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# CABINET

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**Wednesday, 21st January, 2026**

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

**In Attendance:** Councillors Noordad Aziz and Zak Khan

**Apologies:** Councillor Ethan Rawcliffe

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**274 Apologies for Absence**

Apologies for absence were submitted on behalf of Councillor Ethan Rawcliffe.

**275 Declarations of Interest and Dispensations**

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

**276 Minutes of Cabinet**

The minutes of the meetings of Cabinet held on 19<sup>th</sup> November (Special Meeting) and 3<sup>rd</sup> December 2025 were submitted for approval as correct records.

**Resolved** - **That the Minutes be received and approved as correct records.**

**277 Reports of Cabinet Members**

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

Councillor Kimberley Whitehead reported on the following:

Woodlands Care Home, Clayton-le-Moors

An announcement had been made this morning by the Leadership of Lancashire County Council that the authority would not be closing any of their care homes or daycare facilities across the County. However, there were some concerns being voiced by trades unions and political parties that the message was ambiguous.

Information from the Chief Executive of Lancashire County Council had clarified that staff had not been notified of any decision and that no formal position had currently been adopted by the Council. Councillor Whitehead expressed concern that there was still the threat of privatisation of the facilities and that staff still required some assurance about their future employment. She noted that hundreds of people had turned up at a protest over the weekend, including representatives from all political parties, with the exception of the Reform party.

Councillor Munsif Dad responded that, overall, this was good news and a step in the right direction. The support of the public and cross-party political groups had certainly helped. He hoped that the leadership of Lancashire County Council would listen to the feedback and would keep these facilities open. Councillor Zak Khan added that a number of Conservative councillors had also attended the protests and that he was pleased to note the latest position.

### UK Town of Culture 2028

Details of the submission process for the newly created UK Town of Culture for 2028 had been published by the Government last week. This could potentially bring investment into Hyndburn. The Borough already had a Culture and Heritage Team, a Panel and Strategy, so was well placed to submit a bid. At this stage, it was unclear whether the submission would be for Hyndburn as a whole or for one town within the Borough. Lessons could be learned from neighbouring Burnley, which had recently announced its Burnley 2027 Year of Culture initiative.

Expressions of interest were required by the end of March 2026. More information about this ambitious proposal would be provided in due course.

### ***Portfolio Holder for Business, Growth and Sustainability***

Councillor Scott Brerton reported on the following:

#### Economic Policy Forum for Hyndburn

A meeting of the Economic Policy Forum for Hyndburn had taken place last week and had been extremely positive, even more so than last year's event. The main concerns raised included the increase in the minimum wage and commercial landlords increasing rents. Against this background, some businesses had reported having their best December in recent years. The hospitality sector had noted that recruitment was improving. Accrington and Rossendale College representatives had welcomed the Government's Industrial Strategy, which would fit well with the NW Construction Technical Excellence College (CTEC), led by Wigan and Leigh College, along with formal partners Blackpool and The Fylde College and East Lancashire Learning Group (Accrington and Rossendale College's parent organisation). The initiative could deliver 40,000 skilled workers by 2029.

Councillor Zak Khan commented that Accrington and Rossendale College was a great asset to the Borough and noted that the Chief Executive of the Group had recently been awarded a CBE. He also asked if attendees at the Forum were predominantly from the public sector. Councillor Brerton responded that there was a good cross-section of attendees at the Forum with many from the business sector.

#### Hyndburn Job's Fair

Hyndburn Job's Fair would return on 9<sup>th</sup> February 2026. The event had attracted 2,000 visitors last year. The Council was working closely with Scott Dawson Advertising on this event. Councillor Brerton commented that he had attended many such events in the past and that useful information had been disseminated, but that actual job availability had been limited. Accordingly, the current event organisers had sought to ensure that more job vacancies were publicised at the event. There should also be some good workshops available.

### Lancashire Skills Partnership

Some positive statistics had recently been published by the Lancashire Skills Partnership. Some communications would be available shortly. The headline messages included the following:

- Hyndburn's growth was gaining in strength;
- Business 'deaths' was one of the lowest figures in the area; and
- Hyndburn was outpacing Lancashire, the North West and UK in business 'birth' rates.

The Portfolio Holder thanked all those involved in driving forward these improvements and, in particular, Salma Chaudry, Economic Development Manager and Matthew Sheppard, Economic Development Officer in the Council's Housing and Regeneration Department.

Councillor Munsif Dad commented that it was good to hear of successful businesses and business growth. Hyndburn was doing well. The controlling administration had invested in economic development within the Borough.

Councillor Zak Khan indicated that he was pleased to see the improving statistics, as these initiatives had commenced under the Conservative administration in 2023/24. He sought further clarification about the end date for the figures provided, as in his experience different feedback was coming from the business sector. This might be due, in part, to the Chancellor's Budget in Autumn 2025. Councillor Brerton responded that he could look into the end date of the statistics, if necessary, but he understood that Councillor Khan already had access to that information. He was pleased that the Opposition had acknowledged the overall positive direction of travel.

### ***Leader of the Council***

Councillor Munsif Dad BEM JP reported on the following:

#### Local Elections 2026

An e-mail had been received today from the Ministry of Housing Communities and Local Government (MHCLG) in connection with the postponement of the local elections in May 2025. Jane Ellis, Executive Director (Legal and Democratic Services), indicated that the Reform party was seeking a judicial review of the process of cancelling the local elections.

A hearing was due to take place on 19<sup>th</sup> to 20<sup>th</sup> February 2026, although it was unclear about when the decision would be made available. The Council's Elections Team would need a decision to be made soon, as planning for the elections would normally have started at this time, including booking rooms, staff and equipment and incurring the necessary costs. A meeting would be arranged with the Elections Manager to consider what matters could be deferred and what needed to be commenced before 20<sup>th</sup> February 2026. Ideally, the Council would aim to not incur any costs, but this might be unavoidable. Members would be kept informed as to any developments. Councillor Dad reiterated that local elections would automatically take place in Hyndburn, unless the Government decided otherwise.

The Cabinet considered a report of Councillor Munsif Dad BEM JP, Leader of the Council, informing Members of the Council Tax Base for the financial year 2026/2027.

The Leader provided a brief introduction to the report, highlighting the figure for the Borough's Council Tax Base in 2026/2027 (22,183) and the figure for Altham Parish Council (319).

*Approval of the report was not deemed a key decision.*

#### *Reasons for Decision*

In accordance with Section 35 of the Local Government Finance Act 1992, the Council was required to formally determine the Council Tax Base for 2026/2027 prior to 31<sup>st</sup> January 2026. This allowed the Council to notify the major preceptors (Lancashire County Council, the Police and Crime Commissioner for Lancashire and Lancashire Combined Fire Authority) by the 31<sup>st</sup> January of the Council Tax Base.

The requisite calculation (Appendices A and B to the report) had to be carried out in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012. Once determined, the Council Tax Base could not be changed and had to be used when the Council set its Council Tax for the financial year 2026/2027.

The calculation of the Tax Base for Hyndburn and Altham for 2026/2027 was included as Appendix A to the report. It was proposed that the Tax Base for Hyndburn 2026/2027 should be 22,183. This was an increase from last year's Tax Base of 20 (22,163). The 2026/2027 Tax Base for Altham, as set out in Appendix B to the report, was 319, which was a decrease from last year's Tax Base of 320.

The Local Authorities (Calculation of Council Tax Base) Regulations 2012 specified formulae for calculating the Council Tax Base which had to be set between the 1<sup>st</sup> December 2025 and the 31<sup>st</sup> January 2026.

