value arising from an adverse movement in interest rates (no loss if these are held to maturity).	<p>Little mitigating controls required as this is a UK Government investment. The monetary limit is unlimited to allow for a safe haven for investments. Any changes to the sovereign rating is evaluated and the removal of this type of investment from the permitted list if necessary. Assessment of credit worthiness will be further strengthened by additional market intelligence including credit default swaps, sovereign support and share price data.</p> <p>Cashflow management tools will endeavour to ensure that this type of investment is held until maturity to limit market risk.</p>	Long-term rating	n/a	No limit	Up to a max period of 5 years
i. Supranational Bonds	These are bonds issued by institutions such as the European Investment Bank (EIB) and the World Bank as such counterparty and liquidity risk is very low, although there is potential market risk to principal amount arising from an adverse movement in interest rates (no loss if these are held to maturity).	<p>Lending restricted to those meeting credit rating criteria. Assessment of credit worthiness will be further strengthened by the use of additional market intelligence including credit default swaps, sovereign support and share price data.</p> <p>Cashflow management tools will endeavour to ensure that this type of investment is held until maturity to limit market risk</p>	Long-term rating	A- or equivalent	£20m	max period of 5 years.

Permitted Investments, Associated Controls, Credit Rating, Money and Time Limits

Type of Investment	Treasury Management Risks	Mitigating Controls	Credit Rating		Money Limits	Time Limits
j. Certificates of deposits with financial institutions	These are short dated marketable securities issued by financial institutions and as such counterparty risk is low but will exhibit higher risks than categories (a) to (h) above. There is risk to value of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates. Liquidity risk will normally be low.	Lending will be restricted to those counterparties meeting the credit rating criteria with the selection defaulting to the lowest available credit rating to provide additional risk control measures. Assessment of credit worthiness will be further strengthened by the use of additional market intelligence including credit default swaps, sovereign support and share price data.	Long-term rating	A- or equivalent	£20m	Up to a max period of 364 days.
k. Covered Bonds	These are bonds issued by financial institutions and guaranteed by a group company that holds mortgage assets. There is risk of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates. Liquidity risk will normally be low as highly liquid market. These investments are exempt from the bail-in provisions should the regulator determine that the bank is failing or likely to fail.	These investments are secured on the borrower's assets up to a value of 125% of the principal amount which limits the potential losses in the event of default. Process in place to monitor the value of the cover arrangements throughout the bond term. i.e. value of assets providing security Bonds will be restricted to those meeting credit rating criteria. Assessment of credit worthiness will be further strengthened by the use of additional market intelligence including credit default swaps, sovereign support and share price data. Cashflow management tools will endeavour to ensure that this type of investment is held until maturity to limit market risk.	Long-term rating	A- or equivalent (Criteria required for the covered bond.)	£20m	Up to 5 years.
				BBB or equivalent (Criteria required for the covered bond.)	£10m	Up to 6 months.

Permitted Investments, Associated Controls, Credit Rating, Money and Time Limits

Type of Investment	Treasury Management Risks	Mitigating Controls	Credit Rating		Money Limits	Time Limits
<p>I. Reverse repurchase agreements and other collateralised arrangements</p>	<p>These are bonds issued by financial institutions with collateral provided by the lender to the Council by transferring the custody and title to bonds or other investment securities valued at a price above par e.g. 105% of the principal amount. There is risk of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates. Liquidity risk will normally be low as highly liquid market.</p> <p>These investments are exempt from the bail-in provisions should the regulator determine that the bank is failing or likely to fail.</p>	<p>These investments are secured by the borrower giving the Council custody and title to marketable securities valued above par that will be retained in the event of default</p> <p>Process in place to monitor the value of the collateral in place throughout the bond term to ensure adequate cover.</p> <p>Collateral arrangements will be restricted to those meeting credit rating criteria.</p> <p>Assessment of credit worthiness will be further strengthened by the use of additional market intelligence including credit default swaps, sovereign support and share price data.</p> <p>Cashflow management tools will endeavour to ensure that this type of investment is held until maturity to limit market risk</p>	<p>Long-term rating</p>	<p>A- or equivalent (Criteria required for collateral arrangement)</p>	<p>£20m</p>	<p>Up to 5 years.</p>
				<p>BBB or equivalent (Criteria required for the collateral)</p>	<p>£10m</p>	<p>Up to 6 months.</p>

