

Agenda



HYNDBURN
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Cabinet

Wednesday, 10 September 2025 at 5.00 pm,
QER, Scaitcliffe House, Ormerod Street, Accrington

Membership

Chair: Councillor Munsif Dad BEM JP (in the Chair)

Councillors Vanessa Alexander, Scott Brerton, Stewart Eaves, Melissa Fisher, Clare Pritchard, Ethan Rawcliffe and Kimberley Whitehead

A G E N D A

PART A: PROCEDURAL AND INFORMATION ITEMS

1. **Apologies for Absence**

2. **Declarations of Interest and Dispensations**

3. **Minutes of Cabinet** (Pages 3 - 28)

To approve the Minutes of the meeting of Cabinet held on 30th July 2025.

PART B: PORTFOLIO ITEMS

4. **Reports of Cabinet Members**



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Published on Tuesday, 2 September 2025

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To receive verbal reports from each of the Portfolio Holders, as appropriate.

Portfolio Holder for Resources and Council Operations (Councillor Vanessa Alexander)

5. **Process for the Development of the Revenue and Capital Budgets for 2026/2027**
(Pages 29 - 40)

Report attached.

PART C: EXEMPT ITEMS

6. **Exclusion of the Public**

Recommended That, in accordance with Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during the following items, when it is likely, in view of the nature of the proceedings that there will otherwise be disclosure of exempt information within the Paragraphs of Schedule 12A of the Local Government Act 1972 specified at the items.

Details of any representations received by the Executive about why the following report should be considered in public – none received.

Statement in response to any representations – not required.

Leader of the Council (Councillor Munsif Dad BEM JP)

7. **Telecommunications Mast at Harvey Street Oswaldtwistle** (Pages 41 - 48)

In accordance with Regulation 5(6)(a) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, approval is being sought from Councillor Stephen Button, Chair of the Communities and Wellbeing Overview and Scrutiny Committee, to the following decision being made by Cabinet on 10th September 2025, in private, on the grounds that the decision is urgent and cannot reasonably be deferred.

Exempt information by virtue of Paragraph 5 – Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

Report attached.

CABINET

Wednesday, 30th July, 2025

Present: Councillor Munsif Dad BEM JP (in the Chair), Councillors Scott Brerton, Stewart Eaves, Melissa Fisher and Clare Pritchard

In Attendance: Councillors Danny Cassidy, Zak Khan and Kath Pratt

Apologies: Councillors Vanessa Alexander and Ethan Rawcliffe

The Leader of the Council reported that Agenda Item 13 had been withdrawn

110 Apologies for Absence

Apologies for absence were submitted on behalf of Councillors Vanessa Alexander and Ethan Rawcliffe.

111 Declarations of Interest and Dispensations

There were no declarations of interest or dispensations made on this occasion.

112 Minutes of Cabinet

The minutes of the meeting of Cabinet held on 18th June 2025 were submitted for approval as a correct record.

In respect of Minute 44 – Minutes of Cabinet (Minute 409), Councillor Khan, Leader of the Opposition, thanked Mark Hoyle, Head of Housing and Regeneration for information supplied to him recently in response to a question asked at an earlier Cabinet meeting about the updated risk register for the Huncoat Garden Village project.

With regard to Minute 46 – Neighbourhoods Boards, Councillor Khan indicated that he had not received a full explanation as to the selection process for the Board's Chair. Councillor Dad responded that both he and the MP had been involved in the recruitment process. Due diligence had been carried out during that process. Therefore, his answer remained the same as had been provided at the earlier Cabinet and Council meetings.

In connection with Minute 46 – Economic Development Officer, Councillor Khan highlighted an error at the end of the paragraph underneath the 'Economic Development Officer' heading, which should read '...tenure as Portfolio Holder for Economic Development & Sustainability'.

Resolved

- That, subject to the following amendment:

the substitution at Minute 46 under the heading of 'Economic Development Officer' of the words 'Portfolio Holder for Economic Development and Sustainability' for the words 'Leader of the Council',

the Minutes be received and approved as a correct record.

113 Reports of Cabinet Members

Portfolio Holder for Environmental Services

Councillor Stewart Eaves reported on the following:

King George V Playing Fields

The tenders for the Sports Pitch Drainage Installation at King George V Playing Fields had been opened last week and it was anticipated that the successful tenderer would be determined this week, with a view to works commencing in September 2025.

Deputy Leader of the Council and Portfolio Holder for Culture, Heritage and Sport

Councillor Kimberley Whitehead reported on the following:

The Council's Culture, Arts and Heritage Fund was being launched today. The initiative would establish a Culture, Arts and Heritage Grant Programme for 2025/26, to support a wide range of projects that celebrated local identity, built pride in place and would bring people together through culture. The scheme would offer grants ranging from £150 to £10,000.

Applications would be welcomed from community groups, charities, not-for-profit organisations, schools, artists and businesses. The programme aligned with the Council's Culture and Heritage Strategy 2025-30, which had recently been approved. The closing date for applications was 1st September 2025, to enable projects to be delivered by March 2026. The Culture and Heritage Investment Panel (CHIP) would be involved in the selection of projects. Some £90k was available in total.

Councillor Dad noted that the funding was good news and sat alongside funding available from the Cabinet Action Fund for other types of community projects.

Portfolio Holder for Business, Growth and Sustainability

Councillor Scott Brerton reported on the following:

Economic Development Officer

At the last Cabinet meeting, it had been reported that a new Economic Development Officer was being recruited. An appointment had now been made and the successful candidate was due to start imminently. The extra staffing would give economic development a significant boost.

Get Hyndburn Working

Councillor Brerton had recently attended the Get Hyndburn Working event along with the local MP to discuss on-going issues about getting people into work and removing any barriers, in line with the Government's Connect to Work initiative. The event had been well attended and would be repeated regularly.

Business Engagement

Business workshops and drop-in events were being planned for the year ahead and would be launched shortly.

Draft Climate Change Action Plan

A draft Climate Strategy and Action Plan document had been considered on 14th July 2025 by the Communities and Wellbeing Overview and Scrutiny Committee and had been well received. Overall, the Council was considered to be 'punching above its weight'. Councillor Brerton thanked all those involved.

Net Zero Working Group

The Net Zero Working Group continued to meet and was well supported by officers, including Tim Brodest, Home Energy Reduction Officer, and Anne Hourican, Senior Environmental Initiatives Officer. The Council was leading the way in this area of work.

Portfolio Holder for Transformation and Town Centres

Councillor Clare Pritchard reported on the following:

Accrington Town Centre Group

A group had been established to consider town centre issues in Accrington, comprising representatives of the Council, Police, voluntary organisations and service providers. To date the group had looked at issues including homelessness and CCTV provision and had undertaken a walkabout.

Sgt Andy Thorpe was due to send out a questionnaire to local groups and businesses asking what they wanted to participate in and what their expectations were of the relevant public authorities. The questionnaire had been hand delivered in Accrington town centre and would be collected similarly.

114 Rough Sleeping grant funding for 2025/26: Award of grants to Maundy Relief and Stepping Stone Projects

Members considered a report of Councillor Melissa Fisher, Deputy Leader and Portfolio Holder for Housing and Regeneration, outlining the Rough Sleeping Prevention and Recovery 2025 - 2026 grant and Rough Sleeping Accommodation Programme 2025 - 2026 grant funding the Council had been awarded by the Ministry of Housing, Communities and Local Government (MHCLG).

The report also identified how the Council proposed to utilise both funding programmes and sought approval to enter into agreements with Maundy Relief and Stepping Stone Projects to support their activities and services in the relief and prevention of rough sleeping.

Councillor Fisher provided a brief introduction to the report, highlighting the increased funding available from MHCLG and the overall approach to the issue which involved multiple stakeholders working to address the reasons for rough sleeping which were wider than simple access to housing matters. She was pleased to see the Council working closely with Maundy Relief and Stepping Stone Projects.

Councillor Pritchard reported that the Accrington Town Centre Group had already identified two rough sleepers and had referred these to Stepping Stone Projects. Councillor Whitehead commented that the funding received could not tackle all of the factors involved and that additional welfare support would be required. There remained further work to do to

better address the rough sleeping issue. Councillor Khan indicated that he welcomed the additional funding provided and expressed the view that rough sleeping had been a growing challenge over the last few years. Part of the solution might be to establish links into getting those individuals back into work. Councillor Pritchard confirmed that Stepping Stone Projects did provide support around maintaining tenancies and getting into employment. Councillor Khan asked if a positive case study could be publicised to showcase the good work taking place. This would need to be with the consent of any individuals featured. Councillor Whitehead indicated that positive communications was one of the Council's priorities. She added that she was a member of the Street Angels group, which also had a role to play in identifying and supporting rough sleepers.

The Leader of the Council applauded the good work already being undertaken by Maundy Relief and Stepping Stone Projects.

Approval of the report was not deemed a key decision.

Reasons for Decision

Rough Sleeping Grant Programmes

In 2018, the previous Government had published their national Rough Sleeping Strategy and Action Plan aiming to halve rough sleeping by the end of that Parliament and eliminate it by 2027. The Government had committed long term funding for programmes such as the Next Steps Accommodation Programme, Rough Sleeping Initiative (RSI) programme and the Rough Sleeping Accommodation Programme (RSAP).

