Agenda

HYNDBURN
The place to be
an excellent council

Cabinet

Wednesday, 21 January 2026 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** *F_PR*

2. **Declarations of Interest and Dispensations** *F_PR*

3. **Minutes of Cabinet** *F_PR*

   To approve the Minutes of the meetings of Cabinet held on 19th November (Special Meeting) and 3rd December 2025.

PART B: PORTFOLIO ITEMS

4. Reports of Cabinet Members *F_PR*

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

Leader of the Council (Councillor Munsif Dad BEM JP)

5. Council Tax Base - 2026/2027 *F_PR*

Report attached.

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

6. Prudential Indicators Monitoring and Treasury Management Strategy Update - Quarter 3 2025/26 *F_PR*

Report attached.

7. Revenue Budget Monitoring 2025/2026 - Quarter 3 to end of December 2025 *F_PR*

Report attached.

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

Report attached.

Portfolio Holder for Environmental Services (Councillor Stewart Eaves)

9. The Introduction of Food Waste Collections *F_PR*

Report attached.

10. Fixed Penalty Notice Charges *F_PR*

Report attached.

Portfolio Holder for People and Communities (Councillor Ethan Rawcliffe)

11. Equality and Diversity Strategy 2026-30 *F_PR*

Report attached.

PART C: EXEMPT ITEMS

Nil

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CABINET
(SPECIAL MEETING)

Wednesday, 19th November, 2025

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

In Attendance: Councillors Zak Khan, David Heap and Steven Smithson

Apologies: Councillors Vanessa Alexander and Ethan Rawcliffe and standing invitee Danny Cassidy as Joint Deputy Leader of the Opposition

222 Apologies for Absence

Apologies for absence were submitted on behalf of Councillors Vanessa Alexander, Ethan Rawcliffe and standing invitee Danny Cassidy, as Joint Deputy Leader of the Opposition.

223 Declarations of Interest and Dispensations

In connection with Agenda Item 3 – Local Government Reorganisation Proposals, Councillors Scott Brerton and Kimberley Whitehead made the meeting aware that their terms of office expired in 2026, at which time they would be eligible for re-election. The report at Item 3 included a recommendation to request the Secretary of State to postpone the local elections due to be held in May 2026. The Executive Director (Legal and Democratic Services) advised that it was useful to note this connection on the record, but that it was unlikely to be considered a disclosable pecuniary interest or a conflict of interest, as the final decision on this matter would be for the Government to make.

There were no formal declarations of interest or declarations of dispensations submitted.

224 Local Government Reorganisation Proposals

With the approval of the Mayor in advance of the meeting, the following decision was exempted from the Council's Call-In procedure in accordance with Overview and Scrutiny Procedure Rule C14, on the grounds that the decision was reasonable in all the circumstances and was an urgent decision not subject to Call-In, in view need to finalise the submission of the proposals to the Government by 28th November 2025.

Members considered a report of Councillor Munsif Dad BEM JP, Leader of the Council, updating Cabinet on preparations to submit a proposal for Local Government Reorganisation to the Government and presenting the business case that had been prepared to support the creation of three unitary authorities in Lancashire (3UA).

The Leader provided a brief introduction to the report, highlighting the overall aim of the proposals, the work undertaken in Hyndburn to date, the key messages from the case for a 3UA model and the disadvantages of the other models being proposed. Councillor Dad also summarised the discussions which had taken place at the Resources Overview and Scrutiny Committee on 11th November and at the Council meeting on 13th November 2025.

He also outlined the case in favour of postponing the local elections in 2026 and the next steps in the overall process and timescales.

Councillor Kimberley Whitehead spoke in favour of the 3UA model, which was conterminous with NHS and Police area footprints. Councillor Zak Khan noted that most points had been discussed at the Council meeting. He also agreed with the 3 UA model, but his main concerns centred around the consultations and evidence base and a sense that the matter was being rushed through without clarity about what the people of Hyndburn wanted. Information available at the Resources Overview and Scrutiny Committee had only showed the postcodes of consultation respondents. He asked whether more detailed information on views from particular areas was known, whether young people's views a had been taken into account and whether the 3UA preferred option discussed some 12 months ago had always been the end goal. He also queried the Government's purpose in asking councils for their views on the local elections, if this was a matter solely for the Government to determine. He expressed a view that councillors serving, even for a short period of time, could still achieve much during their tenure.

Councillor Dad responded that, councillors whose term of office was due to expire in 2026 had been consulted about the elections issue. There were precedents elsewhere for the postponement of local elections due to reorganisation, such as for Surrey County Council in 2025 and in Cumbria (for Cumbria County Council, Carlisle City Council and South Lakeland District Council) in 2021. The decision was for the Government to take. Hyndburn was submitting its comments on this matter and believed that postponement was the right decision. On the question of the 3UA model, this had initially been considered to be the best option and the public and Opposition members had been engaged in subsequent discussions. In addition, the Resources Overview and Scrutiny Committee and Council had been consulted. The Government would carry out its own consultations on their preferred option later in the process. To date, there was no detailed breakdown available of consultation responses by area. However, it was known that some authorities, including Burnley, Pendle and Fylde had undertaken their own additional local consultations.

Approval of the report was not deemed a key decision.

Reasons for Decision

The Minister of State for Local Government and English Devolution had introduced the English Devolution and Community Empowerment Bill on 10th July 2025, following the publication of the English Devolution White Paper on 16th December 2024.

The new Bill announced how the Government would facilitate a programme of local government reorganisation (LGR) for two-tier areas and for those unitary councils where there was evidence of failure or where their size or boundaries might be hindering their ability to deliver sustainable and high-quality services for their residents.

The Government had set a timeline for Lancashire councils to produce a preferred option for local government reorganisation by the end of November (28th), asking for proposals to move from the current two-tier system of a county council, two smaller unitary councils and 12 districts councils, to a simpler model of fewer councils.

The Government's aim with LGR was to improve efficiency savings, service delivery, provide stronger local leadership, economic growth, community identity and foster effective local partnerships, while not hindering the ability to deliver sustainable and high-quality services for residents.

Government Guidance

Government guidance (the Statutory Invitation) set out the following criteria which would be used to assess proposals for reorganisation:

- A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government;
- Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial pressures;
- Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens;
- Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views;
- New unitary structures must support devolution arrangements;
- New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

The criteria above were not weighted, but the intention was to provide guidance to areas to develop proposals that addressed the criteria and were supported by data and evidence. Decisions on the most appropriate option for each area would have regard to the guidance and the available evidence.

Under the Local Government and Public Involvement in Health Act 2007, the Council would have to submit a proposal based on whole Local Authority Districts, but could request that the Secretary of State used his modification power in sections 7 and 11 of the 2007 Act to adjust the boundary subsequently. In the guidance, the Secretary of State had also expressly allowed for the submission of proposals that suggested boundary changes.

Proposals

Councils in Lancashire had worked together to identify possible options for reorganisation. The Government had provided funding to develop a shared evidence base across Lancashire councils, including both socio-economic baseline data for the options, a public and stakeholder engagement process and finance data.

It was intended that a joint letter would be sent to the Minister by Lancashire Leaders to accompany the various business cases that were being submitted.

The various cases would be taken to councils throughout Lancashire ahead of the deadline for submission of proposals on 28th November 2025.

Currently there were five proposals based on the following models:

- Model 1 consisted of Lancashire being split into 2 large unitary councils with a North / South divide
- Model 2 consisted of 3 unitary councils (Coastal / Central / Pennine)
- Model 3 consisted of 4 unitary councils (North / South / East / West)
- Model 4 consisted of 5 smaller unitary councils (North / South / Middle / East / West)
- Model 5 was the Blackpool proposed four unitary model

The report included colour-coded maps of the five models referred to above and an explanation of the make-up of each of the unitary authorities proposed and population sizes for each model. The 3UA model preferred by Blackburn with Darwen, Fylde, Hyndburn, Rossendale and Wyre would see new authorities based upon the following district council footprints;

- Coastal Lancashire (Blackpool, Fylde, Lancaster and Wyre)
- Central Lancashire (Chorley, Preston, South Ribble and West Lancashire)
- Pennine Lancashire (Blackburn with Darwen, Burnley, Hyndburn, Pendle, Ribble Valley and Rossendale)

Timeline

Delivering LGR in Lancashire would be a complex and far-reaching programme of change. The proposed timeline was intended to allow sufficient time to plan, implement and embed the new arrangements while maintaining service continuity and public confidence.

The indicative timeline below set out the key phases and milestones for implementation. It was designed to ensure a smooth transition from the decision to proceed with reorganisation through to the establishment of fully operational new councils.

The decision on the preferred option had been discussed at Resources Overview and Scrutiny Committee on 11th November and Council on the 13th November 2025, with the final decision being considered at today's Cabinet meeting.

The timeline for Local Government Reorganisation was currently as follows:

- 28th November 2025: Councils to submit proposals to Government;
- Early 2026: Government-led public consultation on proposals for new unitary councils;
- Summer 2026: Government would select the preferred unitary council option;
- May 2027: Elections would take place for a Shadow Authority for each of the new unitary councils;
- 1st April 2028: "Vesting Day", when new unitary councils would start to operate all services and the existing 15 authorities would be abolished.

The report included a pictorial representation of the above timeline in the style of a Gantt chart.

Findings and Recommendations

On 16th January 2025, following the publication of the English Devolution White Paper the Council had recommended supporting the creation of a Pennine Lancashire Unitary Authority (which included Blackburn with Darwen, Burnley, Hyndburn, Pendle, Ribble Valley & Rossendale).

Currently, the Council's preferred option was the three-unitary model for Lancashire. The business case prepared in respect of the options suggested that this was the only configuration that met all six of the Government's criteria for local government reorganisation, while reflecting the way Lancashire's economy, services and communities already worked and providing the best platform for the future.

The three-model business case had been developed following a detailed options appraisal, including data analysis and assessments of the evidence base.

It was considered that other options all would fall short of what Lancashire needed. A two-council model would be too large and remote, misaligned with key service boundaries and financial risk. A four-or five council model would fragment economic corridors, create uneven capacity and weaken the devolution case.

The business case concluded that only the three-council model aligned with real economics and service footprints, balanced risk, kept decision-making local and met every Government test without compromise.

The benefit of the three-model business case was making services clearer without creating councils that were too large and remote or too small to make a difference. Matching NHS and Police footprints, which none of the other options did, meant a much greater ability to work collaboratively with strategic leadership.

The business case indicated that the three unitary model delivered a sustainable future for Lancashire through a stronger, more balanced financial case than any of the other proposed options, combining credible savings with the capacity to invest in services, work with partners, support economic growth, unlock deeper devolution, and connect at a local level to places people live, work and learn in.

A table was provided within the report summarising the different options by government criteria. As stated previously, the findings indicated that the three unitary model was the only configuration that met all six of the Government's criteria for local government reorganisation.

The report also set out an infographic, which showed the vision behind the case for three unitary authorities for Lancashire, which included the following statement:

> "Our vision is for three new unitary councils, balanced in scale and rooted in real places, to create the capacity and clarity needed to unlock Lancashire's potential. They will deliver stronger services for geographies that reflect places, communities and key partner footprints, give businesses and government credible partners for growth and devolution, and reconnect decision-making to the places people live, work and learn in."

<u>Consultations</u>

Communities and stakeholders across the county had been invited to have their say on local government reorganisation in Lancashire. Two surveys had been conducted across September 2025 to understand which council services Lancashire residents saw as most important, priorities for local government to focus on in the future and initial thoughts on moving to larger unitary councils.

The community survey had been promoted across the county to ensure a broad range of voices contributed to the discussion. 13,414 respondents had filled out the survey, including 67,784 individual written comments in answer to the open text questions, showing a genuine interest and high level of engagement from Lancashire.

A total of 409 responses had been received for the stakeholder survey, representing over 200 unique organisations and individuals. Respondents had included parish and town councils, businesses, voluntary and community groups and public sector organisations.

Two reports had been produced, summarising the results of the surveys which had been undertaken by Cratus Group, an independent agency on behalf of Lancashire's local authorities. This information would now be used to inform the developing proposals for submission to government in November 2025.

What people had highlighted across the engagement was that services that mattered most to local people were those that touched daily life and wellbeing, such as good health and care services, reliable and accessible transport, affordable housing and good schools and opportunities for children. Community identity and connection remained strong. Clarity and simplicity were recurring themes in written feedback. Residents and businesses wanted less duplication, clearer responsibility for services that were more consistent and reliable, and a stronger link between local decisions and visible outcomes. Partnership working and fairness had also been emphasised, with many respondents highlighting the importance of tackling inequalities across Lancashire and ensuring all areas had equal access to good quality local job opportunities, services and investment.

Alternative Options considered and Reasons for Rejection

Models 1, 3, 4 and 5 had been considered but were not recommended for the reasons set out in section 4.8 of the report and in the 3UA business case, which had been circulated separately to members.

Note: With the agreement of the meeting, the Chair invited the Cabinet to vote on the recommendations at Paragraphs 2.1 and 2.2 separately. Both Motions were CARRIED.

Resolved - That Cabinet:

(1) Approves the preferred option to establish a three-unitary authority structure in Lancashire (3UA), and the submission of the preferred option to Government by 28th November 2025.

(2) Agrees to write to the Secretary of State asking to postpone the local elections due to be held in May 2026 for the following reasons:

i) Members being elected for short terms;

ii) Additional expense and costs to the taxpayer;

iii) Risk of disruption and additional pressure to the council; and

iv) Impact on transition to the new shadow authority;

225 Accrington Neighbourhoods Board Regeneration Plan

With the approval of the Mayor in advance of the meeting, the following decision was exempted from the Council's Call-In procedure in accordance with Overview and Scrutiny Procedure Rule C14, on the grounds that the decision was reasonable in all the circumstances and was an urgent decision not subject to Call-In, in view need to finalise the submission of the Plan to the Government by 28th November 2025.

Councillor Whitehead declared a personal interest in this item as a member of the Board representing the Police and Crime Commissioner for Lancashire.

Members considered a report of Councillor Munsif Dad BEM JP, Leader of the Council, presenting the Accrington Neighbourhoods Board's Regeneration Plan before this was submitted to the Ministry of Housing, Communities and Local Government (MHCLG).

The Leader of the Council gave a brief introduction to the report, including a summary of the Board's membership, the Government's Pride in Place agenda and funding streams and the Plan's foundations building on the existing Masterplan for Accrington. He also highlighted the four pillars, as set out within the Pan, and noted that the first payment for project delivery was due to be received in April 2026.

Councillor Khan welcomed the additional funding and thanked the Leader for his role in the appointment of a new independent Chair to the Board. He placed on record his thanks to the previous Chair, whom he knew personally and whom he respected, and wished him well for the future. Councillor Khan then enquired about the following:

- What reassurance was there that the Board and its processes would remain independent and would it be free to make its own recommendations;
- Whether the Board's recommendations would be taken forward as submitted, or would they be subject to alteration;
- How consultations with residents would be supported;
- Whether previous plans would be acknowledged and how previously identified projects could be prioritised so that some could commence straight away;
- How the Council would attract in additional private investment to add to the £20M Fund; and
- Whether the Board's actions would be subject to the Council's overview and scrutiny arrangements.

Councillor Dad responded that the original appointee to the role of Chair was also an independent person, as stated on previous occasions. He added that the Board itself was independent, but was supported by a range of stakeholders including the Borough Council. The Council would consider the Board's proposals favourably but, as the accountable body, had certain obligations. It was hoped to be able to improve marketing of the Board's work, in conjunction with publicity for the other town centre projects. Consultations had already taken place with schools, colleges and businesses and a video had recently been produced. Use would be made of existing plans and work undertaken previously. The intention was to attract in other money wherever possible. The Board's work would be monitored by the Cabinet, but the Cabinet's decisions would then be subject to scrutiny in the usual way.

Councillor Whitehead reiterated the independence of the Board, but noted that 'independent' was not defined in the governance documents applicable to the Board. The Council was a crucial partner, as well as being the accountable body and the importance of its role should not be understated. The Board itself was a good example of key partners working collaboratively for the benefit of the community. David Welsby, Chief Executive, added that the Council was working hard to foster a good working relationship with the Board, respecting its independence, while exercising the authority's statutory duties and carrying out due diligence. The Board was not a corporate body and, accordingly, the Council would have to take responsibility for any actions requiring the involvement of a legal entity. On the matter of public engagement, councillors themselves had the mandate to represent the views of the community as elected members.

Councillor Dad thanked the officers involved in supporting the Board, particularly the Head of Policy and Organisational Development, Kirsten Burnett.

Approval of the report was deemed a key decision.

Reasons for Decision

The Fund

The Plan for Neighbourhoods fund had allocated 10-year investment across 75 areas in the UK, with up to £20 million per place to regenerate communities, strengthen social infrastructure, and empower local decision-making. This funding would be given over a 10 year period, starting in the 2026/27 financial year.

The objectives of the funding were stated as follows:

- Thriving Places: Revitalise high streets, improve public services, and enhance physical infrastructure.
- Stronger Communities: Foster social cohesion, reduce crime, and rebuild trust.
- Taking Back Control: Boost skills, employment, and local economic opportunities.

A similar funding stream was previously known as the Long-Term Plan for Towns fund. Plan for Neighbourhoods had replaced this. The UK Government had subsequently announced the Pride in Place Strategy and Programme, which extended this investment to additional areas. At the time of writing the report, the Plan for Neighbourhoods guidance still applied to Accrington.

The Pride in Place Programme had also recently allocated a further £1.5M to Hyndburn via its new Impact Fund. This was not covered within this report and was not a matter for the Neighbourhoods Board.

Governance and the Neighbourhoods Board

The guidance stated that funding would be managed through a “partnership” between the:

- Neighbourhoods Board, responsible for co-producing the Regeneration Plan for their place, which constituted a 10-year vision and 4-year investment plan, and delivering in the interests of local people to improve the physical and social infrastructure of their community.
- Local authority, who would support the Neighbourhoods Board to develop and deliver the plan.
- Local community, who would engage on the place's priorities and hold the Neighbourhoods Board and local authority to account.

Board Membership

The Board was required to have an independent chair, who was approved by the Ministry of Housing, Communities and Local Government (MHCLG). The chair was Sami Smithson.

There were 4 mandated Board members: the MP, a representative of the Police and Crime Commissioner, a local district councillor and a Lancashire County Council councillor. The named members were:

- Sarah Smith MP;
- Kimberley Whitehead, Deputy Police and Crime Commissioner;
- Councillor Munsif Dad BEM JP; and
- County Councillor Ashley Joynes.

In addition, there were a number of other Board members, representing a range of skills and areas of work, for example community, health, education and business. They in turn might work with small focus groups or relevant community representatives to discuss aspects of the work or specific projects.

An updated list of Board members, with short profiles, was maintained at https://accringtontownsquare.com/plan-for-neighbourhoods/

Funding Profile

The funding was 75% capital, 25% revenue, with the first delivery payment due in April 2026. Subsequent funding would be released in phases.

Grant £000	**2023-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**2031-32**	**2032-33**	**2033-34**	**2034-35**	**2035-36**
Capacity Funding	250	200	150									
Revenue			232	256	432	432	432	437	450	450	450	450
Capital			360	1736	1605	1605	1605	1605	1605	1605	1605	1605

The 10 year period was divided into 3 investment periods

- Period 1: the 2026 to 2027 financial year to the 2029 to 2030 financial year (4 years)
- Period 2: the 2030 to 2031 financial year to the 2032 to 2033 financial year (3 years)
- Period 3: the 2033 to 2034 financial year to the 2035 to 2036 financial year (3 years)

Within each investment period, the Board would have to forecast to spend at least 25% of the cumulative allocation for that investment period. By the end of Year 7 (financial year 2032 to 2033 and the end of the second investment period), the Board must have spent at least 50% of the cumulative total allocation. Underspending risked delayed or reduced future payments.

The table above also showed the capacity funding available for governance and planning. Some of this (£50k) had been spent in 2024, when the existing Towns Board was planning for the Long Term Plan for Towns Fund. In the current financial year, some funding had been allocated to staff costs and some Board expenses. The Board would receive budget updates at each meeting.

It should be noted that Board positions, including chair, were unpaid.

MHCLG had designated the Council as the accountable body for all funding received and recommendations from the Board, once proposed projects had been fully scoped, would be brought to Cabinet for formal approval.

Community Engagement

A number of engagement exercises had been carried out in recent years, asking people about their views on the regeneration of Accrington town centre. This had included representative polling. The Board had more recently conducted a series of workshops and drop-ins, to communicate and seek further views on the plan. Community engagement would be an ongoing priority for the Board.

Geographical Boundary

The geographical boundary for the funding was determined by Government and was based on built-up area boundaries (BUA). The BUA were boundaries used by government bodies and policymakers to inform decisions related to housing, economic development, and urban planning. The Accrington BUA crossed 10 Hyndburn wards (Altham, Barnfield, Baxenden, Central, Church, Huncoat, Milnshaw, Peel, Spring Hill and St Andrews), ranging from a small estate in Altham to the whole of the Peel ward.

The Board would be able, if it so wished, to make representations to the Ministry of Housing, Communities and Local Government (MHCLG) to alter its default boundary. Boards should not submit requests to remove areas from the boundary unless they could evidence a clear error in its inclusion. Any alteration would have to:

- remain within the spirit of the programme;
- retain the place that was originally selected;
- remain contiguous;
- not introduce additional, separate population centres into the agreed area (for example, different communities or neighbourhoods); and
- have the agreement of the Board and a clear rationale.

The report included a map which identified the geographical boundary currently set.

Regeneration Plan

The Board was required to agree and submit a Regeneration Plan coving the first four years of the funding programme, with a 10 year vision. The deadline for submission was 28th November 2025.

The Board had spent recent months developing its Plan, which was based around 4 pillars:

- Pillar 1 - People (Skills, Health and Recreation)
- Pillar 2 - Urban Regeneration and Housing
- Pillar 3 - Environment, Transport and Industry
- Pillar 4 - Delivery, Investment and Monitoring

Vision

The Board had built on the work recently completed for the Accrington Masterplan and had included the Vision statement below within the Plan.

“Our Vision: A Town Reborn

The Accrington We're Creating

Picture Accrington in 2036: a vibrant market town where heritage buildings buzz with life, where green spaces connect our communities, where independent businesses thrive, and where every resident has access to opportunity.

The Accrington Masterplan sets out this inspiring long-term vision, structured around five transformative themes:

- **Celebrate Accrington's unique identity** - honouring our past while building our future
- **Encourage enterprise and economic growth** - creating jobs and opportunity

- **Green the town centre** - bringing nature into the heart of our town
- **Connect communities** - making it easier to get around and bring people together
- **Develop town centre living** - creating homes people are proud to live in

Our Masterplan Vision in Full

Accrington is a proud market town steeped in industrial, cultural, and architectural heritage.

Celebrating this unique character, the Town Centre will become a vibrant, bustling and thriving place. Revitalised heritage buildings and streets will welcome visitors and locals to sample the best of Lancashire's home-grown produce and diverse mix of local eateries, browse independent shops and cultural venues, and relax in family-friendly green spaces.

Accrington will promote direct connections to the delights of the surrounding Lancashire countryside. Verdant green and blue corridors will reflect the area's landscape character, while vibrant open spaces and animated waterways will reinforce the town's identity as a place that offers its residents and visitors alike wonderful access to nature, walks and green spaces.

The Town Centre will boast a permeable network of safe and attractive cycling and walking routes, connecting surrounding communities into the heart of the town. New homes, businesses, leisure and community activities will drive a growing Town Centre population.

Building on the town's legacy of hard working and dedicated entrepreneurs, distinct neighbourhoods will support communities of innovative and complementary enterprises. New attractive, dynamic and accessible public, social and commercial spaces will host numerous popular events, with diverse leisure facilities for all ages, supporting flourishing business communities to prosper and grow.

We are proud of our history and look forward to a renewed and exciting future."

There were no alternative options for consideration or reasons

Resolved - **That Cabinet:**

(1) Endorses the Accrington Neighbourhoods Board's Regeneration Plan ("the Plan") attached to this report.

(2) Grants delegated authority to the Chief Executive Officer, in consultation with the Neighbourhoods Board, Executive Director of Finance (Section 151 Officer) and Executive Director (Legal & Democratic Services) to accept the Plan for Neighbourhoods (also now referred to as Pride in Place Phase 1) funding in accordance with MHCLG grant terms and conditions.

(3) Grants delegated authority to the Chief Executive Officer to agree expenditure from the capacity funding outlined in Paragraph 3.10 of this report.

226 Prudential Indicators Monitoring and Treasury Management Strategy Update – Quarter 2 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. 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, this report supported effective budget monitoring and ensured transparency and accountability in the management of public funds.

In the absence of Councillor Alexander, the Leader of the Council provided a brief introduction to the report which was largely technical in nature. Councillor Dad highlighted the total of short-term investments, £38.675m, and how the Council invested. He also drew attention to the forecast interest rates and the interest returns expected by the Council in the sum of £1.287m.

Councillor Zak Khan queried the relationship between the Council's borrowing and investments and any timescales applicable to the Council's main funding pressures (as outlined in the Revenue Monitoring report at Agenda Item 6), particularly in the light of the impending Local Government Reorganisation. Councillor Dad confirmed that these pressures were carefully monitored and should be deliverable without the need for additional borrowing. However, the outcome of the Fair Funding review was still awaited. The Chief Executive confirmed that even under the worst-case scenario envisaged in the Medium Term Financial Strategy (MTFS), the Council should not need additional borrowing. Jane Ellis, Executive Director (Legal and Democratic Services) indicated that the Government was likely to make an Order under s.24 of the Local Government and Public Involvement in Health Act 2007, which would be effective from April 2027 and would give the new shadow unitary authority powers of veto over certain expenditure by the councils due to be abolished. This might cover disposal of assets over £100k, revenue expenditure over £100k and capital expenditure over £1m.