The Council Tax Base was the measure of the number of chargeable dwellings held on the valuation list as at the 10 September 2025 and then adjusted to take account of discounts, exemptions, re-bandings and Council Tax Support to arrive at the Authority's Council Tax Band D.

The Council Tax Base also took into account the Council's intention to apply a local exemption for Lancashire County Care Leavers, up to their 25<sup>th</sup> birthday from 1<sup>st</sup> April 2026.

The report had also included a copy of a Customer First Analysis as Appendix C.

*There were no alternative options for consideration or reasons.*

#### **Resolved**

**(1) That Cabinet notes and approves the report.**

**(2) That Cabinet agrees:**

**(a) That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount calculated by the Council for its Council**

**Tax Base for the financial year 2026/2027 shall be 22,183.**

**(b) That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount calculated by the Council for the Council Tax Base for the parish of Altham for the financial year 2026/2027 shall be 319.**

**279 Prudential Indicators Monitoring and Treasury Management Strategy Update - Quarter 3 2025/26**

Members considered a report of Councillor Vanessa Alexander, Portfolio Holder for Resources and Council Operations, providing an update on the Council's treasury management activities for the current financial year till Quarter 3 (Q3). The report outlined the performance of investments and borrowing, assessed compliance with the approved Treasury Management Strategy, and highlighted any emerging risks or opportunities that might impact the Council's financial position. Overall, the report supported effective budget monitoring and ensured transparency and accountability in the management of public funds.

The Leader of the Council introduced this report on behalf of Councillor Alexander, due to her recent dental appointment. Councillor Dad outlined the background to the report, the level of short-term investments and interest rates secured, the Council's approach to risk, interest rate forecasts, additional interest anticipated and the impact of investment returns on the Council's overall budget.

Councillor Khan commented on Table 1 at Paragraph 4.2 and noted that the Total External Debt and Capital Finance Requirement at Q3 were broadly similar figures which offset each other.

Approval of the report was not deemed a key decision.

*Reasons for Decision*

Local authorities were required to manage their borrowing, investments, and cash flows in a way that was affordable, prudent, and sustainable. This was governed by the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice, which together set the framework for how councils planned and monitored their capital financing and treasury activities.

As part of this framework, councils had to set Prudential Indicators each year to support decision-making around capital investment and borrowing. These indicators helped demonstrate that the Council's plans were financially sound and that risks were being managed appropriately.

The Council also adopted a Treasury Management Strategy annually, which outlined how it would manage borrowing, investments, and cash balances throughout the year. Regular monitoring reports were required to track performance against the strategy and indicators, and to provide assurance that treasury activities remained aligned with the Council's financial objectives.

Borrowing Activities During The Period

Table 1 below showed the current borrowing position at Q3 2025/26 compared with the original estimate. The increase in finance leases relating to vehicle purchases had increased the liability and Capital Financing Requirement (CFR) totals.

**Table 1 – Comparison of latest position with the original estimate as at Q3 2025/26:**

Borrowing Position – Q3 2025/26	Original Estimate 2025/26 £'000	Forecast at Q3 2025/26 £'000
<b>External Debt</b>		
Borrowing	9,595	9,595
Other Long-Term Liabilities	1,967	4,088
<b>Total External Debt</b>	<b>11,562</b>	<b>13,683</b>
Capital Financing Requirement	9,190	11,311
<b>Under(Over) Borrowing</b>	<b>(2,372)</b>	<b>(2,372)</b>

The Council continued to operate within the borrowing limits and targets set at the start of the financial year. A key measure in the Prudential Indicators was the relationship between the Capital Financing Requirement (CFR) and the Council's gross external debt.

The CFR represented the total amount the Council had needed to borrow over time to fund capital investment — such as buildings, infrastructure, and equipment. It reflected the underlying need to borrow, even if the Council chose to use internal resources (like reserves or cash balances) instead of taking out loans. The gross external debt of £13.683m was the actual amount the Council had borrowed from external sources, such as Lender Option Borrower Option (LOBO) loans and finance leases.

In general, gross debt should not exceed the CFR. This was an important safeguard built into the Prudential Code, as it provided assurance that the Council was not borrowing more than it needed for capital purposes — and crucially, that it was not borrowing to fund day-to-day services, which was not permitted.

In 2025/26, the Council's gross debt was forecast to exceed the CFR by £2.372m, placing the authority in an over-borrowed position. This was not due to new borrowing, but was explained by:

- Historic loans that were structured with repayment at maturity (i.e. the full amount was repaid at the end of the loan term). These loans kept the gross debt figure high, while the CFR reduced each year through the Minimum Revenue Provision (MRP) — an annual charge that reflected repayment of capital.
- The implementation of International Financial Reporting Standard (IFRS) 16 – Leases, which now required all lease liabilities (e.g. for vehicles and equipment) to be shown on the balance sheet as debt. This had increased the reported level of gross debt, even though it did not represent new borrowing.
- Timing differences between capital expenditure and financing, which could temporarily affect the CFR.

Despite this technical position, no new external borrowing had been undertaken, and the Council was not borrowing to support revenue spending. The position was therefore acceptable and well understood.

### Investment Activities During the Period

The Council invested surplus cash balances on a short-term basis to ensure that funds were readily available when needed, while also generating a modest return. These balances arose from timing differences — for example, when grants were received before the related expenditure was incurred, or when capital projects were delayed.

Short-term investments were typically placed in secure, low-risk instruments such as money market funds, government-backed deposits, or other approved counterparties. This approach supported the Council's priorities of:

- **Security:** protecting public funds by minimising investment risk.
- **Liquidity:** ensuring cash was available to meet day-to-day spending needs.
- **Yield:** earning interest to support the revenue budget, where possible.

The strategy aligned with the CIPFA Treasury Management Code, which required councils to manage investments prudently, balancing risk and return.

Table 2 below provided a list of counterparties and the balances invested as at Q3 2025/26.

**Table 2 – Invested balance by counterparty:**

<b>Investment Portfolio – Q3 2025/26</b>	<b>Balance at Q3 2025/26 £'000</b>
Local Authorities	30,000
Debt Management Agency Deposit Facility	2,400
Money Market Funds	2,000
Bank Deposit Accounts	80
<b>Total Short-Term Investments</b>	<b>34,480</b>

A further table (Table 3) was included in the report, which gave more details of the investments the Council had in place at Q3 2025/26 with other local authorities.

The Council had one future dated loan agreed at the end of the quarter with Moray Council from 6<sup>th</sup> January 2026 to 5<sup>th</sup> January 2027 in the sum of £2m, at 4.6% interest.

To protect public funds, the Council's Finance team carried out thorough checks before agreeing to lend money to other local authorities. These checks helped ensure that any investments were secure and that the borrowing authority was financially stable.

### Interest Rates

The Council had appointed MUFG (formerly Link Asset Services) as its treasury adviser. As part of their role, they provided guidance on expected movements in interest rates to support the Council's investment and borrowing decisions.

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 sets 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.

**Interest Receivable**

The Council had invested surplus cash on a short-term, temporary basis. These investments had generated interest income above the budgeted expectations for the year. This was mainly due to:

- Higher levels of cash being held (e.g. from grants received in advance of spending);
- The Bank of England maintaining interest rates at higher levels than anticipated when the budget had been set.

As a result, the Council now expected to receive £0.737m in additional interest income by the end of March 2026. The investment strategy continued to prioritise security and liquidity, ensuring that funds were safe and available when needed.

The Council invested surplus cash in highly rated financial institutions, spreading deposits across multiple banks to reduce risk. This approach helped protect public funds in the event of an unexpected bank failure.

- Deposits were placed with banks where government guarantees were likely to apply;
- No more than £2 million was held with any single bank, except for the NatWest liquidity account, which had a limit of £3 million;
- The Council could place unlimited funds with the Government’s Debt Management Account Deposit Facility (DMADF), which offered low risk returns and flexibility.