Permitted Investments, Associated Controls, Credit Rating, Money and Time Limits

Type of Investment	Treasury Management Risks	Mitigating Controls	Credit Rating	Money Limits	Time Limits
m. Investment properties	These are non-service properties which are being held pending disposal or for a longer-term rental income stream. These are highly illiquid assets with high risk to value (the potential for property prices to fall or for rental voids). Funding for this type of investment must be met from revenue & balances as borrowing to on-lend for this purpose is prohibited per Scottish Government Investment guidance.	In larger investment portfolios some small allocation of property-based investment may counterbalance or compliment the wider cash portfolio. Property holding will be re-valued regularly and reported annually with gross and net rental streams. Strategy/Policy driven subject to scrutiny by Chief Officer (Finance and Technology).	n/a	Policy Driven	Policy Driven,
n. Loans to third parties including soft loans	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid. Funding for this type of investment must be met from revenue & balances as borrowing to on-lend for this purpose is prohibited per Scottish Government Investment guidance.	Prior to awarding loans to a third party the Service Strategy/Policy decision to award this type of loan/loans must be subject to scrutiny and approval by the Chief Officer (Finance and Technology). Full detail of the service rationale behind awarding the loan and the likelihood of partial or full default must be assessed.	n/a	Policy Driven	Policy Driven,
o. Loans to a local authority company	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid. Funding for this type of investment must be met from revenue & balances as borrowing to on-lend for this purpose is prohibited per Scottish Government Investment guidance.	Prior to awarding loans to a local authority company, the Service Strategy/Policy decision to award this type of loan/loans must be subject to scrutiny and approval by the Chief Officer (Finance and Technology). Full detail of the service rationale behind awarding the loan and the likelihood of partial or full default must be assessed.	n/a	Policy Driven	Policy Driven,

Permitted Investments, Associated Controls, Credit Rating, Money and Time Limits

Type of Investment	Treasury Management Risks	Mitigating Controls	Credit Rating	Money Limits	Time Limits
p. Shareholdings in a local authority company	These are service investments which may exhibit market risk and are likely to be highly illiquid. Funding for this type of investment must be met from revenue & balances as borrowing to on-lend for this purpose is prohibited per Scottish Government Investment guidance.	Each equity investment in a local authority company requires member approval and each application will be supported by the service rationale behind the investment and the likelihood of loss. Service Strategy/Policy driven subject to scrutiny by Chief Officer (Finance and Technology).	n/a	Policy Driven	Policy Driven
q. Non-local authority shareholdings	These are non-service investments which may exhibit market risk, be only considered for longer term investments and will be likely to be liquid. Funding for this type of investment must be met from revenue & balances as borrowing to on-lend for this purpose is prohibited per Scottish Government Investment guidance.	Any non-service equity investment will require separate Member approval, and each application will be supported by the service rationale behind the investment and the likelihood of loss. Service Strategy/Policy driven subject to scrutiny by Chief Officer (Finance and Technology)	n/a	Policy Driven	Policy Driven