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 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 Q2 2025/26 compared with the original estimate. An 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 Q2 2025/26

Borrowing Position - \Q2 2025/26	Original Estimate 2025/26 £'000	Forecast at Q2 2025/26 £'000
External Debt		
Borrowing	9,595	9,595
Other Long-Term Liabilities	1,967	4,088
Total External Debt	**11,562**	**13,683**
Capital Financing Requirement	9,190	11,311
Under(Over) Borrowing	**(2,372)**	**(2,372)**

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 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 the 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:

- **Liquidity**: ensuring cash was available to meet day-to-day spending needs.
- **Security**: protecting public funds by minimising investment risk.
- **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 Q2 2025/26.

Table 2: Invested balance by counterparty:

Investment Portfolio – Q2 2025/26	**Balance at Q2 2025/26 £'000**
Local Authorities	26,000
Debt Management Agency Deposit Facility	10,595
Money Market Funds	2,000
Bank Deposit Accounts	80
Total Short-Term Investments	**38,675**

A further table (Table 3) was included in the report, which gave more details of the investments the Council had in place at Q2 2025/26 with other local authorities.

There were no future dated loans agreed at the end of the quarter.

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 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.

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 is mainly due to:

- Higher levels of cash being held (e.g. from grants received in advance of spending); and
- 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 £0.097m 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; and
- 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 Q2

Table 4 below showed the forecast revenue outturn position on the Council's Treasury Management activities as at 2025/26 Q2.

The interest forecast has increased since Q1 due to prevailing interest rates overperforming what was expected.

Table 4: Forecast Revenue Outturn – 2025/26 Q2

Portfolio Position	Working Budget 2025/26 £'000	Forecast Outturn 2025/26 £'000	Forecast (Under)/ Over Spend £'000
INTEREST RECEIVABLE			
Interest Receivable on Temporary Lending	(700)	(1,287)	(587)
Other Interest Receivable	-	-	-
Total Interest Receivable	**(700)**	**(1,287)**	**(587)**
INTEREST PAYABLE			
Interest Payable on Long-Term Borrowings	440	301	(139)
Interest Payable on Finance Leases	41	253	212
Other Interest Payable	-	-	-
Total Interest Payable	**481**	**554**	**73**
Minimum Revenue Provision	1,085	1,127	42
Net (Income) / Expenditure from Treasury Activities	**866**	**394**	**(472)**

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 Q2 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.**

227 Revenue Budget Monitoring 2025/26 – Quarter 2 to end of September 2025

The Cabinet considered a report of Councillor Vanessa Alexander, Portfolio Holder for Resources and Council Operations, updating Cabinet on the Council's financial performance up to the end of September 2025 for the 2025/26 financial year and outlining the projected impact on the Medium-Term Financial Strategy (MTFS) covering the period 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 that the latest forecast outturn showed a small surplus of £9k. The most significant changes since Q1 were shown in Table 3 of the report. Table 12 within the report showed healthy usable balances of £18.996M, of which £1.877M in the General Fund was unallocated. Overall, the Council's finances were on track.

Members thanked the officer team and relevant Portfolio Holder for their sound financial management.

Approval of the report was not deemed a key decision.

Reasons for Decision

<u>Revenue Budget Forecast 2025/26</u>

At its meeting on 27th February 2025, the 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 £17.426m. This brought the forecast underspend for the year against the budget to £0.009m. 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.

Table 1: Forecast Outturn Variance - Summary by Service Area

Service Area	Original Budget £'000	In-Year Budget Changes £'000	Working Budget £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
Environmental Health	941	-	941	963	22
Environmental Services	5,495	(14)	5,481	5,328	(153)
Legal and Democratic	1,896	-	1,896	1,939	43
Planning and Transportation	712	5	717	840	123
Regeneration and Housing	1,604	-	1,604	1,588	(16)
Resources	6,086	5	6,091	6,371	280
Net Cost of Services	**16,734**	**(4)**	**16,730**	**17,029**	**299**
Non-Service	865	4	869	397	(472)
Cabinet Approved Contributions	-	-	-	-	-
Corporate Savings Target	(164)	-	(164)	-	164
Total Net Expenditure	**17,435**	**-**	**17,435**	**17.426**	**(9)**
Funding	(17,435)	-	(17,435)	(17,435)	-
(Under)/Overspend	**-**	**-**	**-**	**-**	**(9)**

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 1 Forecast Outturn £'000	Changes During Quarter £'000	Quarter 2 Forecast Outturn £'000
Environmental Health	933	30	963
Environmental Services	5,330	(2)	5,328
Legal and Democratic	1,887	52	1,939
Planning and Transportation	876	(36)	840
Regeneration and Housing	1,604	(16)	1,588
Resources	6,028	343	6,371
Net Cost of Services	**16,658**	**371**	**17,029**
Non-Service	772	(375)	397
Corporate Savings Target	-	-	-
Total Net Expenditure	**17,430**	**(4)**	**17,426**
Funding	(17,435)	-	(17,435)
(Under)/Overspend	**(5)**	**(4)**	**(9)**

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 £11k since Quarter 1, from £0.126m to £0.115m. This change was largely attributable to an increased reliance on agency staff to maintain service delivery, which had offset some of 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 £0.028m since Quarter 1, rising from £0.108m to £0.136m. 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 significant adverse movement of £0.308m had been reported in relation to grant income, shifting from a forecasted surplus of £0.078m in Quarter 1 to a pressure of £0.230m in the current forecast. This change followed a comprehensive deep dive review of all budgets, which identified several grants that were no longer due to the Council. The forecast for unrecoverable Housing Benefit overpayments had also increased by £0.023m.

- **ICT Costs -** ICT and software costs had increased by £0.024m since Quarter 1, bringing the total forecast pressure in this area to £0.109m. 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 £48k since Quarter 1. 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 £0.054m 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 £0.490m in forecast investment income since Quarter 1, bringing the total to £0.587m. 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.

  Offsetting this, 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.

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 1 and compared the current forecast against the approved working budget.

This 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 2, which showed that the Council was currently forecasting a reduction of £11.228m in its usable reserves during the year, bringing them to £18.996m at the end of the year. The most significant movements in reserves were the forecast spending on the capital programme, which was in line with the Council's ambitious regeneration projects.

Pressures and Risks

The forecast underspend at Quarter 2 is relatively small at £0.009m. There are some real pressures and risks that need to be considered, which are 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 some of the works that would be required. The facilities management team continued to undertake surveys and would report back the potential costs once the surveys were complete.

- **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 £200,000 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 had to provide a food waste collection for residents. A grant had been received from DEFRA to be used towards the capital costs of implementing the new collection (e.g. purchasing new vehicles, bins and food caddies), procurement had been undertaken to provide the capital resources, and it was expected that a further grant would be provided to assist with the additional ongoing revenue costs.

- **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 and would then seek approval from Cabinet to make any payment(s).

- **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 - **That Cabinet:**

(1) Notes the financial position of the Revenue Budget at Q2 of the 2025/26 financial year, as shown in Section 3 of the report.

(2) Notes the financial pressures and risks facing the Council as at the end of September 2025, as shown in Section 5 of the report, and acknowledges the potential longer-term impact on the Medium-Term Financial Strategy for 2025/26 to 2027/28.

228 Capital Programme Monitoring 2025/26 – 2027/28 - Quarter 2 Update to 30th September 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 2 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.

In the absence of Councillor Alexander, the Leader of the Council provided a brief introduction to the report, highlighting the figures set out at Table 1 of the report showing approved projects in 2025/26 of £2.726m and in-year additions of £53.541m giving a proposed programme of £56.276m for 2025-28, of which £29.957 would be the working capital budget for 2025/26, with the remainder slipped into future years. Of the approved capital spend in 2025/26 some £12.598m had been committed as at Quarter 2.

Councillor Zak Khan asked if the amount of underspend of £0.428m referred to in Paragraph 4.6 of the report, could be reallocated to be spent on other projects in-year, or if it would only be considered at year end for slippage into future years. Councillor Dad and Martin Dyson, Executive Director (Resources) indicated that the majority of the anticipated underspend related to Accrington town centre projects and was likely to slip into next year's programme. Members and officers were not aware of any alternative capital projects deliverable in-year.

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 27th February 2025, Members 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 the 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 was 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 the Market Hall, which was funded from reserves. £0.094m related to several smaller projects.

The report requested a further £0.681m to be added to the Capital Programme at Q2. £0.115m related to Parks & Open Spaces, on projects such as improvements at Lowerfold Park and Bullough Park, which were mostly funded by grants, contributions, and earmarked reserves.

£0.120m was the Council's contribution to the repurposing of Mercer Hall and £0.010m was for the purchase of vehicles & equipment funded from a revenue contribution. A further £0.250m for Market Development Works and £0.128m for Leisure Estate Investment had also been added. These works were funded by earmarked reserves.

Additional funding of £0.028m had been allocated to the Lee Lane Cemetery tap project and a new capital project had been added for £0.030m to proceed with the installation of a wireless conference system. Details of all in-year budget adjustments were included 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, HGV was £26.076m.

Therefore, the Capital Budget for 2025/26 now totalled £29.957m, as shown in Table 1 below:

Table 1: Capital Budget 2025/26 Reconciliation:

	Amounts

Capital Budget 2025/26	£'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 Recommended for Approval (QTR2)	681
Proposed Capital Programme 2025-28	**56,267**
Less Approved Slippage into Future Years	-26,310
Proposed Capital Budget 2025-26	**29,957**

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 £29.957m 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 £56.267m, which could be seen in Table 2 below:

Table 2: Capital Programme Budgets by Service Area

Programme Area - Budgets	Proposed Capital Budget 2025/26 £'000	Proposed Capital Budget 2026/27 £'000	Proposed Capital Budget 2027/28 £'000	Proposed Capital Programme £'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
Market Development Works	13,349	0	0	13,349
Operational Buildings	1,156	234	0	1,390
Parks & Open Spaces	1,246	0	0	1,246
Planned Asset Improvements	217	0	0	217
UK Shared Prosperity Fund	255	0	0	255
Vehicles & Equipment	680	0	0	680
Total Approved Capital Spend Budgets	**29,957**	**22,495**	**3,815**	**56,267**

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 £56.267m for 2025/26 – 2027/28 was shown as a pie chart (Chart 2) in the report.

2025/26 Capital Budget - Q2 Forecast Outturn

As of 30th September 2025, actual and committed expenditure totalled £12.598m, representing 42.05% of the rephased 2025/26 budget of £29.957m. Table 3 below showed the committed expenditure and forecasted outturn by service area.

Table 3: 2025/26 Capital Budget - Q2 Forecast Outturn

Programme Area - Budgets	Proposed Capital Budget 2025/26	Actuals & Commitments - Q2	Forecast Outturn - Q2	Forecast Variance - Q2 £'000

	£'000	£'000	£'000	
Community Projects	728	410	628	99
Housing Improvement programme	1,769	841	1,619	150
Huncoat Garden Village	3,110	2,682	3,006	105
IT Projects	527	430	522	6
Leisure Estate Investment	6,921	4,827	6,521	400
Market Development Works	13,349	2,383	6,469	6,879
Operational Buildings	1,156	46	717	439
Parks & Open Spaces	1,246	547	941	305
Planned Asset Improvements	217	4	100	117
UK Shared Prosperity Fund	255	177	255	0
Vehicles & Equipment	680	251	271	409
Total Approved Capital Spend Budgets	**29,957**	**12,598**	**21,048**	**8,909**

Further forecast expenditure of £8.450m was anticipated before the end of the financial year, resulting in a total forecast outturn figure of £21.048m. This represented 70.26% of the allocated budget and an underspend of £8.909m against the 2025/26 proposed budget. Of the £8.909m underspend on the 2025/26 budget, £8.481m 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. While a more detailed cashflow was being developed by the contractor, initial estimates proposed that £6.879m of budget would be slipped into next year. Further details of all proposed slippage was included within Appendix 3 of the report.

A further £0.428m of the £8.909m underspend on the 2025/26 budget related to completed or closed projects. This was a net amount consisting of a £0.443m underspend and a £0.015m overspend. Subject to Cabinet approval at year end, this funding would be released to other capital projects.

Of the £0.443m underspend, £0.409m related to capital costs for expanding food waste collection rounds. The original project bid had been based on the Government grant's terms, which supported capital purchases like food caddies and waste vehicles. However, instead of buying food waste vehicles outright, the Council had leased new refuse collection vehicles that were adapted for food waste. This approach aligned with the Council's vehicle leasing policy. As a result, the unused portion of the grant would be used to offset the capital financing costs of these leased vehicles.

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 provided at Appendix 3 of the report.

<u>Major Schemes</u>

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:

- **Market Development Works** – The redevelopment of Market Hall, Market Chambers, and Burton Chambers remained a significant 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 £13.349m. 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 £2.732m 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 drafting the report, the contractor was working with the Council to finalise the spend profile. Nonetheless, the programme remained on track for completion in Q2 of the 2026/27 financial year.

- **Leisure Estate Investment –** This 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 project was expected to underspend by approximately £0.100m this year. This, along with the £0.300m allocated for 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 £29.186 million grant from Homes England. Forecast expenditure was phased over three financial years, with £3.110m in 2025/26, £22.261m in 2026/27, and £3.800m 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 Q2 2025/26, the Council had a Capital Receipts balance of £2.666m. The latest Capital Programme required £4.989m - leaving a shortfall of £2.323m over the Capital Programme period 2025/26 – 2027/28.

- **2025/26 Forecast** - For 2025/26, the forecast requirement at Q2 was £2.079m. However, of the £2.666m total available, £1.719m was earmarked for Market Development Works and £0.153m for fire compliance works, which would both be delivered in 2026/27. Therefore, only £0.794m was available for 2025/26. It was proposed that the shortfall in 2025/26 was funded from eligible grants and earmarked reserves.

- **Future Requirements and Risks** - In 2026/27, a further £1.000m in Capital receipts was 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 incurrence of eligible expenditure, to help manage the Council's cash flow.

  To date, the Council had received over £2.0m in grant funding. The Government 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 remainder to be claimed at a later stage of this scheme.

- **Pride of Place Impact Fund -** The Council had been awarded £1.5m through the Pride in Place Impact Fund. As of November 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 had to be spent by 31st March 2027.

This was a low-level risk.

Conclusion

The Capital Programme had grown substantially over the past two financial years and now totalled £56.267m. While approximately 79% 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 - **That Cabinet:**

(1) Notes the financial position of the Capital Budget at Q2 of the 2025/26 financial year, as shown in Section 4 of the report.

Signed:……………………………………………

Date: …………………………………………………………

Chair of the meeting
At which the minutes were confirmed

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CABINET

Wednesday, 3rd December, 2025

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

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

Apologies: Councillor Clare Pritchard

234 Apologies for Absence

Apologies for absence were submitted on behalf of Councillor Clare Pritchard.

235 Declarations of Interest and Dispensations

In respect of Agenda Item 7 – Market Hall Operator Update, Councillor Kimberley Whitehead made the meeting aware that a close family member worked at the Market Hall.

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

236 Minutes of Cabinet

The minutes of the meeting of Cabinet held on 22nd October 2025 were submitted for approval as a correct record.

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

237 Minutes of Boards, Panels and Working Groups

The minutes of the following board were presented:

Name of Body	Date of Meeting
Leader's Policy Development Board	23rd October 2025

Councillor Khan enquired as to progress regarding the procurement of the new mayoral car and the proposed duration of the lease. Jane Ellis, Executive Director, (Legal and Democratic Services) reported that officers were considering a fully electric BMW 5 Series on two year lease and were on the verge of placing an order. Councillor Khan also asked for an update on webcasting. Ms Ellis reminded members that the Board had agreed not to implement webcasting on the grounds of cost, but had approved a conference microphone system. The anticipated installation date was March 2026.

Resolved - **To note the minutes of the Leader's Policy Development Board held on 23rd October 2025.**

238 Reports of Cabinet Members

Portfolio Holder for Resources and Council Operations

Councillor Vanessa Alexander reported on the following:

Town Hall Annexe

It was proposed that staff in the Town Hall Annexe on Broadway would transfer to Scaitcliffe House. Discussions were on-going.

Household Support Fund

The Council was working in partnership with Maundy Relief to work on sustainable ways to address food poverty, using a grant from the Household Support Fund.

Thanks

Councillor Alexander placed on record her thanks to the Executive Director (Resources) and his Team for their hard work in supporting members to develop the Budget for 2026/27. This work would enable the Council to set a balanced Budget for the forthcoming year.

Portfolio Holder for Environmental Services

Councillor Stewart Eaves reported on the following:

Green Flag Award 2025

Hyndburn's Parks Staff had recently won Team of the Year in the Green Flag Best of the Best awards. This was fantastic news and built upon the Council's existing success in achieving Green Flag status for 11 of its parks and green spaces. Councillors Dad, Khan and Whitehead added their thanks to the staff for their hard work and expressed delight that the team had been recognised as the best in the country.

Food Waste Pilot

Councillors were being invited to take part in a pilot in March to assist Waste Services to prepare for the launch of food waste collection in April 2026. Councillors Whitehead and Khan indicated their support for this exercise.

Portfolio Holder for Business, Growth and Sustainability

Councillor Scott Brerton reported on the following:

Economic Development

The Economic Development Team was continuing its programme of outreach work with businesses, shops and traders. The Team had been visiting businesses in Rishton earlier today. The outreach programme was a good opportunity to showcase the Council's services and to speak to traders and potentially to offer assistance.

Department for Work and Pensions (DWP)

The Portfolio Holder had recently met with representatives of DWP to discuss some changes being introduced by the new Government to services for job seekers.

Economic Development Forum

A meeting of the Economic Development Forum would be held early in the New Year and would focus on Local Government Reorganisation in Lancashire.

Hyndburn Jobs Fair

A Jobs Fair event was being planned in February 2026. Lots of organisations had already signed up to participate.

Small Business Saturday

This weekend, nationally, would see the celebration of Small Businesses Saturday. Some communications were planned in Hyndburn to promote the occasion and councillors were invited to spread the word.

Councillor Zak Khan commented that it might be useful to receive an update on the measurable outcomes of the work of the Economic Development Team at a future meeting.

Leader of the Council

Councillor Munsif Dad BEM JP reported on the following:

Local Government Reorganisation (LGR)

The LGR submission for Lancashire had now been made to the Government. Hyndburn had supported the 3 unitary authority (3UA) model. A total of 5 different models had been submitted by the responding councils. The Ministry of Housing, Communities and Local Government (MHCLG) would determine what proposed structure to consult upon in the New Year.

Accrington Neighbourhoods Board Plan

At its meeting on 19th November 2025, the Cabinet had approved the Plan developed by the Accrington Neighbourhoods Board. The first tranche of funding should be released in April 2026.

Skip Day – Spring Hill

A successful skip day had been held in Spring Hill on Saturday 29th November 2025. The event had been widely publicised by councillors and former MP, Graham Jones, which had helped to raise the profile of the event and levels of participation. Councillor Dad thanked the Portfolio Holder, Councillor Steward Eaves, for making the necessary arrangements.

Fair Funding Review

It was noted that Sarah Smith MP had been proactive in supporting the Council by engaging MHCLG in discussions about the possible adverse impacts in Hyndburn of the Fair Funding Review. The final decision about funding was still awaited, but indications were that the Council would be better off than had originally been envisaged. Further details would be publicised when the information was available. David Welsby, Chief Executive, added that the local government financial settlement was likely to be announced in the week commencing 15th December 2025. Councillor Khan was pleased to note that the outcome of the Fair Funding Review might be better than originally expected.

Organisational Review

The Leader thanked Councillor Whitehead for her work on the Council's organisational review. Councillors had looked at changes to the current structure and had taken into account the forthcoming LGR. The revised structure was right for the future and gave staff the best opportunity to meet the challenges ahead. The Chief Executive confirmed that the structure chart and reporting lines would be circulated to councillors and staff by the end of the week. Councillor Khan asked how staff had been engaged in the process and if this would prepare the way for LGR. The Leader responded that this had been a bottom-up process, with service managers requested to consult their staff and to feed back any suggestions. Councillor Whitehead added that the trades unions had also been consulted. She indicated that the structural changes formed Phase 1 of the review, with resources being considered next, under Phase 2.

239 Planning Enforcement Plan

The Cabinet considered a report of Councillor Munsif Dad BEM JP, Leader of the Council, setting out a proposed Planning Enforcement Plan, which updated the existing protocol to reflect current national guidance and aimed to manage the expectations of complainants regarding the scope of the Council's resources and planning enforcement powers.

The Leader provided a brief introduction to the report, highlighting that the previous version had been agreed in 2010 and no longer reflected the service provided. He outlined the matters covered in the new Plan, including how enforcement action would be prioritised and timelines.

Councillor Khan raised a number of queries as summarised below and responses were provided by Councillor Dad, or the relevant officer, as indicated:

- Given that enforcement was a discretionary power, who was the decision maker when applying the public interest test (see Paragraph 6 of the Plan)? – *Response:* The Head of Planning and Transportation had delegated powers to make decisions about enforcement. However, the matter could be referred to the Planning Committee, particularly in controversial cases. The Leader of the Council had overall responsibility for the Enforcement Plan, as Portfolio Holder.
- In the case of Priorities 1 and 2, were these derived from national policy or adapted to fit local circumstances – the timescale for a site visit of 10 working days for Priority 2 seemed too long (see Paragraph 15 of the Plan)? - *Response:* The need for a Plan followed national guidelines. However, the Priorities were not determined by Government guidance, but were based on local circumstances. In summary, Priority 1 breaches needed immediate legal intervention, whereas enforcement for Priority 2 breaches might be in the public interest and should be dealt with as soon as possible. The timescales reflected available resources.
- Retrospective planning applications were often controversial – was there any guidance available about this process, as the situation was not well understood by the public? – *Response:* There was a process to follow when seeking planning consent retrospectively. The Council frequently used social media to raise awareness of its policies in these cases.
- Overall, the Plan was positive, but was it achievable given the everyday pressures on the Planning Team and would additional resources be needed to meet these commitments? – *Response:* Cabinet members were aware that the Planning Team

were very busy. If any gaps were identified, they would be provided with the necessary resources to carry out their role effectively.

Approval of the report was not deemed a key decision.

Reasons for Decision

The National Planning Policy Framework (NPPF) recommended that local planning authorities publish a local enforcement plan to proactively manage enforcement in a way that was appropriate to their area.

The attached Planning Enforcement Plan set out how enforcement complaints would be prioritised and managed by the Planning Service. The updated Plan made clear that at the heart of assessing an enforcement case was the degree of harm caused by the alleged breach of planning control and whether formal enforcement action would be expedient.

Adopting the Local Planning Enforcement Plan would ensure compliance with national guidance and support the Local Planning Authority in carrying out future enforcement actions in line with established best practice.

Alternative Options considered and Reasons for Rejection

While an enforcement plan was not mandatory, it was considered best practice to have one in place. An enforcement plan enabled members of the public to understand how their complaint would be managed and assisted the Local Government Ombudsman (LGO) in understanding the Council's approach to enforcement should a complaint be made.

The Planning Enforcement Plan was principally a reactive document, setting out the way complaints relating to breaches of planning control would be investigated.

Planning enforcement was delivered by two officers within the Planning Service. The Planning Enforcement Plan therefore sought to manage complainant expectations in line with available resources.

Resolved - **That Cabinet approves and adopts the new Planning Enforcement Plan for the Borough, as attached at Appendix 1 to the report, for use from 1st January 2026.**

240 Accrington Market Hall Operator Update

Members considered a report of Councillor Clare Pritchard, Portfolio Holder for Transformation and Town Centres, updating Cabinet on the outcome of the negotiations with the preferred operator to agree a fit-out specification and lease for Accrington Market Hall. The report sought approval to waive the Council's Contract Procedure Rules to engage the retail space and rental consultants specialising in markets, Barker Proudlove. In addition, the report made Cabinet aware of the need to create a suitable budget for an 'in-house' Market Hall management team and revenue operational budget as well as seeking approval to finalise operational days/hours, agreeing trader fees and charges, lease terms and conditions etc. and signing of relevant leases and any licences.

In the absence of Councillor Pritchard, the Leader of the Council gave a brief introduction to the report and explained the changes in circumstances leading to the approach now presented. Councillors Whitehead and Brerton spoke in favour of the proposals which they believed would allow the flexibilities of a traditional market, support local traders by setting affordable rents and protect the building for the community as an inclusive public space.

Councillor Khan expressed disappointment at the proposals, which he considered lacked innovation and relied on old ways of working. He raised the following queries:

- What were the reasons for the preferred operator parting ways and was this due to the Council's actions?
- Whether specialist markets consultants were needed, given that an in-house model of operation was to be established?
- Whether the bid for Levelling Up funding had specified the use of an external operator?

Councillors Breton and Whitehead replied stating that the proposed approach would help to protect local businesses and provide a community benefit. Councillor Dad indicated that there had been many Government constraints applied to the Levelling Up funding, although not around the selection of an operator. This contrasted with the approach taken in relation to the Neighbourhoods funding of £20m, which was being delivered following engagement with the community. The proposed consultants were the firm previously engaged by the Council on an earlier Phase of this project, so were familiar with its progress. The reasons for the changes were to ensure that the Council obtained the right model for the future operation of the Market Hall.