This strategy continued to deliver a reasonable return while keeping risk to a minimum.

**Interest Payable**

The budget included an estimate for interest costs on potential new borrowing. However, as no new borrowing was expected to take place during the year, these interest costs would not be incurred.

**Forecast Revenue Outturn – 2025/26 Q3**

Table 4 below showed the forecast revenue outturn position on the Council’s Treasury Management activities as at 2025/26 Q3.

The interest forecast had increased since Q2 due to prevailing interest rates overperforming what had been expected.

**Table 4 - Forecast Revenue Outturn – 2025/26 Q3**

Portfolio Position	Working Budget 2025/26	Forecast Outturn 2025/26	Forecast (Under)/ Over Spend
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	£'000	£'000	£'000
<b>INTEREST RECEIVABLE</b>			
Interest Receivable on Temporary Lending	(700)	(1,437)	(737)
Other Interest Receivable	-	-	-
<b>Total Interest Receivable</b>	<b>(700)</b>	<b>(1,437)</b>	<b>(737)</b>
<b>INTEREST PAYABLE</b>			
Interest Payable on Long-Term Borrowings	440	440	-
Interest Payable on Finance Leases	41	253	212
Other Interest Payable	-	-	-
<b>Total Interest Payable</b>	<b>481</b>	<b>693</b>	<b>212</b>
Minimum Revenue Provision	1,085	1,127	42
<b>Net (Income) / Expenditure from Treasury Activities</b>	<b>866</b>	<b>383</b>	<b>(483)</b>

### Performance Against Prudential Indicators

The *Prudential Code for Capital Finance in Local Authorities* required councils to set Prudential Indicators annually for the forthcoming three years. These indicators demonstrated that the Council's capital investment plans were affordable, prudent, and sustainable.

Hyndburn Borough Council had adopted its Prudential Indicators for 2025/26 at its meeting in February 2025.

In addition to setting these indicators, the Prudential Code required the Council to monitor them on a quarterly basis, using a locally determined format. These indicators were intended for internal use and were not designed for comparison between authorities.

Should it become necessary to revise any of the indicators during the year, the Executive Director of Resources would report and advise the Council accordingly.

Appendix 1 of the report provided a full list of monitoring information for each of the prudential indicators and limits. These included:

- 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.

### ***Liability Benchmark***

As part of the approved Treasury Management Strategy, the Council had set out a Liability Benchmark. This was a key tool that compared the Council's actual borrowing levels against a theoretical benchmark that represented the lowest risk level of borrowing, based on current capital and revenue plans.

The Liability Benchmark helped the Council understand whether it was likely to be a long-term borrower or a long-term investor. It did this by estimating the minimum level of external borrowing needed to:

- Fund planned capital expenditure;
- Repay existing debt; and
- Maintain only the minimum level of cash investments required for day-to-day operations.

This insight supported strategic decision-making around future borrowing and investment activity.

The inputs that determined the Liability Benchmark had been revised to include the increased capital expenditure relating to vehicle leasing and the increased draw down of useable reserves anticipated to support the revenue budget over the MTFS period.

Based on current forecasts, the Liability Benchmark suggested that the Council might need to undertake new borrowing around the year 2029. However, this was only a projection based on existing capital and revenue plans — it was not a confirmed borrowing requirement and might change as plans and funding sources evolved.

A chart illustrating the liability benchmark as at Q3 2025/26 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 Cabinet notes the treasury management activities undertaken during the period and the performance against the approved strategy.**

## **280 Revenue Budget Monitoring 2025/2026 - Quarter 3 to end of December 2025**

Members considered a report of Councillor Vanessa Alexander, Portfolio Holder for Resources and Council Operations, providing an update on the Council's financial performance up to the end of December 2025 for the 2025/26 financial year and outlining the projected impact on the Medium-Term Financial Strategy covering the period 2025/26 to 2027/28.

The Leader of the Council introduced this report on behalf of Councillor Alexander. Councillor Dad highlighted the forecast surplus for the year 2025/2026, the cost pressures faced throughout the year offset through treasury management income streams, significant variances, the provision made to deal with any potential liabilities and the level of and use of reserves. The Leader was pleased to note that the Council's finances were on track through close budget monitoring and good management.

Councillor Khan made the following observations and asked various questions as follows:

- Waste Services were predicting an £61k underspend. Could the saving be reallocated to enforcement activity?

- The announcement at Council on 15<sup>th</sup> January 2026 about progress on the Waste Disposal contract was welcomed, as this should mean the no large financial investment would be required.
- The overall forecast underspend of £0.594m was good news. Would the controlling group consider spending this in year?
- Would the controlling group consider reducing the level of unallocated reserves?
- Could the controlling group advise what the funding deficit would be following the Fair Funding Review 2.0 and the Government's subsequent provisional financial settlement for Hyndburn?

Councillor Dad responded that further information about the draft Budget would be available at the next Cabinet meeting. The Fair Funding Review outcome would still lead to a reduction in grant income from the Government, but the change was not as significant as had been first anticipated. The full implications would be considered during the Budget setting process in February. The Council would need to manage any shortfall and hence needed to be prudent in relation to expenditure within the last few months of 2025/26.

Councillor Eaves reported that a two-year waste disposal contract had been signed by Lancashire County Council with Envirofuel Ltd. From 1<sup>st</sup> April 2026, waste would be taken to their existing processing facility at Accrington Road, Hapton, in Burnley. Councillor Dad confirmed that there would be no additional cost to Hyndburn Borough Council for this service.

Approval of the report was not deemed a key decision.

### *Reasons for Decision*

At the Full Council meeting on 27<sup>th</sup> February 2025, Full 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, plus £0.121m use of reserves, in lieu of business rate receipts.

The current forecast spend to the end of the financial year in March 2026 was £17.106m, with forecast funding increasing to £17.700m. This brought the forecast underspend for the year against the budget to £0.594m. Further analysis of changes in forecast spend were shown in Section 4 of the report.

Table 1 below showed the working budget and forecast outturn by service area. During Quarter 3 2025/26 there had been a restructure of service responsibilities, however, to allow for consistency between monitoring reports all the tables in the report reflected the service structure at budget setting.

**Table 1: Forecast Outturn Variance - Summary by Service Area**

Service Area	Original Budget	In-Year Budget Changes	Working Budget	Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000	£'000	£'000
Environmental Health	941	-	941	975	34
Environmental Services	5,495	(14)	5,481	5,557	76
Legal and Democratic	1,896	-	1,896	1,933	37
Planning and Transportation	712	5	717	720	3
Regeneration and Housing	1,604	(34)	1,570	1,377	(193)
Resources	6,085	6	6,091	6,592	501
<b>Net Cost of Services</b>	<b>16,733</b>	<b>(37)</b>	<b>16,696</b>	<b>17,154</b>	<b>458</b>
Non-Service	865	5	870	(48)	(918)

Cabinet Approved Contributions	-	-	-	-	-
Corporate Savings Target	(164)	-	(164)	-	164
<b>Total Net Expenditure</b>	<b>17,434</b>	<b>(32)</b>	<b>17,402</b>	<b>17,106</b>	<b>(296)</b>
Funding	(17,434)	32	(17,402)	(17,700)	(298)
<b>(Under)/Overspend</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(594)</b>	<b>(594)</b>

Table 2 below showed the change in forecast by service area compared to the previous quarter.