Permitted Investments, Associated Controls, Credit Rating, Money and Time Limits

Type of Investment	Treasury Management Risks	Mitigating Controls	Credit Rating	Money Limits	Time Limits
r. Subordinated debt in projects delivered via 'Hubco/DBFM' model	<p>The 'Hubco/DBFM' delivery model fails to meet its' contractual obligations resulting in failure to repay the principal sum invested.</p> <p>The cash forming part of the Council's reserves and balances is required during the term of the investment as the type of investment is highly illiquid.</p> <p>Fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances against which the Council has failed to protect itself adequately.</p>	<p>The Council must assess the merits of each individual subordinated debt investment opportunity via the 'Hubco/DBFM' model prior to investing, carrying out a full risk/benefit analysis. Employ efficient cashflow management and forecasting tools including annual balance sheet analysis.</p> <p>Set a cap on the level of long-term investments of this nature i.e. to avoid cash reserves being fully extinguished resulting in future non-compliance with 'borrowing to on lend' restrictions. Implement Long term Financial Plans which are robust including the setting of contingencies and cash backed reserves at levels to leave prudent headroom to cater for long term cash commitments. Where possible consider selling subordinated debt to a secondary market provider.</p> <p>For investments in subordinated debt for projects delivered via the 'Hubco' model the rate of return is fixed over the term of the investment and in normal circumstances will not vary.</p>	n/a	£1.5m per project	Up to 30 years

Interest Rate Forecast March 2026 until December 2028 (Source: Arlingclose Ltd December 2025)

Central Forecast	2026				2027				2028			
	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec
Official Bank Rate*	3.50%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
3-mth MM Rate**	3.55%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.35%	3.35%	3.35%
1-yr LIBID												
5-yr PWLB***	4.65%	4.60%	4.55%	4.55%	4.55%	4.55%	4.55%	4.55%	4.55%	4.60%	4.60%	4.60%
10-yr PWLB	5.20%	5.15%	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%	5.15%	5.15%	5.15%
20-yr PWLB	5.80%	5.75%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.75%	5.75%	5.75%
50-yr PWLB	5.45%	5.40%	5.25%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%	5.45%	5.45%	5.45%

*Official Bank rate: (also called the Bank of England base rate or BOEBR) is the interest rate that the Bank of England charges Banks for secured overnight lending.

**MM: the short term readily available from banks and building societies and similar financial organisations

***PWLB: Public Works Loan Board

SENSITIVITY ANALYSIS OF PRUDENTIAL INDICATORS: AFFORDABILITY 2026/27 to 2030/31

- (i) a plus or minus 10% change in the capital financing requirement i.e the level of borrowing undertaken to retain average investment balances and under borrowing at prudent levels

<u>Prudential Indicators : Affordability</u>	<u>CFR Movement</u>	<u>26/27</u>	<u>27/28</u>	<u>28/29</u>	<u>29/30</u>	<u>30/31</u>
		£m	£m	£m	£m	£m
Total Composite Capital Financing Costs	+10%	62.41	71.55	84.83	98.31	101.71
	No Change	62.04	70.40	82.65	95.01	98.16
	-10%	61.67	69.26	80.46	91.69	94.60
Total HRA Capital Financing Costs	+10%	46.21	54.49	65.62	74.20	82.93
	No Change	45.91	53.37	63.56	71.40	79.30
	-10%	45.61	52.25	61.49	68.59	75.67
General Fund : Ratio of financing costs to net revenue stream	+10%	5.43%	6.18%	7.28%	8.41%	8.64%
	No Change	5.40%	6.08%	7.10%	8.12%	8.34%
	-10%	5.37%	5.98%	6.91%	7.84%	8.04%
HRA : Ratio of financing costs to net revenue stream	+10%	25.04%	28.01%	31.94%	34.44%	36.55%
	No Change	24.87%	27.44%	30.93%	33.14%	34.95%
	-10%	24.71%	26.86%	29.93%	31.83%	33.35%

SENSITIVITY ANALYSIS OF PRUDENTIAL INDICATORS: AFFORDABILITY 2026/27 to 2030/31

(ii) a plus or minus 50bps change in the interest rates achievable for new long-term borrowing i.e. 1/2 per cent movement