Local authorities continued to be invited to apply for funds to address rough sleeping. The RSAP and RSI programmes were designed to fund complementary interventions and activities for this purpose. There remained a need in the Borough for accommodation for rough sleepers as a route off the street and to prevent people from sleeping rough. Consequently, the Council had submitted applications and had been successful in securing both RSI and RSAP grant funding.

Members were asked to note that MHCLG had also consolidated what were formerly the Rough Sleeping Initiative, and the Accommodation for Ex-Offenders grants into a single 2025/26 Rough Sleeping Prevention and Recovery Grant. The awards for 2025/26, which were based on 2024/25 funding, had been announced in December 2024. The current Government was looking at introducing a new homelessness strategy following the conclusion of Phase 2 of this year's Government's Spending Review.

Hyndburn Council had successfully worked with a number of local charitable agencies such as Stepping Stone Projects and Maundy Relief to prevent and reduce rough sleeping. The overall aim of the Council was to extend those activities.

Rough Sleeping Initiative (RSI) Funding [now called Rough Sleeping Prevention and Recovery grant (RSPR)]

The Rough Sleeping Prevention and Recovery Grant programme replaced the former RSI funding programme which had provided additional bed spaces for rough sleepers with tailored support including help with mental health problems, addiction services, tenancy support, and access to training and employment.

Hyndburn's Rough Sleeping Prevention and Recovery grant allocation reflected and was based on the former RSI funding award for 2024/25.

The table below summarised Hyndburn's Rough Sleeping Prevention and Recovery grant award for 2025-2026:

Table 1

A Bed Every Night	£20,000
Flexible surge accommodation fund	£6,325
Emergency night shelter	£15,000
Navigator service	£31,000
Step Forward Hyndburn	£28,576
Support into employment and training for rough sleepers	£45,000
Total	£145,901

The proposal was to maintain the following existing activities and interventions:

- A Bed Every Night (ABEN) was an existing project which offered short term secure self-contained accommodation with support prior to securing longer term accommodation. Stepping Stone Projects provided support to occupants who lived in five dispersed flats.
- The night shelter was an existing activity that provided emergency overnight accommodation for rough sleepers and those at imminent risk of rough sleeping. Access to the accommodation, subject to space, was available year-round. Based at Maundy Relief in the centre of Accrington, the accommodation was in three single rooms with two shared bathrooms. Users could access showers, a washing machine and a kitchenette and were provided with an evening meal and breakfast.
- The navigator service was a continuation of an existing activity and was provided by Maundy Relief. It provided an outreach activity that proactively sought out rough sleepers in their locations and offered immediate emergency support with food, clothing and overnight accommodation in Maundy's night shelter.
- Supporting Step Forward Hyndburn which was a 12 bedroom project for single male homeless cases including rough sleepers and those at risk of rough sleeping. On reviewing the project it was concluded that there was a need to provide 24/7 on-site management, security and support, so this grant supported the running and management of the project.
- Looking at initiatives and activities which would lead to employment and training for rough sleepers to help rebuild their lives. It was proposed that this grant would be used to procure initiatives and activities.
- Flexible surge accommodation provided funds to improve access to a wider range of accommodation, such as deposits/rent upfront payments to secure private rented accommodation for rough sleepers and those at risk of rough sleeping. It also provided funding for cold weather payments. This activity would be directly administered via the Council's Housing Advice and Homelessness Team.

Rough Sleeping Accommodation Programme (RSAP)

The Rough Sleeping Accommodation Programme (RSAP) was another programme which had been introduced in 2021 to reduce rough sleeping.

This Programme provided for both capital and revenue funding to meet the cost of longer term accommodation and support to help rough sleepers rebuild their lives. Local authorities were expected to work with accommodation providers and specialist agencies to end rough sleeping, especially where local authorities were no longer a landlord.

In 2021, Hyndburn had secured £175,833 funding for the period 2021 to 2024 to provide access to accommodation and support for rough sleepers and those at risk of rough sleeping. This was detailed in a report, which had been submitted to the Cabinet meeting held on 22nd June 2022. Approval had been granted to enter into a grant agreement with Stepping Stone Projects to deliver support to rough sleepers living in five properties.

The former Department for Levelling Up, Housing and Communities (DLUC) had invited Councils, including those who had already been awarded grants, to submit further proposals and bids for 2022/2023 and 2023/2024 for the Rough Sleeping Accommodation Programme (RSAP). Proposals could include securing additional grant to support existing RSAP projects.

Hyndburn had made a submission and had been awarded additional revenue grant to expand the existing RSAP project so that an additional 5 people who had been rough sleeping or at risk of rough sleeping could be accommodated with support. This grant covered the cost of support provided by Stepping Stone Projects and helped furnish accommodation.

Hyndburn's RSAP award for 2025/26 was based on 2024/25 funding.

Table 2

RSAP Grant Programme	2025/2026
Rough Sleeping Accommodation Programme Support to occupants in 10 units of accommodation	£75,000

The proposal was to make a further grant payment of £75,000 to Stepping Stone Projects for the continuation of their support to occupants of 10 units of dispersed accommodation in the Borough, which was provided to help people who had been rough sleeping, into longer term accommodation

Alternative Options considered and Reasons for Rejection

The award to Hyndburn Council for 2025/26 was a continuation of funding to maintain services and activities to prevent and respond to homelessness. For this reason, no alternative proposals were suggested or recommended.

RSAP and RSI funded interventions supported Hyndburn's Prevention of Homelessness and Rough Sleeping Strategy. It was widely recognised that housing and support for vulnerable people provided a quicker and more effective service to ensure vulnerable residents could move forward with their lives, and in the case of rough sleeping, preventing a cycle of rough sleeping.

As these agreements were considered grants, they were not subject to the Council's Contracts Procedure Rules as no procurement was taking place. The Council proposed to award the funding by way of grants to Stepping Stones and Maundy Relief, as set out in the report, because both organisations already carried out work to prevent and relieve rough sleeping, and the grant would support both organisations and enable them to extend and enhance the activities they already provided successfully in the Borough.

Resolved

- That Cabinet:

- (1) Notes and approves the acceptance of £145,901 Rough Sleeping Prevention and Recovery grant for 2025/26.**
- (2) Notes and approves the acceptance of £75,000 Rough Sleeping Accommodation Programme (RSAP) grant for 2025/26.**
- (3) Approves the following grants from the Rough Sleeping Prevention and Recovery Grant award for 2025/26 to continue and enhance support for people who are rough sleeping or at risk of rough sleeping:**
 - (i) a grant of £20,000 to Stepping Stone Projects for the continuation of the “A Bed Every Night” project;**
 - (ii) a grant of £28,576 to Stepping Stone Projects for the continuation of Step Forward Hyndburn;**
 - (iii) a grant of £15,000 to Maundy Relief for the continuation of the emergency night shelter; and**
 - (iv) a grant of £31,000 to Maundy Relief for the continuation of the street navigator activities.**
- (4) Approves an additional grant of £75,000 from the Rough Sleeping Accommodation Programme (RSAP) 2025 – 2026 to Stepping Stone Projects for the continuation of their support to occupants of 10 units of dispersed accommodation in the Borough which is provided to help people who have been rough sleeping into longer term accommodation.**
- (5) Delegates authority to the Head of Regeneration and Housing, in consultation with the Executive Director (Legal and Democratic Services) to draw up, finalise and execute agreements to**

grant Maundy Relief and Stepping Stone Projects the funds listed above to continue the support and activities they are currently providing.

115 Procurement of Locata Pro Homelessness, Prevention and Advice (HPA2) Software System

The Cabinet considered a report of Councillor Melissa Fisher, Deputy Leader and Portfolio Holder for Housing and Regeneration, seeking approval to waive the Council's Contract Procedure Rules in respect of the direct procurement of the Locata Pro Homelessness, Prevention and Advice (HPA2) software, which was currently the homelessness management and reporting software system used by the Council.

Councillor Fisher provided a short introduction to the report, which tied in closely with the previous item of business. She highlighted the contract duration, annual costs and that its purpose was to support the Housing Advice and Homelessness Team.

Councillor Khan asked whether any alternative systems had been considered. Councillor Fisher referred him to Paragraphs 3.5 and 4.1 of the report, which explained why now was not an appropriate time to change the system being used.

Approval of the report was not deemed a key decision.

Reasons for Decision

The introduction of the Homelessness Reduction Act 2017(HRA) had placed new legal duties on local authorities and amended existing homelessness legislation set out in the Housing Act 1996.

The HRA (enacted in 2018) placed prevention at the heart of homelessness service delivery. It introduced new duties for local housing authorities to intervene earlier and work to prevent and relieve homelessness, regardless of whether or not households were in priority need.

The Council had entered into a contract with Locata (Housing Services) Ltd in 2018 for a 2 year term with an option to renew annually for a further 2 years. This contract had expired in April 2022. The Council had continued to use this system on an out of contract annual fee with Locata (Housing Services) Ltd.

The Council needed a homelessness management system on a daily basis to manage all homelessness casework. The Locata system provided reports on homelessness statistics, data and information on active and closed homelessness cases. Continuous software system support was essential to ensure continuity of service delivery, compliance with the requirements of the HRA and a tool which supported auditing of the service. The data was also used to understand the level of homelessness both locally and nationally, informed policy making and could support grant funding and bids for new interventions.