**Table 2: Change in Forecast Outturn – Summary by Service Area**

Service Area	Quarter 2 Forecast Outturn	Changes in Forecast Outturn During Quarter	Forecast Outturn Quarter 3
	£'000	£'000	£'000
Environmental Health	963	12	975
Environmental Services	5,328	229	5,557
Legal and Democratic	1,939	(6)	1,933
Planning and Transportation	840	(120)	720
Regeneration and Housing	1,588	(211)	1,377
Resources	6,371	221	6,592
<b>Net Cost of Services</b>	<b>17,029</b>	<b>125</b>	<b>17,154</b>
Non-Service	397	(445)	(48)
Corporate Savings Target	-	-	-
<b>Total Net Expenditure</b>	<b>17,426</b>	<b>(320)</b>	<b>17,106</b>
Funding	(17,435)	(265)	17,700
<b>(Under)/Overspend</b>	<b>(9)</b>	<b>(585)</b>	<b>(594)</b>

Table 3, which was set out in the report, showed details of the most significant changes in the forecast variance. A commentary was also provided on the affected areas, as follows:

- Staffing Costs and Pay Pressures** - The forecasted savings on staffing costs had reduced by £0.177m since Quarter 2, from £0.115m underspend to a pressure of £0.062m. This change was largely attributable to an increased reliance on agency staff to maintain service delivery, which had offset the anticipated savings from vacant posts. In addition, a pay award of 3.2% had been agreed in-year, compared to the original budget assumption of 3% for 2025/26. This had created a pressure within staffing budgets of £0.025m.
- Utilities and Operational Savings** - The forecasted savings on utility costs had increased by £0.015m since Quarter 2, rising from £0.136m to £0.151m. This improvement was primarily attributed to the implementation of a new energy contract, which had helped to stabilise prices and reduce overall expenditure. The new contract had likely contributed to the additional savings now being forecast.
- Grant Income and Housing Benefit** - A favourable movement of £0.466m had been reported in relation to grant income, shifting from a forecasted pressure of £0.230m in Quarter 2 to surplus of £0.236m in the current forecast. This change followed notification of additional grant income in the quarter, including additional Homelessness Prevention Grant and additional Housing Benefit subsidy, in addition to the use of grant income to support general services.

- **ICT Costs** - ICT and software costs had increased by £0.060m since Quarter 1, bringing the total forecast pressure in this area to £0.169m. This increase was primarily due to additional licensing and support costs associated with the ongoing modernisation of the Council's ICT infrastructure and the growing reliance on cloud-based systems to support service delivery and secure remote working.
- **Council Tax Recovery Costs** - The forecast for Council Tax recovery costs had increased by £0.080m since Quarter 2. This reflected updated assumptions around collection activity and associated costs, including potential increases in enforcement or administrative overheads linked to recovery processes.
- **Fees and Charges Income** - Fees and charges income had improved by £0.074m compared to the previous quarter. This positive movement was primarily driven by increased income from commercial property rents, as well as higher-than-anticipated income from Building Control and Planning services. These uplifts suggested stronger market demand and improved performance in these service areas.
- **Non-Service Budgets** - There had been a significant increase of £0.151m in forecast investment income since Quarter 2, bringing the total to £0.737m. This improvement was primarily due to the continuation of favourable interest rates and higher-than-anticipated cash balances, which had been sustained in part by delays in capital expenditure. The Council had also received £0.181m as part of a reconciliation exercise following the upfront payment of its employer contributions to the Pension Fund.

As explained at Quarter 2 there were new cost pressures within financing budgets, with interest payable increasing by £0.073m and the Minimum Revenue Provision (MRP) rising by £0.042m. These increases were largely attributable to a higher volume of vehicles being acquired through leasing arrangements, which had impacted borrowing costs and associated MRP charges. It was expected that these additional costs would be funded by earmarked reserve, therefore they would not adversely affect the forecast revenue outturn position.

#### Variance by Service Area

Section 4 of the report provided a breakdown of forecast outturn variances by service area set out in additional tables (Nos 4 to 11), as well as a supporting commentary. It highlighted the key changes since Quarter 2 and compared the current forecast against the approved working budget. For comparison purposes the various tables reflected the organisational structure prior to recent changes in service area responsibility. Figures would be amended at outturn, with budget movements shown.

The analysis aimed to provide greater transparency on the financial position of individual services and to support ongoing monitoring and management of budget pressures and savings.

Table 12 comprised the Forecast Movements in Reserves 2025/26 at Quarter 3, which showed that the Council was currently forecasting a total of £16.849m at the end of the financial year. It was anticipated that all of this amount, with the exception of £1.887m in

general reserve would be used to support the forecast shortfall in future years of the Medium Term Financial Strategy and the funding of the Capital Programme. It was recommended that the authority maintained a level of general reserve of around £1m to act as a financial cushion to cover any unknown future financial pressures.

### Pressures and Risks

The forecast underspend at Quarter 3 was a surplus of £0.594m. Although this was positive position for the Council, there were some real pressures and risks that needed to be considered, which were not currently built into any financial forecasts.

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

- **Waste Disposal Site/Transfer Station** – Negotiations were still underway with Lancashire County Council regarding their contract situation for the disposal of waste at the Whinney Hill site. This might require Hyndburn and the other East Lancashire districts to find alternative sites to dispose of their residual household waste. The assumption for any new arrangements was that any costs would be contained within the budgets set aside within the Medium-Term Financial Strategy.
- **Oswaldtwistle Civic Theatre** – The closure of the theatre and return of the lease to the Council had resulted in the need to undertake surveys and compliance works to understand the condition of the building, prior to it being ready for potential future occupation. The Council had approved revenue costs for ensuring the site met all annual safety requirements and had set aside capital budgets to undertake works including a full roof replacement and other internal works that should prepare the theatre for reopening in the future.
- **Crematorium/Cremators** – There was a risk that there might be a change in legislation to enforce new systems for mercury abatement to be installed/retro fitted to the current incinerators at the crematorium. It was expected that these changes might come into place in 2 to 3 years' time and there would be a significant capital cost for works to ensure compliance. The parks team were currently investigating this further and would inform Cabinet of the requirements as soon as the information was available. Cabinet had put £350,000 into reserves to date to be used for this purpose, and a further contribution of £150,000 was included in the budget for 2025/26.
- **Food Waste Collections** – From April 2026 the Council would have to provide a food waste collection for residents. A grant had been received from the Department for Environment, Food and Rural Affairs (Defra) to be used towards the capital costs of implementing the new collection (e.g. purchasing new vehicles, bins and food caddies) and procurement had been undertaken to provide the capital resources. The Council had received advice from Central Government indicating that there would be no separately identifiable new burdens funding to support the cost of providing the revenue costs of food waste collection. As such this would place additional pressure on the Council's revenue budget for 2026/27 of circa £300,000.

- **Hyndburn Leisure** – The Council had set aside funding within its Medium-Term financial strategy to provide financial assistance / subsidy to Hyndburn Leisure. This funding was part of an agreed process for reporting and monitoring and linked to an efficiency savings plan with the trust to reduce this subsidy in future financial years. The budget subsidy approved in the Medium-Term Financial strategy was £700,000 in 2025/2026, £500,000 in 2026/2027 and £350,000 in 2027/2028. Prior to payment of any subsidy the Council would first have to complete a Subsidy Compliance Assessment. This had been taken to Cabinet on 3<sup>rd</sup> December 2025, which had subsequently approved payment of £700,000 in 2025/26.
- **Housing Benefit Supported / Exempt Accommodation** – The Council continued to feel pressures from unrecoverable benefit payments although it was expected to be managed in 2025/2026 within the overall revenue budget. The Council had started to take action to try to reduce these costs through introducing planning restrictions and supporting housing regulation although this did not have an immediate effect and without additional support from the Government this would continue to be a pressure for most councils nationally.