Steve Riley, Executive Director (Environment) reported that he had recently attended a consultation event with the market traders, who had welcomed the proposals. They were looking forward to working with the consultants to identify stall locations inside the building. It was anticipated that this meeting would take place early in the New Year.

Approval of the report was not deemed a key decision.

Reasons for Decision

The Levelling Up Fund had been announced at the 2020 Government Spending Review, to focus on capital investment in local infrastructure projects that required up to £20m of funding and built on prior programmes such as the 'Local Growth Fund' and 'Towns Fund'.

In January 2022, Cabinet had given its formal approval in support of the Town Centre Stakeholder Board's recommendations that the Council's LUF submission should focus around the following three principal interventions, noting that at the time 2 and 3 were not in the Council's ownership.

1. Redevelopment within the Indoor Market Hall and removal of the outdoor pavilions along Peel Street to provide traditional market stalls alongside an enhanced food and beverage offering and potential leisure offering – the intervention known as Market Hall.
2. Acquisition and external façade improvements/roof repairs to the properties of 43-59 Blackburn Road / 2-4 Church Street – the intervention known as Market Chambers.
3. Acquisition and redevelopment to the block 61-69 Blackburn Road to provide for a shared workspace offering – the intervention known as Burtons Chambers.

Cabinet had agreed that the Burtons Chambers and the Market Hall interventions would be managed by external operators through a Management Agreement and Lease respectively.

<u>Operator Procurement</u>

Consultant Barker Proudlove, who were retail space and rental consultants specialising in markets, had been engaged to identify a preferred operator for the Market Hall. The process had commenced in October 2023 and by May 2024 a preferred operator had been identified. There had been a lengthy period of negotiations to develop a fit-out specification for the food and beverage areas, potential leisure offering and legal agreement on the Market Hall lease's terms and conditions.

The Council had not been able to agree a suitable fit-out specification or the terms and conditions for a lease with the preferred operator and as such the preferred operator had formally withdrawn. The Council had acknowledged and accepted their withdrawal. It must be stressed that both parties had parted amicably as market conditions had changed since the process started in 2023. High inflation, increases in the minimum wage and NI, steep rises in utility costs, plus other external factors, had contributed to a reduced appetite for risk. This had resulted in neither the preferred operator nor Council being willing or able to cover the cost of the operator's fit-out specification and leisure offering and agree the final terms of the lease.

At the time of the Levelling Up funding submission in 2022, the decision of Cabinet had been to lease the Market Hall offering to an external operator. Following a review of the previous submissions and available options, given the time remaining before the construction works were completed, it was proposed that the day-to-day operations of the Market Hall should be managed by the Council by an 'in-house' team.

Regular Cabinet updates had highlighted the appointment of lead consultant CBRE, specialising in commercial real estate services, to assist the Council in identifying a preferred operator for Burtons Chambers and who engaged Barker Proudlove to identify a preferred operator for the Market Hall. CBRE's appointment had been through the CCS RM6168 Framework under a call off. This framework had now expired so the project team could not instruct any further works through it.

Waiving the Council's Contract Procedure Rules would enable the Council to appoint Barker Proudlove directly. Given their involvement in the Market Hall project in promoting the initial opportunity to operators and experience in this field, continuing with their engagement meant they could commence work at pace and reach out to food and beverage operators from their local contacts and commence discussion with existing and potential new traders. The scope of their work was to:

- bring forward examples of property operational management structures at other similar offerings for the Council to consider.
- engage with the existing traders and liaise on leases, locations, layout wishes etc.
- promote the offering to identify food and beverage traders, including a lead bar operator (promoting the opportunity to local traders where possible).
- promote the offering to other potential traditional style and different traders to add/fill in any gaps to the market hall offering, (promoting the opportunity to local traders where possible).
- advise the Council on matters such as trader application forms, minimum trader requirements, scoring criteria and market regulations / rules.
- advise on potential leisure offerings and/or multi-use zones/stalls.

Had agreement been reached with the preferred operator, the trader fees and charges and granting of leases to traders would have been the operator's responsibility. Changing to a Council managed model, would now require the Council to set the level of fees and charges, decide the terms of the leases offered to traders and agree a process and criteria for selecting traditional market traders, food and beverage traders or other traders to be offered a lease.

Similar successful locations offering traditional market stalls, food and beverage and potential leisure offerings, operated on both Saturdays and Sundays, many of the Bank Holidays and extended opening hours into the evenings. The Council would need to ensure sole traders and management staff were not pressured to work 7-days a week or break the Working Time Regulations 1998. At other locations, this was mitigated in part by not opening at the start of the week. The Council would therefore need to carefully consider the opening days and opening times and understand how it would manage traders who did not observe the agreed opening days/hours given the Council's wish to provide a thriving vibrant market hall offering.

There were other ancillary operational costs which the Council would need to consider and how they were funded. These included:

- Security/door staff where the opening days/times and/or licensing conditions necessitated their requirement, clearing and cleaning of the crockery across the communal seating areas and how utility costs for communal areas were allocated;
- Point of sale/payment systems and even if there should be a move towards a cashless payment system, to reduce risk of dealing with cash;
- Parking management/enforcement and trader access arrangements of the service yard; and
- The need to consider funding promotions/advertisement, leisure/entertainment offerings and regular events, so as to provide the best opportunity for success.

Whilst there should be little call for capital maintenance following the LUF funded redevelopment works within the initial years of reopening, the Council needed to recognise its repair and maintenance responsibilities and how such future maintenance and estate management/staffing costs were to be financed within the future annual budget setting process.

Alternative Options considered and Reasons for Rejection

The Council could choose to consider approaching other operators who submitted proposals during the procurement exercise or the Council could readvertise the opportunity. However, neither option was recommended given the remaining timescales and wish to manage the day-to-day operation of the Market Hall offering through a Council management/operational staff team.

Resolved

(1) That Cabinet acknowledges the outcome of the negotiations between the Council and the preferred operator for the Accrington Market Hall lease as highlighted in Paragraphs 4.1 and 4.2 of the report.

(2) That following a review of the available options, Cabinet agrees that the day-to-day operations of the new Market Hall offering is managed by the Council.

(3) That Cabinet agrees to waive the Contract Procedure Rules and grant delegated authority to the Executive Director (Environment) and/or such senior officer as shall be appointed to manage Accrington Market Hall, to appoint Barker

Proudlove, retail space and rental consultants specialising in markets, to work with the Council on developing a potential management structure for operating the new Market Hall offering and to identify and secure existing and new traders, (local where possible), who meet the vision for the redeveloped Market Hall as highlighted in Paragraphs 4.3 and 4.4 of the report.

(4) **That Cabinet notes and agrees that in principal and subject to the Council's approval as part of the Council's 2026/27 budget setting process, to allocate sufficient funding for the new Market Hall staffing structure and an appropriate annual revenue operational budget.**

(5) **That Cabinet delegates authority to the Executive Director (Environment) and/or such senior officer as shall be appointed to manage Accrington Market Hall, in consultation with the relevant Portfolio Holder and following advice from the consultant Barker Proudlove, to agree opening days and hours for the Market Hall and agree the process and criteria for selecting traders to be offered a lease.**

(6) **That Cabinet delegates authority to the Executive Director (Resources) and/or such senior officer as shall be appointed to manage Accrington Market Hall, in consultation with the Executive Director (Legal and Democratic Services) and the relevant Portfolio Holder, to agree and implement all necessary regulation for the operation and management of Accrington Market Hall, all trader fees and charges, (including utilities, communal areas, service yard fees or other service charges), discounts, rent deposits, lease terms and conditions and the signing of such leases.**

With the agreement of the meeting, the Chair took Agenda Item 10 next.

241 Hyndburn Leisure Financial Monitoring Position Qtr2 - April to September 2025/2026 and Payment of Annual Financial Subsidy for 2025/2026.

In accordance with Regulation 11(1) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, approval was granted by Councillor Noordad Aziz, Chair of the Resources Overview and Scrutiny Committee, to the following key decision being made by Cabinet on 3rd December 2025, under the Special Urgency provisions, on the grounds that the decision was urgent and could not reasonably be deferred.

The Cabinet considered a report of Councillor Melissa Fisher, Deputy Leader and Portfolio Hoder for Housing and Regeneration, providing an update on Hyndburn Leisure's financial performance up to the end of September 2025 for the current financial year and seeking approval to pay a grant of £700,000 to that organisation in respect of the period 1st April 2025 to 31st March 2026.

Councillor Fisher provided a brief introduction to the report, outlining the forecast underspend of Hyndburn Leisure at the end of the financial year, as well as the risks if the Council did not provide the subsidy proposed. She remained satisfied that the Trust provided sustainable and cost effective leisure provision. In addition, the forecast for future years anticipated a gradual reduction in the subsidy required.

Councillor Dad indicated that there would be a further report early in the New Year about how Hyndburn Leisure and the Council were working together. The aim was to ensure that the Trust was sustainable after Local Government Reorganisation and would provide value for money for the taxpayer. Hyndburn Leisure had already demonstrated that it was on the right trajectory with the subsidy reducing from £1m in 2024/25 to £700k proposed in 2025/26. Monthly meetings were now taking place between Hyndburn Leisure, the Portfolio Holder for Resources and Council Operations and the Executive Director (Resources).

Martin Dyson, Executive Director (Resources), confirmed that the political administration was working closely with the Hyndburn Leisure to support its sound financial management. Councillor Fisher added that she now had greater confidence in the operation of the Leisure Trust and that its future had been enhanced by the opening of the new Cath Thom Leisure Centre.

Councillor Khan supported the provision of the subsidy, particularly given the health challenges faced by Hyndburn's population. He noted the reduction in the level of subsidy for this year and the forecast reduction for future years and also queried the following matters:

- Whether the anticipated savings would be financed by increased revenue, or through lower energy, buildings and staffing costs;
- Whether more details of the new relationship between Hyndburn Leisure and the Council would made available in the forthcoming report; and
- Whether Hyndburn Leisure would be looking into the different levels of subsidy per attendance at its various venues (the Table provided at Paragraph 4.3 of the report refers).

Councillor Dad responded that the Council would continue to work closely with Hyndburn Leisure and to monitor its performance. The Council expected a health and well-being return on its investment. The report in the New Year would set out some key expectations upon Hyndburn Leisure. Clearly, the Council did not wish to see the Trust fail, but could not provide unlimited financial support for its future operations. Councillor Alexander confirmed that the details requested by Councillor Khan would be addressed in the forthcoming report as part of the Council's overall approach. She added that the Council was not able to dictate what Hyndburn Leisure did operationally, but could influence it through maintaining a positive relationship and encouraging good working practices.

Regarding the question about subsidies attributable to each venue, Mr Dyson added that the facilities mentioned were being looked at on a site-by-site basis, although it was recognised that some buildings were not as efficient as others. It was acknowledged that attendance at Mercer Hall had fallen significantly, but the process of repurposing the site was still on-going. It was envisaged that there would be some evidence of improvement across sites by the time of the Quarter 3 monitoring report. The Trust continued to make efficiency savings, including the renegotiation of utility contracts. Also, the current report did not take into account the performance of the Cath Thom Leisure Centre, which was doing well.

Councillor Fisher indicated that four new trustees had been added to strengthen the Board, which was due to meet next Thursday, 11th December 2025.

Approval of the report was deemed a key decision.

Reasons for Decision

Proposed Grant - General Background

From its inception until 2021/22 the Council had paid an annual grant to Hyndburn Leisure to support its operating costs and the provision of pay and play sport and recreational facilities in the Borough. In 2008/09 Hyndburn Leisure had received £1.2 million in grant funding from the Council. However, as part of its response to the Government's austerity measures, the Council had encouraged Hyndburn Leisure to become financially self-sufficient and, by 2021/22 the subsidy had reduced to nil. Since then, Hyndburn Leisure had faced significant financial pressures in common with leisure providers nationally. These cost pressures included:

- Significantly increased energy costs;
- increased staffing costs;
- inflation rate increases leading to higher supplier, maintenance and repair costs;
- increases in irrecoverable VAT; and
- lost income as a result of the partial closure of Mercer Hall Leisure Centre.

These cost pressures had resulted in a need for subsidy, with £235k being paid to Hyndburn Leisure by the Council in 2022/23 (before the Subsidy Control Act 2022 came into force), £490k being paid in 2023/24 and £1m paid 2024/25. A further subsidy had now been requested by Hyndburn Leisure in respect of the current financial year to enable pricing levels, opening hours and service provision to be maintained at the current level. It was considered that this would support the Council's objective of supporting affordable and locally accessible health and wellbeing provision to help address the health inequalities in the Borough.

Proposed Grant - Subsidy Control

The proposed grant to Hyndburn Leisure would qualify as a subsidy for the purpose of the Subsidy Control Act 2022 ("SCA") as it met the definition of a subsidy, namely:

- The payment would be given directly or indirectly from public resources by a public authority;
- It would confer an economic advantage on one or more enterprises, namely Hyndburn Leisure;
- Benefit would be gained by the enterprise receiving the grant over one or more other enterprises with respect to the provision of goods or services; and
- The grant would or was capable of having an effect on competition or investment within the UK.

Furthermore, as the provision of community leisure activity was typically viewed as an important health and wellbeing benefit for the community, Hyndburn Leisure could be considered to provide "services of public economic interest" ("SPEI") pursuant to section 38 SCA as its services were:

- provided for the benefit of the public; and

- would not be provided, or would not be provided on the terms required, under normal market conditions.

The Council had already deemed Hyndburn Leisure to provide “SPEI” services and had provided SPEI subsidy to Hyndburn Leisure up to the £725,000.00 SPEI subsidy threshold (below which subsidy could be provided without a compliance assessment), having already paid subsidy to Hyndburn Leisure as follows:

- 2022/23 – the sum of £235,000.00 (prior to the SCA coming into force.
- 2023/24 – the sum of £490,000.00; and
- 2024/25 – the sum of £1,000,000.00

As the SPEI subsidy paid to Hyndburn Leisure in the last 3 years was currently above the SPEI subsidy threshold, no further subsidy could be paid to Hyndburn Leisure without the same being assessed against the statutory subsidy control principles (as detailed in Paragraph 3.5 of the report)

The SCA imposed requirements on local authorities when they were considering providing a third party with a subsidy. If these requirements were not complied with then the subsidy would be unlawful and could be challenged in the Competition Appeal Tribunal. In particular, the Council would have to assess the funding request against the subsidy control principles in Schedule 1 to the SCA and satisfy itself that the proposed grant was consistent with these principles. The subsidy control principles were as follows:

- Did the subsidy support a policy objective of the Council?
- Was the proposed method of subsidy the most appropriate way to address the policy objective?
- What would happen if the subsidy were not provided?
- Would the subsidy change the economic behaviour of the beneficiary and achieve something which would not have occurred without it?
- Was the subsidy proportionate and designed to minimise any negative impact on competition?
- Were any negative effects outweighed by the positive impact of providing the subsidy?

In this regard a compliance assessment had been carried out and was attached at Appendix 1 to the report. This indicated that the proposed subsidy appeared to be consistent with the subsidy control principles, especially given Hyndburn Leisure’s status as a provider of SPEI services.

In accordance with section 29 of the SCA the Council would need to do the following in order to pay further subsidy to Hyndburn Leisure:

- Satisfy itself that the amount of the grant was limited to what was necessary for Hyndburn Leisure to deliver the SPEI services, having regard to its income and costs plus no more than a reasonable profit or surplus. Reasonable profits could be assessed through a benchmarking exercise comparing the profits achieved by similar public service contracts which had been awarded under competitive conditions.
- Ensure that the funding was given in a transparent manner pursuant to a written contract or grant funding agreement which clearly set out the terms of the subsidy, including:

- Details of the SPEI services in respect of which the subsidy was given;
- Details of Hyndburn Leisure as the enterprise which was tasked with providing the services;
- The period for which the services were to be provided;
- Details of how the amount of subsidy had been calculated; and
- The arrangements in respect of reviews and steps which might be taken to recover the grant (for example if the funding was found to be more generous than permitted and part or all of it had to be clawed back).

Under Section 33 of the SCA the Council would be required to publish details of the grant on the UK's Subsidy Database within three months of a formal decision to provide it, and to maintain this record for six years. Under Section 70 of the SCA, any interested party who was aggrieved by the making of a subsidy decision might apply to the Competition Appeal Tribunal for a review of the decision. The challenge could be in relation to the Council not complying with the subsidy control requirements in the SCA, or on more general public law grounds, for example that the Council did not behave reasonably or rationally when deciding to provide the grant. If such a challenge was successful the Competition Appeal Tribunal could impose remedies under usual judicial review principles, including an order for the recovery of the unlawful subsidy with interest. The period in which a challenge could be made in relation to the provision of a subsidy was typically one month from the publication on the UK Subsidy Database.

Proposed Grant - General Public Law Considerations

The Council had power under section 19(3)(i) of the Local Government (Miscellaneous Provisions) Act 1976 (LGMPA) to contribute, by way of grant or loan, towards the expenses incurred or to be incurred by any voluntary organisation in providing recreational facilities which the Council had power to provide under section 19(1) of the LGMPA (which gave the Council power to provide, amongst other things, indoor facilities consisting of sports centres and swimming pools). "Voluntary Organisation" was defined at section 19(3) of the LGMPA as being "any person carrying on or proposing to carry on an undertaking otherwise than for profit". On the basis that Hyndburn Leisure was a charitable company limited by guarantee, it was a "not for profit" company. The Council therefore had statutory power to make the proposed grant to Hyndburn Leisure.

In exercising this statutory power, the Council would have to act for proper purposes and in good faith. In other words, the Council would have to act for proper motives, take into account all relevant considerations, and ignore irrelevant matters. It must not act irrationally and must balance the risks against the potential rewards. Of particular importance in this instance was the Council's fiduciary duty to ensure that the proposed grant was an appropriate use of Council funds and would provide genuine and tangible benefits for the community.

<u>Financial Position</u>

Proposed Subsidy Grant 2025/2026

In March 2025, Hyndburn Leisure had set a budget with a forecast deficit of £700,000, which included achieving a savings target of £58,417.

Hyndburn Borough Council had forecast the following subsidy payments to Hyndburn Leisure over the term of its Medium-Term Financial Strategy agreed by Council in February 2025.

MTFS Forecasts	Subsidy from the Council £
2024/2025 - Actual Paid	£1,000,000
2025/2026	£700,000
2026/2027	£500,000
2027/2028	£350,000

Hyndburn Leisure had formally requested the payment of the subsidy for 2025/2026, and the table below showed the breakdown of the expected facility costs and cost of subsidy per attendance by site and the overall subsidy for the total annual attendances.

Facility Analysis	Direct Costs Budget for Year £'000	Allocation of Central Operating Costs + Savings £'000	Budget for Year (including Operating costs + Savings) £'000	% of Overall Subsidy %	Forecast Annual Attendance No. of visits	Subsidy per Attendance £
Facility Operating Costs						
Accrington Town Hall	£47,957	£80,412	£128,369	18.34%	50,000	£2.57
Hyndburn Leisure Centre	(£152,919)	£382,735	£229,816	32.83%	420,000	£0.55
Wilsons Playing Field Site	£85,752	£104,348	£190,100	27.16%	80,000	£2.38
Mercer Hall Leisure Centre	£104,165	£21,320	£125,485	17.93%	12,500	£10.04
Community Facilities	(£13,770)	£40,000	£26,230	3.75%	15,500	£1.69
Education Facilities	£0	£0	£0	0.00%	-	£0
Grant Funded Programmes (Net)	£0	£0	£0	0.00%	-	£0
Total Facility Operating Costs	**£71,185**	**£628,815**	**£700,000**	**100.00%**	**578,000**	**£1.21**
Central Operating Costs	£687,232	(£628,815)	£58,417			
Budget Savings Target	(£58,417)		(£58,417)			
Council Subsidy Required	**£700,000**	**£0**	**£700,000**			

There was a reduction in the subsidy requested from £1m in 2024/2025 to £700,000 in 2025/2026 plus a forecast increase in annual attendances from 493,559 in 2024/2025 to 578,000 in 2025/2026.

This reduction in subsidy was largely due to the following factors:

- Late in 2024/2025 Hyndburn Leisure had taken over responsibility for procuring their own energy costs and were able to negotiate substantially reduced rates for the leisure centres than had been possible through the Council's contract. This had resulted in a reduction in the kilowatt charge rate and the VAT rate, which had enabled savings of almost £300,000 per annum.

- As all costs had risen with inflation, Hyndburn Leisure had also renegotiated several of their other premises and supplies and services contracts and set a further savings target to be achieved in year to ensure the subsidy would be reduced from 2024/2025.

- The opening of the Cath Thom Leisure Centre in October would also contribute towards increased attendances, although in the first six months of operation the centre was not expected to make a financial surplus.

The financial support provided to Hyndburn Leisure would be used to make repayments against current year debts owed to the Council. This subsidy payment was expected to enable Hyndburn Leisure to meet all debts due to the Council for the financial year 2025/2026.

Rather than making a physical payment to Hyndburn Leisure for £700,000, the subsidy amount would be offset against the outstanding trading debt due to the Council.

Several other Local Authorities in Lancashire operated their leisure services under similar outsourced models and were also providing financial support to their leisure trust or leisure subsidiary companies. The level of financial support being provided by other Councils around Lancashire for 2025/26 ranged from £0.80million to £2million.

Hyndburn Leisure was currently in the process of developing its budget for 2026/27, and whilst it was still forecasting financial support would be required from the Council, this was expected to reduce from the current year subsidy requirement.

The future years' subsidy targets had been agreed with the Council and were as follows:

Financial Year	Subsidy from the Council £	% of Budget %	Forecast Annual Attendance No. of visits	Subsidy per Attendance £
2024/2025 - Actual	£1,000,000	18.81%	493,559	£2.03
2025/2026	£700,000	12.79%	578,000	£1.21
2026/2027	£500,000	8.87%	668,000	£0.75
2027/2028	£350,000	6.03%	706,500	£0.50

<u>Financial Monitoring Position as at the end of September 2025</u>

The current forecast net expenditure to the end of the financial year in March 2026 was £669,659. This brought the forecast underspend for the year against the budget to £30,341.

As shown in the table below the forecast underspend to date was shown by the facility operated, with most areas performing ahead of budget except for Mercer Hall which was currently closed due to the repurposing works.

Facility Analysis	Direct Costs Budget for Year £'000	Budget to Date £'000	Actual to Date £'000	Year to Date Variance £'000	Forecast Outturn £'000	Forecast Variance to Budget £'000
Facility Operating Costs						
Accrington Town Hall	£47,957	£14,626	£7,295	(£7,331)	£40,626	(£7,331)
Hyndburn Leisure Centre	(£152,919)	(£65,267)	(£96,723)	(£31,456)	(£184,375)	(£31,456)
Wilsons Playing Field Site	£85,752	£0	(£13,040)	(£13,040)	£72,712	(£13,040)
Mercer Hall Leisure Centre	£104,165	£74,165	£92,375	£18,210	£122,375	£18,210
Community Facilities	(£13,770)	(£11,239)	(£15,339)	(£4,100)	(£17,870)	(£4,100)
Education Facilities	£0	£0	£0	£0	(£28,315)	(£28,315)
Grant Funded Programmes (Net)	£0	£0	£0	£0	£0	£0
Total Facility Operating Costs	**£71,185**	**£12,285**	**(£25,432)**	**(£37,717)**	**£5,153**	**(£66,032)**
Central Operating Costs	£687,232	£437,029	£385,988	(£51,041)	£664,506	(£22,726)
Budget Savings Target	(£58,417)			£0		£58,417
Council Subsidy Required	**£700,000**	**£449,314**	**£360,556**	**(£88,758)**	**£669,659**	**(£30,341)**

Further analysis of the variances by Income and Expenditure type were shown in the table below:

Expenditure / Income Analysis	Direct Costs Budget for Year £'000	Budget to Date £'000	Actual to Date £'000	Year to Date Variance £'000	Forecast Outturn £'000	Forecast Variance to Budget £'000
Operational Costs						
Employee Costs	£2,894,771	£1,364,265	£1,393,111	£28,846	£2,923,617	£28,846
Premises Costs	£786,736	£309,836	£305,850	(£3,986)	£782,750	(£3,986)
Supplies & Services	£490,678	£244,252	£255,477	£11,225	£501,903	£11,225
Project Expd	£874,847	£291,239	£291,239	£0	£874,847	£0
Finance & VAT Costs	£268,476	£124,357	£84,006	(£40,351)	£228,125	(£40,351)
Total Operational Costs	**£5,315,508**	**£2,333,949**	**£2,329,684**	**(£4,265)**	**£5,311,243**	**(£4,265)**
Income & Funding						
Trading Income	(£414,788)	(£179,325)	(£183,218)	(£3,893)	(£418,681)	(£3,893)
Fees & Charges	(£2,730,866)	(£1,200,017)	(£1,257,980)	(£57,963)	(£2,788,829)	(£57,963)
Other Income	(£78,541)	(£39,271)	(£61,908)	(£22,637)	(£101,178)	(£22,637)
External Grant Funding	(£1,332,896)	(£466,022)	(£466,022)	£0	(£1,332,896)	£0
Total Income	**(£4,557,091)**	**(£1,884,635)**	**(£1,969,128)**	**(£84,493)**	**(£4,641,584)**	**(£84,493)**
Net Deficit	**£758,417**	**£449,314**	**£360,556**	**(£88,758)**	**£669,659**	**(£88,758)**
Savings Target	(£58,417)			£0		£58,417
Council Subsidy Required	**£700,000**	**£449,314**	**£360,556**	**(£88,758)**	**£669,659**	**(£30,341)**
Subsidy Due/Owed	(£700,000)	(£367,500)	(£367,500)	£0	(£700,000)	£0
Net	**£0**	**£81,814**	**(£6,944)**	**(£88,758)**	**(£30,341)**	**(£30,341)**

The narrative below provided more detail on the variances from the original budget and the forecast outturn as at the end of September 2025.

