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# CABINET

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**Wednesday, 18th February, 2026**

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

**In Attendance:** Councillors Danny Cassidy, David Heap and Zak Khan

**Apologies:** Councillor Ethan Rawcliffe

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The Leader of the Council, Councillor Munsif Dad, welcomed everyone to the meeting. He noted that this was the first meeting of Cabinet since the passing of Councillor Marlene Haworth and reflected that she would be foremost in the thoughts and prayers of those present today. The Leader mentioned how she had made her mark on both the people and the work of the Council and that she would be sadly missed. She would be remembered by all and would be formally recognised by the Council shortly by the award of a suitable honour. On behalf of the Cabinet, he expressed condolences to Marlene's husband, family and friends and to members of the Conservative Group. He anticipated that many friends and councillor colleagues would wish to attend her funeral in the next week or so. He would speak further about Councillor Haworth's legacy at the next Council meeting.

One minute's silence was then observed as a mark of respect.

Councillor Khan thanked the Leader for his kind words. He too intended to speak further at the Council meeting on 26<sup>th</sup> February 2026. He provided a brief update on the circumstances of Marlene's death. Her death would be registered shortly and both he and Councillor Cassidy were supporting her husband, Jim, throughout this difficult period and would be making the funeral arrangements soon. These were likely to be in the next week or two and should be at time that would enable the attendance of councillors and Council staff, if they so wished. He added that Jim had received lots of cards and love and was greatly appreciative. Councillor Khan also expressed his thanks to the wider Labour Group for their support.

Other members present indicated that they would speak at the next Council meeting.

## **300 Apologies for Absence**

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

## **301 Declarations of Interest and Dispensations**

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

## **302 Minutes of Cabinet**

The minutes of the meeting of the Cabinet held on 21<sup>st</sup> January 2026 were submitted for approval as a correct record.

In respect on Minutes 277 - Local Elections 2026, Councillor Khan noted that the Government had announced that it would no longer postpone local elections in those areas subject to Local Government Review as previously identified. He asked what additional costs there would be to the Council due to this decision. The Leader confirmed that no additional costs would fall to the Council beyond what had already been budgeted for to run elections. The due diligence of staff had ensured that preparation work for the local elections had continued without incurring unnecessary costs, so to the elections could go ahead if necessary. More details would be announced under Agenda Item 8. Councillor Khan expressed the view that £63m would be wasted by the Government following their announcement of new capacity funding across the affected local councils. The Leader responded that this money was not 'wasted' but would help those councils to best deliver Local Government Reorganisation. Hyndburn would receive its share of this funding and an announcement on this was due to be made under a later Agenda item.

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

### **303 Reports of Cabinet Members**

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

Councillor Munsif Dad BEM JP reported on the following:

#### Lancashire County Council - Levelling Up Schemes

Some £50m of Levelling Up Funding had been announced by Lancashire County Council (LCC) last year. The Leader had met recently with LCC officers to discuss projects in Hyndburn. These would be focused on two themes:

- Safer, Greener and Healthier Streets (SGHS); and
- Public Transport Improvements.

The first theme would include projects in two areas, as follows:

- Woodnook;
- Countess Street, Accrington.

The Leader provided further details about the above projects

The second theme would deliver projects in relation to bus services Nos, 9, 464, M1 and X41, including the following:

- Real time passenger information;
- Upgraded traffic signal technology; and
- Accessibility improvements at bus stops.

#### East Lancashire Health Centres Renovation and Reconfiguration

Three health centres in East Lancashire would benefit from major investment projects during 2026. Funding from the Department of Health and Social Care, totalling around £8 million, was being utilised to improve and refurbish Barbara Castle Way Health Centre in

Blackburn, St Peter's Centre in Burnley and Acorn Primary Health Care Centre in Accrington.

The investment supported the ambitions of the Government's 10-year Plan for the NHS, to create health centres that would provide more services to meet the needs of their local communities.

In respect of the Acorn Primary Health Care Centre project, following the emergency closure of Accrington Victoria Hospital, there was an opportunity to improve and increase utilisation of the Acorn site.

The main entrance/atrium area on the upper ground floor would be reconfigured to accommodate a range of hospital services enabling greater integration with the current primary care services.