These 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 the Cabinet notes the financial position of the Revenue Budget at Q3 of the 2025/26 financial year, as shown in Section 3 of the report.**
- (2) **That the Cabinet notes the financial pressures and risks facing the Council as at the end of December 2025, as shown in Section 5 of the report, and considers the potential longer-term impact on the Medium-Term Financial Strategy for 2025/26 to 2027/28.**

**281 Capital Programme Monitoring 2025/26 - 3rd Quarter Update to 31st December 2025**

Members considered a report of Councillor Vanessa Alexander, Portfolio Holder for Resources and Council Operations, providing an update on the delivery and financial performance of the capital programme as at Quarter 3 (Q3) of 2025/26, highlighting progress against budget, identifying any variances, risks or slippage, and forecasting the expected outturn. Overall, the report supported effective decision-making, ensured transparency and accountability, and informed any necessary adjustments to project timelines, funding allocations, or future financial planning.

The Leader of the Council introduced this report on behalf of Councillor Alexander. Councillor Dad highlighted the amounts of new additions to the programme at the start of the year, items carried forward from the previous year and new authorisations in year forming the final scheme approvals of £56.351m. He also outlined the slippage into future

years and forecast spend in-year as a percentage of the capital budget for 2025/26 (72.7%). In addition, he drew members attention to the sources of funding, as well as risks around the shortfall in capital receipts and from potential areas of spending not currently contained within the capital programme. The programme was central to the Council's need to maintain and develop its assets and its ambition to achieve key corporate objectives for the benefit of local residents.

Councillor Khan made the following observations and asked various questions as follows:

- Appendix 3 of the report set out slippage into future years, for example expenditure on Wilsons Playing Fields Drainage, Hyndburn Leisure Centre Efficiencies and the Market Hall development. Was this linked to a lack of staff capacity, expertise or delays affecting delivery of the project? The Conservative Group had proposed additional project staff during the last Budget process.
- In connection with Paragraph 5.2 of the report, on the Levelling Up Town Centre projects, what was the 'challenge referred to?

Councillor Dad responded that the Council's organisational review had sought to introduce more streamlined systems and structures. In general, all capital programmes gave rise to an element of slippage. However, the planned projects would all be completed in due course. The employment of additional staff would not provide a solution to slippage of the type identified. The controlling group would make additional staff available where this was necessary to support service delivery. Overall, he was confident that the programmed projects would be successfully delivered. Regarding the Levelling Up Town Centre projects, the finish date for the Market Hall would still be in 2026, but there had been a need to reconsider the facility's operator.

Councillor Pritchard added that a new operator for the Market Hall had now been identified. The initial preferred operator had parted company with the Council amicably, in part, due to insufficient funding being available to carry out the proposals as originally envisaged. Other delays had been caused by the discovery of further asbestos on site. The Council was currently seeking additional stall holders for the development and the majority of stall holders in the temporary cabins were expected to return to the Market Hall. She offered to arrange a site visit if Councillor Khan so wished. The project had been a 'challenge' and progress had been slower than the Council would have liked. However, the renovation of old buildings could often throw up unexpected complications.

Councillor Khan raised the following additional matters:

- Was an update available regarding project delivery and expenditure in Year 1 concerning the £20m Pride in Place Funding?
- He noted that, at Paragraph 5.9 of the report, the Huncoat Garden Village development was being supported by consultants. His understanding was that the controlling group had previously disapproved of the use of consultants for projects. He speculated as to whether the cost of using consultants had risen in recent years.

Councillor Dad responded that the Pride of Place Impact Fund referred to in the report was, in fact, the £1.5m offered to targeted councils across England, Scotland and Wales. This was a two year programme with £750k being allocated in each of the years 2025/26 and 2026/27. The schemes brought forward would complement those being developed by the Accrington Neighbourhoods Board from the £20m grant.

On the matter of consultants, Councillor Dad indicated that the controlling group was against engaging them unnecessarily, but inevitably there were times when the Council

needed a particular expertise which could not be provided in-house. He did not have any information to hand about whether the cost of using consultants had risen or fallen.

Approval of the report was not deemed a key decision.

### *Reasons for Decision*

#### 2025/26 Capital Budget

The Capital Budget for 2025/26 was year one of the Capital Programme 2025/26 – 2027/28. At the Council meeting on 27<sup>th</sup> 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 rephased capital projects carried forward from 2024/25. Of this, £19.370m related to major projects, such as the Levelling Up funded schemes for Accrington town centre and Leisure Estate Investment programme.

Ad hoc budget adjustments had reduced the Capital programme by £0.157m, of which, £0.178m had been removed from the Capital Programme relating to a UK Shared Prosperity Fund (UKSPF) funding adjustment. A further £0.021m of capital receipts funding had been added, which had been brought forward from 2024/25.

Approval had been received at Q1 to add a further £29.780m to the capital programme, of which, £29.187m was for the scheme at Huncoat Garden Village (HGV), which was fully funded from external grants. £0.500m related to the addition of solar panels at Market Hall, which was funded from reserves. £0.094m related to several smaller projects.

Approval had been received at Q2 to add a further £0.681m to the capital programme, of which, £0.128m was for the scheme at Wilsons Playing Fields, £0.250m related to the Market Development Works, £0.120m related to Mercer Hall Repurposing and £0.183m related to several smaller projects. These were funded from earmarked reserves.

This report requested a further £0.084m to be added to the Capital Programme at Q3. £0.111m related to further development work spend at the market which would be funded from earmarked reserves. There was also an offset (£0.027m) relating to lower spend on playground improvements.

Details of all in-year budget adjustments could be found in Appendix 1 of the report.

Several projects had been identified to be rephased into future years of the Capital Programme, which totalled £26.310m, of which, Huncoat Garden Village was £26.076m.

Therefore, the Capital Budget for 2025/26 now totalled £30.041m, as shown in Table 1 below:

**Table 1 – Capital Budget 2025/26 Reconciliation**

Capital Budget 2025/26	Amounts
	£'000
Budget Approvals (Council Feb-25)	2,726
Slippage b/f from 2024-25	23,236
Budget Adjustments in Year	-157
Schemes Approved in Year (QTR1)	29,780
Schemes Approved in Year (QTR2)	681
Schemes Recommended for Approval (QTR3)	84
<b>Proposed Capital Programme 2025-28</b>	<b>56,351</b>
Less Approved Slippage into Future Years	-26,310
<b>Proposed Capital Budget 2025-26</b>	<b>30,041</b>

A more detailed set of tables showing movements by service area were provided at Appendix 2 of the report.

The proposed financing of the Capital Budget of £30,041m for 2025/26 was shown as a pie chart (Chart 1) in the report.

Following all budget adjustments, as detailed above, this had resulted in a proposed revised Capital Programme of £56.351m, which could be seen in Table 2 below:

**Table 2 – Capital Programme Budgets by Service Area:**

Programme Area - Budgets	Proposed Capital Budget 2025/26	Proposed Capital Budget 2026/27	Proposed Capital Budget 2027/28	Proposed Capital Programme
	£'000	£'000	£'000	£'000
Community Projects	728	0	0	728
Housing Improvement Programme	1,769	0	0	1,769
Huncoat Garden Village	3,110	22,261	3,815	29,186
IT Projects	527	0	0	527
Leisure Estate Investment	6,921	0	0	6,921
Levelling Up Town Centre	13,460	0	0	13,460
Operational Buildings	1,156	234	0	1,390
Parks & Open Spaces	1,216	0	0	1,216
Planned Asset Improvements	217	0	0	217
UK Shared Prosperity Fund	255	0	0	255
Vehicles & Equipment	683	0	0	683
<b>Total Approved Capital Spend Budgets</b>	<b>30,041</b>	<b>22,495</b>	<b>3,815</b>	<b>56,351</b>

As shown above, £22.495m had been rephased to 2026/27 and £3.815m to 2027/28, reflecting the forecasted expenditure in those years.