The Housing Advice and Homelessness service was currently facing significant pressures, which included the additional work of dealing with homeless applications from asylum seekers who had received a positive asylum decision, households arriving under the family reunion scheme and an increasing number of very complex homeless cases. Therefore, this was not an ideal time to consider changing an essential software system. In addition, given the prospect of local government reorganisation, the disruption of a possible move to

a new provider did not appear to be an appropriate use of time and resources. The new agreement with Locata would run for 2 years (at a cost of £12,000 per annum), with an option to extend for a further 2 years. This fit well with the reorganisation timescale and would enable a successor organisation to easily move to a single provider of this information.

The Council required a homelessness case management and reporting system to ensure it could report on all statutory homelessness assessments in compliance with the requirements of the Homelessness Reduction Act.

Alternative Options considered and Reasons for Rejection

A procurement exercise for a homelessness management and reporting system had been considered but rejected for the reasons set out in Paragraph 3.5 of the report. Cabinet could ask for the contract to be procured, but this was not recommended for the reasons given.

Resolved

- That Cabinet:

- (1) Agrees to waive the Council's Contract Procedure Rules in respect of the purchase of Locata Pro Homelessness, Prevention and Advice software from Locata (Housing Services) Ltd.**
- (2) Delegates authority to the Head of Regeneration and Housing in consultation with the Executive Director (Legal and Democratic Services) to draw up, finalise and execute a contract with Locata (Housing Services) Ltd in respect of the purchase.**

116 Prudential Indicators Monitoring and Treasury Management Strategy Update – Quarter 1 2025/26

Members considered a report of Councillor Vanessa Alexander, Portfolio Holder for Resources and Council Operations, providing an update on the Treasury Management activities since the start of this financial year.

In the absence of Councillor Alexander, the Leader of the Council provided a brief introduction to the report.

Councillor Khan referred to the impending reorganisation of local government and asked how this might affect the Treasury Management Strategy. In particular, he asked if consideration was being given to bringing back investments into the Council's accessible finances in order to support its priority projects. Councillor Dad responded that local government reorganisation was going to occur and that in the interim the Controlling group of Hyndburn would continue to do all it could to benefit the residents of the Borough. Martin Dyson, Executive Director (Resources) clarified that outstanding debts (currently £9.6m, not including other long term liabilities) would transfer to the new unitary authority upon reorganisation, but Hyndburn had a comparatively low level of debt, which should not be a concern to its successor body. Investments would continue up until changeover, as the

Council wished to continue to maximise its returns, however, there would be a point at which investments beyond 12 months' duration would need to be considered carefully.

Councillor Khan noted that Hyndburn had done well to secure external funding and gain interest from its external investments. He asked whether there would be sufficient time to spend surplus resources, if the Council chose to do so. Councillors Whitehead, Fisher and Pritchard responded that preparation for reorganisation was a priority in the Corporate Strategy. There was an asset management review under way and working groups would be set up to consider any relevant issues. However, unallocated reserves were just short of £2m, not the significantly higher figure quoted recently by one councillor in the press. Councillor Dad summed up by confirming that the Council did not currently have surplus money to spend.

Approval of the report was not deemed a key decision.

Reasons for Decision

The *Prudential Code for Capital Finance in Local Authorities* required the Council to set Prudential Indicators annually for the forthcoming three years to demonstrate that the Council's capital investment plans were affordable, prudent, and sustainable. The Council had adopted its prudential indicators for 2025/26 at its meeting in February 2025.

The Prudential Code required the Council, having agreed at least a minimum number of mandatory prudential indicators (including limits and statements), to monitor them in a locally determined format on a quarterly basis.

The indicators were purely for internal use and were not designed to be used as comparators between authorities. If it should be necessary to revise any of the indicators during the year, the Executive Director (Resources) would report and advise the Council further.

'*Treasury Management*' related to the borrowing, investing and cash activities of the authority, and the effective management of any associated risks. In February 2025 in the same report referred to above the Council had also set out and then approved its current Treasury Management Strategy. This was in accordance with the CIPFA (Chartered Institute of Public Finance & Accountancy) code of practice on treasury management in public services, the Council having previously adopted, via Cabinet, the then revised code of practice. Associated treasury management Prudential Indicators had been included in the February 2025 report.

Prudential Indicators Monitoring

Appendix 1 to the report set out the monitoring information for each of the prudential indicators and limits. They related to:

- External debt overall limits;
- Affordability (e.g. implications for Council Tax);
- Prudence and sustainability (e.g. implications for external borrowing);
- Capital expenditure; and
- Other indicators for Treasury Management.

Treasury Management Update

The forecast balance sheet position at 30th June 2025 for treasury management activities was shown in the table below.

Forecast Treasury Balance Sheet Position 2025/26

Portfolio Position 2025/26 Q1	Original Estimate 2025/26	Position 30 June 2025
	£'000	£'000
<u>EXTERNAL DEBT</u>		
Borrowing	9,595	9,595
Other Long-Term Liabilities	1,967	2,207
Total External Debt	11,562	11,802
Capital Financing Requirement	9,190	9,430
Under/(Over) Borrowing	(2,372)	(2,372)
<u>INVESTMENTS</u>		
Total Long-Term Investments	-	-
Total Short-Term Investments	-	38,440
Total Investments	-	38,440

The table demonstrated that the Council was performing within the original targets set at the start of the year. Within the prudential indicators, there were a number of key indicators to ensure that the Council operated its activities within well-defined limits. In general, the requirement was that the Capital Financing Requirement should exceed gross debt. However, in 2025/26 the gross debt had exceeded the Capital Financing Requirement. This was due to the Council having historical debt with a maturity repayment profile (meaning all principal was paid at the loans maturity date) but the accounting treatment required that the Capital Financing Requirement was reduced each year by the payment of Minimum Revenue Provision (MRP). Other Liabilities in prior years reflected finance liabilities relating to vehicles and plant and in the current year reflected the transfer of all leases onto the balance sheet to comply with the new IFRS 16 – Leases accounting standard.

The requirement to have a Capital Financing Requirement exceed Gross Debt centred around providing an assurance that borrowing was not taking place for Revenue purposes. However, as the Council was not borrowing additional funds at this time, this was not an issue.

The current position of the treasury function, and its expected change in the future, introduced risk to the Council from an adverse movement in interest rates. The Prudential Code was constructed on the basis of affordability, part of which was related to borrowing costs and investment returns.

Investment balances were higher than had been forecast when the Prudential Indicators and strategy had been set. This was mainly due to grants received in advance of capital spend being incurred, as well as slippage in the capital programme.

The Capital Programme 2025/26 was expected to be funded by the use of Government Grants (including Levelling Up Fund and UK Shared Prosperity Fund) and other external financing. It had also been supported during the year by greater use of internal sources of capital finance (including capital receipts and use of the Council's reserve balances). No external borrowing was expected to be required during the year.

Investment Activities during The Period

During the first quarter of the year the Council had invested funds with other Local Authorities, the Government's Debt Management Agency Deposit Facility and had used Money Market Funds and Bank deposit accounts.

Portfolio Position 30 June 2025	Position 30 June 2025
	£'000
Local Authorities	26,000
Debt Management Agency Deposit Facility	10,360
Money Market Funds	2,000
Lancashire County Council Call Account	0
Bank Deposit Accounts	80
Total Short-Term Investments	38,440

Two further tables were included in the report, which gave more details of the investments the Council had in place at 30th June 2025 with other local authorities and a number of future dated loans agreed at the end of the quarter.

The Council's Finance Team had a number of checks in place before any loans to other local authorities were agreed, to prioritise the security of any funds invested.

Expected Movement in Interest Rates

The Council had appointed MUFG (formally Link Asset Services) as treasury adviser to the Council and part of their service was to assist the Council in formulating a view on interest rates. A graph was included in the report, which gave MUFG's latest available view of the expected future movement in interest rates.

The latest forecast set out a view that both short and long-dated interest rates would start to fall, as inflation had fallen closer to the Bank of England's target of 2.00%.

Interest rate risk was minimised as the Council's borrowings were fixed until a trigger point, where the lender would seek better rates. Current interest rates would need to rise significantly for this to occur. With rates expected to fall in the short-term this was unlikely to occur, but this would be monitored closely.

The revenue outturn position on the Council's Treasury Management activities was as shown in the table below.

Forecast Treasury Revenue Outturn – 2025/26 Q1

Portfolio Position 2025/26	Working Budget 2025/26	Forecast Outturn 2025/26	Forecast (Under) / Over Spend
	£'000	£'000	£'000
INTEREST RECEIVABLE			

Interest Receivable on Temporary Lending	(700)	(797)	(97)
Other Interest Receivable	-	-	-
Total Interest Receivable	(700)	(797)	(97)
INTEREST PAYABLE			
Interest Payable on Long-Term Borrowings	440	440	-
Interest Payable on Finance Leases	41	41	-
Other Interest Payable	-	-	-
Total Interest Payable	481	481	-
Minimum Revenue Provision	1,085	1,085	-
Net (Income) / Expenditure from Treasury Activities	866	769	(97)

Interest Receivable

The Council had invested amounts of surplus cash on a short term, temporary basis. The interest received from these investments was above the budgeted expectations for the full year, mainly due to higher levels of funds being held and the Bank of England maintaining interest rates at higher levels than had been anticipated when the budget was set. The Council's strategy continued to focus on the security of deposits and the liquidity of funds. The additional interest forecast to be generated was now expected to be £97,000 for the year ending March 2026.