Employee Costs

The forecast outturn position for employee costs showed an increase to the original budget of £28,846. This increase was mainly due to the increased NJC pay award of 3.2% that was 0.2% above the 3% budgeted in year.

Premises Costs

The forecast outturn position for premises costs showed a small underspend forecast of (£3,986) which was mainly due to energy efficiency savings through new contract rates and the new building management system installed at Hyndburn Leisure Centre.

Supplies and Services

The forecast outturn position for supplies and service costs showed an increase to the original budget of £11,225. This largely related to increased resaleable supplies that had been purchased and were offset by additional income forecasts.

Project Expenditure

The costs in this area reflected the income received and always net out to zero.

Finance & VAT Costs

The forecast outturn position for finance and VAT costs showed an underspend to the original budget of £40,351. This underspend related to savings / profit share from the operations at Accrington Academy and additional VAT savings as the new utility contracts only attracted VAT at 5%.

Trading Income - including Catering, Bar, Vending, Resale and Events

The forecast outturn position for trading income showed an increase to the original budget of (£3,191). This increase was made up of additional catering and resale items that partly offset the increased costs of supplies and services:

Fees & Charges Income – ***Memberships, Pay as You Go Activities, Facility Hire***

The forecast outturn position for fees and charges Income showed an increase to the original budget of (£57,561). The table below showed the activities that had generated this increase.

Income Analysis	Budget for Year £'000	Budget to Date £'000	Actual to Date £'000	Year to Date Variance £'000	Forecast Outturn £'000	Forecast Variance to Budget £'000
Fees & Charges Income						
Fitness Memberships	(£1,013,098)	(£435,710)	(£445,004)	(£9,294)	(£1,022,392)	(£9,294)
Adventure City	(£121,113)	(£61,765)	(£51,312)	£10,453	(£110,660)	£10,453
Learn to Swim	(£342,657)	(£141,329)	(£159,137)	(£17,808)	(£360,465)	(£17,808)
Gymnastics	(£199,322)	(£99,681)	(£101,453)	(£1,772)	(£201,094)	(£1,772)
General Swimming & Pool Hire	(£213,938)	(£92,197)	(£105,353)	(£13,156)	(£227,094)	(£13,156)
Sports Hall	(£64,064)	(£32,032)	(£32,697)	(£665)	(£64,729)	(£665)
School Swimming	(£196,055)	(£85,802)	(£101,841)	(£16,039)	(£212,094)	(£16,039)
Facility Hire	(£195,290)	(£98,116)	(£101,292)	(£3,176)	(£198,466)	(£3,176)
3G Hire	(£183,307)	(£61,102)	(£70,013)	(£8,911)	(£192,218)	(£8,911)
Other Categories	(£202,022)	(£92,283)	(£89,878)	£2,405	(£199,617)	£2,405
Total Fees & Charges Income	**(£2,730,866)**	**(£1,200,017)**	**(£1,257,980)**	**(£57,963)**	**(£2,788,829)**	**(£57,963)**

Other Income – Service Recharges & Sponsorship

The forecast outturn position for Other Income showed an increase against the original budget of (£22,637). This increase was made up of:

a) Sponsorship received for the Hyndburn Sports Awards £6,900;
b) Recharges for supplies & services £9,984;
c) Cash in Transit / Bank Interest £11,317.

E*xternal Grant Funding – External Grants & Commissions*

There were no variances on this funding.

Impact on Subsidy Required from the Council

As shown in the latest forecast, Hyndburn Leisure were forecasting a small underspend of £30,341 in year assuming the Council has paid the proposed subsidy of £700,000. If Hyndburn Leisure achieved an underspend in year, it would be prudent to allow them to retain any surplus as a reserve balance to cover any short-term cash flows and cover any unforeseen risks that might occur in future years.

Alternative Options considered and Reasons for Rejection

The Council could decide not to make the grant payment. The Council could also decide to pay a lesser amount than that requested by Hyndburn Leisure. However, either approach could result in Hyndburn Leisure raising prices, reducing its opening hours and / or reducing its services. In a worst-case scenario it might result in Hyndburn Leisure ceasing to operate and Cabinet was advised to seek further advice as to the likelihood and consequences of this occurring if it was minded not to pay the requested grant funding to Hyndburn Leisure or to pay a lesser amount.

Resolved **(1) That Cabinet notes the forecast financial position of Hyndburn Leisure at Q2 of the 2025/2026 financial year as shown in Section 5 of the report.**

(2) That Cabinet agrees to pay Hyndburn Leisure the sum of £700,000.00 by way of grant to support the provision of community leisure services in the Borough in respect of the period 1st April 2025 to 31st March 2026, subject to completion of a grant funding agreement in accordance with Paragraph 3.6 of the report.

242 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.**

243 Sale of Land at Albert Street/Hartley Street, Oswaldtwistle

In accordance with Regulation 5(2) and (3) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, notice was provided on 4th November 2025 of the intention to take the following decision in private on 3rd December 2025 and the reasons for doing so.

Exempt information by virtue of Paragraph 3 – Information relating to the financial or business affairs of any particular person including the authority holding that information.

Members considered a report of Councillor Munsif Dad BEM JP, Leader of the Council, seeking approval to dispose of surplus land at Albert Street/Hartley Street, Oswaldtwistle. Councillor Dad provided a brief introduction to the report, which included details of the outcome of consultations undertaken with ward councillors and advice obtained from officers.

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.**

Signed:……………………………………………

Date: ……………..……………………………………….

Chair of the meeting
At which the minutes were confirmed

REPORT TO:		Cabinet	
DATE:		21 January 2026	
PORTFOLIO		Cllr Munsif Dad. Leader	
REPORT AUTHOR:		Martin Dyson – Executive Director for Resources	
TITLE OF REPORT:		Council Tax Base – 2026/2027	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	**Options**	Not applicable	
KEY DECISION:	**Options**	If yes, date of publication:	

1. Purpose of Report

1.1 To inform Members of the Council Tax Base for the financial year 2026/2027.

2. Recommendations

2.1 Cabinet approves the report and is recommended to pass the following resolution:

"That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount 22,183".

"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 parish of Altham for the financial year 2026/2027 shall be 319.

3. Reasons for Recommendations and Background

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

3.2 The requisite calculation (Appendices A and B) has to be carried out in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012. Once determined the Council Tax Base cannot be changed and has to be used when the Council set their Council Tax for the financial year 2026/2027.

3.3 The calculation of the Tax Base for Hyndburn and Altham for 2026/2027 is attached. It is proposed that the Tax Base for Hyndburn 2025/2026 shall be 22,183. This is an increase from last year's Tax Base of 20 (22,163). The 2026/2027 Tax Base for Altham is 319, this a decrease from last year's Tax Base of 320.

The Local Authorities (Calculation of Council Tax Base) Regulations 2012 specify formulae for calculating the Council Tax Base which must be set between the 1st December 2025 and the 31st January 2026.

The Council Tax Base is 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 takes into account the Councils intention to apply a local exemption for Lancashire County Care Leavers, up to their 25th birthday from 01 April 2026.

4. Alternative Options considered and Reasons for Rejection

4.1 This is a statutory requirement, therefore no other options can be considered.

5. Consultations

5.1 N/A

6. Implications

Financial implications (including any future financial commitments for the Council)	The Council Tax Base is a factor in the determination of the planned level of Council Tax Income which will be collectable in the next financial year – 2026/2027
Legal and human rights implications	The calculation of the Council Tax Base has been carried out in accordance with the relevant legislation; and is required thereby to be approved by Member(s) within the period 1st December to 31st January proceeding the financial year concerned. The Local Government Act 2003 (s84) enables delegation on this matter, so that the formal determination of Council Tax base by Member(s) does not have to be done by the full Council.
Assessment of risk	If the Council Tax Base is not set then the

	Council cannot determine the Council Tax for the following financial year.
Equality and diversity implications *A [Customer First Analysis] should be completed in relation to policy decisions and should be attached as an appendix to the report.*	The Customer First Analysis is attached at Appendix C

7. Local Government (Access to Information) Act 1985: List of Background Papers

7.1 *Copies of documents included in this list must be open to inspection and, in the case of reports to Cabinet, must be published on the website.*

If the report is public, insert the following paragraph. If the report is exempt, contact Member Services for advice.

8. Freedom of Information

8.1 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.

HBC Total		AA	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
1	**Total Dwellings on Valuation List at 10/09/2025**	0	21987	5884	5914	2866	876	277	174	14	37992
2	Exempt Dwellings	0	637	115	112	55	20	4	8	0	951
3	Disabled reduction	0	65	42	58	29	13	9	6	8	230
	Disabled reduction	65	42	58	29	13	9	6	8	0	230
A	**Adjusted Dwellings**	65	21327	5785	5773	2795	852	270	168	6	37041
4	25% Discount	17	10321	2132	1653	620	181	44	26	2	14996
	Other Discount	4	618	102	106	52	24	24	30	2	962
	Total Discount	21	10939	2234	1759	672	205	68	56	4	15958
B	**25% of Discount**	5.25	2734.75	558.50	439.75	168.00	51.25	17.00	14.00	1.00	3989.50
5	Long Term Empty Property Premium		189	16	21	6	3	3	2	0	240
C	**Net Chargeable Dwellings**	59.75	18781.25	5242.50	5354.25	2633.00	803.75	256.00	156.00	5.00	33291.50
	Estimated changes from 06/10/2025										
6a	FYE New Properties (incl Appeals incr)	0	155	94	42	0	0	0	0	0	291
6b	Re-occupied properties(former Exempt class C)	0									0
6c	Total	**0**	**155**	**94**	**42**	**0**	**0**	**0**	**0**	**0**	**291**
7a	FYE Properties removed from list (incl Appeals)	0	3	4	3	0	0	0	0	0	10
7b	FYE Discount (New)(not in 4 above)	0	117	34	5	0	0	0	0	0	156
7c	Re-occupied properties Long Term empties(>6mths< 2yrs)	0	13	2	1	1	0	0	0	0	17
7d	Re-occupied premium cases qual for SPD	0	19	2	2	1	0	0	0	0	24
7e	Cancelled Premium	0	189	16	21	6	3	3	2	0	240
7f	FYE Adjustment to 2 above	0	0	0	0	0	0	0	0	0	0
7g	Disabled relief adj	0	0	0	0	0	0	0	0	0	0
7h	Total	**0**	**341**	**58**	**32**	**8**	**3**	**3**	**2**	**0**	**447**
D	**Net FYE changes during year**	0	-186	36	10	-8	-3	-3	-2	0	-156
E	**Net Chargeable Dwellings for year (C+/-D)**	59.75	18595.25	5278.50	5364.25	2625.00	800.75	253.00	154.00	5.00	33135.50
8	Local Council Tax support	-14.42	-3,294.93	-370.67	-231.98	-55.20	-16.58	-3.64	-4.57	0.00	-3991.99
	In Year adjustment		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	-14.42	-3294.93	-370.67	-231.98	-55.20	-16.58	-3.64	-4.57	0.00	-3991.99
F	**Net Chargeable Dwellings for Year less CTS**	45.33	15300.32	4907.83	5132.27	2569.80	784.17	249.36	149.43	5.00	29143.51
9	Ratio to Band D	5	6	7	8	9	11	13	15	18	
10	**Band D Equivalents**	25.20	10200.20	3817.20	4562.00	2569.80	958.40	360.20	249.10	10.00	22752.10
11	Grand Total										22752.10
12	Collection Rate %										97.50
13	**Tax Base**										22183

Altham Parish		AA	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
1	**Total Dwellings on Valuation List at 10/09/2025**	0	97	105	129	89	16	5	6	0	447
2	Exempt Dwellings	0	11	1	1	3	0	0	0	0	16
3	Disabled reduction	0	0	1	3	1	0	0	0	0	5
	Disabled reduction	0	1	3	1	0	0	0	0	0	5
A	**Adjusted Dwellings**	0	87	106	126	85	16	5	6	0	431
4	25% Discount	0	37	37	30	16	0	1	0	0	121
	Other Discount	0	2	2	0	0	2	0	0	0	6
	Total Discount	0	39	39	30	16	2	1	0	0	127
B	**25% of Discount**	0.00	9.75	9.75	7.50	4.00	0.50	0.25	0.00	0.00	31.75
5	Long Term Empty Property Premium	0	1	1	0	0	0	0	0	0	2
C	**Net Chargeable Dwellings**	0.00	78.25	97.25	118.50	81.00	15.50	4.75	6.00	0.00	401.25
	Estimated changes from 06/10/2025										
6a	FYE New Properties (incl Appeals incr)	0	5	6	4	1	0	0	0	0	16
6b	Re-occupied properties(former Exempt class C)	0	0	0	0	0	0	0	0	0	0
6c	Total	**0**	**5**	**6**	**4**	**1**	**0**	**0**	**0**	**0**	**16**
7a	FYE Properties removed from list (incl Appeals)	0	0	5	6	4	1	0	0	0	16
7b	FYE Discount (New)(not in 4 above)	0	0	0	0	0	0	0	0	0	0
7c	Re-occupied properties Long Term empties	0	0	0	0	0	0	0	0	0	0
7d	Re-occupied premium cases qual for SPD	0	0.25	0.25	0	0	0	0	0	0	0.5
7e	Cancelled Premium	0	1	1	0	0	0	0	0	0	2
7f	FYE Adjustment to 2 above	0	0	0	0	0	0	0	0	0	0
7g	Disabled relief adj	0	0	0	0	0	0	0	0	0	0
7h	Total	**0**	**1.25**	**6.25**	**6**	**4**	**1**	**0**	**0**	**0**	**18.5**
D	**Net FYE changes during year**	0	3.75	-0.25	-2	-3	-1	0	0	0	-2.5
E	**Net Chargeable Dwellings for year (C+/-D)**	0.00	82.00	97.00	116.50	78.00	14.50	4.75	6.00	0.00	398.75
8	Local Council Tax support	0.00	-11.99	-7.73	-4.25	-0.93	-0.78	0.00	0.00	0.00	-25.68
	In Year adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	0	-11.99	-7.73	-4.25	-0.93	-0.78	0.00	0.00	0.00	-25.68
F	**Net Chargeable Dwellings for Year less CTS**	0.00	70.01	89.27	112.25	77.07	13.72	4.75	6.00	0.00	373.07
9	Ratio to Band D	5	6	7	8	9	11	13	15	18	
10	**Band D Equivalents**	0.00	46.70	69.40	99.80	77.10	16.80	6.90	10.00	0.00	326.70
11	Grand Total										326.70
12	Collection Rate %										97.50
13	**Tax Base**										319

NOTES

1. Line 1 shows the number of dwellings on the Valuation List.
2. Line 2 shows the number of dwellings in the Valuation List which are considered to be exempt or demolished. Examples of exempt dwellings are those left empty by deceased persons or hospital patients, etc.
3. Line 3 shows dwellings in the Valuation List which will be transferred to a different band because of disabled relief. Line A then gives the number of chargeable dwellings in the Band prior to discount.
4. Line 4 shows the dwellings eligible for discounts which are 25% for single person properties and 50% for empty dwellings or properties occupied by one or more residents who are all to be disregarded.
   Line B gives the dwellings eligible for discount multiplied by 25%.
5. Line 5 shows the number of long-term empty dwellings (over 2 years) subject to the empty property premium
   Line C gives the Net Chargeable Dwellings in the Valuation List after allowing for discount and the long-term empty premium
6. Lines 6 and 7 give the changes which it is estimated will occur during the year after the 6^{th} October 2025
7. Line 6c gives the Full Year's Equivalent of new properties, re-valued properties and cancelled discounts.
8. Line 7h gives the Full Year's Equivalents of properties estimated to be removed from the Valuation List, re-valued properties and new and cancelled discounts, together with properties estimated to be come exempt.
9. Line D gives the Net Full Year's Equivalent of changes estimated to take place during the year.
10. Line E gives the Net Chargeable Dwellings for year after taking account of changes estimated during this year.
11. Line 8 is the estimated expenditure and adjustments for the year in respect of Local Council Tax Support.
12. Line F is the Net Chargeable Dwellings for the year after taking into account all adjustments including Local Council Tax Support.
13. Line 9 is the Band D equivalent ratio as set out in The Local Government Finance Act 1992.
14. Line 10 is the Band D equivalents.
15. Line 11 is the total of all Band D equivalents.
16. Line 12 is the estimate of the ultimate collection rate to collect 97.5% of the amount due in 2026/2027
17. Line 13 is the estimated Tax Base for the authority which is the number of equivalent Band D properties after allowing for losses on collection. (This is the figure which will be used as a divisor for the net budget after deducing Revenue Support Grant and National Non-Domestic Rate Grant, etc.).

Customer First Analysis

Purpose
What are you trying to achieve with the policy / service / function?
Who defines and manages it?
Who do you intend to benefit from it and how?
What could prevent people from getting the most out of the policy / service / function?
How will you get your customers involved in the analysis and how will you tell people about it?

Comment:
The Council is required by law to formally determine the Council Tax Base prior to the 31st January each financial year in respect of the next financial year.

Evidence
How will you know if the policy delivers its intended outcome / benefits?
How satisfied are your customers and how do you know?
What existing data do you have on the people that use the service and the wider population?
What other information would it be useful to have? How could you get this?
Are you breaking down data by equality groups where relevant (such as by gender, age, disability, ethnicity, sexual orientation, marital status, religion and belief, pregnancy and maternity)?
Are you using partners, stakeholders, and councillors to get information and feedback?

Comment:
This enables the Council to notify the respective preceptors by the 31st January as well as being a contributory factor in determining its own level of Council Tax

Impact
Are some people benefiting more – or less - than others? If so, why might this be?
Comment: N/A

If the evidence suggests that the policy / service / function benefits a particular group – or disadvantages another - is there a justifiable reason for this and if so, what is it?
Is it discriminatory in any way?
Is there a possible impact in relationships or perceptions between different parts of the community?
What measures can you put in place to reduce disadvantages?
Do you need to consult further?
Have you identified any potential improvements to customer service?
Who should you tell about the outcomes of this analysis?
Have you built the actions into your Business Plan with a clear timescale?
When will this assessment need to be repeated?

Comment: N/A

AGENDA ITEM			
REPORT TO:		Cabinet	
DATE:		21 January 2025	
PORTFOLIO:		Councillor Vanessa Alexander – Resources & Council Operations	
REPORT AUTHOR:		Carol Worthington – Principal Accountant M Dyson – Executive Director of Resources	
TITLE OF REPORT:		**Prudential Indicators Monitoring and Treasury Management Strategy Update – Quarter 3 2025/26**	
EXEMPT REPORT:	**No**		
KEY DECISION:	**No**	If yes, date of publication:	

1. PURPOSE OF REPORT

1.1 The purpose of this report is to provide Cabinet with an update on the Council's treasury management activities for the current financial year till Quarter 3 (Q3). It outlines the performance of investments and borrowing, assesses compliance with the approved Treasury Management Strategy, and highlights any emerging risks or opportunities that may impact the Council's financial position.

1.2 This report supports effective budget monitoring and ensures transparency and accountability in the management of public funds.

2. RECOMMENDATION(S)

2.1 That members of the Cabinet notes the treasury management activities undertaken during the period and the performance against the approved strategy.

3. BACKGROUND

3.1 Local authorities are required to manage their borrowing, investments, and cash flows in a way that is affordable, prudent, and sustainable. This is governed by the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice, which together set the framework for how councils plan and monitor their capital financing and treasury activities.

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

3.3 The Council also adopts a Treasury Management Strategy annually, which outlines how it will manage borrowing, investments, and cash balances throughout the year. Regular monitoring reports are required to track performance against the strategy and indicators, and to provide assurance that treasury activities remain aligned with the Council's financial objectives.

4. BORROWING ACTIVITIES DURING THE PERIOD

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

4.2 **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
External Debt		
Borrowing	9,595	9,595
Other Long-Term Liabilities	1,967	4,088
Total External Debt	**11,562**	**13,683**
Capital Financing Requirement	9,190	11,311
Under/(Over) Borrowing	**(2,372)**	**(2,372)**

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

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

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

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

- Historic loans that are structured with repayment at maturity (i.e. the full amount is repaid at the end of the loan term). These loans keep the gross debt figure high, while the CFR reduces each year through the Minimum Revenue Provision (MRP) — an annual charge that reflects repayment of capital.

- The implementation of IFRS 16 – Leases, which now requires all lease liabilities (e.g. for vehicles and equipment) to be shown on the balance sheet as debt. This has increased the reported level of gross debt, even though it does not represent new borrowing.

- Timing differences between capital expenditure and financing, which can temporarily affect the CFR.

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

5. INVESTMENT ACTIVITIES DURING THE PERIOD

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

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

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

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

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

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

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

5.6 Table 3 below shows the investments with other local authorities as at Q3 2025/26.

5.7 **Table 3 – Local Authority Investments**

Local Authority	Date From	Date To	Amount £'000	Interest Rate
Loans Outstanding as at Q3 2025/26				
Cheshire East Council	22-Oct-25	05-Jan-26	2,000	4.250%
Central Bedfordshire	04-Sep-25	04-Feb-26	2,000	4.050%
Surrey CC	14-May-25	16-Feb-26	2,000	4.150%
Wirrall MBC	17-Nov-25	17-Feb-26	2,000	4.200%
Lancashire CC	02-Sep-25	13-Mar-26	2,000	4.050%
City of Bradford Council	28-Aug-25	16-Mar-26	2,000	4.050%
Antrim & Newtownabbey BC	18-Aug-25	18-Mar-26	2,000	4.000%
Guildford BC	22-Dec-25	22-Apr-26	2,000	4.500%
Kingston Upon Hull	23-Oct-25	23-Apr-26	2,000	4.600%
Broxbourne	07-Jul-25	07-May-26	2,000	4.150%
Uttlesford BC	19-Nov-25	19-May-26	2,000	4.450%
West Northamptonshire Council	27-May-25	25-May-26	2,000	4.150%
North Lanarkshire Council	13-Jun-25	12-Jun-26	2,000	4.200%
Eastleigh Council	19-Jun-25	18-Jun-26	2,000	4.300%
Perth & Kinross Council	28-Jul-25	27-Jul-26	2,000	4.150%
Total Local Authority Loans			**30,000**	

5.8 The Council has one future dated loan agreed at the end of the quarter:

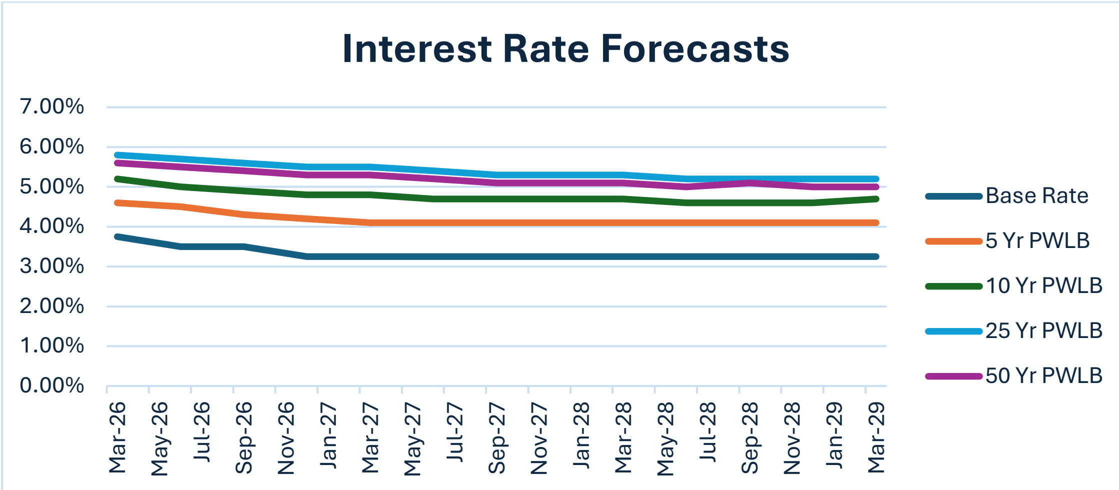
Local Authority	Date From	Date To	Amount £'000	Interest Rate
Future Dated Loans Agreed				
Moray Council	06-Jan-26	05-Jan-27	2,000	4.600%
Total Future Dated Local Authority Loans			**2,000**	

5.9 To protect public funds, the Council's Finance team carries out thorough checks before agreeing to lend money to other local authorities. These checks help ensure that any investments are secure and that the borrowing authority is financially stable.

6. INTEREST RATES

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

6.2 The graph below shows MUFG's latest forecast for future interest rate trends:



MUFG interest rate forecasts as at 22/12/2025.