Prudential Indicators : Affordability	Interest Rate	26/27	27/28	28/29	29/30	30/31
	Movement					
		£m	£m	£m	£m	£m
Total Composite Capital Financing Costs	+50bps	63.29	72.11	85.30	98.47	101.97
	No Change	62.04	70.40	82.65	95.01	98.16
	-50bps	60.78	68.70	80.01	91.56	94.37
Total HRA Capital Financing Costs	+50bps	46.93	54.80	65.78	74.18	82.60
	No Change	45.91	53.37	63.56	71.40	79.30
	-50bps	44.89	51.95	61.34	68.63	76.03
General Fund : Ratio of financing costs to net revenue stream	+50bps	5.51%	6.23%	7.32%	8.42%	8.67%
	No Change	5.40%	6.08%	7.10%	8.12%	8.34%
	-50bps	5.29%	5.93%	6.87%	7.83%	8.02%
HRA : Ratio of financing costs to net revenue stream	+50bps	25.43%	28.17%	32.01%	34.43%	36.40%
	No Change	24.87%	27.44%	30.93%	33.14%	34.95%
	-50bps	24.32%	26.70%	29.86%	31.85%	33.51%

SENSITIVITY ANALYSIS OF PRUDENTIAL INDICATORS: AFFORDABILITY 2026/27 to 2030/31

(iii) a plus or minus 10% change in the net revenue stream used to calculate the proportion of financing costs to net revenue

<u>Prudential Indicators : Affordability</u>	<u>Movement in</u>					
	<u>Net Revenue</u>	<u>26/27</u>	<u>27/28</u>	<u>28/29</u>	<u>29/30</u>	<u>30/31</u>
	<u>Steam</u>					
General Fund : Ratio of financing costs to net revenue stream	+10%	4.91%	5.53%	6.45%	7.39%	7.58%
	No Change	5.40%	6.08%	7.10%	8.12%	8.34%
	-10%	6.00%	6.75%	7.88%	9.03%	9.27%
HRA : Ratio of financing costs to net revenue stream	+10%	22.61%	24.94%	28.12%	30.12%	31.77%
	No Change	24.87%	27.44%	30.93%	33.14%	34.95%
	-10%	27.64%	30.49%	34.37%	36.82%	38.83%

LOANS FUND REPAYMENT SCHEDULE

	Composite Estimated Loans Fund Pool Open Balance	HRA Estimated Loans Fund Pool Open Balance	Total
Loans Fund Repayments Schedules			
	£m	£m	£m
Estimated Loans Fund Pool Open Balance	765.4	628.7	1,394.2
Estimated New Advances 26/27	114.4	122.0	236.4
Estimated New Advances 27/28	128.3	113.9	242.2
Estimated New Advances 28/29	228.5	150.4	378.9
Estimated New Advances 29/30	34.4	121.9	156.3
Estimated New Advances 30/31	17.2	131.7	148.9
Total Debt Repayments Due	1,288.3	1,268.6	2,556.8
Scheduled Debt Amortisation	Composite	HRA	Total
	£m	£m	£m
Within 1 year	(13.5)	(15.6)	(29.1)
Within 2 to 5 years	(74.5)	(81.4)	(155.9)
within 5 to 10 years	(127.3)	(147.8)	(275.1)
within 10 to 15 years	(159.7)	(178.7)	(338.4)
within 15 to 20 years	(188.9)	(177.3)	(366.2)
within 20 to 25 years	(199.4)	(191.3)	(390.7)
within 25 to 30 years	(168.8)	(200.5)	(369.3)
within 30 to 35 years	(163.5)	(159.9)	(323.4)
within 35 to 40 years	(138.6)	(80.1)	(218.7)
within 40 to 45 years	(54.1)	(35.9)	(90.0)
within 45 to 50 years	0.0	0.0	0.0
	(1,288.3)	(1,268.6)	(2,556.8)