The proposed financing of the Capital Programme of £56.351m for 2025/26 – 2027/28 was shown as a pie chart (Chart 2) in the report.

#### 2025/26 Capital Budget – Q3 Forecast Outturn

As of 31<sup>st</sup> December 2025, actual and committed expenditure totalled £18.995m, representing 63.23% of the rephased 2025/26 budget of £30.041m. Table 3 below showed the committed expenditure and forecasted outturn by service area.

**Table 3 - 2025/26 Capital Budget – Q3 Forecast Outturn:**

Programme Area - Budgets	Proposed Capital Budget 2025/26	Actuals & Commitments - Q3	Forecast Outturn - Q3	Forecast Variance - Q3
	£'000	£'000	£'000	£'000
Community Projects	728	325	630	98
Housing Improvement Programme	1,769	1,162	1,619	150
Huncoat Garden Village	3,110	2,836	3,006	105
IT Projects	527	438	524	3
Leisure Estate Investment	6,921	5,859	6,521	400
Levelling Up Town Centre	13,460	7,209	7,209	6,251
Operational Buildings	1,156	92	735	421
Parks & Open Spaces	1,216	614	993	222
Planned Asset Improvements	217	10	100	117
UK Shared Prosperity Fund	255	201	255	0
Vehicles & Equipment	683	251	270	413
<b>Total Approved Capital Spend Budgets</b>	<b>30,041</b>	<b>18,995</b>	<b>21,861</b>	<b>8,180</b>

Further forecast expenditure of £8.180m was anticipated before the end of the financial year, resulting in a total forecast outturn figure of £21.861m. This represented 72.77% of the allocated budget and an underspend of £8.180m against the 2025/26 proposed budget.

Of the £8.180m underspend on the 2025/26 budget, most was due to natural slippage of capital projects, or where projects had not commenced - mainly due to the absence of funding. Subject to Cabinet approval at year end, these projects would be rephased to subsequent years.

The largest area of slippage related to the LUF-funded Market Development Works due to complete July 2026, for which a more detailed cashflow was being developed by the contractor for the final works. While a more detailed cashflow was being developed by the contractor, initial estimates proposed that £6.251m of budget would be slipped into next year.

A further £0.192m of the £8.180m underspend on the 2025/26 budget related to delayed civic theatre refurbishment works and £0.153m slippage in fire safety improvements works.

The Leeds/Liverpool cycle path works £0.195m had slipped till next year. The food waste collection caddies should be received by the year end preventing an underspend.

The capital programme was closely monitored throughout the financial year to ensure spending stayed in line with forecasts and was accurately reflected in the Council's cash flow. Any significant variances would be reviewed, and their financial impact would be factored into future treasury management and budget planning.

A more detailed breakdown of the forecast outturn for 2025/26 was shown in Appendix 3 of the report.

### Major Schemes

The Capital Programme included several major schemes that required robust and continuous monitoring to ensure they were delivered on time, within budget, and that all external funding was both secured and claimed promptly. The following had been identified as key major schemes currently requiring close oversight:

- **Levelling Up Town Centre** – The redevelopment of Market Hall, Market Chambers, and Burtons Chambers remained a challenge for the Council. However, enhanced monitoring and management arrangements had ensured that key milestones were being met, with the project progressing on time and within budget.

The programme had a remaining budget of £13.460m. This was funded by £10.617m from the Levelling Up Fund and other grants, the majority of which had already been claimed. The balance of £2.843m would be met from available capital receipts and revenue reserves, ensuring the Council had the necessary resources in place to deliver the scheme as planned.

At the time of writing, the contractor was working with the Council to finalise the spend profile. Nonetheless, the programme remained on track for completion at the end of Q2 of the 2026/27 financial year.

- **Leisure Estate Investment** – Comprised two key projects: the construction of the Cath Thom Leisure Centre and efficiency works at Hyndburn Leisure Centre. The overall programme budget was £6.921m, which included provision for future pitch drainage works.

Construction of the Cath Thom Leisure Centre was now complete, with final accounts and outstanding project costs currently being finalised, with any minor overspends covered by the £0.128m underspend reserve previously approved by Cabinet.

The Hyndburn Leisure Centre efficiency project of £0.767m was expected to underspend by approximately £0.100m which would be slipped into next year. This, along with the £0.300m budget allocated for Wilson Playing Fields pitch drainage works was expected to be slipped into the 2026/27 financial year.

- **Huncoat Garden Village** – Huncoat Garden Village remained a major strategic scheme for the Council, fully funded by a £29.187m grant from Homes England. Forecast expenditure was phased over three financial years, with £3.110m in 2025/26, £22.261m in 2026/27, and £3.816m in 2027/28.

Current activity was focused on progressing key preparatory work, including planning, legal, and land acquisition processes. Consultants were supporting the Council across several workstreams, including the residential relief road design, Compulsory Purchase Order (CPO) documentation, landowner negotiations, and overall programme management. These activities were essential to enabling delivery of the scheme in line with the agreed programme.

## Funding Risks

### **Capital Receipts**

**Capital Receipts and Funding Position** - At Q3 2025/26, Grants represented £19.451m, Capital Receipts £4.249m, Reserves £6.291m, s106 and Revenue £0.500m to total £30.041m of capital funding for the programmes of works and projects. The total proposed

capital budget £30.041m was reduced due to proposed slippage of £7,766m into 2026/27. This reduced the need for the full capital receipts this year and brought it down to a need for £0.961m.

**2025/26 Forecast** - The proposed capital budgets for the next few years were 2025/26 £30.041m, 2026/27 £22.495m and 2027/28 £3.815m. Even though the capital receipt requirement had fallen this year as outlined above for future years the authority still needed £2.053m of new capital receipts to fund the proposed capital budgets.

**Future Requirements and Risks** - In 2026/27, further capital receipts were required to fund all approved projects. Funding for these future commitments had not yet been identified and excluded any new capital bids submitted for that year. Progress was being made on planned asset disposals to generate the necessary receipts, but delays might require temporary use of reserves or pausing elements of the programme.

**Next Steps** - Officers would continue to review the Council's operational asset base to identify further disposal opportunities. The funding strategy and associated risks would be monitored closely to ensure the programme remained deliverable and financially sustainable.

This was a high-level risk.

### ***External Grants and Contributions***

- **Levelling Up Project (LUF)** – this scheme was primarily funded through a government grant, supplemented by a contribution from Lancashire County Council. A total of £10.617m in grant funding was required to complete the scheme. To date, the Council had received £9.634m, with further claims being submitted on a quarterly basis to help manage cash flow effectively.

To support local authorities, the Government had prepaid certain elements of the grant, easing short-term cash flow pressures.

- **Huncoat Garden Village** – The Council had been awarded a Government grant of £29.187m to support this scheme. Grant claims were submitted monthly, following the incurrance of eligible expenditure, to help manage the Council's cash flow.

To date, the Council had received over £2.0m in grant funding. Homes England had structured the grant to allow for prepayment of certain elements, further supporting local authority cash flow management.

- **Disabled Facilities Grant** – The Council received grant funding from the Better Care Fund via Lancashire County Council, which included £1.360m of funding for 2025/26. All grant funding had been received.
- **Leisure Estate Investment Programme** – The Council had been successful in obtaining external funding of around £2.64m from Sport England. Most of this grant had already been received by the Council, with the final claim recently submitted.