The Council continued to invest surplus cash in top rated financial institutions. The authority continued to spread its money around a number of institutions to ensure that its was not potentially damaged by the unforeseen collapse of any one bank. Deposits were also held with banks where the Council believed that the respective governments were likely to be able to guarantee deposits in the event of bank failure. This strategy was continuing to yield an appropriate rate of return, though at a lower rate, as there was less risk attached to these deposits. The Council also operated a policy of holding no more than £2m in any one bank (with the exception of the liquidity account held with Nat West Bank, where the limit was £3m) to ensure that the risk was spread. The Council could place unlimited funds with the Government Debt Management Agency Deposit Facility (DMADF). This allowed greater flexibility for placing of funds with potential for higher returns with minimal risk.

Interest Payable

An estimate of interest on additional borrowing was included in the budget. No new borrowing was expected to be required during the year.

Minimum Revenue Provision

There was currently no change in the forecast Minimum Revenue Provision charge for the year.

Performance against Prudential Indicators

The Council's performance to date, and current forecasts for the year, against the Prudential Indicators set in the Treasury Management Strategy approved by full Council on 27th February 2025 were shown in Appendix 1 of the report. The Council had remained within the Prudential Indicators set out in the approved Treasury Management Strategy.

Liability Benchmark

The Council's Treasury Management Strategy also set out a Liability Benchmark. This compared the Council's actual borrowing against an alternative strategy. The liability benchmark was calculated showing the lowest risk level of borrowing.

The liability benchmark was a useful tool to help establish whether the Council was likely to be a long-term borrower or a long-term investor in the future, and so shape its strategy focus and decision making. The liability benchmark itself represented an estimate of the cumulative amount of external borrowing the Council had to hold to fund its current capital and revenue plans, while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

There had been no significant changes to the inputs to this calculation, therefore there had been no updates to this indicator. A chart illustrating the liability benchmark was provided in the report, which reflected that presented in the approved Treasury Management Strategy.

There were no alternative options for consideration or reasons

Resolved

- **That the Cabinet notes the Treasury Management activities and position during the first quarter of 2025/26.**

117 Revenue Budget Monitoring 2025/2026 - Quarter 1 to end of June 2025

The Cabinet considered a report of Councillor Vanessa Alexander, Portfolio Holder for Resources and Council Operations, on the financial spending of the Council up to the end of the June 2025 for the financial year 2025/26 and the forecast impact on the Council's Medium Term Financial Strategy for 2025/26 to 2027/28.

In the absence of Councillor Alexander, the Leader of the Council provided a brief introduction to the report. He highlighted the £5k forecast underspend and the main adverse variances, which were linked to ICT licenses and unrecoverable Housing Benefit claims. He reminded members that although Total Reserves were £21.751M, £19.787M was to support the capital programme and earmarked for future commitments, leaving the General Fund (Unallooted) Reserve as £1.964M.

Approval of the report was not deemed a key decision.

Reasons for Decision

At the Full Council meeting on 27th February 2025, Council had agreed the General Fund Revenue Budget for 2025/26. This had set a budget for the Council's total spend in 2025/26 of £17.313M.

The current forecast spend to the end of the financial year in March 2026 was £17.430M. That provided a forecast underspend for the year against the budget to £0.005M. Further analysis of changes in forecast spend were shown in Section 4 of the report.

Table 1: Actual Performance Against Budgets

Department	Original Budget	In Year Budget Changes	Working Budget	Forecast Outturn	Forecast Outturn Variance to
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	£'000	£'000	£'000	£'000	Working Budget £'000
Environmental Health	941	-	941	933	(8)
Environmental Services	5,495	(14)	5,481	5,330	(151)
Legal and Democratic	1,896	-	1,896	1,887	(9)
Planning and Transportation	712	10	722	876	154
Regeneration and Housing	1,604	-	1,604	1,604	-
Resources	6,086	-	6,086	6,028	(58)
Net Cost of Services	16,734	(4)	16,730	16,658	(72)
Non-Service	865	4	869	772	(97)
Cabinet Approved Contributions	-	-	-	-	-
Corporate Savings Target	(164)	-	(164)	-	164
Total Net Expenditure	17,435	-	17,435	17,430	(5)
Funding	(17,435)	-	(17,435)	(17,435)	-
(Under)/Overspend	-	-	-	(5)	(5)

Table 2, which was set out in the report, showed details of the most significant changes in the forecast variance.

Variance by Service

Section 4 of the report included a narrative and additional tables (Nos 3 to 11) on Forecast Outturn by each Service, Non-Service Areas and Funding for 2025/26, which provided more detailed information on the areas identified in Table 1 above. Table 12 comprised the Forecast Movements in Reserves 2025/26, which showed that the Council was currently forecasting a reduction of £8.474M in its usable reserves during the year, bringing them to £21.751M at the end of the year. The most significant movements in reserves were the forecast spending on the capital programme.

Potential Pressures and Risks in Year

Although the forecast underspend at Quarter 1 was relatively small at £0.05M, there were some real pressures and risks that needed to be considered that were not currently built into any financial forecasts. The main pressures/risks to be considered were as highlighted below, with a more comprehensive description as shown in the report:

- Waste Disposal Site/Transfer Station;
- Oswaldtwistle Civic Theatre;
- Crematorium/Cremators;
- Food Waste Collections;
- Hyndburn Leisure;
- Housing Benefit Supported / Exempt Accommodation; and
- Pay Award.

The above pressures/risks might need to be considered over the course of the Medium-Term Financial Strategy against the forecast underspend for the year.

There were no alternative options for consideration or reasons

Resolved

- (1) **That Cabinet notes the report and asks the Corporate Management Team to continue to monitor the financial position of the Council over the remaining months of the year.**
- (2) **That Cabinet notes the pressures and risks highlighted in Section 5 of the report and that regular updates will be provided on any potential impact on the current forecast underspend in year and the future Medium Term Financial Strategy.**

118 Capital Programme Monitoring 2025/26 - 1st Quarter Update to 30th June 2025

The Cabinet considered a report of Councillor Vanessa Alexander, Portfolio Holder for Resources and Council Operations, which provided an updated overview of the Council's Capital Programme Monitoring position at Q1. It outlined the latest phasing of the programme, including revised estimates of available resources, and highlighted any additions or changes to the forecast outturn since the previous monitoring report presented to Council on 27th February 2025.

In the absence of Councillor Alexander, the Leader of the Council provided a brief introduction to the report.

Approval of the report was not considered to be a key decision.

Reasons for Decision

2025/26 Capital Programme

At the Council meeting on the 27th February 2025, Members had approved a capital budget for 2025/26 of £2.726m. A further £23.236m had been added to this budget from reprieved capital projects carried forward from 2024/25. Of these reprieved budgets, £19.370m related to major projects, such as the Levelling Up funded schemes for Accrington town centre and the leisure estate investment programme.

Member approval had also been received to add a further £29.270m to the capital programme, of which £29.187m was for the scheme at Huncoat Garden Village (HGV), which was fully funded from external grants and capital receipts.

At its meeting on 27th February 2025, the Council had approved an increase of £0.250m to the Climate Change reserve to fund decarbonisation initiatives. Subsequently, a decarbonisation scheme had been identified as part of the Levelling Up Fund (LUF) project at the Market Hall, which included the installation of photovoltaic panels on the building's roof with a cost of £0.500m. Although funding had been allocated, the scheme had not yet received formal approval for inclusion in the Capital Programme and, therefore, the report sought that endorsement.

Several projects had been identified to be reprieved into future years, which total £21.212m, of which, HGV was £20.980m.

The proposed Capital Budget for 2025/26 now totalled £34.353m, as shown in the table below:

Capital Programme 2025/26

	£m
Capital Budget (Approved at February Council 2025)	2.726
Budget Changes	
Slippage from 2024/25	23.236
Budgets removed from the programme	-0.178
New Schemes in year – Huncoat Garden Village	29.187
New Schemes in year - Other	0.094
New Schemes requested in this report – decarbonisation works	0.500
Current Approved Capital Programme Budget 2025/26	55.565
Less Slippage to 2026/27	-21.212
Current Working Capital Programme Budget 2025/26	34.353

The financing of the programme in 2025/26 was set out in a pie chart within the report.

The current programme of £55.565m and the rephasing of the programme into future years was as shown below:

Summary of the Scheme Profiles over the Medium-Term Financial Strategy

Programme Area	2025/26	2026/27	2027/28	Total
	£000	£000	£000	£000
Operational Buildings	1,128	234	-	1,362
Parks and Open Spaces	1,131	-	-	1,131
IT Projects	497	-	-	497
Recreation and Sport	-	-	-	-
Vehicles and Equipment	669	-	-	669
Community Projects	608	-	-	608
Planned Asset Improvement Programme	217	-	-	217
Leisure Estate Investment Programme	6,793	-	-	6,793
Levelling Up Fund Schemes	13,077	-	-	13,077
UK Shared Prosperity Fund	255	-	-	255
Huncoat Garden Village	8,209	17,163	3,815	29,187
Housing Improvement Programme	1,769	-	-	1,769
Total Approved Capital Spend Budgets	34,353	17,397	3,815	55,565

1st Quarter Update Position

The actual and committed expenditure to 30th June 2025 was £4.412m, against the latest rephased budget for 2025/26 of £34.353m. This equated to 12.84% spend.