COMMITTEE QUESTIONS LOG CYCLE 1 2026

Committee	Cycle	Date	Item and Title	Question	Responsible Officer	Answer	Status	Reported to Council Date
Adult Care and Social Work	Cycle 4 - 2025	11 November 2025	3 - Care Academy Update	Can examples of bespoke recruitment campaigns be provided to Members of Committee? (Councillor Jones)	Chief Officer (Planning, Performance and Quality Assurance)	Response being worked on and will be sent to Members of the Committee in due course. Will be included within the Committee Questions Log for Cycle 2 2026	Incomplete	02 April 2026
Council	Cycle 4 - 2025	18 December 2025	4 - Membership of the Convention of Scottish Local Authorities (COSLA)	Can clarity be sought on whether the 2021 Cosla Constitution amended the membership of the political balance for Local Government?	Chief Officer (Legal and Democratic)	Councillors Further to the action arising from the meeting of Full Council on 18 December, clarification has been sought regarding whether the 2021 COSLA Constitution introduced any amendment to the arrangements governing political balance within Local Government representation. I can confirm that the current COSLA Constitution, approved on 21 November 2021, stipulates that the appointment of Member Council representatives to the COSLA Convention should be made "on a basis which reflects the balance of party group strength within each Member Council." This provision is not new. The same wording is contained within the preceding 2017 COSLA Constitution and is also consistent with guidance issued by COSLA in May 1999. As such, there has been no substantive change in this aspect of the constitutional framework in the 2021 revision. I trust this provides the necessary clarification. Please do not hesitate to get in touch should you require any further detail.	Complete	02 April 2026
Council	Cycle 4 - 2025	18 December 2025	8 - Aquatec	Can Shotts Leisure Centre be included within the comparable wet and dry information and further information to be circulated. (Councillor A. Stubbs)	Depute Chief Executive / Chief Officer (Community Operations)	An updated report to the Communities Committee - Aquatec Report Communities Committee 9th February, answered the question raised.	Complete	02 April 2026
Council	Cycle 4 - 2025	18 December 2025	8 - Aquatec	Can the footfall for the Aquatec and Ravenscaig be reviewed and provided to Elected Members. (Councillor A. Stubbs)	Depute Chief Executive / Chief Officer (Community Operations)	An updated report to the Communities Committee - Aquatec Report Communities Committee 9th February, answered the question raised.	Complete	02 April 2026
Council	Cycle 4 - 2025	18 December 2025	8 - Aquatec	Can dates of when Aquatec has been temporarily closed from July 2025 to be confirmed. (Councillor Thomas)	Depute Chief Executive / Chief Officer (Community Operations)	An updated report to the Communities Committee - Aquatec Report Communities Committee 9th February, answered the question raised.	Complete	02 April 2026
Communities	Cycle 1 - 2026	09 February 2026	6 - Grant Award Programme (GAP) 2026-2027	"For those organisations with a nil award, how many organisations had asked for feedback?" (Councillor Goldie)	Interim Chief Officer (Strategy and Engagement)	There has been no contact from any of the organisations who received a NIL award at this point. However, for noting, official letters have still to be issued, and this may prompt feedback enquiries. Letters should be issued in the next few weeks.	Complete	02 April 2026
Environment and Climate Change	Cycle 1 - 2026	11 February 2026	2 - Final Update Report on Vape Recycling	How do we measure the effectiveness of social media posts highlighting risks and importance of disposing of vapes? (Councillor Goldie)	Interim Chief Officer (Strategy and Engagement)	<u>Response - Environment and Climate Change Committee - There are a number of ways that we measure the effectiveness of social media but largely it's around engagement. This would include the number of views, likes/reactions, shares, comments, which indicate that the audience is engaging with content. Conversion rates also indicate interactive engagement, such as click-throughs on links to webpages. An overview of recent activity (which is only organic currently), can be found below, with one post generating 41 click-throughs to the webpage, which is very positive. The team, at the request of the service, is also using materials