- **Pride of Place Impact Fund** – The Council had been awarded £1.5m through the Pride in Place Impact Fund. As of December 2025, no decisions had been made regarding allocation. Schemes would be developed collaboratively with officers, Cabinet, the local MP, and the community to ensure the funding delivered maximum benefit across the Borough. All funds would have to be spent by 31<sup>st</sup> March 2027.

This was a low-level risk.

### Conclusion

The Capital Programme had grown substantially over the past two financial years and now totalled £56.351m. While approximately 78% of this funding was secured through external grants and contributions, the increased scale and complexity of the programme were placing significant demands on the Council’s staffing and delivery capacity.

To ensure successful delivery within agreed timescales and budgets, it was essential that all projects were strategically planned, adequately resourced, and appropriately phased. Effective programme management and coordination would be critical to maintaining progress and achieving intended outcomes.

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 Budget at Q3 of the 2025/26 financial year, as shown in Section 4 of the report.**
- (2) **That Cabinet approves the in-year addition to the Capital Programme of £0.084m of capital projects, as shown in Appendix 1 of the report.**

## **282 The Introduction of Food Waste Collections**

Members considered a report of Councillor Stewart Eaves, Portfolio Holder for Environmental Services, updating Cabinet about progress made relating to the introduction of weekly food waste collections to all domestic properties in Hyndburn by 1<sup>st</sup> April 2026.

Councillor Eaves gave a brief introduction to the report and commented that the roll out of caddies was going well. He was looking forward to the commencement of the pilot scheme for councillors. Councillor Dad added that the Council would keep a close watch on how the new service was performing and any ‘teething problems’ would be addressed quickly.

Councillor Khan welcomed the new service and commented that many councils already collected food waste. He noted that this would be new to the people of Hyndburn and asked whether vulnerable groups such as the elderly would have wrap-around support. Councillor Eaves responded that support was available for those in need and added that the Council would be sensitive to the fact that the system was new to residents. However, most people should adapt quickly.

Councillor Brerton added that, although some sections of the public were against food waste collection, the feedback received locally on social media had been mostly positive. This comment was echoed by Councillor Khan. The Leader was pleased to note that the caddies were now being rolled out to all residents. Councillor Eaves summed up by stating that any negative feedback had been outweighed by the positive comments received and that, overall, the scheme was the right thing to do for the environment.

Approval of the report was not deemed a key decision.

### *Reasons for Decision*

Section 57 of the Environment Act 2021 had named food waste as a recyclable waste stream for the first time. It also stated that recyclable household waste which was food waste must be collected at least once per week.

Further guidance from the Government had stated that the provision of food waste collections had to be in place by 1<sup>st</sup> April 2026 for each local authority in England.

To help facilitate this the Department for Environment, Food and Rural Affairs (Defra) had provided some funding to help local authorities with the cost of introducing and continuing with food waste collections. There were three tranches of funding: capital funding for the procurement of vehicles and containers, transitional funding to roll out food waste containers and information about collections and revenue funding to pay for the future costs of food waste collections.

To date Defra had provided local authorities with the capital funding and the transitional funding. The revenue element had been included in the financial settlement for the financial years 2026/27 and beyond.

Lancashire County Council, as waste disposal authority, had informed district councils that they intended to process food waste via anaerobic digestion rather than in-vessel composting. As such, food waste could not be mixed with green waste and would have to be collected separately. This would mean each household would need a kitchen caddie for food waste collection and a kerb side caddie to facilitate the collection of food waste by Waste Services collection crews.

The Council (as collection authority) would provide a kitchen caddie and kerb side caddie to each household in the Borough. In addition, the Council would provide each household with a roll of food waste bags to line the kitchen caddie, as lining the kitchen caddie with a food waste bag made recycling food waste more convenient as well as more hygienic for the resident.

The Council would deliver a kitchen caddie, kerbside caddie, roll of food waste bags and a calendar/information leaflet to each household in the Borough during January and February 2026. Food waste collections would then start on 1<sup>st</sup> April 2026.

To facilitate the collection of food waste the Council had ordered some new collection vehicles. These new vehicles would allow the Council to collect food waste at the same time as collecting waste and recycling from residents. As food waste had to be collected each week, this meant food waste would be put out for collection at the same time and on the same day as residents' wheelie bin collection for that week (whether it be grey, brown or blue wheelie bin).

As stated in Paragraph 3.5 of the report, Lancashire County Council as disposal authority had advised that the disposal method for food waste was via anaerobic digestion (AD) units. For AD units to work properly part of the process required food waste bags to be removed before the food waste went into the AD plant. As such bio-degradable bags were not necessary and the Council had purchased recycled plastic food waste bags instead.

#### *Alternative Options Considered and Reasons for Rejection*

Not to introduce food waste collections on 1<sup>st</sup> April 2026. This had been rejected because it was a legal requirement set out in the Environment Act 2021 and on average 25% of grey bin waste was food waste, so recycling food waste reduced the amount of non-recyclable waste going to landfill or being incinerated.

**Resolved** - **That Cabinet notes the report on the introduction of food waste collections.**

### **283 Fixed Penalty Notice Charges**

Members considered a report of Councillor Stewart Eaves, Portfolio Holder for Environmental Services, seeking approval to increase the fines for breaching section 33(1)(a) of the Environmental Protection Act 1990 (fly tipping on public land) and for breaching section 46(1), (3)(c), or (d), or (4) of the Environmental Protection Act 1990 (not using the correct waste receptacles when disposing of waste which was a section 46 requirement)

Councillor Eaves gave a brief introduction to the report noting that the proposals had taken some 12 months to finalise and outlining the increases to the fines for the different types of breaches indicated.

Councillor Munsif Dad welcomed the proposals. Councillor Pritchard spoke about the impacts of fly tipping on certain wards and noted that despite the best efforts of the Waste Services Team to clean up after these incidents, illegally dumped litter reappeared on almost a daily basis. Councillor Fisher also welcomed the new charges and enquired about how the changes were being communicated to the public. Councillor Eaves responded that he would work with the Council's Communications Manager to provide some appropriate publicity. Members noted that there had been a short feature on the BBC regional news yesterday, which had highlighted increased penalties in both Hyndburn and Sefton Councils.

Councillor Zak Khan confirmed his support for penalising offenders and for publicising the increased fines in order to deter potential offenders. However, he was concerned that criminals would find a way to circumvent these measures. Before issuing fixed penalty notices, first the Council would need to collect sufficient evidence. He agreed that the Waste Services Team did a good job, but asked if more support could be made available, for example:

- There were only 2 enforcement officers for the Borough. Should additional staffing be provided?
- Where did the fines income go and could this be used in a way which deterred further fly tipping?
- As noted at Minute 280 above, Waste Service currently had a £61k underspend. Hyndburn residents might prefer this to be spent. Could this be utilised to deter fly tipping?

Councillor Eaves responded that the controlling administration would continue to consider a wide range of options to deter fly tipping. He had already looked into the possible employment of another enforcement officer, but recruitment was likely to be problematic due to uncertainties around local government reorganisation. The Leader of the Council confirmed that any income received from fines would be invested back into the Waste Services Team.

Approval of the report was not deemed a key decision.

### *Reasons for Decision*

Hyndburn Borough Council had for many years had a proactive approach to the waste and recycling collection service provided to Borough residents.

Recycling was important because it conserved natural resources, saved energy, reduced pollution and reduced the amount of waste sent to landfill or incinerated.

The Council's Waste Services Team was the most efficient district Council in Lancashire for the collection of dry recyclate (glass, cans, plastic, paper and cardboard) having a 26% recycling rate for those items.

In addition to collecting glass, cans, plastic, paper and cardboard directly from residents, the Council also collected green waste, batteries and textiles. On 1<sup>st</sup> April 2026 the Council would start to collect food waste directly from residents adding another recycling stream.