As shown in the table above, £17.397m of budget had been rephased into 2026/27, and £3.815m into 2027/28, to reflect forecast expenditure in future years.

The rephased capital budget for 2025/26 was shown in the table below with a more detailed breakdown shown in Appendix 1 of the report. A summary of the new additions approved

at Council in February 2025, together with new schemes approved in year and proposed known slippage to 2026/27 and 2027/28 were shown in Appendix 2 to the report.

Rephased Capital Budget for 2025/26

Programme Area	Total Budget	Spend and Commitments to Date	Forecast Spend for Remainder of Year	Forecast Outturn Position for the Year	Variance (Under) / Overspend
	£000	£000	£000	£000	£000
Operational Buildings	1,128	(4)	1,132	1,128	-
Parks and Open Spaces	1,131	131	1,000	1,131	-
IT Projects	497	78	419	497	-
Recreation and Sport	-	-	-	-	-
Vehicles and Equipment	669	232	437	669	-
Community Projects	608	395	213	608	-
Planned Asset Improvement Programme	217	3	214	217	-
Leisure Estate Investment Programme	6,793	1,600	5,193	6,793	-
Levelling Up Fund Schemes	13,077	1,054	12,023	13,077	-
UK Shared Prosperity Fund	255	174	81	255	-
Huncoat Garden Village	8,209	141	8,068	8,209	-
Housing Improvement Programme	1,769	608	1,161	1,769	-
Total	34,353	4,412	29,941	34,353	-
% of Budget Spend		12.84%	87.16%	100.00%	0.00%

The capital programme would be subject to close monitoring throughout the financial year to ensure that project expenditure remained aligned with approved forecasts and was accurately reflected in the Council's cash flow projections. Any deviations from planned spending profiles, along with their financial implications, would be assessed and incorporated into future treasury management and revenue budget forecasts as appropriate.

Financial Risks of the Capital Programme

Capital Receipts

The financing of the Capital Programme was dependent on securing £2.082m in capital receipts from the sale of Council-owned land and buildings. To date, £1m had been generated, leaving a balance of £1.082m to be achieved. However, due to £0.234m of capital expenditure being reprofiled into 2026/27, the revised target for 2025/26 was £0.842m.

Progress was being made on the disposal of the assets identified to generate these receipts. Should any of these sales be delayed, the Council might need to either pause elements of the Capital Programme or temporarily use alternative reserves to maintain delivery. It was therefore essential that the planned disposals were prioritised to ensure the necessary funding was secured.

Officers would continue to review the Council's operational asset base to identify further opportunities for capital receipts and would regularly assess the risks associated with this funding strategy.

(This was a medium-level risk).

External Grants and Contributions

The Capital Programme was reliant on £44.611m in external funding. It was therefore crucial that the external funding was secured, and grant income for eligible works was claimed on a frequent basis. To date £9.601m had been received, leaving £35.009m still to be received / claimed over the next three years

Most of the external funding was allocated to the projects summarised below, which were described in more detail in the report:

- Levelling Up Project (LUF);
- Huncoat Garden Village;
- Disabled Facilities Grant; and
- Leisure Estate Investment Programme.

(This was a medium-level risk).

Major Schemes in Capital Programme

The Capital Programme included several major schemes that required close and ongoing monitoring to ensure they remained on schedule, within budget, and that any external funding was both secured and claimed in a timely manner. Key projects currently identified as major schemes included:

- Levelling Up Programme - with £13.077m in year. This figure included additional Council works incorporated into the Levelling Up programme.
- Disabled Facilities Grant - with £1.769m in year.
- UK Shared Prosperity Grant – with £0.255m in year.
- Leisure Estate Investment Programme – Forecast £6.796m in year.
- Huncoat Garden Village – with £8.208m in year and £17.163m in 2026/27
- Asset Planned Programme works £0.217m in year. These works included maintenance of operational buildings and the continued investment in Parks and Playgrounds

Levelling Up Programme - Additional Enhancements Identified

Additional enhancements had been identified that extended beyond the original scope of the Levelling Up Fund (LUF) bid submitted in 2022. At present, no additional funding had been secured to support these works. The initial estimated cost of these enhancements was approximately £1.85m at current prices, based on the assumption that they would be delivered as part of the existing project plan. Of this total, £0.500m had been allocated for the installation of solar photovoltaic panels on the roof of the Market Hall, which was included in this report as a recommended addition to the 2025/26 Capital Programme.

The remaining enhancements, which members might also wish to consider for inclusion were –

- £0.600m - Market Chambers External Works – these works would be required to be completed before a future Delivery Stage National Heritage Lottery Bid for submission in May 2026.
- £0.300m - Burton Chambers Roof Works – this was the additional cost of fully replacing the roof as opposed to the minor repairs included in the original specification.
- £0.340m - Market Hall – additional layout alteration requests.
- £0.110m - additional fees and risk allowances on the above elements.

£1.35m Total

The tender bids for Phase 2 fit-out works on the LUF projects were currently under evaluation. A successful bidder was expected to be appointed by late August. Once the evaluation was complete and the bid costs were compared to the available budget, the Council would be able to confirm whether any funds remained for additional enhancements. If no surplus was available, further capital funding would need to be identified to support any enhancements that members might wish to include in the capital programme.

Conclusion

The Capital Programme had expanded significantly over the past two financial years and now totalled £55.565m. Although approximately 69% of the programme was funded through external grants and contributions, the scale and complexity of the programme placed considerable pressure on the Council's staffing resources to effectively procure and deliver projects. It was therefore essential that all projects were carefully planned and appropriately phased to ensure delivery within required timescales and to maximise the use of available resources.

The Programme would continue to be carefully monitored, and it might require further revisions in its phasing in the future.

There were no alternative options for consideration or reasons

Resolved

- (1) **That Cabinet notes the financial position of the capital programme at Q1 2025/26.**
- (2) **That the capital budget for 2025/26 is increased by £500k to support decarbonisation initiatives. The additional budget will enable the installation of photovoltaic cells to the roof of the Market Hall.**

With the consent of the meeting, Agenda Item 12 was taken next.

119 Wilson Leisure Centre Development Project Update

The Cabinet considered a report of Councillor Melissa Fisher, Deputy Leader and Portfolio Holder for Housing and Regeneration, updating members and Management Team on progressions so far on the Wilson Leisure Centre development, along with the target completion date and financial position in relation to the overall budget.

Councillor Fisher provided a brief introduction to the report including the proposed opening date, and the proposed new name for the Centre in memory of Cath Thom. She was looking forward to the project's completion. Councillors Dad, Pritchard and Whitehead spoke about Cath Thom and noted that family members had been contacted and were

delighted with the proposal. Councillor Pritchard also thanked Helen McCue-Melling, Regeneration and Property Manager, for her efforts to ensure that the venue had numerous facilities for users with a disability and was dementia friendly.

Councillor Zak Khan was pleased to see that the Centre was on track and that it had not been unduly affected by the original contractor, ISG, entering administration. He expressed some reservations about the Centre being named after a former politician rather than, say, a local sportsperson.

Approval of the report was not considered to be a key decision.

Reasons for Decision

Works recommenced on the Wilson site with Universal Ltd the newly appointed construction contractor in early January 2025.

The remaining works from the restart were scheduled for approximately 32 weeks with a completion date expected in early to mid-September 2025.

The contract progress to date was currently expected to have a completion date of 19th September which was expected to overrun the original target by up to 10 working days.

As Universal Ltd had taken over the contract works after the previous contractor ISG falling into administration there was always likely to be some scope for some slight contract completion overrun as some aspects of works would require procuring again and therefore the current projected overrun of 10 days was within tolerable expectations.

Good progress works had been made against the planned critical path and the building was in its final phases with the focus now moving towards undertaking final external building & internal fitout and finishes.

As with all major projects there were always risks around delays due to reliance on third parties such as utility connections and the availability of providers in ensuring connections were delivered on time.

A summary of construction progress was as follows:

- **Roof** - Practically complete, mansafe system installed, capping to perimeter ongoing following scaffold strip.
- **Internal Walls** - Firestopping where applicable well advanced, air sealing where applicable well advanced, dot and dab, rendering/skimming almost complete – small areas remained.
- **Internal Floors** - Floor tiling ongoing in wet change.
- **Internal Decoration** - Plant room(s) completed, outdoor change areas well advanced, working in front of Mechanical, Electrical and Plumbing (MEP).
- **Pool Area** - Pool earthing installed, pool shell tiling almost complete, pool wall perimeter well advanced with tape and joint and rendering.
- **External Façade** - Curtain walling complete, cladding well advanced.