from the Recycle Your Electricals campaign, which is the UK-wide campaign to encourage and make it easier for everyone to reuse and recycle unwanted electricals, rather than throwing them away or hoarding them. By doing this, we are using recognised marketing materials that may get more cut-through and engagement. In terms of uptake of drop-off points at HWRCs, we will be asking to track usage and Trading Standards is working with retailers to ensure they provide recycling points. There is a general anecdotal feeling from the service that litter has reduced, due to the ban on disposable vapes. Corporate Communications is also exploring producing a video aimed at young people for further engagement on appropriate channels.</u>	Complete	02 April 2026
Environment and Climate Change	Cycle 1 - 2026	11 February 2026	3 - Scottish Illegal Tobacco Team Hosted by North Lanarkshire Council Trading Standards	Where does the money seized as penalties go to? (Councillor Thomas)	Chief Officer (Community Operations)	It is my understanding that the money raised by HMRC penalties is used to help support various government services and initiatives, and that it is considered essential for boosting the funding of community services such as health care, education, and social security. Whilst the monies are collected centrally at a UK level, consequential Barnett formula funding will in turn be allocated to the devolved administrations, including in Scotland.	Complete	02 April 2026
Housing	Cycle 1 - 2026	18 February 2026	12 - Enterprise and Communities Capital Monitoring Report	Can a breakdown of the sources of the external funding of £7.48m be provided to Committee Members (Councillor Robinson)	Chief Officer (Finance and Technology)	The period 10 report advises that the E&C budget includes net additional External Funding of £7.148m since the budget was approved in March 2025. The table provides a breakdown of the £7.148m based on funding source with some examples of what the funding can/s being used for. For context, the table also provides the overall external funding total contained in the E&C programme at period 10. (Table also included as per the response on 6/3/2026)	Complete	02 April 2026
Housing	Cycle 1 - 2026	18 February 2026	12 - Enterprise and Communities Capital Monitoring Report	Can you confirm the funeral route to the new Pather cemetery (Councillor Burgess)	Chief Officer (Place)	The funeral route to Pather Cemetery will be as follows:- Caledonian Road, Tarbert Avenue, Rannoch Drive. (A survey of existing traffic management installations (road humps) will have to be undertaken in the short term to ensure conformity and regularity.) Dimsdale Road is not suitable due as this would require the Service to acquire the railway bridge from Network Rail and spend significant resources on improving it.	Complete	02 April 2026
Housing	Cycle 1 - 2026	18 February 2026	12 - Enterprise and Communities Capital Monitoring Report	Can details be provided regarding which project the ecological mitigation requirements underspend relates to (Councillor Nolan)	Chief Officer (Place)	This relates to the Glenboig Link Road and is a contingency budget that was kept within the programme budget should any additional ecological mitigation work be required.	Complete	02 April 2026
Housing	Cycle 1 - 2026	18 February 2026	17 - New Housing Supply Programme - Procurement Update	Can a breakdown of the house type for the 35 units at Newton Drive, Newmains be provided (Councillor A. Stubbs)	Chief Officer (Place)	A) Schedule of accommodation below: •Mainstream house (3A/4P) - 8 x 2-bed •Mainstream house (4A/5P) - 4 x 3-bed •Mainstream house (4A/6P) - 2 x 3-bed •Wheelchair house (5A/7P) - 1 x 4-bed •Amenity bungalow (3A/4P) - 6 x 2-bed •Amenity cottage flats (3A/4P) - 4 x 2-bed •Amenity cottage flats (2A/2P) - 4 x 1-bed •Amenity cottage flats (2A/2P & 3A/3P) - 2 x 1-bed (Ground Floor W/C) 2 x 2-bed (Upper Floor)	Complete	02 April 2026
Housing	Cycle 1 - 2026	18 February 2026	17 - New Housing Supply Programme - Procurement Update	Can a breakdown of the demolition costs for the Bank Street, Coatbridge project be provided (Councillor A. Stubbs)	Chief Officer (Place)	Breakdown of costs as follows: •Final value of demolition contract = £141,024.93 •Open Reach disconnection = £2,333.61 •SGN disconnection = £1,980.00 •SPEN disconnection = £1,131.58 •Street Lighting = £825.68 •Network Rail = £3,406.29	Complete	02 April 2026