Hyndburn also had a free bulky waste collection service whereby residents either rang the Council to book a collection or booked online. The Council would collect bulky waste items directly from residents' properties and collected items such as sofas, arm chairs, mattresses, fridges, freezers, electrical items, metal items and wooden items. They were collected because bulky waste items could be recycled to differing degrees.

During financial year 2024/25 Waste Services had handled 9,346 bulky waste jobs and collected 16,889 bulky waste items for free directly from residents' properties. However, despite the bulky waste service being available during the same period (i.e. from April 2024 to March 2025) there had been 2,631 reported incidents of fly tipping in Hyndburn. While this number had been a 10% reduction of incidents from the previous year, it was still too many.

The 2,631 incidents varied from single black bags to loads tipped off a vehicle. However, in general there were two main types of fly tipping in the Borough. Firstly, dumped items or black bags full of waste being left in back streets, and secondly fly tipped loads tipped off the back of vehicles.

Waste enforcement staff went out on a daily basis to deal with fly tipping and waste items being dumped in black bags. During the financial year 2024/25 waste enforcement staff had issued 1,159 advice notices, 512 targeted letters, 292 warning letters and issued 87 Fixed Penalty Notices. The current level of fixed penalty notice (FPN) issued in Hyndburn was £75 for a breach of a section 46 requirement of the EPA 1990 (typically leaving waste out in black bags as opposed to using the correct waste receptacles) and £400 for breach of section 33 (1)(a) of the EPA 1990 (larger fly tipping incidents).

However, despite each household having waste and recycling bins which were collected regularly and a free bulky waste collection service which would collect waste directly from

residents' properties there were still a significant number of fly tipping incidents in the Borough. It was believed that the level of FPN was inadequate to act as a deterrent to stop people from not adhering to the law.

The Council had some discretion as to what level the FPN was set at and since 1990 when the EPA was first introduced the upper level of fine had increased. It was therefore proposed that the Council increased its current level for FPNs as follows:

- (i) That for breaching a section 46 requirement of the EPA 1990 the FPN value be increased to £80 per incident (the maximum amount allowed);
- (ii) That for breaching section 33 (1)(a) of the EPA 1990 the FPN value be increased to £1,000 per incident (the maximum amount allowed)

#### *Alternative Options Considered and Reasons for Rejection*

To leave the FPN value at their current levels. This was not recommended as the current levels were not acting as a deterrent to stop people fly tipping or dumping waste in black bags.

#### **Resolved**

**(1) That Cabinet notes the report.**

**(2) That Cabinet increases the fines for breaches of section 33(1)(a) and section 46 requirements of the Environmental Protection Act 1990 (EPA 1990) as set out in Paragraph 3.10 of the report.**

## **284 Equality and Diversity Strategy 2026-30**

Members considered a report of Councillor Ethan Rawcliffe, Portfolio Holder for People and Communities, seeking approval for the adoption of the Equality and Diversity Strategy 2026-2030.

In the absence of Councillor Rawcliffe, Councillor Kimberley Whitehead, Deputy Leader and Portfolio Holder for Culture, Heritage and Sport, gave a brief introduction to the report. She noted that the strategy had last been reviewed in 2020 and that there was now an opportunity to update elements of the document, particularly in the light of data from the 2011 Census. The strategy provided a framework for decision making and would embed equality across the evaluation of major projects and day to day services. The strategy was not just about legal compliance, but was about the Council being fair and effective.

Members welcomed the strategy. Councillor Fisher spoke of her experience of a close family member with ADHD who was often labelled as 'naughty' during her childhood. Hyndburn's strategy would recognise such neurodivergence. Councillor Dad highlighted the Council's recognition and adoption of definitions for antisemitism and islamophobia, noted at Section 3.5 of the strategy.

Councillor Khan commented that the strategy was a core document, but had been in need of an update as Hyndburn's demography had changed over time. In particular, he noted the 5% increase in the ethnic minority population and the better understanding of disability leading to increasing numbers of residents and staff identifying themselves as having a disability. However, he did express some scepticism about impact of the strategy alone. The Actions set out at Section 9 of the strategy tended to focus on monitoring and training. He expressed a desire to understand what outcomes would be achieved, such as what the

document might mean in practice for someone who was disabled, or gay, or from the ethnic minority population and whether community cohesion be enhanced. Overall, he believed that the Borough was harmonious, as had been evident following the stabbings and deaths in Southport in July 2024.

Councillor Pritchard also noted the increasing numbers of residents with a disability and commented that disability covered a wide range of conditions. There were many disabled people in work. The Borough had a good record of cohesion and inclusivity, but sometimes it was difficult for neurodivergent individuals to feel included. She welcomed the revised strategy and the Council's track record on equality and diversity.

Councillor Whitehead added that the strategy was not a comprehensive list of all the work taking place around inclusivity. It was part of many other Council strategies and was embedded in other activities too. The wider outcomes were reported to overview and scrutiny. She agreed that no strategy should be produced just for the sake of it, but should lead to real outcomes.

The Leader of the Council summed up by noting that there would be challenges within the Borough from time to time. The incident in Southport had tested community cohesion nationally and locally. In Hyndburn, diverse groups had come together to maintain good relationships. The Council had a proactive approach to equality and diversity and Hyndburn was a cohesive community.

Approval of the report was not deemed a key decision.

#### *Reasons for Decision*

The Council's previous Equality and Diversity Strategy had covered the period 2020-2025. This new strategy updated the authority's approach for 2026-2030 and reflected significant changes in both the local context and the legislative landscape.

The strategy was underpinned by comprehensive 2021 Census data, which provided an up-to-date picture of Hyndburn's diverse communities. Key demographic changes since the 2011 Census included:

- Population growth to 82,234 residents;
- Increase in ethnic minority population from 12.3% to 17.3%;
- Significant increase in residents aged 65+ from 12,809 to 15,006;
- 20.8% of residents were disabled under the Equality Act.

The strategy incorporated recent legislative developments including the Worker Protection (Amendment of Equality Act 2010) Act 2023, which had come into force in October 2024 and placed enhanced duties on employers to prevent sexual harassment, and the Domestic Abuse Act 2021.

New content in this strategy included recognition of neurodiversity and neurodivergence, reflecting growing understanding of conditions such as autism, ADHD, dyslexia and dyspraxia. The strategy also addressed contemporary challenges including digital exclusion, the ongoing impacts of the cost-of-living crisis on residents with protected characteristics, and the need to embed equality considerations in major regeneration projects.

The strategy maintained the Council's established approach of using Customer First Analyses (the authority's equality impact assessment process) to ensure equality

considerations were embedded in decision-making. It set out specific actions covering areas including workforce monitoring, training, accessibility, hate crime awareness, support for refugees and asylum seekers, and monitoring of service delivery.

The Public Sector Equality Duty under the Equality Act 2010 required the Council to have due regard to eliminating prohibited conduct, advancing equality of opportunity, and fostering good relations between people who shared protected characteristics and those who did not. This strategy demonstrated how the Council would meet these duties across all its functions including employment, service delivery, budget setting, procurement and regulatory activities.

*Alternative Options Considered and Reasons for Rejection*

The Council could choose not to adopt a refreshed strategy and continue operating under the 2020-2025 strategy. This option was rejected as the previous strategy was now out of date. Failing to update the authority’s strategy would not demonstrate its commitment to equality and diversity or support effective compliance with the Public Sector Equality Duty.

**Resolved** - **That Cabinet approves the Equality and Diversity Strategy 2026-2030 as set out at Appendix 1 to the report.**

Signed:.....

Date: .....

Chair of the meeting  
At which the minutes were confirmed