- **External works** - Mains electric and watermains installed. Main duct system installed; attenuation tank delayed following review of impact on pavilion.
- **MEP** - First Fix works well advanced, ducting well advanced, all main plant installed i.e. Air Handling Unit (AHU), Air Source Heat Pump (ASHP), Main Low Voltage (LV) panel, Building Management System (BMS) panel, substation installed.
- **Pool Filtration** - Main plant well advanced, with chemical controllers installed. Main panel on site.
- **Pavillion** - Demolished with ground level reduced dig ongoing.

The contract works were now approximately 22 weeks into the 32-week programme and over the next 10 weeks the key final works would be undertaken to achieve the final completion handover date of 19th September 2025.

It was expected from that point in time the Council and Hyndburn Leisure would then ensure the building was fully operational in preparation for a planned opening to the public on the 10th October 2025.

A mobilisation plan had been developed to prepare the building and ensure internal gym equipment, furniture and fittings could be installed and that Hyndburn Leisure had staff recruited and trained in operations of the building.

The Council, Hyndburn Leisure, Sport England, and all stakeholders would be involved in communications in the lead up to the planned opening.

Financial Progress

Cabinet in January 2025 had previously agreed to accept a further £240,000 from Sport England to increase the development budget to £12.929m and restart the works by appointing the Universal Group to complete the project.

In order to restart the project it had been agreed that further costs in addition to the Sport England grant could be met from within the contingency budget held within the overall project budget, which at this point only left £35,399 available to meet any future risks that might occur.

Since the restart, the project had been closely monitored, and budgets had been scrutinised by the project team, along with re-engineering and re-design agreed between the Council, its contractors and Sport England as a funder.

The latest forecast on the project costs was a total cost of £13.057m compared to the approved budget of £12.929m, which forecast an overspend of £0.128m - an increase in the budget of 1%.

This forecast overspend included additional contract costs and variations totalling £0.245m and were attributable to increases in costs relating to compliance with planning conditions, meeting final internal design requirements requested by Sport England and combatting projected costs of additional site security due to site break-ins. These costs had been managed where possible within the scheme budget and additional savings had been achieved to minimise the impact down to the £0.128m now forecast.

Latest Project Forecast Expenditure

Description	Latest Approved Project Budget	Total Spend to Date	Forecast to End of Project	Forecast Scheme Final Cost	Final Expected Variation
	£000's	£000's	£000's	£000's	£000's
Sub-total Contract Sum	11,598	7,317	4,659	11,976	(387)
Sub-total Fees & Equipment FFE	1,089	460	299	760	330
Total Contract Sum	12,687	7,777	4,958	12,735	(48)
Sub-total – HBC other costs	158	92	27	119	38
Contingency/Variations to Contract	85	49	153	202	(118)
Total Development Agreement	12,929	7,918	5,138	13,057	(128)

The Council had been in the fortunate position where it had been able to receive external funding in advance of major project expenditure and these additional cash balances had been invested to generate interest returns. These investment returns had significantly contributed to the Council's revenue budget underspend of £0.433m in 2024/25. It was therefore proposed that the underspend be earmarked to fund any overspend that might arise in the final stages of this project, currently identified as £0.128m.

Naming of the new Leisure Centre

A request had been made to name the new Leisure Centre at Wilson Sports Village "The Cath Thom Leisure Centre". This naming would recognise the service of the former Clayton-le-Moors ward Councillor who had served the residents for 16 years as a ward councillor and a County Councillor.

Cath Thom had also been appointed as Mayor of Hyndburn and received the Borough's highest honour of an Honorary Alderman. She had been described as the "matriarch of the Labour party in Clayton-le-Moors and an "elder stateswoman of the Borough" who was an "impossible act to follow."

In 1982 she had started her 16-year term in office as Clayton-le-Moors councillor and in the 1990s she represented Rishton, Altham and Clayton-le-Moors at County Hall.

Cath had sadly passed away in 2019, aged 91. It was felt that it would be a fitting tribute to name the new Leisure centre in Clayton-le-Moors after one of the residents who served the Council so well.

There were no alternative options for consideration or reasons

Resolved

- (1) **That Cabinet note the progress and expected completion date of the project as 19th September 2025.**
- (2) **That Cabinet note the latest forecast additional costs of the project at £0.128m (1%) and agree to cover any overspend from the £0.433m underspend in 2024/25, should it be needed to cover the final completion costs.**
- (3) **That Cabinet approve the naming of the new Leisure Centre at the Wilson Sports Village site as "The Cath Thom Leisure Centre" in recognition of the former**

Councillor, Mayor and Honorary Alderman's service to the Council and Clayton le Moors Ward.

120 Exclusion of the Public

Resolved

- That, in accordance with Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during the following item, when it was likely, in view of the nature of the proceedings that there would otherwise be disclosure of exempt information within the Paragraph at Schedule 12A of the Act specified at the item

121 New Lease of Piggy Park, Devonshire Road, Rishton

In accordance with Regulation 5(6)(a) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, approval was granted by Councillor Stephen Button, Chair of the Communities and Wellbeing Overview and Scrutiny Committee, to the following decision being made by Cabinet on 30th July 2025, in private, on the grounds that the decision was urgent and could not reasonably be deferred.

Exempt information by virtue of Paragraph 3 - Relating to the financial or business affairs of any particular person (including the authority holding that information)

Members considered a report of Councillor Munisif Dad BEM JP, Leader of the Council, in relation to the lease of Piggy Park, Devonshire Road, Rishton.

Approval of the report was not considered to be a key decision.

Reasons for Decision

The reasons for the decision were set out in the exempt report.

Alternative Options Considered and Reasons for Rejection

The alternative options considered and reasons for rejection were set out in the exempt report.

Resolved

- That the recommendations as set out in the exempt report be approved.

122 Disposal of Elmfield Hall and External Areas to Community Solutions North West Limited

This item had been withdrawn and was not considered.

Signed:.....

Date:

Chair of the meeting

At which the minutes were confirmed

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Agenda Item 5.

REPORT TO:	Cabinet	
DATE:	10 September 2025	
PORTFOLIO:	Councillor Vanessa Alexander – Resources and Council Operations	
REPORT AUTHOR:	Martin Dyson – Executive Director (Resources)	
TITLE OF REPORT:	Process for the Development of the Revenue and Capital Budgets for 2026/2027	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	No	Not applicable
KEY DECISION:	No	If yes, date of publication:

1. Purpose of Report

1.1 This report provides Cabinet with an update on the development of the Council's Revenue and Capital budgets for 2026/27 and outlines how current risks and assumptions are affecting the Medium-Term Financial Strategy (MTFS) for 2026/27 to 2028/29.

2. Recommendations

It is recommended that Cabinet:

2.1 Note the key risks and pressures to the delivery of the budget in 2025/26. These issues will continue to be monitored and reported through the regular Budget Monitoring updates presented to Cabinet.

2.2 Approve the assumptions outlined in Section 6, which will be incorporated into the Medium-Term Financial Strategy (MTFS) updated for 2026/27 to 2028/29, to be presented to Cabinet in October.

2.3 Note the timetable set out in section 7 of the report for the development of the Council's Revenue Budget for 2026/27.

2.4 Note the timetable set out in section 8 of the report for the development of the Council's Capital Budget for 2026/27.

3. Background

- 3.1 The Council approved its annual Revenue Budget for 2025/26 and the Medium-Term Financial Strategy (MTFS) for 2025/26 to 2027/28 at the Full Council meeting on 27th February 2025.
- 3.2 Since the budget was approved, the government has launched the Fair Funding Reform 2.0 consultation and signalled a multi-year settlement from 2026/27. Early analysis suggests Hyndburn Council may be disproportionately affected.
- 3.3 Therefore, to ensure a credible and robust budget can be delivered for the forthcoming year, the Council has begun early work to develop its financial plans for 2026/27. This early start allows sufficient time for Officers and Members to shape a budget that aligns with the Council's corporate priorities, explores a range of options, and responds to emerging risks and pressures.
- 3.4 The budget is a key financial planning tool that supports delivery of the Corporate Plan. It must demonstrate value for money, be subject to robust scrutiny, and stand up to external audit. The Council's approach to budget development is a core component of the External Auditor's assessment of its Value for Money (VfM) arrangements.
- 3.5 A sustainable budget over the life of the MTFS is essential. Where savings are required, the Council must have a credible and deliverable plan in place. Achieving a balanced and sustainable financial position not only supports service delivery but also provides assurance to External Auditors and helps avoid adverse commentary in the VfM report.

4. Key Risks & Pressures in the Medium-Term Finance Strategy

The main risks/pressures to be considered are detailed below:

Fair Funding Review

- 4.1 The Council faces significant financial risk from the proposed Fair Funding Reform 2.0, which is currently subject to consultation. Early modelling by LG Futures indicates that Hyndburn could experience a substantial reduction in funding under the revised methodology. This is primarily due to the proposed reset of business rates, which disproportionately affects councils like Hyndburn that have seen strong growth in this area.
- 4.2 Hyndburn has been identified as one of the 49 most adversely affected authorities, with projected funding levels falling well below the baseline set out in the government's consultation. Officers have engaged directly with representatives from the Ministry of Housing, Communities and local government (MHCLG) to understand the methodology and any potential transitional arrangements.
- 4.3 Following this engagement and analysis of the modelling, the Council has submitted a formal response to the consultation on the 15th of August. The response is closely aligned with the position of the District Councils' Network, which outlines some key issues that affect most district councils. The outcome of this reform presents a material

risk to the sustainability of the Council's Medium-Term Financial Strategy and will be closely monitored as part of ongoing financial planning.