Adult Care and Social Work	Cycle 1 - 2026	24 February 2026	3 - Audit Scotland's report into Community Health and Social Care: Performance 2025	In relation to the percentage delayed discharge reasons, can the figures and the impact be provided (Cllr Barclay)	Chief Officer (North Lanarkshire HSCP) / Chief Officer (Performance, Planning & Quality Assurance)	Please find attached the delayed discharge information, as per your request at Adult Care and Social Work Committee on 24 February 2026. The attached includes the Scotland position (as published in the report) and the North Lanarkshire position, using the same source data. Sent 10 March 2026	Complete	02 April 2026
Adult Care and Social Work	Cycle 1 - 2026	24 February 2026	3 - Audit Scotland's report into Community Health and Social Care: Performance 2025	Can percentage figures of the number of Power of Attorney be advised (Cllr Barclay)	Chief Officer (North Lanarkshire HSCP) / Chief Officer (Performance, Planning & Quality Assurance)	We don't hold data on Power of Attorney.	Complete	02 April 2026
Education, Children and Families	Cycle 1 - 2026	03 March 2026	5 - Strengthening Inclusion – Next Steps	Do you have the number of teachers who work between ASN schools and mainstream schools? (Cllr Barclay)	Chief Officer (Education - South)	Excel document circulated on 10 March 2026 - ASN LCSC Headcount.	Complete	02 April 2026
Education, Children and Families	Cycle 1 - 2026	03 March 2026	5 - Strengthening Inclusion – Next Steps	Can a comparison of the Council's percentage of 40.9 % be provided against other Scottish Local Authorities? (Councillor Burgess)	Chief Officer (Education - South)	Email circulated 10 March 2026 - Percentage of total school roll within ASN by LA 2024	Complete	02 April 2026
Education, Children and Families	Cycle 1 - 2026	03 March 2026	11 - Contract Award Report for the Framework Agreement for Ad-Hoc Minibus & Coach Hire	Can confirmation be advised on how organisations are accredited as a Living Wage Employer? (Cllr Barclay)	Chief Officer (Community Operations)	The living wage foundation website sets out the process for organisations to become living wage accredited. Please see website - Accreditation Living Wage Foundation Please note that the council's general policy on "the Payment of a Living Wage" is contained within section 9.6 of the Procurement Strategy 2026/27 (This was approved at Finance and Resources Committee on 04 March 2026 and shall be updated to the Council website shortly: Key Procurement documents North Lanarkshire Council)	Complete	02 April 2026
Audit and Scrutiny	Cycle 1 - 2026	05 March 2026	9 - Internal Audit: Progress Report	Can you clarify how many volunteers require/already have PVG's and how these will be recorded internally and the arrangements to be put in place to ensure records are and remain up to date (Cllr Robinson)	Chief Officer (Education - North) and Chief Officer (People Resources)	The Service considered the implications of the updated PVG legislation and guidance per a report submitted to E&F SMT on 4 March 2026. Following these discussions a number of immediate and longer term actions were agreed. In regard to managing the PVG backlog agreement has been reached with HR to administer these applications on behalf of the Service. E&F and HR staff will work together to help prioritise the order in which the applications will be processed. Following the change in legislation the Service has received circa 235 PVG applications of which approximately 85 are from exam invigilators. The Service has also confirmed updates on the number of PVG applications will be submitted to the monthly SMT meeting until the backlog is cleared. Going forward the Service has also agreed to convene a short life working group with the aim of producing a PVG policy/guidance document which can be shared with schools and other E&F staff who engage with volunteers or external partners. This policy/guidance document will be finalised prior to the commencement of the 2026/27 academic year. The Service has also agreed to train internal HQ staff to allow them to process and authorise PVG applications, and similarly it is the intention that these staff will be able to take on this role from the start of the 2026/27 academic year.	Complete	02 April 2026