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

6.4 Interest rate risk is minimised as our borrowings are fixed until a trigger point, where the lender seeks better rates. Current interest rates would need to rise significantly for this to occur. With rates expected to fall in the short-term this is unlikely to occur, but this will be monitored closely.

6.5 **Interest Receivable**

6.6 The Council has invested surplus cash on a short-term, temporary basis. These investments have generated interest income above the budgeted expectations for the year. This is 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 was set.

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

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

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

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

6.10 **Interest Payable**

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

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

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

6.14 The interest forecast has increased since Q2 due to prevailing interest rates overperforming what was expected.

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

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

7. PERFORMANCE AGAINST PRUDENTIAL INDICATORS

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

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

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

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

7.5 Please see **Appendix 1** for a full list of monitoring information for each of the prudential indicators and limits. These include:

- External Debt Overall Limits
- Affordability (e.g. implications for Council Tax)
- Prudence and Sustainability (e.g. implications for external borrowing)
- Capital Expenditure.
- Other indicators for Treasury Management.

7.6 **Liability Benchmark**

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

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

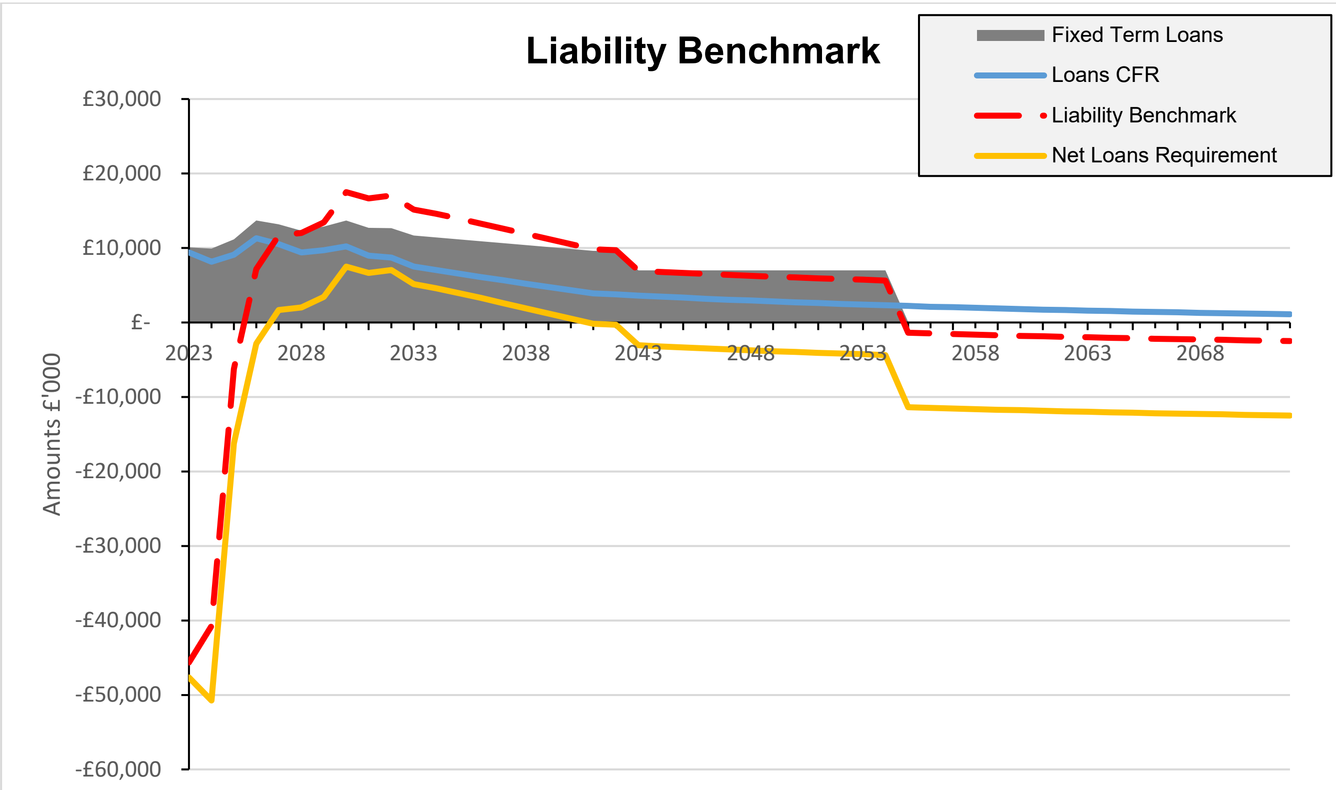
- Fund planned capital expenditure
- Repay existing debt
- Maintain only the minimum level of cash investments required for day-to-day operations

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

7.10 The inputs that determine the Liability Benchmark have 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.

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

7.12 Liability Benchmark as at Q3 2025/26:



8. ALTERNATIVE OPTIONS CONSIDERED AND REASONS FOR REJECTION

Not applicable.

9. CONSULTATIONS

Not applicable.

10. IMPLICATIONS

Financial (Including any future financial commitments for the Council)	As stated in the report
Legal and human rights implications	The Local Government Act 2003 (part 1) and associated regulations gave statutory recognition to the Prudential Code - therefore there is a statutory backing to the background and local purpose of the report. Treasury Management activities of local authorities are prescribed by statute – the source of powers is, in England & Wales, the 2003 Act. 'Statutory Guidance' on investment is given by the MHCLG to local authorities.

Assessment of risk	There are inherent risks in capital finance and treasury management. When appropriate the risks are identified and assessed as part of the various recommendations made on Prudential Capital Finance and in the Council's Treasury Management Strategy.
Equality and diversity implications	There are no specific implications for customers' equality and diversity arising directly from the recommendations in this report

11. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985:

List of Background Papers

- The Local Government Act 2003 and related regulations
- The Prudential Code for Capital Finance in Local Authorities (CIPFA 2021)
- The Treasury Management Code of Practice (CIPFA 2021)
- Prudential Indicators, Treasury Management and Investment Strategy (Including Capital Strategy) approved at full 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.

Performance Against Treasury & Prudential Indicators in 2025/26 **Appendix 1**

<table>
<tr><th>Indicator</th><th colspan="3">As Approved February 2025</th><th colspan="3">As at 31 Dec 2025</th><th>Comments</th></tr>
<tr><td>Estimated Capital Expenditure</td><td colspan="3">£26.054M</td><td colspan="3">£21.861M</td><td>The current figure takes account of additional slippage in the capital programme where spend will now be incurred in 2025/26.</td></tr>
<tr><td>Estimated Capital Financing Requirement at Year End</td><td colspan="3">£9.19M</td><td colspan="3">£11.31M</td><td>Capital Financing Requirement is a prescribed measure of the capital expenditure incurred historically by the authority which has been financed by external or internal borrowing.</td></tr>
<tr><td>Estimated Ratio of Financing Costs to Net Revenue Stream</td><td colspan="3">10.20%</td><td colspan="3">10.50%</td><td></td></tr>
<tr><td rowspan="4">External Debt Prudential Indicators (Operational Boundary and Authorised Borrowing Limit)</td><td colspan="2" rowspan="2">Operational Boundary</td><td rowspan="2">£20M</td><td colspan="2">Borrowing to Date</td><td>£M</td><td rowspan="4">Borrowing has been within both the Operational Boundary and Authorised Borrowing Limit throughout the year.</td></tr>
<tr><td colspan="2">Long-Term Borrowing</td><td>9.595</td></tr>
<tr><td colspan="2" rowspan="2">Authorised Borrowing Limit</td><td rowspan="2">£35M</td><td colspan="2">Finance Lease Debt</td><td>4.088</td></tr>
<tr><td colspan="2">Total</td><td>13.683</td></tr>
<tr><td>Variable Interest Rate Exposure</td><td colspan="3">100%</td><td colspan="2">Exposure to Date</td><td>43%</td><td rowspan="2">In 2016/17 Barclays notified the Council that the debt held by Barclays was being converted into fixed rate debt from its original agreement as a LOBO.
All remaining LOBO debt is classified as having a variable interest rate.</td></tr>
<tr><td>Fixed Interest Rate Exposure</td><td colspan="3">100%</td><td colspan="2">Exposure to Date</td><td>57%</td></tr>
<tr><td rowspan="8">Prudential Limits for Maturity Structure of Borrowing</td><td colspan="3"></td><td colspan="3">Actual Maturity Structure to Date</td><td rowspan="8">Borrowings of £4.12M are subject to LOBO (Lender Option Borrower Option) agreements. As they have call periods at 6 monthly intervals they are classed as borrowing under 12 months.</td></tr>
<tr><td>Period</td><td>Lower Limit</td><td>Upper Limit</td><td>Period</td><td>£M</td><td>%</td></tr>
<tr><td>< 1 Year</td><td>0%</td><td>75%</td><td>< 1 Year</td><td>4.120</td><td>43%</td></tr>
<tr><td>1-2 Years</td><td>0%</td><td>75%</td><td>1-2 Years</td><td>-</td><td>0%</td></tr>
<tr><td>2-5 Years</td><td>0%</td><td>75%</td><td>2-5 Years</td><td>-</td><td>0%</td></tr>
<tr><td>5-10 Years</td><td>0%</td><td>75%</td><td>5-10 Years</td><td>-</td><td>0%</td></tr>
<tr><td>>10 Years</td><td>0%</td><td>75%</td><td>>10 Years</td><td>5.405</td><td>57%</td></tr>
<tr><td colspan="3"></td><td>Total</td><td>9.525</td><td>100%</td></tr>
<tr><td>Total Investments for Longer than 364 Days</td><td colspan="3">£3M</td><td colspan="3">No Long-Term Investments Made</td><td></td></tr>
</table>

REPORT TO:		Cabinet	
DATE:		21 January 2026	
PORTFOLIO:		Councillor Vanessa Alexander – Resources and Council Organisation	
REPORT AUTHOR:		Martin Dyson, Director of Finance	
TITLE OF REPORT:		Revenue Budget Monitoring 2025/26 – Quarter 3 to end of December 2025	
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 updates Cabinet on the Council's financial performance up to the end of December 2025 for the 2025/26 financial year and outlines the projected impact on the Medium-Term Financial Strategy covering the period 2025/26 to 2027/28.

2. Recommendations

2.1 That Members of the Cabinet note the financial position of the Revenue Budget at Q3 of the 2025/26 financial year, as shown in Section 3.

2.2 That Members of the Cabinet note the financial pressures and risks facing the Council as at the end of September 2025, as shown in Section 5, and considers the potential longer-term impact on the Medium-Term Financial Strategy for 2025/26 to 2027/28.

3. Revenue Budget Forecast 2025/26

3.1 At the Full Council meeting on 27th February 2025, Full Council agreed the General Fund Revenue Budget for 2025/26. This 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.

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

3.3 Table 1 below shows the working budget and forecast outturn by service area. During quarter 3 2025/26 there was a restructure of service responsibilities, however, to allow for consistency between monitoring reports all the tables below reflect the service structure at budget setting.

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

Department	Original Budget £'000	In Year Budget Changes £'000	Working Budget £'000	Forecast Outturn £'000	Forecast Outturn Variance to Working Budget £'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
Net Cost of Services	**16,733**	**(37)**	**16,696**	**17,154**	**458**
Non-Service	865	5	870	(48)	(918)
Cabinet Approved Contributions	-	-	-	-	-
Corporate Savings Target	(164)	-	(164)	-	164
Total Net Expenditure	**17,434**	**(32)**	**17,402**	**17,106**	**(296)**
Funding	(17,434)	32	(17,402)	(17,700)	(298)
(Under)/Overspend	**-**	**-**	**-**	**(594)**	**(594)**

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

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

Department	Quarter 2 Forecast Outturn £'000	Changes in Forecast Outturn During Quarter £'000	Forecast Outturn Quarter 3 £'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
Net Cost of Services	**17,029**	**125**	**17,154**
Non-Service	397	(445)	(48)
Corporate Savings Target	-	-	-
Total Net Expenditure	**17,426**	**(320)**	**17,106**
Funding	(17,435)	(265)	(17,700)
(Under)/Overspend	**(9)**	**(585)**	**(594)**

3.7 Table 3 below shows the most significant variances that impact the forecast outturn and how these have changed compared to the previous quarter.

3.8 **Table 3: Change in Significant Variances**

Main Variances / Movements	Changes Since Last Report - Quarter 2		
	Quarter 2 Forecast Variance £'000	Forecast (Under)/ Over Spend £'000	Movement in Variance £'000
Staffing costs and Pay Pressures	(115)	62	177
Pay award pressures	25	25	-
Savings on utility costs	(136)	(151)	(15)
Movements in grant income	230	(236)	(466)
Additional costs of ICT and Software	109	169	60
Additional costs related to unrecoverable Housing Benefit Claims	198	198	-
Council Tax Recovery	65	145	80
Additional Fees and Charges Income	(100)	(174)	(74)
Planning - Refunds of planning application fees	13	13	-
Analysts/Consultants	-	99	99
Other	10	10	-
Total Net Cost of Services	**299**	**160**	**(139)**
Non-Service			
Additional Investment Income	(587)	(918)	(331)
Movement in Interest Payable	73	-	(73)
Movement in Minimum Revenue Provision	42	-	(42)
Total Non-Service	**(472)**	**(918)**	**(446)**
Total Corporate Savings Target	**164**	**164**	**-**
Total (Under)/Overspend	**(9)**	**(594)**	**(585)**

3.9 **Staffing Costs and Pay Pressures**
The forecasted savings on staffing costs have reduced by £0.177m since Quarter 2, from £0.115m underspend to a pressure of £0.062m. This change is largely attributable to an increased reliance on agency staff to maintain service delivery, which has offset the anticipated savings from vacant posts. In addition, a pay award of 3.2% has been agreed in-year, compared to the original budget assumption of 3% for 2025/26. This has created a pressure within staffing budgets of £0.025m.

3.10 **Utilities and Operational Savings**
The forecasted savings on utility costs have increased by £0.015m since Quarter 2, rising from £0.136m to £0.151m. This improvement is primarily attributed to the implementation of a new energy contract, which has helped to stabilise prices and reduce overall expenditure. The new contract has likely contributed to the additional savings now being forecast.

3.11 **Grant Income and Housing Benefit**
A favourable movement of £0.466m has 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 follows 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.

3.12 **ICT Costs**
ICT and software costs have increased by £0.060m since Quarter 1, bringing the total forecast pressure in this area to £0.169m. This increase is 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.

3.13 **Council Tax Recovery Costs**
The forecast for Council Tax recovery costs has increased by £0.080m since Quarter 2. This reflects updated assumptions around collection activity and associated costs, including potential increases in enforcement or administrative overheads linked to recovery processes.

3.14 **Fees and Charges Income**
Fees and charges income has improved by £0.074m compared to the previous quarter. This positive movement is primarily driven by increased income from commercial property rents, as well as higher-than-anticipated income from Building Control and Planning services. These uplifts suggest stronger market demand and improved performance in these service areas.

3.15 **Non-Service Budgets**
There has been a significant increase of £0.151m in forecast investment income since Quarter 2, bringing the total to £0.737m. This improvement is primarily due to the continuation of favourable interest rates and higher-than-anticipated cash balances, which have been sustained in part by delays in capital expenditure. The Council has also received £0.181m as part of a reconciliation exercise following the upfront payment of its employer contributions to the Pension Fund.

3.16 As explained at Quarter 2 there are 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 are largely attributable to a higher volume of vehicles being acquired through leasing arrangements, which has impacted borrowing costs and associated MRP charges. It is expected that these additional costs will be funded by earmarked reserve, therefore they will not adversely affect the forecast revenue outturn position.

4. Variance by Service Area

4.1 The following section provides a breakdown of forecast outturn variances by service area. It highlights the key changes since Quarter 2 and compares the current forecast against the approved working budget. For comparison purposes the following tables reflect the organisational structure prior to changes in service responsibility. Figures will be amended at outturn, with budget movements shown.

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

4.3 Environmental Health

4.3.1 Table 4 below shows the forecast outturn position for Environmental Health and a small overspend of £0.034m. The forecast outturn position has increased by £0.012m since Quarter 2.

4.3.2 **Table 4: Environmental Health – Forecast Outturn 2025/26 Quarter 3**

Department	Working Budget £'000	Quarter 2 Forecast Outturn £'000	Changes in Forecast Outturn During Quarter £'000	Forecast Outturn Quarter 3 £'000	Forecast Outturn Variance to Working Budget £'000
Environmental Health	365	391	1	392	27
Environmental Protection	576	572	11	583	7
Total Environmental Health	**941**	**963**	**12**	**975**	**34**

4.3.3 The variance within Environmental Health has remained stable from Quarter 2 and relates to staffing pressures.

4.3.4 The small variance across Environmental Protection is made up of a range of factors including £0.003m consultancy fees and additional burial costs £0.004m. This has resulted in a movement from £0.004m underspend forecast at Quarter 2.

4.4 Environmental Services

4.4.1 Table 5 below shows the forecast outturn position for Environmental Services the forecast surplus position has decreased by £0.229m since Quarter 2 resulting in an overspend of £0.076m.

4.4.2 **Table 5: Environmental Services – Forecast Outturn 2025/26 Quarter 3**

Department	Working Budget £'000	Quarter 2 Forecast Outturn £'000	Changes in Forecast Outturn During Quarter £'000	Forecast Outturn Quarter 3 £'000	Forecast Outturn Variance to Working Budget £'000
Environmental Maintenance	(9)	(9)	55	46	55
Levelling Up	-	-	-	-	-
Other Environmental Services	153	141	19	160	7
Parks and Cemeteries	1,240	1,198	87	1,285	45
Town Centre and Markets	592	534	88	622	30
UK Shared Prosperity Funding	-	-	-	-	-
Waste Services	3,505	3,464	(20)	3,444	(61)
Total Environmental Services	**5,481**	**5,328**	**229**	**5,557**	**76**

4.4.3 Environmental Maintenance has moved to a deficit position of £0.055m from a nil variance position at Quarter 2. This is due to lower than budgeted income from MOT testing £0.012m and higher costs across utilities, premises and maintenance and repair £0.045m. This net down slightly by forecast savings on licenses.

4.4.4 The Parks and Cemeteries service has experienced a significant movement in forecast from Quarter 2, with a total movement if £0.087m to a deficit of £0.045m. This is primarily a result of lower than anticipated income on the cemeteries and crematoria cost centres. The income in these areas is demand driven and cannot be influenced by the Council.

4.4.5 The Town Centre and Markets service area has moved to a deficit position of £0.030m, a movement of £0.088m. This is primarily due to additional revenue costs associated with town centre development works.

4.5 Legal and Democratic Services

4.5.1 Table 6 below shows the forecast outturn position for Legal and Democratic Services and an overspend of £0.037m. The forecast outturn position has improved slightly by £0.006m since Quarter 2.

4.5.2 **Table 6: Legal and Democratic Services – Forecast Outturn 2025/26 Quarter 3**

Department	Working Budget £'000	Quarter 2 Forecast Outturn £'000	Changes in Forecast Outturn During Quarter £'000	Forecast Outturn Quarter 3 £'000	Forecast Outturn Variance to Working Budget £'000
Democratic Services	790	782	(21)	761	(29)
Human Resources and Policy	676	679	1	680	4
Legal	304	352	14	366	62
Management - Legal and Democratic	126	126	-	126	-
Total Legal & Democratic	**1,896**	**1,939**	**(6)**	**1,933**	**37**

4.5.3 The additional pressure within Legal relates to additional agency costs £0.016m net down by additional income raised on solicitors' fees resulting in a total forecast overspend of £0.062m.

4.5.4 The overspend within legal has been net off partly by the additional surplus within Democratic Services caused a range of factors, although the primary sources are lower than forecast Members expenses (£0.017m) and canvassing (£0.018m) net down by overspends across document management and employee costs. This results in a total underspend of £0.029m for the service, a movement of £0.021m from Quarter 2.

4.6 Planning and Transportation

4.6.1 Table 7 below shows the forecast outturn position for Planning and Transportation and an overspend of £0.003m. The position has improved by £0.120M since Quarter 2.

4.6.2 **Table 7: Planning and Transportation – Forecast Outturn 2025/26 Quarter 3**

Department	Working Budget £'000	Quarter 2 Forecast Outturn £'000	Changes in Forecast Outturn During Quarter £'000	Forecast Outturn Quarter 3 £'000	Forecast Outturn Variance to Working Budget £'000
Building Control	18	32	6	38	20
Engineers and Transportation	218	218	(9)	209	(9)
Green Infrastructure	75	47	(31)	16	(59)
Planning	406	543	(86)	457	51
Section 106	-	-	-	-	-
Total Planning & Transportation	**717**	**840**	**(120)**	**720**	**3**

4.6.3 The forecast overspend of £0.020m on Building Control has remained relatively stable from Quarter 2, worsening by £0.006m. The movement relates to additional employee costs of £0.014m net down by a saving on repairs and maintenance of £0.008m.

4.6.4 The small underspend on the Engineers and Transportation service relates to savings of employee and recruitment costs of £0.006m and stationary/photocopying £0.003m.

4.6.5 The underspend on Green Infrastructure has increased by £0.031m from Quarter 2, the is mainly in relation to an additional burdens grant received from central government (£0.027m) in relation Biodiversity Net Gain. There are also small additional savings against employee vehicle costs (£0.003m). This results in a forecast underspend of £0.059m for 2025/26.

4.6.6 The Planning service is forecasting an overspend £0.051m, this a favourable movement of £0.086m from the previous quarter. This movement is a result of an additional 'Pathways to Planning' grant of £0.015m, a reduction in the forecast overspend on employees of £0.042m, additional fees and charges income of £0.054m, net down by amendments to the forecast use of reserves (£0.008m) and an increase in legal fees and consultants (£0.017m).

4.7 Regeneration and Housing

4.7.1 Table 8 below shows the forecast outturn position for Regeneration and Housing. The position has improved by £0.211m since Quarter 2 and is currently forecasting a service underspend of £0.193m.

4.7.2 **Table 8: Regeneration and Housing – Forecast Outturn 2025/26 Quarter 3**

Department	Working Budget £'000	Quarter 2 Forecast Outturn £'000	Changes in Forecast Outturn During Quarter £'000	Forecast Outturn Quarter 3 £'000	Forecast Outturn Variance to Working Budget £'000
Economic Development	-	-	-	-	-
Facilities	584	604	(6)	598	14
Haworth Art Gallery	218	220	(2)	218	-
Housing Advice	263	297	(239)	58	(205)
Property	226	179	82	261	35
Selective Licensing	-	-	-	-	-
Strategic Housing	279	288	(46)	242	(37)
Total Regeneration & Housing	**1,570**	**1,588**	**(211)**	**1,377**	**(193)**

4.7.3 The most significant movement from Quarter 2 is within the Housing Advice service. Additional Housing Benefit income of £0.150m has been received along with a saving against the temporary accommodation budget of £0.125m, where provisions have been made with third party providers as part of the spend against the various homelessness and rough sleeping grants which the Council receives from central government. This has been netted down by overspends on staffing and agency costs of £0.070m.

4.7.4 As shown above, there is forecast surplus for the Property service although this has reduced from Quarter 2 by £0.082m to a deficit of £0.035m. The movement relates to additional employee costs £0.061m, the change in forecast use of earmarked reserves (£0.027m), as well as other small increases in premises and service costs (£0.012m). This is net down by additional fees and charges income across the Councils industrial estates of £0.018m.

4.7.5 The Strategic Housing service has seen a favourable movement from Quarter 2 of £0.046m, resulting in a surplus of £0.037m this is largely due to use of additional Homelessness Prevention Grant (HPG) (£0.045m) to fund posts within this service. The remainder of the HPG grant is accounted for within the Housing Advice service.

4.8 Resources

4.8.1 Table 9 below shows the forecast outturn position for Resources and an overspend of £0.501m.

4.8.2 **Table 9: Resources – Forecast Outturn 2025/26 Quarter 3**

Department	Working Budget £'000	Quarter 2 Forecast Outturn £'000	Changes in Forecast Outturn During Quarter £'000	Forecast Outturn Quarter 3 £'000	Forecast Outturn Variance to Working Budget £'000
Assurance	590	359	142	501	(89)
Benefits and Customer Contact	1,534	2,046	86	2,132	598
Finance	1,280	1,353	(10)	1,343	63
ICT	829	801	3	804	(25)
Leisure	917	917	-	917	-
Management - Resources	941	895	-	895	(46)
Total Resources	**6,091**	**6,371**	**221**	**6,592**	**501**

4.8.3 The forecast surplus for the Assurance service has moved by £0.142m from Quarter 2. This is largely due to the transfer of government grant income to reserve (£0.166m). This will be used to support will the cost of external audit when that expenditure is incurred. This cost is net down by a forecast saving on audit fees in year.

4.8.4 The Benefits and Customer Contact service are forecasting a deficit of £0.598m at Quarter 2. This position has worsened by £0.086m during the quarter largely due to increased cost of council tax recovery and (£0.080m) and additional costs of IT maintenance.

4.8.5 The overspend across the Finance service has improved by £0.010m from the Quarter 2, due to various reductions in the forecast spend across the service.

4.9 Non-Service and Corporate Savings Target

4.9.1 Table 10 below shows the forecast outturn position for Non-Service income and expenditure and an underspend of £0.738m.