4.4 However, despite the uncertainty, the true impact of the reform will only be known when the Local Government Finance Settlement is published in December. However, the Council is working closely with LG Futures to model the impact on the MTFS with the latest assumptions on funding reductions outlined in section 5 of this report.

Local Government Reorganisation (LGR)

4.5 The potential reorganisation of local government presents several financial and operational risks for Hyndburn Borough Council. While the long-term implications remain uncertain, the process of exploring reorganisation has already placed additional demands on officer time and resources.

4.6 The Finance team has been required to attend additional meetings and provide detailed financial data to support external consultants in modelling the potential impact of forming a new unitary authority. This has diverted capacity from core financial planning and budget development activities.

4.7 Other service areas, including Democratic Services, HR and Legal, are also affected. These teams must consider the implications of structural change, including workforce integration, governance arrangements, and legal responsibilities associated with amalgamating with neighbouring district councils.

4.8 Although the reorganisation remains at an exploratory stage, the resource implications are real and ongoing. The Council will continue to monitor developments closely and assess the financial impact as further information becomes available. However, it is anticipated that additional support will be required as the demands of LGR further impact the Council.

Capital Programme – Funding Risk

4.9 While the majority of the Council's capital programme is funded through external grants, a financial risk remains due to limited resources within the Capital Receipts Reserve. At present, there are insufficient capital receipts to fully fund all planned projects.

4.10 As a result, the delivery of several schemes may be delayed until further asset disposals are achieved, or alternative funding sources are identified. Given the constraints within the revenue budget, the only viable alternative is borrowing, which introduces additional costs and long-term financial commitments. This risk will be closely monitored as part of the Council's capital strategy and financial planning processes.

4.11 To support the delivery of the capital programme, officers and Cabinet members are reviewing the Council's asset portfolio to identify opportunities for disposal, including sale, auction, or lease. The disposal process is being streamlined to ensure efficiency and maximise capital receipts.

4.12 Furthermore, all capital projects are subject to the Council's Approval to Spend (ATS) process, which acts as a gateway control. Projects can only proceed once sufficient funding is confirmed and formal approval is granted by the Section 151 Officer. Where capital receipts are unavailable, ATS approval will not be given, ensuring financial discipline and alignment with the Council's capital strategy.

Crematorium/Cremators

4.13 There is a financial risk that future changes in environmental legislation may require the installation or retrofitting of mercury abatement systems to the cremators at the Council's crematorium. While £350k is currently held in reserve to support this work, early estimates suggest the total cost could be up to £1 million. This creates a potential funding gap that may require additional capital resources. The Parks team is actively reviewing the implications and will update Cabinet once further information becomes available.

Waste Disposal Site/Transfer Station

4.14 Negotiations with Lancashire County Council regarding the Whinney Hill waste disposal contract are ongoing. Should the current arrangement not continue, Hyndburn and other East Lancashire districts may need to identify alternative disposal sites for residual household waste.

Financial provision has been made within the Medium-Term Financial Strategy, with £700,000 held in earmarked reserves to cover any associated costs.

Hyndburn Leisure

4.15 The Council has allocated funding within its Medium-Term Financial Strategy (MTFS) to provide financial support to Hyndburn Leisure. This allocation forms part of a structured reporting and monitoring framework, aligned with an efficiency savings plan agreed with the Trust. The objective of this plan is to progressively reduce the level of subsidy over future financial years.

4.16 The approved subsidy levels within the MTFS are as follows:

- £700,000 for the financial year 2025/2026
- £500,000 for 2026/2027
- £350,000 for 2027/2028

Prior to the release of any subsidy payments, the Council is required to undertake a Subsidy Compliance Assessment. Following this assessment, formal approval must be sought from Cabinet before any payments are made.

4.17 However, under the terms of the current arrangement, the Council remains financially liable for any operational shortfalls incurred by Hyndburn Leisure. This presents a

potential financial risk, particularly in the context of rising operating costs and economic uncertainty.

4.18 To mitigate this risk, the Council is actively pursuing measures aimed at improving the financial sustainability of Hyndburn Leisure. These include:

- Ongoing decarbonisation works at Hyndburn Leisure Centre, which are expected to significantly reduce utility costs and improve energy efficiency.
- Development of the Cath Thom Leisure Centre at Wilson Playing Fields, which will expand the Trust's service offering and create new revenue-generating opportunities.

4.19 These initiatives are designed to reduce the Council's exposure to future financial liabilities while supporting the long-term viability of leisure services in the borough.

4.20 As of 31 March 2025, the Council's aged debt with Hyndburn Leisure totals £1.62m. While still repayable, this amount has been fully covered by the bad debt provision, eliminating the financial risk of non-payment. The separate loan balance stands at £1.17m, with 60% provisioned. Repayments are being made on time, and as the loan reduces, the provision will be released back to the revenue account as income. This debt position will be reflected in the updated Medium-Term Financial Strategy presented to Cabinet in October.

Huncoat Garden Village

4.21 Following the recent award £29.898 million from Homes England's Brownfield, Infrastructure and Land (BIL) Fund, the Council is now in the delivery phase of a major infrastructure programme. The funded works include land remediation, construction of a relief road, and upgrade contributions for improvements at M65 Junction 8. The scheme will unlock a strategic housing site with capacity for approximately 1,816 new homes over the next decade, supporting delivery of the forthcoming Local Plan.

4.22 A key financial risk during delivery is the potential for cost overruns. Where such costs cannot be absorbed by or passed on to developers, the Council may be liable for the shortfall. This risk underscores the importance of robust project governance, effective cost control, and proactive engagement with delivery partners to manage financial exposure.

Future Revenue Costs for Levelling Up Fund Projects

4.23 In 2023, the Council secured £20 million from the Government's Levelling Up Fund to support a series of regeneration projects in Accrington Town Centre. These projects are now in the delivery phase and are scheduled for completion by the end of the 2025/26 financial year, with full operational use expected to commence in 2026/27.

4.24 Initial revenue costs are anticipated, particularly in relation to the Burtons Chambers and Market Chambers developments. While these costs may reduce over time as the facilities become fully operational, there is a risk that early-year operating costs may

exceed any savings, particularly from the Market Hall budget, which may no longer be required.

4.25 Work is ongoing to determine the full extent of the additional revenue costs associated with the Levelling Up Fund programme. Cabinet will be updated once more detailed financial forecasts are available.

Supported Housing - Housing Benefit Claims

4.26 The Council is increasingly concerned about the financial and operational challenges posed by Supported Housing in Hyndburn. A multi-agency group has been established to address these issues.

4.27 Supported Housing helps vulnerable residents live independently, but provision is fragmented, with both registered and non-registered providers operating locally. Funding is complex, with Housing Benefit (HB) playing a key role. However, for Supported Exempt Accommodation provided by non-registered entities, the Council receives significantly reduced HB subsidy, creating a direct financial burden.

4.28 Subsidy losses have fluctuated:

- 2024/25 Mid-Year: Forecast subsidy loss of £882k, contributing to a total service budget pressure of £488k
- 2024/25 Year-End: Actual loss of £725k, contributing to a total service budget overspend of £315k
- 2025/26 Mid-Year: Forecast loss of £691k, contributing to a total service underspend of £57k

While recent figures show improvement since the quarter 1 report, HB subsidy remains volatile and difficult to predict. Without effective regulation and oversight, this poses an ongoing risk to the Council's Medium-Term Financial Strategy.

Posts Funded from Reserves or External Grants

4.29 Several staff posts currently funded through reserves or external grants face a funding shortfall from 2025/26, with up to £400,000 per annum required to sustain them. This pressure has already been built into the Medium-Term Financial Strategy and contributes to the projected budget gap from 2026/27 onwards. However, officers are actively exploring new funding opportunities that may help reduce the impact.

5. Assumptions for the Medium-Term Financial Strategy

5.1 The Medium-Term Financial Strategy for Hyndburn Borough Council presents three scenarios:

- **Standard** – the most likely outcome for the year.
- **Pessimistic** – a “worst case” scenario.
- **Optimistic** – a “best case” scenario.

Given how early we are in the budget setting process and the unknowns at this point, (e.g. we have no indications of changes in government funding yet) these scenarios can differ significantly at this stage.

There are several assumptions which are used as part of producing the budget. The estimates to be used in the construction of the budget are set out below:

Pay Award

5.2 The agreed pay award for 2025/26 is 3.2% for Hyndburn Borough Council, which was 0.2% over the budget and results in additional costs of c.£27k p/a. For financial modelling purposes, a 2.5% increase will be assumed in the standard scenario, with 4.0% used in the pessimistic case and 1.0% in the optimistic case.

Inflation

5.3 The Consumer Price Index (CPI) rose by 3.6% in the 12 months to June 2025. As inflation varies across cost types, utility cost forecasts will be calculated separately and are addressed below. For general inflation modelling, a rate of 3.0% will be used in the standard scenario, with 5.0% in the pessimistic case and 2.0% in the optimistic case.