4.9.2 **Table 10: Non-Service – Forecast Outturn 2025/26 Quarter 3**

Department	Working Budget £'000	Quarter 2 Forecast Outturn £'000	Changes in Forecast Outturn During Quarter £'000	Forecast Outturn Quarter 3 £'000	Forecast Outturn Variance to Working Budget £'000
Interest	(219)	(734)	(223)	(956)	(737)
Minimum Revenue Provision	1,085	1,127	(42)	1,085	-
Revenue Contribution to Capital	4	4	-	4	-
Net Return on Pension Prepayment	-	-	(181)	(181)	(181)
Movement in Bad Debt Provision	-	-	-	-	-
Total Non-Service	**870**	**397**	**(446)**	**(48)**	**(918)**
Corporate Savings Target	(164)	-	-	-	164
Total Corporate Savings Target	**(164)**	**-**	**-**	**-**	**164**

4.9.3 The Council is currently forecasting to receive additional treasury investment income of £0.101m compared to Quarter 2. This is due to interest remaining higher for longer than was forecast when preparing the budget. Also, cash levels have remained higher than expected due to slippage in the capital programme.

4.9.4 As part of the Pension Funds triennial review for the period 2023/24 to 2025/26, the Council was given the option to pay an estimate of its employer contributions up-front to the fund, in return the Council received a lower contribution rate. A reconciliation exercise how now taken place against the original estimate and the Council is due an additional return. To date the Council has received £0.181m.

4.9.5 When Council set the budget for 2025/26 in February 2025, savings of £0.164m were required to be able to set a balanced budget. In the forecast outturn, any underspends are included in the department areas and therefore no figure should be included in the savings target line.

4.10 Funding

4.10.1 Table 11 below shows the forecast outturn position for Funding.

4.10.2 **Table 11: Funding – Forecast Outturn 2025/26 Quarter 3**

Department	Working Budget £'000	Quarter 2 Forecast Outturn £'000	Changes in Forecast Outturn During Quarter £'000	Forecast Outturn Quarter 3 £'000	Forecast Outturn Variance to Working Budget £'000
Council Tax	(6,064)	(6,064)	-	(6,064)	-
Non-Domestic Rates	(8,568)	(8,568)	-	(8,568)	-
Government Grants	(2,770)	(2,803)	(265)	(3,068)	(298)
Total Funding	**(17,402)**	**(17,435)**	**(265)**	**(17,700)**	**(298)**

4.10.3 The Council is using an additional £0.298m of government grant to support general services.

4.10.4 There has also been a small movement in government grants relating to the Domestic Abuse and Safe Accommodation grant which is now shown in the Regeneration and Housing Service due to the conditions arounds its use. This has nil impact on the outturn position.

4.11 Reserves

4.11.1 The Council is currently forecasting a reduction of £13.544m in its usable reserves during the year, bringing them to £16.701 m at the end of the year. Movements in reserves are shown in the table below.

4.11.2 **Table 12: Reserves – Forecast Outturn 2025/26 Quarter 3**

Reserve	Opening Balances £'000	Transfers to/From Reserves £'000	Capital Contributions £'000	Used for Capital Financing £'000	Closing Balances £'000
General Fund - Unallocated	2,464	(577)	-	-	1,887
Total Unallocated Reserves	**2,464**	**(577)**	**-**	**-**	**1,887**
Planning S106 Fund	294	(76)	-	(39)	179
Invest to Save	696	(523)	-	(56)	117
Communities for Health Funding	53	(42)	-	-	11
Dilapidations Reserve	26	7	-	-	33
Revenue Funding for Capital Schemes	2,638	-	-	-	2,638
Collection Fund Volatility Reserve	545	(121)	-	-	424
Climate Change Reserve	548	(494)	-	-	54
Balances Set Aside to Fund Specific Future Expenditure	4,291	(463)	-	(1,281)	2,547
Levelling Up and Leisure Investment	6,592	1,433	-	(4,776)	3,249
Total Earmarked Reserves	**15,683**	**(279)**	**-**	**(6,152)**	**9,252**
Capital Receipts Reserve	2,422	-	764	(961)	2,225
Capital Grants Unapplied	9,656	-	8,544	(14,715)	3,485
Total Reserves	**30,225**	**(856)**	**9,308**	**(21,828)**	**16,849**

4.11.3 As shown in the table above, the most significant movements in reserves are the forecast spending on the capital programme, this is in line with the Council's ambitious regeneration projects.

5. Pressures and Risks

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

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

- **Waste Disposal Site/Transfer Station** – Negotiations are still underway with Lancashire County Council regarding their contract situation for the disposal of waste at the Whinney Hill site. This may 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 is that any costs will 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 has 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 has approved revenue costs for ensuring the site meets all annual safety requirements and has 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 is a risk that there may 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 is expected that these changes may come into place in 2 to 3 years' time and there will be a significant capital cost for works to ensure compliance. The parks team are currently investigating this further and will inform cabinet of the requirements as soon as the information is available. Cabinet have put £350,000 into reserves to date to be used for this purpose, and a further contribution of £150,000 is included in the budget for 2025/26.
- **Food Waste Collections** – From April 2026 the Council must provide a food waste collection for residents. A grant has been received from DEFRA to be used towards the capital costs of implementing the new collection (e.g. purchasing new vehicles, bins and food caddies), procurement has been undertaken to provide the capital resources. The Council has received advice from Central Government indicating that there will be no separately identifiable new burdens funding to support with the cost of providing the revenue costs of food waste collection. As such this will place additional pressure on the Council's revenue budget for 2026/27 of circa £300,000.

- **Hyndburn Leisure** – The Council has set aside funding within its Medium-Term financial strategy to provide financial assistance / subsidy to Hyndburn Leisure. This funding is part of an agreed process for reporting and monitoring and links 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 is £700,000 in 2025/2026, £500,000 in 2026/2027 and £350,000 in 2027/2028. Prior to payment of any subsidy the Council must first complete a Subsidy compliance assessment, this was taken to Cabinet on 3 December 2025, who subsequently approved payment of £700,000 in 2025/26.

- **Housing Benefit Supported / Exempt Accommodation** – The Council continues to feel pressures from unrecoverable benefit payments although it is expected to be managed in 2025/2026 within the overall revenue budget. The Council has started to take action to try to reduce these costs through introducing planning restrictions and supporting housing regulation although this does not have an immediate effect and without additional support from the government this will continue to be a pressure for most councils nationally.

5.2 These pressures/risks may need to be considered over the course of the Medium-Term Financial Strategy against the forecast underspend for the year.

6. Alternative Options Considered and Reasons for Rejection

6.1 Not Applicable. This report is for information purposes only.

7. Consultations

7.1 Not applicable.

8. 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 Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.*	Not Applicable

9. Local Government (Access to Information) Act 1985:

9.1 List **of Background Papers**

General Fund – Revenue Budget, Council Tax Levels and Capital Programme 2025/26 – Council 27th February 2025
Revenue Budget Monitoring 2025/26 – Quarter 2 to end of September 2025 – 19th November 2025
Revenue Budget Monitoring 2025/26 – Quarter 1 to end of June 2025 – 30th July 2025

10. Freedom of Information

10.1 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.

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AGENDA ITEM			
REPORT TO:		Cabinet	
DATE:		21 January 2025	
PORTFOLIO		Councillor Vanessa Alexander – Resources & Council Operations	
REPORT AUTHOR:		Kevin Hanlon – Interim Head of Finance M Dyson – Executive Director of Resources	
TITLE OF REPORT:		**Capital Programme Monitoring 2025/26 – 2027/28 - Quarter 3 Update to 21st January 2025**	
EXEMPT REPORT:	**No**		
KEY DECISION:	**No**	If yes, date of publication:	

1. Purpose of the Report

1.1. The purpose of this report is to provide 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. It supports effective decision-making, ensures transparency and accountability, and informs any necessary adjustments to project timelines, funding allocations, or future financial planning.

2. Recommendations

2.1. That Members note the financial position of the Capital Budget at Q3 of the 2025/26 financial year, as shown in section 4.

2.2. That Members approve the in-year addition to the Capital Programme of £0.084m of capital projects, as shown in Appendix 1.

3. 2025/26 Capital Budget

3.1. The Capital Budget for 2025/26 is year one of the Capital Programme 2025/26 – 2027/28.

3.2. At the Council meeting on the 27th of February 2025, Members approved a capital budget for 2025/26 of £2.726m.

3.3. A further £23.236m was 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.

3.4. Ad hoc budget adjustments have reduced the Capital programme by £0.157m. Of which, £0.178m was removed from the Capital Programme relating to a UKSPF funding adjustment. A further £0.021m of capital receipts funding was added, which was brought forward from 2024/25.

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

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

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

3.8. Details of all in-year budget adjustments can be found in Appendix 1.

3.9. Several projects have been identified to be rephased into future years of the Capital Programme, which total £26.310m. Of which, Huncoat Garden Village is £26.076m.

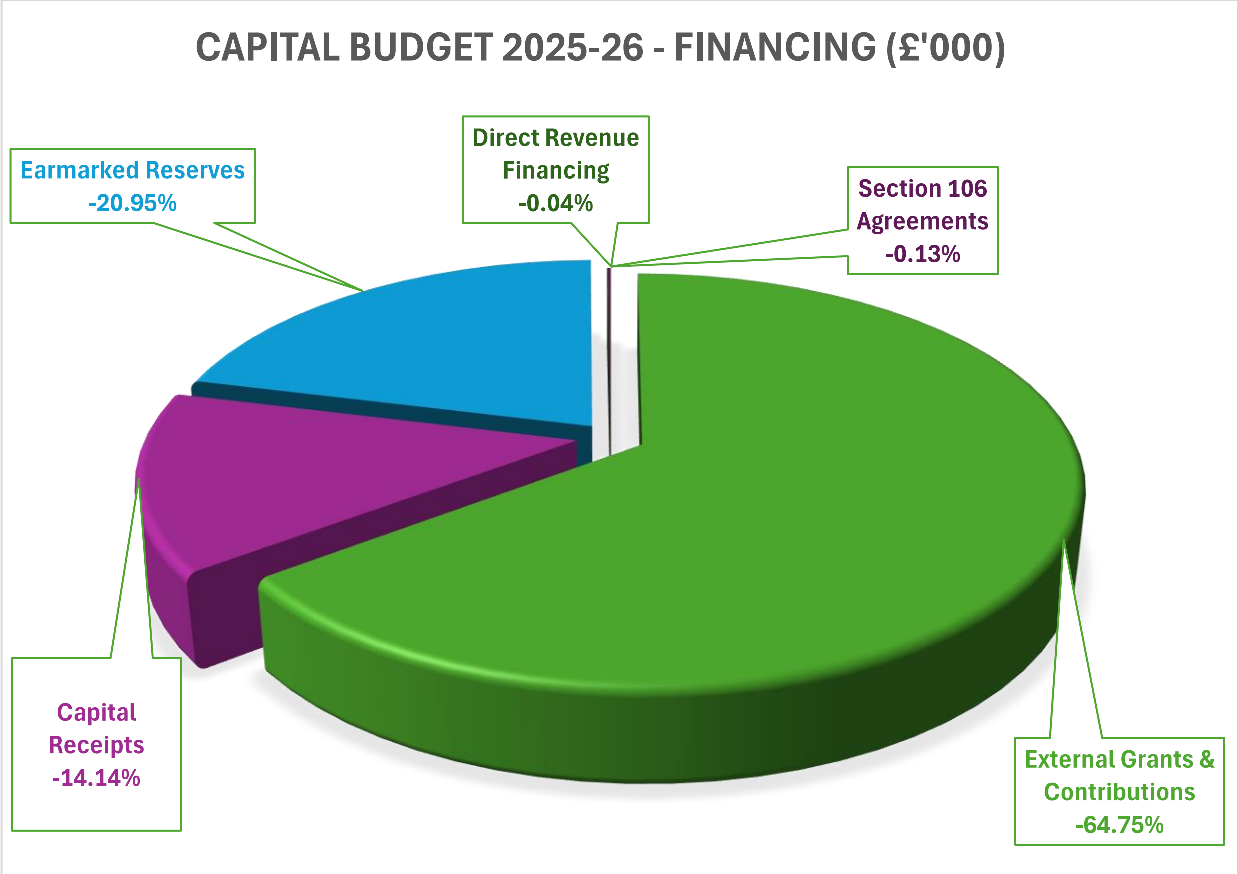
3.10. Therefore, the Capital Budget for 2025/26 now totals £30.041m, as shown in Table 1 below:

3.11. 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
Proposed Capital Programme 2025-28	**56,351**
Less Approved Slippage into Future Years	-26,310
Proposed Capital Budget 2025-26	**30,041**

3.12. A more detailed set of tables showing movements by service area can be found in Appendix 2.

3.13. The proposed financing of the Capital Budget of £30,041m for 2025/26 is shown in Chart 1 below:



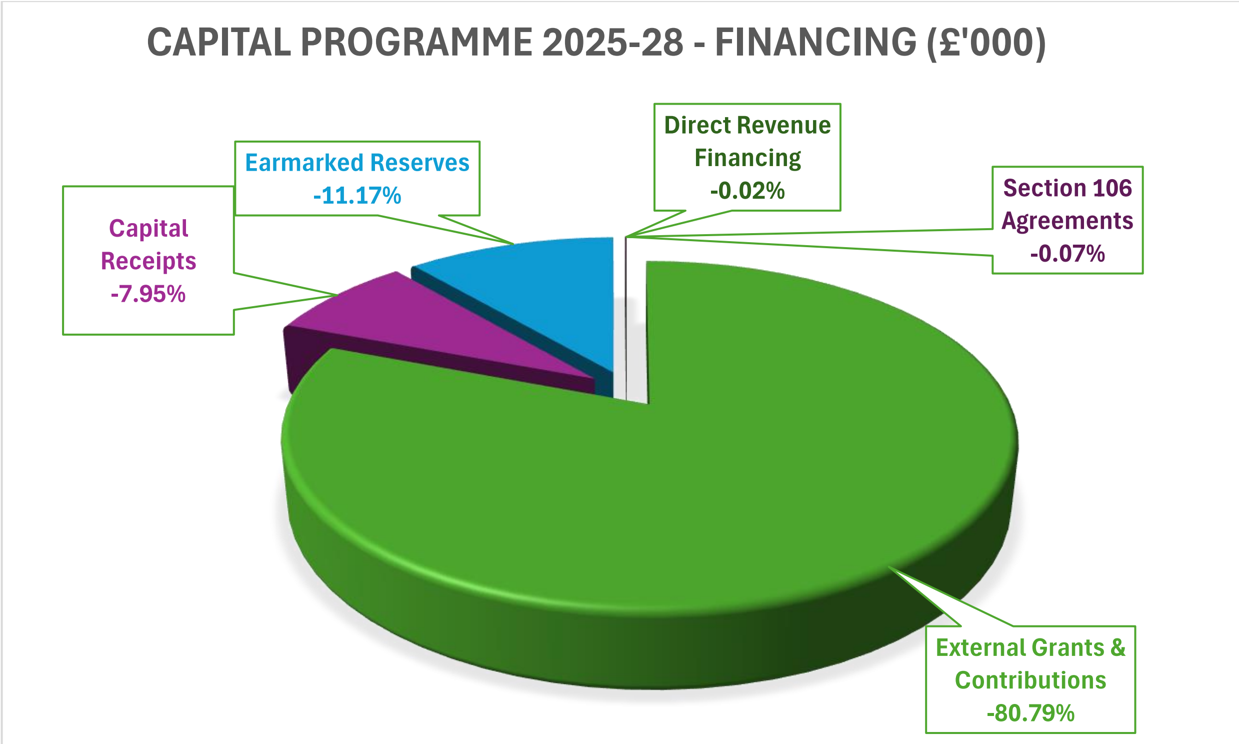
3.14. Following all budget adjustments as detailed above has resulted in a proposed revised Capital programme of £56.351m, which can be seen in Table 2 below:

3.15. Table 2 – Capital Programme Budgets by Service Area:

Programme Area - Budgets	Proposed Capital Budget 2025/26 £'000	Proposed Capital Budget 2026/27 £'000	Proposed Capital Budget 2027/28 £'000	Proposed Capital Programme £'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
Total Approved Capital Spend Budgets	**30,041**	**22,495**	**3,815**	**56,351**

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

3.17. The proposed financing of the Capital Programme of £56.351m for 2025/26 – 2027/28 is shown in **Chart 2** below:



4. 2025/26 Capital Budget – Q3 Forecast Outturn

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

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

Programme Area - Budgets	Proposed Capital Budget 2025/26 £'000	Actuals & Commitments – Q3 £'000	Forecast Outturn – Q3 £'000	Forecast Variance – Q3 £'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
Total Approved Capital Spend Budgets	**30,041**	**18,995**	**21,861**	**8,180**

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

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

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

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

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

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

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

5. Major Schemes

5.1. The Capital Programme includes several major schemes that require robust and continuous monitoring to ensure they are delivered on time, within budget, and that all external funding is both secured and claimed promptly. The following have been identified as key major schemes currently requiring close oversight:

5.2. Levelling Up Town Centre – The redevelopment of Market Hall, Market Chambers, and Burton Chambers remains a challenge for the Council. However, enhanced monitoring and management arrangements have ensured that key milestones are being met, with the project progressing on time and within budget.

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

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

5.5. Leisure Estate Investment – Comprises two key projects: the construction of the Cath Thom Leisure Centre and efficiency works at Hyndburn Leisure Centre. The overall programme budget is £6.921m, which includes provision for future pitch drainage works.

5.6. Construction of the Cath Thom Leisure Centre is 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.

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

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

5.9. Current activity is focused on progressing key preparatory work, including planning, legal, and land acquisition processes. Consultants are 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 are essential to enabling delivery of the scheme in line with the agreed programme.

6. <u>Funding Risks</u>

6.1. **Capital Receipts**

- **Capital Receipts and Funding Position**
  At Q3 2025/26, Grants represent £19.451m, Capital Receipts £4.249m, Reserves £6.291m, s106 and Revenue £0.500m to total £30.041m the capital funding for the programs of works and projects. The total proposed capital budget £30.041m is reduced due to proposed slippage of £7,766m into 2026/27. This reduces the need for the full capital receipts this year and brings it down to a need for £0.961m.

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

- **Future Requirements and Risks**
  In 2026/27, further capital receipts are required to fund all approved projects. Funding for these future commitments has not yet been identified and excludes any new capital bids submitted for that year. Progress is being made on planned asset disposals to

generate the necessary receipts, but delays may require temporary use of reserves or pausing elements of the programme.

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

  This is a high-level risk.

6.2. **External Grants and Contributions**

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

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

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

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

- **Disabled Facilities Grant** – the Council receives grant funding from the Better Care Fund via Lancashire County Council, which includes £1.360m of funding for 2025/26. All grant funding has been received.

- **Leisure Estate Investment Programme –** The Council was successful in obtaining external funding of around £2.64m from Sport England. Most of this grant has already been received by the Council, with the final claim recently submitted.

- **Pride of Place Impact Fund -** The Council has been awarded £1.5m through the Pride in Place Impact Fund. As of December 2025, no decisions have been made regarding allocation. Schemes will be developed collaboratively with officers, Cabinet, the local MP, and the community to ensure the funding delivers maximum benefit across the borough. All funds must be spent by 31 March 2027.

  This is a low-level risk.

7. Conclusion

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

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

7.3. The Programme will continue to be carefully monitored, and it may require further revisions in its phasing in the future.

8. Alternative Options considered and Reasons for Rejection

8.1. Not applicable

9. Consultations

9.1. Not applicable

10. Implications

Financial implications (including mainstreaming)	As outlined in this report
Legal and human rights implications	None
Assessment of risk	None
Equality and diversity implications *A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.*	None

11. Local Government (Access to Information) Act 1985: List of Background Papers

11.1. Council 27th February 2025 – Capital Programme 2025/26

12. Freedom of Information

12.1. 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 20.

APPENDIX 1

	Approved since Council Feb 2025						
Programme Area	**Project Name**	**Cost Centre**	**Reason**	**Quarter 1 (£'000)**	**Quarter 2 (£'000)**	**Quarter 3 (£'000)**	**Total (£'000)**
Parks & Open Spaces	Oak Hill Park Bowling Green Railings	20257	New Scheme	40			40
Vehicles & Equipment	Tipper PN13 FEH	20254	Vehicle	4			4
Community Projects	Newark St Landscaping (Project Phoenix)	20253	New Scheme	40			40
Market Development Works	Market Hall Solar Panels	20266	New Scheme	500			500
Huncoat Garden Village	Huncoat Garden Village	20251	New Scheme	29,187			29,187
Community Projects	Gt Harwood TC (Greening Project) Accel Fund	20242	Funding	10			10
Operational Buildings	Lee Lane Cemetery Tap & Water Supply	20260	Funding		28		28
IT Projects	Wireless Conference System	20273	New Scheme		30		30
Leisure Estate Investment	WPF Development Contract	20178	Funding		128		128
Levelling Up Town Centre	All Schemes - Market Hall/Burtons etc	All	Funding		250	111	361
Parks & Open Spaces	Bullough Park Woodland Enhancement PH1	20239	Funding		9		9
Parks & Open Spaces	Lowerfold Park Footpaths	20264	Funding		9		9
Parks & Open Spaces	Lowerfold Park Pavilion Upgrade	20270	New Scheme		23		23
Parks & Open Spaces	Bullough Park Woodland Enhancement PH2	20271	New Scheme		74		74
Community Projects	Mercer Hall Repurposing	20268	New Scheme		120		120
Vehicles & Equipment	Ride on Mower	20269	Vehicle		7		7
Vehicles & Equipment	Vehicle Trailer CVMU	20272	Vehicle		4		4
Parks & Open Spaces	Gatty Park Play Area Partial Refurbishment	20265	Funding			-30	-30
Vehicles & Equipment	Food Waste Collection / Food Caddies	20224	Funding			3	3
	Schemes added in year			**29,780**	**681**	**84**	**30,546**
UK Shared Prosperity Fund	Improve Town Centre Car Parks / Planting	20207	Adjustment	-178			-178
Market Development Works	Market Chambers	20136	Adjustment		21		21
	Budget adjustments in year			**-178**	**21**	**0**	**-157**
	Total movements in year			**29,603**	**703**	**84**	**30,389**

APPENDIX 2

Programme Area - Budgets	Budget Approvals (Council Feb-25) £'000	Slippage b/f from 2024/25 £'000	Budgets Adjustments in Year £'000	Schemes Approved in Year (QTR1) £'000	Schemes Approved in Year (QTR2) £'000	Schemes Recommended for Approval (QTR3) £'000	Proposed Capital Programme £'000	Less Approved Slippage into Future Years £'000	Proposed Capital Budget 2025/26 £'000
Community Projects	87	471		50	120	0	728	0	728
Housing Improvement Programme	1,360	409		0	0	0	1,769	0	1,769
Huncoat Garden Village	0	0		29,187	0	0	29,187	-26,076	3,110
IT Projects	420	78		0	30	0	527	0	527
Leisure Estate Investment	0	6,793		0	128	0	6,921	0	6,921
Market Development Works	0	12,577	21	500	250	111	13,460	0	13,460
Operational Buildings	512	850		0	28	0	1,390	-234	1,156
Parks & Open Spaces	120	971		40	115	-30	1,216	0	1,216
Planned Asset Improvements	50	167		0	0	0	217	0	217
UK Shared Prosperity Fund	178	255	-178	0	0	0	255	0	255
Vehicles & Equipment	0	666		4	10	3	683	0	683
Total Approved Capital Spend Budgets	**2,726**	**23,236**	**-157**	**29,780**	**681**	**84**	**56,351**	**-26,310**	**30,041**

Programme Area - Financing	Budget Approvals (Council Feb-25) £'000	Slippage b/f from 2024/25 £'000	Budgets Adjustments in Year £'000	Schemes Approved in Year (QTR1) £'000	Schemes Approved in Year (QTR2) £'000	Schemes Recommended for Approval (QTR3) £'000	Proposed Capital Programme £'000	Less Approved Slippage into Future Years £'000	Proposed Capital Budget 2025/26 £'000
External Grants & Contributions	-1,577	-14,833	178	-29,216	-106	27	-45,527.1	26,076	-19,450.7
Capital Receipts	-712	-3,648	-21	-40	-62		-4,482.4	234	-4,248.7
Earmarked Reserves	-437	-4,717	0	-520	-507	-111	-6,292.2	0	-6,292.2
Direct Revenue Financing	0	0	0	-4	-7	0	-10.6	0	-10.6
Section 106 Agreements	0	-39	0	0	0		-39.0	0	-39.0
Total Approved Capital Spend Budgets	**-2,726**	**-23,236**	**157**	**-29,780**	**-681**	**-84**	**-56,351**	**26,310**	**-30,041**