Utilities

5.4 The Council entered a new energy contract in October 2025, which runs until September 2027. While this provides short-term price stability, future costs remain uncertain due to potential market volatility and unpredictable usage patterns. To reflect this, inflation for gas and electricity will also be modelled at 3.0% in the standard scenario, 5.0% in the pessimistic case, and 2.0% in the optimistic case.

Sales, Fees and Charges

5.5 The Council charges customers for a range of services, and the cost of delivering these is expected to rise due to inflation and pay awards. To help offset these pressures, it is considered prudent to increase fees accordingly. In the standard scenario, a 3.0% increase in fees and charges will be assumed, consistent with general inflation. In the pessimistic scenario, a lower increase of 1.0% will be assumed, reflecting potential constraints on the Council's ability to raise charges. In the optimistic scenario, a 4.0% increase will be assumed, reflecting greater flexibility and demand.

5.6 Following the recent Corporate Peer Challenge, the Council is reviewing its Sales, Fees and Charges income targets and developing a strategy for inclusion in the Medium-Term Financial Strategy. This may include increasing existing charges or introducing new ones, subject to the outcome of the Fair Funding Reform consultation.

Government Grant Income

5.7 As previously mentioned, the Fair Funding Review (FFR 2.0) is expected to significantly impact Hyndburn Borough Council, primarily through a reduction in

retained business rates income. The Council is working with LG Futures to model the potential financial implications of these changes.

5.8 In the standard scenario, a reduction of £1.75m is anticipated over the three-year multi-year period, phased with two-thirds of the reduction occurring in 2026/27 and the remaining third in 2027/28. A flat cash position is assumed for 2028/29.

In the optimistic scenario, the same phasing applies but with a reduced overall impact of £1.5m. The pessimistic scenario assumes a larger reduction of £2.0m over the same period.

5.9 A consultation response outlining the impact on Hyndburn and district councils more broadly was submitted in August. The Government is expected to publish early funding indications in November, followed by the provisional settlement and policy statement in December.

Income from Business Rates

5.10 Hyndburn Borough Council currently retains 40% of locally collected business rates and participates in the Lancashire Business Rates Pool, which allows for a more efficient distribution of growth and risk across participating authorities.

5.11 However, due to the funding reset outlined in the Fair Funding Review (FFR 2.0), the future of the pooling arrangement remains uncertain. Any assumptions regarding future business rates income, including potential reductions, have already been incorporated into the funding scenarios detailed above.

Income from Council Tax

5.12 The main area of income over which the Council has direct control is Council Tax. As the billing authority, Hyndburn Borough Council is forecasting to collect a total of £52.748m in Council Tax during the 2025/26 financial year. Of this, only £6.141m (11.64%) is retained by Hyndburn, with the remainder distributed to Lancashire County Council, the Lancashire Police and Crime Commissioner, and Lancashire Fire and Rescue Service as precepting authorities.

5.13 Increases in Council Tax income is driven by two key factors:

- **Changes in the Council Tax base:** Each year, the Council calculates its tax base, which reflects the number of chargeable domestic properties, adjusted for discounts (e.g. single person discount) and Council Tax Support. This figure is converted into Band D equivalents to standardise comparisons. Growth in the tax base can result from new housing developments or bringing empty properties back into use. For Hyndburn, growth has been modest in recent years, with an increase of just 0.31% in 2025/26.
- **Changes in the Council Tax rate:** Each year, the Council decides whether to increase the rate of Council Tax it charges. Central Government sets a referendum threshold, which limits how much councils can increase rates

without triggering a local vote. In recent years, this has been 2.99% for district councils like Hyndburn, and 4.99% for upper-tier and unitary authorities.

5.14 The assumptions to be used for changes in Council Tax income in the revenue budget are as set out below:

	Pessimistic	Standard	Optimistic
Growth in Council Tax Base	0.31%	0.66%	1.13%
Increase in Council Tax Rate	1.00%	2.99%	2.99%

Council Tax Base

5.15 Under the Council's draft Local Plan, it is estimated that an additional 201 domestic properties will be built each year. When converted to Band D equivalents, this equates to 146 properties, representing a 0.66% increase in the Council Tax Base. This assumption forms the basis of the standard scenario.

5.16 The Government has introduced new annual housebuilding targets for each borough, with Hyndburn's target set at 313 properties per year. This converts to approximately 250 Band D equivalents, resulting in a 1.13% increase in the Council Tax Base. This assumption underpins the optimistic scenario.

5.17 The pessimistic scenario reflects the growth provided in 2025/26 and assumes a modest growth rate of 0.31%, equating to 69 Band D equivalents or approximately 94 new domestic properties.

The estimated annual increase in Council Tax income, before any changes to the tax rate, is:

- Pessimistic (0.31%) – £19,076
- Standard (0.66%) – £40,363
- Optimistic (1.13%) – £69,115

Council Tax Rate

5.18 The table below shows the current Council Tax charges per annum for each Council Tax band and the annual increase on each band for 1.00%, 2.99% and 2.99%:

Council Tax Band	2025/26 Charge	Increase of 1.00%	Increase of 2.99%	Increase of 2.99%
Band AA	153.59	155.13	158.18	158.18
Band A	184.31	186.15	189.82	189.82
Band B	215.02	217.17	221.45	221.45
Band C	245.74	248.20	253.09	253.09
Band D	276.46	279.22	284.73	284.73
Band E	337.90	341.28	348.00	348.00
Band F	399.33	403.32	411.27	411.27

Band G	460.77	465.38	474.55	474.55
Band H	552.92	558.45	569.45	569.45

5.19 The total changes in Council Tax income for each of the increases in the table above, before any growth in the Council Tax base are:

- Increase of 1.00% - £61,170 additional income
- Increase of 2.99% - £183,288 additional income
- Increase of 2.99% - £183,288 additional income.

Total Council Tax Income

5.20 The table below shows the overall Council Tax Income which would be assumed under the three scenarios:

	2025/26	Pessimistic	Standard	Optimistic
Hyndburn BC Council Tax Income	£6,127,200	£6,207,600	£6,290,900	£6,381,700
Increase in Council Tax Income from 2025/26		£ 80,400	£ 163,700	£ 254,500

The assumptions mentioned above will be used initially and adjusted as appropriate once more certain information becomes available.

6. Revenue Budget Timetable

6.1 The Council's budget-setting timetable is influenced by the approval schedules of major Council Tax precepting authorities, such as Lancashire County Council. Hyndburn Borough Council's draft budget will be presented to Cabinet on 18th February 2026, with final approval scheduled for the Council meeting on 26th February 2026.

6.2 The timetable set out below ensures that the Council will meet its legal budget setting deadlines:

Action	Date
Process for the development of the budget report presented to Cabinet	10 Sept 2025
Finance Cabinet Working Group	02 Oct 2025
Initial Medium Term Financial Strategy report presented to Cabinet	22 Oct 2025
Finance Cabinet Working Group	04 Nov 2025
Provisional Finance Settlement expected to be published by Central Government (date to be confirmed)	Nov 2025
Finance Cabinet Working Group	02 Dec 2025
Council Tax Base Setting report approved by Cabinet	21 Jan 2026
Finance Cabinet Working Group	13 Jan 2026

Final Finance Settlement expected to be published by Central Government (date to be confirmed)	Feb 2025
Draft Medium Term Financial Strategy & Revenue Budget reports presented to Resources Overview and Scrutiny Committee	16 Feb 2026
Draft Medium Term Financial Strategy & Revenue Budget reports presented to Cabinet	18 Feb 2026
Final Medium Term Financial Strategy & Revenue Budget reports agreed by full Council	26 Feb 2026

7. Capital Budget Timetable

7.1 At the same Council meeting in February 2026, the Capital Programme for 2026/27 will be approved by the Full Council.

7.2 The timetable for the development of the Capital Programme is set out below:

Action	Date
Process for the development of the budget report presented to Cabinet	10 Sept 2025
Capital Programme bidding process begins	27 Aug 2025
Deadline for submission of Capital Programme bids	30 Sept 2025
Finance Cabinet Working Group	02 Oct 2025
Finance Cabinet Working Group	04 Nov 2025
Finance Cabinet Working Group	02 Dec 2025
Finance Cabinet Working Group	13 Jan 2026
Draft Capital Budget report presented to Resources Overview and Scrutiny Committee	16 Feb 2026
Draft Capital Budget report presented to Cabinet	18 Feb 2026
Final Capital Budget report approved by full Council	26 Feb 2026

8. Alternative Options Considered and Reasons for Rejection

Not applicable. This report is for information purposes only.

9. Consultations

None applicable in this instance.

10. Implications

Financial implications (including any future financial commitments for the Council)	As outlined in the report.
Legal and human rights implications	Not Applicable
Assessment of risk	Not Applicable

Equality and diversity implications A <u>Customer First Analysis</u> should be completed in relation to policy decisions and should be attached as an appendix to the report.	Not Applicable
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11. Local Government (Access to Information) Act 1985:

12. List of Background Papers

General Fund – Revenue Budget, Council Tax Levels and Capital Programme 2024/25 – Council 27th February 2025

13. Freedom of Information

The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.

Agenda Item 7.

By virtue of paragraph(s) 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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