APPENDIX 3

Cost Centre	Scheme Detail	Approved Budget £'000	Slippage B/Fwd £'000	In-Year Approvals £'000	Budget / Funding Adj £'000	Slippage C/Fwd £'000	Approved Net Budget £'000	Total Forecast £'000	Forecast Variance £'000	Forecast Under/Over Spend	Forecast Slippage
20242	Gt Harwood TC (Greening) Accelerator Fund	0	440	10	0	0	450	450	0	0	0
20268	Mercer Hall Repurposing	0	0	120	0	0	120	120	0	0	0
20032	War Memorial Restoration Programme	55	0	0	0	0	55	0	(55)	0	(55)
20253	Newark St Landscaping (Project Phoenix)	0	0	40	0	0	40	40	0	0	0
20225	Local Area Management Capital Improvement Schemes	0	31	0	0	0	31	0	(31)	0	(31)
20085	Christmas Decoration Replacement	20	0	0	0	0	20	20	0	0	0
20267	Maden Street Clock Tower Lighting Replacement	12	0	0	0	0	12	0	(12)	0	(12)
Total	**Community Projects**	**87**	**471**	**170**	**0**	**0**	**728**	**630**	**(98)**	**0**	**(98)**
20006	Disabled Facilities Grant	1,360	0	0	(428)	0	932	932	0	0	0
20233	DFG - LCC Unit in Gt Harwood	0	300	0	0	0	300	300	0	0	0
20234	DFG - Health & Wellbeing Board	0	28	0	222	0	250	100	(150)	0	(150)
20007	DFG Affordable Warmth Grant	0	0	0	150	0	150	150	0	0	0
20011	LCC Affordable Warmth Grant	0	52	0	0	0	52	52	0	0	0
20008	DFG Emergency Works Grant	0	22	0	28	0	50	50	0	0	0
20009	DFG Home Security Grant	0	0	0	25	0	25	25	0	0	0
20211	DFG Hospital Discharge Grant	0	7	0	3	0	10	10	0	0	0
Total	**Housing Improvement Programme**	**1,360**	**409**	**0**	**(0)**	**0**	**1,769**	**1,619**	**(150)**	**0**	**(150)**
20251	Huncoat Garden Village	0	0	29,187	0	(26,076)	3,110	3,006	(105)	0	(105)
Total	**Huncoat Garden Village**	**0**	**0**	**29,187**	**0**	**(26,076)**	**3,110**	**3,006**	**(105)**	**0**	**(105)**
20258	Civica Migration re Env Health	198	0	0	0	0	198	198	0	0	0
20255	Nutanix	120	0	0	0	0	120	125	5	5	0
20042	Tech Refresh Annual Replacement Programme	50	0	0	0	0	50	50	0	0	0
20046	ICT Replacement Microsoft Dynamics - CRM Digital Services	0	39	0	0	0	39	39	0	0	0
20256	Committee Management Software	35	0	0	0	0	35	30	(5)	(5)	0
20045	Wi-Fi Upgrade Scaitcliffe House	17	0	0	0	0	17	17	0	0	0
20245	Assure Software Planning/Building Control	0	17	0	0	0	17	17	0	0	0

20043	Financial System Software	0	17	0	0	0	17	10	(7)	0	(7)
20044	Computer Aided Facilities Management (CAFM) System	0	5	0	0	0	5	5	(0)	(0)	0
20273	Wieless Conference System	0	0	30	0	0	30	34	4	4	0
Total	**IT Projects**	**420**	**78**	**30**	**0**	**0**	**527**	**524**	**(3)**	**3**	**(7)**
20178	WPF Development Contract	0	5,727	128	0	0	5,855	5,855	0	0	0
20230	Hyndburn Leisure Centre Efficiency Works	0	767	0	0	0	767	667	(100)	0	(100)
20227	Wilsons Playing Fields Sports Pitch Drainage	0	300	0	0	0	300	0	(300)	0	(300)
Total	**Leisure Estate Investment**	**0**	**6,793**	**128**	**0**	**0**	**6,921**	**6,521**	**(400)**	**0**	**(400)**
20135	Market Hall	0	5,962	397	0	0	6,359	3,693	(2,665)	0	(2,665)
20137	Burton Chambers	0	4,443	320	0	0	4,763	2,036	(2,727)	0	(2,727)
20136	Market Chambers	0	1,112	383	21	0	1,516	1,479	(37)	0	(37)
20238	Market Hall Façade Works	0	500	(500)	0	0	0	0	0	0	0
20266	Market Hall Solar Panels	0	0	500	0	0	500	0	(500)	0	(500)
20237	Market Hall Fire Compliance Works	0	322	0	0	0	322	0	(322)	0	(322)
20059	Internal Development of Market Hall - Replace Passenger Lift	0	239	(239)	0	0	0	0	0	0	0
Total	**Market Development Works**	**0**	**12,577**	**861**	**21**	**0**	**13,460**	**7,209**	**(6,251)**	**0**	**(6,251)**
20223	Osw Civic Theatre Refurbishment Works	250	267	0	0	0	517	325	(192)	0	(192)
20048	Fire Safety Improvements - Fire Assessment Building Alterations Various Buildings	0	228	0	0	0	228	75	(153)	0	(153)
20244	Acc Town Hall Roof Access Equipment	65	65	0	(65)	0	65	65	0	0	0
20260	Lee Lane Cemetery Tap & Water Supply	52	0	28	0	0	80	80	0	0	0
20165	Fire Assessment Building Alterations Acc Crematorium	0	50	0	0	0	50	0	(50)	0	(50)
20262	Mercer Park Bowling CCTV	45	0	0	0	0	45	45	0	0	0
20263	Bullough Park Pavilion Demolition	40	0	0	0	0	40	40	0	0	0
20259	Dill Hall Cemetery Road Extension	35	0	0	0	0	35	31	(4)	(4)	0
20246	Fence at Acc Cemetery	0	30	0	0	0	30	30	0	0	0
20261	Crematorium - Internal Repairs and Decoration	25	0	0	0	0	25	0	(25)	0	(25)
20051	CCTV Upgrade Various Buildings	0	24	0	0	0	24	24	0	0	0
20031	External Security Improvements	0	12	0	0	0	12	0	(12)	(12)	0
20215	Vehicle Security Barrier Willows Lane	0	4	0	0	0	4	4	0	0	0
20053	Acc Town Hall External Improvements	0	169	0	65	(234)	0	0	0	0	0
20062	Accrington Cemetery Welfare & Depot Facilities PH2	0	0	0	0	0	0	15	15	15	0

20250	QE Room Roof	0	0	0	0	0	0	0	0	0	0
Total	**Operational Buildings**	**512**	**850**	**28**	**0**	**(234)**	**1,156**	**735**	**(421)**	**(1)**	**(420)**
20161	King George V Pavillion and Pitches	0	595	0	0	0	595	595	0	0	0
20221	Leeds Liverpool Canal Cycle Path	0	235	0	0	0	235	40	(195)	0	(195)
20265	Gatty Park Play Area Partial Refurbishment	100	0	(30)	0	0	70	70	0	0	0
20020	Rhyddings Play Area Partial Refurbishment	0	91	0	0	0	91	91	0	0	0
20271	Bullough Park Phase 2	0	0	74	0	0	74	74	0	0	0
20257	Oak Hill Park Bowling Green Raulings	0	0	40	0	0	40	40	0	0	0
20239	Bullough Park Woodland Enhancement	0	21	9	0	0	30	30	0	0	0
20264	Lowerfold Park Footpaths	20	0	9	0	0	29	29	0	0	0
20270	Lowerfold Park Pavilion Upgrade	0	0	23	(0)	0	23	0	(23)	0	(23)
20220	Gatty Park Polytunnels & Greenhouse Replacement	0	20	0	0	0	20	20	0	0	0
20240	Clayton Woodland Upgrade	0	6	0	0	0	6	6	0	0	0
20177	Milton Close Play Area Gt Harwood	0	2	0	0	0	2	2	0	0	0
20208	Foxhill Bank Boundary Enhancement	0	2	0	0	0	2	2	0	0	0
20128	Memorial Park Heritage Lottery Project	0	0	0	0	0	0	(4)	(4)	(4)	0
20159	Mercer Park Play Area CLM	0	0	0	0	0	0	0	0	0	0
Total	**Parks & Open Spaces**	**120**	**971**	**125**	**0**	**0**	**1,216**	**993**	**(222)**	**(4)**	**(218)**
20226	Planned Asset Improvement Programme - Not Defined	50	72	0	0	0	122	50	(72)	0	(72)
20070	Replacement Boilers	0	48	0	0	0	48	3	(45)	0	(45)
20171	Fences	0	28	0	0	0	28	28	0	0	0
20145	Walls around Parks & Open Spaces	0	19	0	0	0	19	19	0	0	0
Total	**Planned Asset Improvements**	**50**	**167**	**0**	**0**	**0**	**217**	**100**	**(117)**	**0**	**(117)**
20207	Improve Town Centre Car Parks / Planting	178	255	0	(178)	0	255	255	0	0	0
20138	Accrington PAL's Garden	0	0	0	0	0	0	0	0	0	0
Total	**UK Shared Prosperity Fund**	**178**	**255**	**0**	**(178)**	**0**	**255**	**255**	**0**	**0**	**0**
20224	Food Waste Collection / Food Caddies	0	666	3	0	0	669	256	(412)	(412)	0
20269	Ride on Mower	0	0	7	0	0	7	7	0	0	0
20254	Tipper PN13 FEH	0	0	4	0	0	4	4	0	0	0
20272	Vehicle Trailer CVMU	0	0	4	0	0	4	3	(1)	(1)	0
Total	**Vehicles & Equipment**	**0**	**666**	**17**	**0**	**0**	**683**	**270**	**(413)**	**(413)**	**0**
	TOTAL CAPITAL BUDGET 2025/26	**2,726**	**23,236**	**30,546**	**(157)**	**(26,310)**	**30,042**	**21,861**	**(8,180)**	**(415)**	**(7,766)**

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REPORT TO:		Cabinet	
DATE:		21 January 2026	
PORTFOLIO:		**Councillor Stewart Eaves - Environment Services**	
REPORT AUTHOR:		Craig Haraben (Head of Environmental Services)	
TITLE OF REPORT:		The introduction of food waste collections	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	**Options**	Not applicable	
KEY DECISION:	**Options**	If yes, date of publication:	

1. Purpose of Report

1.1 To update Cabinet about progress made relating to the introduction of weekly food waste collections to all domestic properties in Hyndburn by 1 April 2026.

2. Recommendations

2.1 That Cabinet note the report

3. Background and Service Requirements

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

3.2 Further guidance from the Government has stated that the provision of food waste collections has to be in place by 1 April 2026 for each local authority in England.

3.3 To help facilitate this Defra has provided some funding to help Local Authorities with the cost of introducing and continuing with food waste collections. There are three tranches of funding: capital funding for the procurement of vehicles and containers, transitional funding to roll out food waste containers & information about collections and revenue funding to pay for the future costs of food waste collections.

3.4 To date Defra have provided Local Authorities with the capital funding and the transitional funding. The revenue element has been included in the financial settlement for financial year 26/27 and beyond.

3.5 Lancashire County Council, as waste disposal authority, has informed District Councils that they intend to process food waste via anaerobic digestion rather than in-vessel composting. As such, food waste cannot be mixed with green waste and must be collected separately. This will mean each household will 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.

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

3.7 The Council will 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 will then start on 1 April 2026.

3.8 To facilitate the collection of food waste the Council has ordered some new collection vehicles. These new vehicles will allow the Council to collect food waste at the same time as collecting waste and recycling from residents. As food waste has to be collected each week, this means food waste will 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)

3.9 As stated in paragraph 3.5 Lancashire County Council as disposal authority have advised that the disposal method for food waste is via anaerobic digestion (AD) units. For AD units to work properly part of the process requires food waste bags to be removed before the food waste goes into the AD plant. As such bio-degradable bags are not necessary and the Council has purchased recycled plastic food waste bags instead.

4. Alternative Options considered and Reasons for Rejection

4.1 Do not introduce food waste collections on 1 April 2026. This has been rejected because it is a legal requirement set out in the Environment Act 2021 and on average 25% of grey bin waste is food waste, so recycling food waste reduces the amount of non-recyclable waste going to landfill or being incinerated.

5. Consultations

5.1 The portfolio holder and waste services team have been consulted as part of writing this report.

5.2 Officers have given a presentation to Councillors in the controlling group and main opposition group relating to food waste collections.

6. Implications

Financial implications (including any future financial commitments for the Council)	There is an ongoing revenue cost to collecting food waste. As there are more collections rounds this requires additional staff and vehicles which needs to be paid for year on year. There is also an ongoing cost for the provision of food waste bags. The first batch of food waste bags has been paid for by Lancashire County Council. Officers are waiting for confirmation as to whether the Lancashire County Council will continue to fund food waste bags. If not, the Council will need to fund the cost of providing food waste bags (circa £8K per annum)
Legal and human rights implications	The Council has a duty to provide a food waste collection service to domestic properties by 1 April 2026
Assessment of risk	The introduction of a new Borough wide waste collection service, which involves delivering new receptacles to each household in the Borough, commission new vehicles and recruit more staff is complex and logistically challenging. However officers have ordered new vehicles and caddies 12 months in advance to ensure timely delivery. A project plan has been put in place to recruit necessary staff prior to collections starting and working with Lancashire Couty Council to disseminate suitable information to make residents aware of the new service.
Equality and diversity implications *A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.*	The Council is subject to the public sector equality duty introduced by the Equality Act 2010. When making a decision in respect of the recommendations in this report Cabinet must have regard to the need to: • eliminate unlawful discrimination, harassment and victimisation; and • advance equality of opportunity between those who share a relevant protected characteristic and those who don't; and • foster good relations between those

	who share a relevant protected characteristic and those who don't. For these purposes the relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. To assist the Cabinet in this regard a Customer First Analysis has been carried out as part of the review process and is attached as Appendix 1 to this report. As this is a new service being provided to every household in the Borough, Cabinet is advised to consider the Customer First Analysis and its obligations in respect of the public sector equality duty when making a decision in respect of the recommendations contained in this report.

7. <u>Local Government (Access to Information) Act 1985: List of Background Papers</u>

7.1 Cabinet Report dated 11 June 2024 entitled new regulations for the introduction of food waste collections.

8. <u>Freedom of Information</u>

8.1 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.

EQUALITY FRAMEWORK FOR LOCAL GOVERNMENT ACHIEVING

Hyndburn Borough Council

Customer First Analysis

What is it for?

Our corporate values include putting the customer first, providing opportunities for bright futures and narrowing inequality across the Borough.

From 1 April 2011, a new legal duty applies to all public authorities. It covers these protected characteristics:

- age;
- disability;
- gender reassignment;
- pregnancy and maternity;
- race;
- religion or belief;
- gender;
- sexual orientation; and, for some aspects,
- marriage and civil partnerships.

The duty means that – as previously - we should analyse the effect of existing and new policies and practices on equality. It does not specify how we should do this. However, legal cases on the meaning of the previous general equality duties make it clear that we must carry out the analysis **before making the relevant policy decision**, and include consideration as to whether we can reduce any detrimental impact.

The framework overleaf – our Customer First Analysis - is suggested when making a written record of the analysis. This replaces Equality Impact Assessments.

The Analysis should be **proportionate** to the policy decision being taken. In some cases the written record will be a quick set of bullet points or notes under each heading, to deal with any questions which are relevant (or briefly explain why if they aren't). Others will need to be much more detailed. A meaningful Analysis will help the Council make the best decision or formulate a policy which best meets our customers' needs.

Please return completed Customer First Analyses to Human Resources. I can guide you through the process if this would be helpful.

If you have any suggestions for improving this process, please let me know.

Kirsten Burnett
Head of HR

Customer First Analysis

1. Purpose

- What are you trying to achieve with the policy / service / function?
- To introduce a food waste collection service
- Who defines and manages it?
- Hyndburn BC manages it as waste collection authority
- Who do you intend to benefit from it and how?
- All residents of the Borough, as all households will produce food waste even small amounts
- What could prevent people from getting the most out of the policy / service / function?
- Not providing food waste caddies or food waste bags, and not providing a weekly collection service.
- How will you get your customers involved in the analysis and how will you tell people about it? A presentation has been given to Councillors in both the controlling group and main opposition. A leaflet has been sent to all households in the Borough informing residents about food waste collections. A calendar will be given to each household when food waste caddies are delivered. Social media information will be put out in the run up to food waste collections starting and afterwards.

2. Evidence

- How will you know if the policy delivers its intended outcome / benefits?
- Food waste will be left pout for collection by waste services staff
- How satisfied are your customers and how do you know?
- The percentage of residents taking part in food waste recycling will inform the Council, along with direct feedback from residents
- What existing data do you have on the people that use the service and the wider population?
- It is a brand new service to residents – so currently no local data
- What other information would it be useful to have? How could you get this?
- There is national data available in relation to Councils already providing a food waste service. Once the service is up and running officers will liaise with residents not participating to find out why
- Are you breaking down data by equality groups where relevant (such as by gender, age, disability, ethnicity, sexual orientation, marital status, religion and belief, pregnancy and maternity)?
- No not at this time
- Are you using partners, stakeholders, and councillors to get information and feedback?
- Staff will look to Councillors to provide information and feedback about the service when introduced

3. Impact

- Are some people benefiting more – or less - than others? If so, why might this be?
- The new service will be available to every household

4. Actions

- If the evidence suggests that the policy / service / function benefits a particular group – or disadvantages another - is there a justifiable reason for this and if so, what is it?
- There is no evidence of this

- Is it discriminatory in any way?
- There is no evidence of this
- Is there a possible impact in relationships or perceptions between different parts of the community?
- There is nothing to suggest this
- What measures can you put in place to reduce disadvantages?
- The service is being offered to every household in the Borough
- Do you need to consult further?
- Not at this time
- Have you identified any potential improvements to customer service?
- Providing food waste collections should reduce the amount of waste going into the grey bin and reduce the amount of waste going to landfill or incineration
- Who should you tell about the outcomes of this analysis?
- Cabinet
- Have you built the actions into your Business Plan with a clear timescale?
- Food waste collections will start on 1 April 2026. Food waste caddies and bags will be delivered to residents in January and February 2026 and new vehicles will be delivered in March 2026.
- When will this assessment need to be repeated?
- Once the service is started it forms part of the standard waste collection service so the assessment should not need to be repeated.

Name: Craig Haraben **Signed:**

Service Area: Environmental Services **Dated: 5 January 2026**

If applicable, please attach copy of – or website link to - the cabinet report for reference.

Don't forget to return your written record to HR.

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REPORT TO:		Cabinet	
DATE:		21 January 2026	
PORTFOLIO:		**Councillor Stewart Eaves - Environmental Services**	
REPORT AUTHOR:		Craig Haraben (Head of Environmental Services)	
TITLE OF REPORT:		Fixed Penalty Notice charges	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	**Select: Y/N**	Not applicable	
KEY DECISION:	**Select: Y/N**	If yes, date of publication:	

1. <u>Purpose of Report</u>

1.1 To request that Cabinet consider increasing 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), (4) of the Environmental Protection Act 1990 (not using the correct waste receptacles when disposing of waste which is a section 46 requirement)

2. <u>Recommendations</u>

2.1 That Cabinet notes the report

2.2 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

3. <u>Reasons for Recommendations and Background</u>

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

3.2 Recycling is important because it conserves natural resources, saves energy, reduces pollution and reduces the amount of waste sent to landfill or incinerated

3.3 The Council’s waste services team is the most efficient district Council in Lancashire for the collection of dry recyclate (glass, cans, plastic, paper and carboard) having a 26% recycling rate for those items

3.4 In addition to collecting glass, cans, plastic, paper and carboard directly from residents, the Council also collects green waste, batteries and textiles. On 1 April 2026 the Council will start to collect food waste directly from residents adding another recycling stream.

3.5 Hyndburn also has a free bulky waste collection service whereby residents either ring the Council to book a collection or book online. The Council will collect bulky waste items directly from residents properties and collects items such as sofas, arm chairs, mattresses, fridges, freezers, electrical items, metal items and wooden items. They are collected because bulky waste items can be recycled to differing degrees.

3.6 During financial year 24/25 waste services 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 24 to March 25) there were 2,631 reported incidents of fly tipping in Hyndburn. While this number was a 10% reduction of incidents from the previous year, it is still too many.

3.7 The 2,631 incidents varied from single black bags to loads tipped off a vehicle. However in general there are 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.

3.8 Waste enforcement staff go out on a daily basis to deal with fly tipping and waste items being dumped in black bags. During financial year 24/25 waste enforcement staff issued 1159 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 is £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)

3.9 However, despite each household having waste and recycling bins which are collected regularly and a free bulky waste collection service which will collect waste directly from residents properties there are still a significant number of fly tipping incidents in the Borough. It is believed that the level of FPN is inadequate to act as a deterrent to stop people from not adhering to the law.

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

(i) That for breaching a section 46 requirement of the EPA 1990 the FPN value is increased to £80 per incident (the maximum amount allowed)
(ii) That for breaching section 33 (1)(a) of the EPA 1990 the FPN value is increased to £1000 per incident (the maximum amount allowed)

4. <u>Alternative Options considered and Reasons for Rejection</u>

4.1 Leave the FPN value at their current levels. This is not recommended as the current levels are not acting as a deterrent to stop people fly tipping or dumping waste in black bags.

5. Consultations

5.1 The portfolio holder, waste services team and the Councils legal department have been consulted in the writing of this report.

6. Implications

Financial implications (including any future financial commitments for the Council)	The Council may receive more income due to the level of fines being higher, and unpaid FPNs issued for a section 46 requirement are recoverable summarily as a civil debt. However it is hoped that increasing FPN values will act as a deterrent and in fact the Council will not receive any more income as a result of this proposed change, as less people will fly tip waste.
Legal and human rights implications	The legal process for serving notice, gathering evidence and issuing FPNs remains the same, and is a process which has been agreed by the Council's legal service.
Assessment of risk	Increasing the amount of the FPNs may lead to more individuals refusing to pay the FPNs, which in turn could see an increase in the amount of work required to take enforcement action. As mentioned above unpaid FPNs issued for a section 46 requirement are recoverable summarily as a civil debt. However, there is a right of appeal against the FPN and the Council may see an increase in the number of appeals they have to deal with. FPNs issued for a breach of section 33 (1)(a) do not carry a right of appeal against them, however neither are they recoverable summarily as a civil debt, and so if there is an increase in the number of these FPNs being unpaid, the Council cannot recover the FPN amount and instead would have to consider bringing a criminal prosecution for the offence.

Equality and diversity implications *A [Customer First Analysis](#) should be completed in relation to policy*	The Council is subject to the public sector equality duty introduced by the Equality Act 2010. When making a decision in respect of the recommendations in this report Cabinet must have regard to the need to: • eliminate unlawful discrimination, harassment and victimisation; and • advance equality of opportunity between those who share a relevant protected characteristic and those who don't; and • foster good relations between those who share a relevant protected characteristic and those who don't. For these purposes the relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. To assist the Cabinet in this regard a Customer First Analysis has been carried out as part of the review process and is attached as Appendix 1 to this report. Cabinet is advised to consider the Customer First Analysis and its obligations in respect of the public sector equality duty when making a decision in respect of the recommendations contained in this report.

7. Local Government (Access to Information) Act 1985: List of Background Papers

7.1 There are no background papers to this report

8. Freedom of Information

8.1 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.

Hyndburn Borough Council

Customer First Analysis

EQUALITY FRAMEWORK FOR LOCAL GOVERNMENT ACHIEVING

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Our corporate values include putting the customer first, providing opportunities for bright futures and narrowing inequality across the Borough.

From 1 April 2011, a new legal duty applies to all public authorities. It covers these protected characteristics:

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- gender reassignment;
- pregnancy and maternity;
- race;
- religion or belief;
- gender;
- sexual orientation; and, for some aspects,
- marriage and civil partnerships.

The duty means that – as previously - we should analyse the effect of existing and new policies and practices on equality. It does not specify how we should do this. However, legal cases on the meaning of the previous general equality duties make it clear that we must carry out the analysis **before making the relevant policy decision**, and include consideration as to whether we can reduce any detrimental impact.

The framework overleaf – our Customer First Analysis - is suggested when making a written record of the analysis. This replaces Equality Impact Assessments.

The Analysis should be **proportionate** to the policy decision being taken. In some cases the written record will be a quick set of bullet points or notes under each heading, to deal with any questions which are relevant (or briefly explain why if they aren't). Others will need to be much more detailed. A meaningful Analysis will help the Council make the best decision or formulate a policy which best meets our customers' needs.

Please return completed Customer First Analyses to Human Resources. I can guide you through the process if this would be helpful.

If you have any suggestions for improving this process, please let me know.

Kirsten Burnett
Head of HR

Customer First Analysis

1. Purpose

- What are you trying to achieve with the policy / service / function?
- To protect the Borough environment from fly tipping and improve recycling rates
- Who defines and manages it?
- Hyndburn BC as waste collection authority has jurisdiction in this matter
- Who do you intend to benefit from it and how?
- Residents of the Borough to help keep their local environment clean
- What could prevent people from getting the most out of the policy / service / function?
- If fly tipping is allowed with no consequences as this causes serious damage to peoples local environment and quality of life
- How will you get your customers involved in the analysis and how will you tell people about it? Officers deal directly with residents when dealing with issues of fly tipping

2. Evidence

- How will you know if the policy delivers its intended outcome / benefits?
- The number of recorded instances of fly tipping and side waste will have reduced
- How satisfied are your customers and how do you know?
- Residents are generally concerned about their environment and bout how others treat it
- What existing data do you have on the people that use the service and the wider population?
- There is good data about the number of fly tipping incidents and their locations
- What other information would it be useful to have? How could you get this?
- Getting CCTV footage is always helpful when dealing with fly tipping and officers work with the community to assess the footage when available
- Are you breaking down data by equality groups where relevant (such as by gender, age, disability, ethnicity, sexual orientation, marital status, religion and belief, pregnancy and maternity)?
- No not at this time
- Are you using partners, stakeholders, and councillors to get information and feedback?
- Councillors are proactive in providing feedback for fly tipping and litter in general

3. Impact

- Are some people benefiting more – or less - than others? If so, why might this be?
- This will only effect people who break the law

4. Actions

- If the evidence suggests that the policy / service / function benefits a particular group – or disadvantages another - is there a justifiable reason for this and if so, what is it?
- There is no evidence of this
- Is it discriminatory in any way?
- There is no evidence of this
- Is there a possible impact in relationships or perceptions between different parts of the community?
- This is not anticipated
- What measures can you put in place to reduce disadvantages?
- Officers apply this policy equally across the Borough

- Do you need to consult further?
- Not at this time
- Have you identified any potential improvements to customer service?
- It is hoped this will make waste services more efficient as the team will have less fly tipping incidents to deal with
- Who should you tell about the outcomes of this analysis?
- Cabinet
- Have you built the actions into your Business Plan with a clear timescale?
- This activity is already undertaken, this potential change increases FPN values
- When will this assessment need to be repeated?
- Should Cabinet wish to review FPN charges again

Name: Craig Haraben **Signed:**

Service Area: Environmental Services **Dated: 5 January 2026**

If applicable, please attach copy of – or website link to - the cabinet report for reference.

Don’t forget to return your written record to HR.

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REPORT TO:		Cabinet	
DATE:		21 January 2026	
PORTFOLIO:		**Cllr Ethan Rawcliffe, People and Communities**	
REPORT AUTHOR:		Kirsten Burnett	
TITLE OF REPORT:		Equality and Diversity Strategy 2026-30	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	**Options**	Not applicable	
KEY DECISION:	**No**	If yes, date of publication:	

1. Purpose of Report

1.1 To seek Cabinet approval for the adoption of the Equality and Diversity Strategy 2026-2030.

2. Recommendations

2.1 Cabinet is recommended to approve the Equality and Diversity Strategy 2026-2030 as set out at Appendix 1.

3. Reasons for Recommendations and Background

3.1 The Council's previous Equality and Diversity Strategy covered the period 2020-2025. This new strategy updates our approach for 2026-2030 and reflects significant changes in both our local context and the legislative landscape.

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

- 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 are disabled under the Equality Act

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

3.4 New content in this strategy includes recognition of neurodiversity and neurodivergence, reflecting growing understanding of conditions such as autism, ADHD, dyslexia and dyspraxia. The strategy also addresses 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.

3.5 The strategy maintains the Council's established approach of using Customer First Analyses (our equality impact assessment process) to ensure equality considerations are embedded in decision-making. It sets out specific actions covering areas including workforce monitoring, training, accessibility, hate crime awareness, support for refugees and asylum seekers, and monitoring of service delivery.

3.6 The Public Sector Equality Duty under the Equality Act 2010 requires the Council to have due regard to eliminating prohibited conduct, advancing equality of opportunity, and fostering good relations between people who share protected characteristics and those who do not. This strategy demonstrates how we will meet these duties across all our functions including employment, service delivery, budget setting, procurement and regulatory activities.

4. Alternative Options considered and Reasons for Rejection

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

5. Consultations

5.1 The Strategy provides a framework for meeting equality duties which includes the use of customer first analyses in decision-making. Where appropriate, this includes consultation responses from affected people / groups of people.

5.2 The strategy has been developed following review of the previous strategy and consideration of updated demographic data, legislative requirements and emerging issues affecting equality and diversity. The strategy will be published on the Council's website and made available in alternative formats on request.

6. Implications

Financial implications (including any future financial commitments for the Council)	There are no direct financial implications arising from the adoption of this strategy. Actions identified will be delivered within existing resources and budgets. Where specific initiatives require additional funding, these will be subject to separate reports and business cases as appropriate.
Legal and human rights implications	The Equality Act 2010 places a Public Sector Equality Duty on the Council to have due regard to eliminating discrimination, advancing equality of opportunity and fostering good relations. This strategy demonstrates how the Council will meet these statutory duties. The strategy also supports compliance with the Worker Protection (Amendment of Equality Act 2010) Act 2023 and the Domestic Abuse Act 2021. Adoption of this strategy helps to mitigate legal risks associated with failure to meet equality duties and supports the Council's obligations under the Human Rights Act 1998.
Assessment of risk	The main risk would be in not adopting an updated strategy, which could leave the Council operating with out-of-date policies that do not reflect current demographics, legislation or emerging issues. This could result in failure to meet the Public Sector Equality Duty, potential legal challenge, and reputational damage. Adoption of this strategy mitigates these risks by providing a clear framework for embedding equality and diversity considerations across all Council functions.
Equality and diversity implications *A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.*	This strategy is specifically designed to advance equality and diversity across the Council's work. A Customer First Analysis is not required as the strategy itself sets out the Council's approach to equality and diversity. The strategy has positive implications for all protected characteristic groups and demonstrates the Council's commitment to eliminating discrimination, advancing equality of opportunity and fostering good relations.

7. Local Government (Access to Information) Act 1985: List of Background Papers

7.1 None.

8. Freedom of Information

8.1 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.

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Our Equality and Diversity Strategy: 2026-2030

Contents

If you require this information in a different format, for example large print, audio or in different languages, please let us know.

Phone: 01254 388111
Email: enquiries@hyndburnbc.gov.uk

1. Setting the context

Hyndburn lies right at the heart of Pennine Lancashire and consists of 14 towns and villages. The Borough covers 73 square kilometres and in 2021 had a population of 82,234, showing a small increase of 1.9% since 2011.

Hyndburn has the smallest land area of the 14 authorities in the broader Lancashire area. In common with some of the other districts in East Lancashire, there are significant issues with regard to the quality and price of housing, net population migration, health, job creation and areas of severe deprivation.

We are working hard to address these issues and our Vision is “Driving growth and prosperity in Hyndburn”. Our Corporate Strategy sets out how we will address this.

This policy aims to:

- highlight the different kinds of equalities issues;
- consider community cohesion, integration and social inclusion, community engagement and participation;
- show how we need to consider a wide variety of factors to understand the concerns and barriers facing our communities;
- set out our corporate approach to equalities; and
- set key actions for the lifetime of this strategy.

Equality and diversity underpins our overall council strategies, policies and procedures and our corporate values, which are:

- **Teamwork** - We promote a friendly and supportive working environment. We will work together across teams, services and with partners to achieve the objectives of the Council and the best outcomes for our customers.

- **Customer focus** - We will make best use of our resources to support the delivery of excellent services to our customers. We will treat each customer as a valued individual and show sensitivity to their needs and differences.

- **Integrity** - We will always try to do the right thing. We will act and communicate honestly and openly, honour our commitments and be accountable for our actions.

- **Positive attitude** - We will be proactive and optimistic in finding solutions to challenges, open to improved ways of working and to updating our knowledge and skills to meet these changes.

The Equality Act 2010 sets out distinct strands, known as “protected characteristics”. These are age, disability, ethnicity, gender (including gender identity), religion and belief, sexual orientation, pregnancy and maternity and marriage and civil partnership. These issues are often inter-related and it can be the combination of these factors that leads to social exclusion.

2. The Public Sector Equality Duty

As a Public Sector organisation, the Council has certain duties under the Equality Act 2010. We must have due regard for these when going about our business. These are:

- eliminating conduct that is prohibited by the Act;
- advancing equality of opportunity between people who share a protected characteristic and people who do not share it; and
- fostering good relations between people who share a protected characteristic and people who do not share it.

These are sometimes referred to as the three aims or arms of the general equality duty. The Act explains that having due regard for advancing equality involves:

- removing or minimising disadvantages suffered by people due to their protected characteristics;
- taking steps to meet the needs of people from protected groups where these are different from the needs of other people; and
- encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

3. The Protected Characteristics

3.1 Disability

When carrying out our functions, we will try to:

- promote positive attitudes towards people with disabilities;
- encourage participation by people with disabilities in public life;
- promote equality of opportunity between people with or without disabilities;
- eliminate disability-related harassment;
- eliminate unlawful discrimination; and
- take steps to meet the needs of people with disabilities, even if this requires treatment that is more favourable.

This applies to all of our functions and activities including employment, service delivery, budget setting, procurement and regulatory functions.

It is important to consider what we mean by the term “disability”. The Equality Act 2010 says that person has a disability if they have a physical or mental impairment, and this impairment has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. This could include, for example, problems with mobility, manual dexterity, physical co-ordination, continence, ability to lift, carry or move everyday objects, speech, hearing or eyesight, memory or ability to learn and understand, ability to concentrate, or where a person’s perception of risk or physical danger is impaired. This is not an exhaustive list, but it provides a guide.
The 2021 Census showed that 20.8% of Hyndburn residents (17,127 people) are disabled under the Equality Act, with their day-to-day activities limited by a long-term health problem or disability. This represents an increase of 4,482 people since 2011. A further 6.0% of residents have a long-term physical or mental health condition but are not disabled under the Equality Act as their day-to-day activities are not limited. The 2021 Census question changed to align more closely with the Equality Act 2010 and included mental health conditions explicitly, which may account for some of the increase.

Around 3.3% of Hyndburn residents provide 50 or more hours of unpaid care per week to those with health conditions or disabilities, an increase from 3.1% in 2011.

We recognise the growing understanding of neurodiversity and neurodivergence, which encompasses conditions such as autism, ADHD, dyslexia, dyspraxia and other neurological differences. Neurodivergent people may experience and interact with the world differently, and we are committed to making reasonable adjustments to ensure our services, communications and working environments are accessible. This includes considering sensory needs, providing information in different formats, allowing flexible communication methods, and ensuring our staff understand and can respond appropriately to the needs of neurodivergent customers and colleagues.

3.2 Gender Equality

We will try to:

- promote equality of opportunity between people of different gender identities, including people undergoing gender re-assignment;
- eliminate sex discrimination; and

- have due regard to the need to eliminate unlawful discrimination and harassment against men, women and people undergoing gender re-assignment, in the fields of employment, vocational training and in the provision of goods and services; and
- challenge any discriminatory attitudes or practices that exist.

Gender Reassignment includes anyone who is proposing to undergo, is undergoing or has undergone a process (or part of process) to reassign their sex. The Equality and Human Rights Commission notes that the preferred umbrella term is “trans” which encompasses different forms of gender identity, such as people who identify as non-binary. We understand and respect that there can be differences between assigned sex and gender identity and expression and we value all of our staff and customers, including individuals who identify outside of the gender binary.

The 2021 Census was the first to include questions on gender identity and sexual orientation for those aged 16 and over. In Hyndburn, 93.6% of residents reported that their gender identity was the same as their sex registered at birth, while 0.5% reported a different gender identity. These questions were voluntary and 6.0% of residents chose not to answer. The Council will ensure that its policies and services take account of any updated guidance from the Equality and Human Rights Commission regarding gender identity and service provision.

We report on our gender pay gap in line with legal requirements. We will take any actions we decide are appropriate if the pay gap information highlights any concerns.

3.3 Race Equality

In the Equality Act, race can mean someone’s colour, or their nationality (including citizenship). It can also mean their ethnic or national origins, which may not be the same as their current nationality. For example, a person may have Chinese national origins and be living in Britain with a British passport.

Race also covers ethnic and racial groups. This means a group of people who all share the same protected characteristic of ethnicity or race.

Public authorities must promote race equality and ensure that employment and services (including services provided through other organisations on their behalf) are fair and accessible for everyone.

Both institutional and individual racism “can be seen or detected in processes, attitudes and behaviour which amount to discrimination through unwitting prejudice, ignorance, thoughtlessness, and racist stereotyping which disadvantages ethnic minority people.” We recognise that institutional racism can exist, and that no organisation is immune.

Hyndburn has a significant ethnic minority population. In 2021, 82.7% of residents identified as White (including White British, Irish, Gypsy/Traveller and other White backgrounds) and 17.3% identified with ethnic minority backgrounds, an increase from 12.3% in 2011. The largest ethnic minority group is Asian, Asian British or Asian Welsh at 15.1% of the population (up from 11.2% in 2011), with Pakistani heritage remaining the largest single ethnic minority group in Hyndburn. We have a large Gypsy, Roma and Traveller community and have 15 sites within Hyndburn.

In 2021, 9.0% of Hyndburn residents were born outside the UK, a small increase from 7.2% in 2011. Most residents who migrated to Hyndburn from outside the UK have been resident for 10 years or more, reflecting the established nature of our diverse communities.

The 2021 Census shows that Hyndburn's top five main languages are English, Panjabi, Polish, Urdu and Bengali (with Sylheti and Chatgaya).

We are proud of our excellent record of working with partners across Lancashire on resettlement and integration, helping families settle into our communities and build new lives. We celebrate the history of community cohesion within our Borough.

3.4 Religion and belief

This characteristic covers any religion or any religious or philosophical belief, including a lack of religion or belief

Faith groups have a positive impact on our local communities. They bring opportunities to create face-to-face dialogue, which supports a greater understanding of shared values, appreciation of distinctiveness and for side-by-side collaborative social action.

The religious make up of Hyndburn in 2021 reflected national trends with a decline in Christianity and growth in other religions and non-religious identities. In 2021: 51.0% identified as Christian (down from 66.4% in 2011); 28.4% reported no religion (up from 16.7%); 14.7% identified as Muslim (up from 10.3%); with smaller numbers identifying as Buddhist, Hindu, Jewish, Sikh and other religions. Around 5.2% of residents chose not to answer this voluntary question.

3.5 Specific Definitions adopted by the Council

Antisemitism
The Council has adopted the International Holocaust Memorial Alliance (IHRA) definition of antisemitism and its examples[1]. The definition states: "Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities."

Islamophobia
Islamophobia is rooted in racism and is a type of racism that targets expressions of Muslimness or perceived Muslimness.

3.6 Age

The law regarding age discrimination covers organisations providing goods, facilities and services and carrying out public services as well as in the employment sector.

Older people, particularly in rural areas, can face social isolation and can feel cut off from the wider community. Young people can often feel socially excluded and marginalised within their communities. We try to engage with people of all ages to empower them to participate in their local communities.

In 2021, Hyndburn had 16,604 young people aged 0-15, representing 20% of the population (slightly down from 20.4% in 2011). The working-age population (16-64) was 50,626 people (62%), while

[1] https://www.holocaustremembrance.com/sites/default/files/press_release_document_antisemitism.pdf

those aged 65 and over numbered 15,006 (18%), representing substantial growth in the older population from 12,809 in 2011. This aging population trend is expected to continue, with increasing demand for age-appropriate services and support for older residents.

3.7 Sexual orientation

The Equality Act 2010 says that people must not be discriminated against because:

- they are heterosexual, gay, lesbian or bisexual; or
- someone thinks they have a particular sexual orientation (this is known as discrimination by perception); or
- they are connected to someone who has a particular sexual orientation (this is known as discrimination by association)

In the Equality Act, sexual orientation includes how people choose to express their sexual orientation, such as through their appearance or the places they visit.

Homophobia is the irrational hatred, intolerance, and fear of lesbian, gay and bisexual, transgender or questioning (LGBTQ) people. These negative feelings fuel the myths, stereotypes, and discrimination that are harmful and can lead to violence against LGBTQ people.

The 2021 Census was the first to include a voluntary question on sexual orientation for those aged 16 and over. In Hyndburn, 90.4% of respondents identified as straight or heterosexual, while 2.4% identified as gay, lesbian, bisexual or another sexual orientation. 7.2% of residents chose not to answer this voluntary question. The Council recognises that LGBTQ+ people may face specific barriers to accessing services and opportunities, and we will continue to work to ensure our services are inclusive and welcoming to all.

3.8 Marriage and Civil Partnership

The Marriage (Same Sex Couples) Act 2013 extended marriage to same-sex couples, and the Civil Partnerships, Marriages and Deaths (Registration etc) Act 2019 extended civil partnerships to opposite-sex couples, reflecting the diversity of family structures in modern Britain.

3.9 Pregnancy and maternity

There are specific provisions of the Equality Act relating to employment rights for women who are pregnant or have recently given birth. Pregnancy and maternity-related discrimination can also occur outside of the workplace if a woman is treated unfavourably because of her pregnancy or because she has given birth (within the past 26 weeks) and, in particular, because she is breastfeeding.

3.10 Socio-economic inequality

Whilst not a protected characteristic under the Equality Act, the Council considers socio-economic inequality as an important issue and for a long time this has been key to how the Council sets its priorities. Inequality is not just about gender, race, disability, or the other protected characteristics. It is also about social class – family background or place of birth. By socio-economic disadvantage we mean the state of being disadvantaged in life. This applies in terms of getting on, getting educated, getting a job. It is influenced by one or more of a range of external factors. Poverty is one such factor, but it can also be about the complex interplay of factors such as health, housing, education, domestic abuse and family background, and the resulting lack of ambitions and expectations, that so often combine to keep people in poverty, and limit their chances of upward social mobility.

Hyndburn continues to face socio-economic challenges. In 2021, 22.8% of residents aged 16+ had no formal qualifications (down from 28.0% in 2011). 25.2% of residents hold Level 4 qualifications or above (degree level), an increase from 18.9% in 2011. Economic activity rates show 57.7% of working-age residents are economically active. Cost-of-living pressures have intensified pressures on households, particularly those on low incomes or benefits, and the Council recognises the intersections between socio-economic disadvantage and protected characteristics.

4. Human Rights Issues

Human Rights are about our basic needs as human beings - the core rights we are all entitled to so that we can develop our potential and live our lives with fairness, dignity and respect. The Council has legal duties as a public authority to act compatibly with UK law in the Human Rights Act, along with the related duties in relation to equality and anti-discrimination laws.

Human Rights should be looked at when planning, reporting, policy, day-today decision-making and practice. Many of the important aspects of the rights are as follows;

- the right to life;
- the right not to be tortured or treated in an inhuman or degrading way;
- the right to be free from slavery or forced labour;
- the right to liberty and security;
- the right to a fair trial;
- the right to no punishment without law;
- the right to respect for private and family life, home and correspondence;
- the right to freedom of thought, conscience and religion;
- the right to freedom of expression;
- the right to freedom of assembly and association;
- the right to marry and found a family;
- the right not to be discriminated against in relation to the enjoyment of any rights contained in the European Convention;
- the right to peaceful enjoyment of possessions;
- the right to education; and
- the right to free elections.

5. Hate Crimes and Incidents

A hate incident is any incident which the victim, or anyone else, thinks is based on someone's prejudice towards them because of their race or perceived race; religion or perceived religion; sexual orientation or perceived sexual orientation; disability or perceived disability; or motivated by hostility or prejudice against a person who is transgender or perceived to be transgender. Hate incidents cause alarm, distress or harassment.

Not all hate incidents will amount to criminal offences, but those that do become hate crimes.

The Council's Hate Crime and Incident Procedure outlines how the Council will respond to report of hate crimes or incidents.

6. Our commitment to equality and diversity

This policy is part of our continuing approach to address equality and diversity in Hyndburn. We will continue to mainstream our approach to equality and diversity into our service planning and delivery activities. We recognise and value the diversity of our communities in our work.

Not only do we aim to carry out all of our legislative duties but we also want to go beyond what is required of us. We will also work towards our equality objectives so that we can actively promote equality for all of our residents and address any issues that exist. We recognise our community leadership role and use this to work towards a cohesive community in which inequality is tackled and equality promoted.

Diversity is about recognising and embracing differences. People are not the same and by recognising this, we look at the specific needs of individuals and social groups. This strategy is about treating people fairly and recognising their differences. This works at three levels:

- community relations - how we engage with and understand the needs of our communities;
- service delivery – taking into account differences by providing a choice of services and responding to a range of needs; and
- internally - how we apply our HR policies and our attitudes and differences in the work place.

This policy applies to both our internal and external operations. It covers all aspects of our work and applies to officers, councillors, partner organisations, contractors and anyone we are working with. It states our position as an organisation and our high-level commitment to recognising and promoting equality and diversity.

7. How we will deliver our equality objectives

This section sets out our approach to incorporating equality and diversity as part of our work in order to meet our equality objectives. This builds on our legal requirements and embraces the protected characteristics.

7.1 Customer First Analyses

An equality impact assessment is a way of assessing and consulting on the effect a policy, project or service is likely to have on different groups of people. Within the Council, we call this process Customer First Analysis. Our approach is deliberately simple to carry out and understand. Our focus is on making this a useful part of the decision-making process which does not feel unnecessarily bureaucratic for those involved.

We screen all reports when they go to Cabinet, Council or other decision-making groups as appropriate. This means that we consider the implications of the policy, project or service in relation to our priorities and promises and the impact they will have on our communities. This is a time where the impact of services is looked at including issues such as:

- Do we have adequate information about the impact of our services?
- What consultation have we conducted to ensure they are meeting residents' needs?
- Have there been any complaints or other feedback, that we can learn from?
- How can we ensure our services are not having an adverse impact or resulting in any discrimination?
- How can we develop the policy, project or service so that it will help us to deliver our equality duties?
- Can we learn from good practice in other organisations?

7.2 Responsibility for Equalities

We believe that all elected members and staff have responsibility for delivering fair services to all and we ensure that equality issues are considered in our decision-making and policy development.

We have a Cabinet Member with responsibility for equality within the Health and Communities portfolio and a nominated senior manager who leads this work, currently the Head of Policy and Organisational Development.

7.3 Reporting procedures

The Council has a Hate Crime and Incident Procedure for reporting and responding to hate crimes and incidents. This aims to ensure that all such episodes are reported and are dealt with promptly, appropriately and effectively and to aid the evaluation, review and development of best practice. Our Grievance, Whistleblowing and Complaints procedures allow staff, elected members and customers to raise concerns.

7.4 Employment and training

Equality and diversity is embedded within all of our employee-related matters. Our recruitment and selection procedures aim to ensure that anyone involved in the recruitment and selection of employees to the Council is following good management practice and legal obligations. We ensure there is fair and equal pay through a job evaluation scheme and we regularly report on and examine our workforce profile information.

Monitoring takes place as part of our overall recruitment processes. This involves monitoring information and statistics regarding the profile of applicants entering into the recruitment process. We are committed to developing our employees and providing equal access to training and development opportunities. By developing our people this has a positive impact on our services and performance. We ask for monitoring information in our employee surveys.

Training is a key part of our approach to diversity. This aims to address diversity issues and raise awareness. All of our diversity training incorporates links to our equality objectives and details set out in this policy.

The Worker Protection (Amendment of Equality Act 2010) Act 2023, which came into force in October 2024, requires the Council to take reasonable steps to prevent sexual harassment of our employees, including harassment by third parties such as customers or contractors. Our policies and training reflect these enhanced duties.

As well as with our own staff it is important that we also consider diversity issues in relation to our partners and key contractors. All staff who are involved in procurement and contracting related activity are required to consider diversity issues. Similarly, all partners, contractors and consultants are required to comply in all respects with our policies, contract procedure rules and financial regulations where appropriate.

8. Monitoring our services

Monitoring plays an important role in our equality and diversity work.

Legislation requires us to monitor services in relation to race, gender and disability. This legislation does not set out the specific ways in which we must monitor services but it requires us to ensure that no discrimination exists within the services we provide and that we must ensure equal access to our services. To establish this we need to be able to know more about the customers that are using our services to ensure there are no barriers to access. Sometimes monitoring can seem to be an intrusive process for customers and colleagues so we need to make it clear to them why we are asking personal questions.

We will use impact assessments to establish gaps in information we have about our customers and we will build on existing monitoring systems we have in place and our developing customer insight tools. This will include identifying high-risk areas where additional monitoring is required.

9. Our Equality and Diversity Actions

The following actions will support us to meet our equality duty. Further actions may be identified during the life of this strategy.

a) Continue to carry out and publish Customer First Analyses to support relevant decisions.

b) Produce and publish our annual workforce monitoring report and consider actions to achieve a more representative workforce.

c) Report on our gender pay gap each year and take any action identified as a result of this.

d) Consider equality and diversity-related training needs each year when planning learning and development activities.

e) Continuing to evaluate jobs against an approved scheme to maintain integrity of pay.

f) Promote flexible working opportunities as available to all employees, regardless of gender.

g) Collect monitoring information when appropriate for access to services and responses to consultation processes.

h) Ensure our Hate Crime and Safeguarding Policies are kept up to date and understood by our staff and elected members, and that we engage with partners to address issues and raise awareness.

i) Ensure that staff understand how they can address unacceptable behaviour at work, for example through our Dignity at Work Policy.

j) Review and where possible improve how we support staff who have been the subject of discriminatory conduct from customers and ensure we are doing all we can to minimise the risks of this occurring.

k) Maintain our “White Ribbon” accreditation to signify our commitment to tackling domestic abuse.

l) Ensure that meeting venues and services are accessible and adjustments made to support individual needs.

m) Support Hate Crime Awareness week and other relevant campaigns.

n) Ensure that we meet our responsibilities, alongside working with partners, to support refugees and asylum seekers.

o) Train staff to support customers with diverse needs, especially those who deal directly with customers.

p) Use loop system at meetings and provide sign language interpreters or large print copies of paperwork when requested.

q) Monitor and respond to updated guidance from the Equality and Human Rights Commission on service provision and protected characteristics, particularly regarding single-sex spaces, gender identity, and reasonable adjustments for disabled people.

r) Ensure that major regeneration projects have equality considerations embedded from design through to delivery.

s) Address digital exclusion by ensuring that residents without internet access or digital skills can still access council services and information, recognizing that digital exclusion often intersects with age, disability, and socio-economic disadvantage.

t) Monitor the impacts of the cost-of-living crisis on residents with protected characteristics and work with partners to ensure support reaches those who need it most.

u) Provide material relevant to consultation & engagement in different forms (including holding events, making printed/graphic material web accessible, personal contact by phone, email or visit on request, etc.).