The funding would go towards the establishment of a 'Health Hub' which would include two new X-Ray rooms, a six-bay Minor Injuries Unit, a triage and plaster room, new reception and waiting areas, additional primary care rooms and more clinical spaces.

The project had already enabled two further GP practices to relocate into the Acorn building bringing the total number of GP practices operating from this site to four.

This phased reconfiguration and transfer was expected to be completed in 20 weeks.

#### Oswaldtwistle Civic Theatre

Ross Lee Construction had been engaged to undertake roofing works at the Civic Theatre, in Oswaldtwistle, with effect from 27<sup>th</sup> February 2026. The work would take approximately 27 weeks and was scheduled to end on 16<sup>th</sup> October 2026.

The Council was continuing to explore the potential for community use of the building, to take effect as soon as possible. It might be possible to use the ground floor while works were ongoing to make the upper floor and roof structurally sound. The Council had already secured significant grant funding from Theatres in Trust for this facility and was committed to supporting the Theatre's long-term use.

Councillor Melissa Fisher added that the Council wanted the venue to have a vibrant future.

#### Religious Observance

Today was significant as it marked the first day of both Ramadan and Lent.

Ramadan was one of the holiest months of the year for Muslims. It comprised a month of prayer, fasting, reflection, spiritual growth, community spirit and commemoration of the Koran.

Lent was a period of 40 days (excluding Sundays) which was symbolic of Jesus fasting in the wilderness. It provided a time for reflection, fasting, prayer, and charity, observed by Christians in preparation for Easter.

Both religious observances were opportunities for communities to work together. Last year, Muslims had celebrated 4 large scale Iftar events (the breaking of the fast) at mosques and at Accrington Stanley Football Club. These types of events were well attended. The Leader expressed his hope of another successful year in bringing communities together.

***Deputy Leader of the Council and Portfolio Holder for Housing and Regeneration***

Councillor Melissa Fisher reported on the following:

Hyndburn Leisure Trust and Huncoat Garden Village

Reports on both the Hyndburn Leisure Trust and Huncoat Garden Village were proposed to be taken to the meeting of Cabinet on 18<sup>th</sup> March 2026.

***Portfolio Holder for Environmental Services***

Councillor Stewart Eaves reported on the following:

Food Waste Collections

Some 35,000 food waste caddies had now been delivered to households across Hyndburn, with only sheltered accommodation, flats and farms yet to receive their vessels. Members were reminded that the collection service would commence on 1<sup>st</sup> April 2026 in line with the Government guidance and legislation.

Hyndburn Borough Council's Parks Team - 'Best of the Best' Award

Members were reminded that Hyndburn Borough Council's Parks Team had been named 'Best of the Best' at the annual Green Flag Awards. A local presentation to the Team had recently been arranged by the Council at the Coach House, in Rhyddings Park, Oswaldtwistle, to congratulate staff on their achievement.

Oak Hill Park Bowling Greens

Erection of the fence around Oak Hill Park Bowling Greens, Accrington, was now underway and this should be completed in time for the start of the bowling season. This would provide a safe and secure environment for the bowling club.

Mercer Park Bowling Greens

Consideration was now being given to fencing, similar to the above, being installed at the bowling green in Mercer Park, Clayton -le-Moors. The Leader commented that fencing was indeed required at this location. Councillor Fisher added that a representative of the bowling club had been calling for this work to be done for years. The sport helped to tackle mental health and social isolation issues in the community. This site had been subject to vandalism on numerous occasions and there had been fires set in the park only this week. The fencing news was welcomed by both the club and Councillor Fisher.

Gatty Park Play Area Refurbishment

The play area at Gatty Park, Church, was due to be fully refurbished. The site was well used and the injection of funding would ensure provision of a quality play area. The Leader noted that there had been some confusion previously about the extent of the improvements planned, which he had challenged at that time. He was pleased to note that a full refurbishment was being proposed.

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

Councillor Kimberley Whitehead reported on the following:

Lydia Becker, Botanist, Astronomer and Suffragist

The Council had secured some Government heritage funding to tell the story of Lydia Becker (1827–1890), who had spent her childhood at Moorside House, in Altham. Ms Becker was a notable scientist and suffragist. The Council had worked with local school children to tell her story and a competition had been arranged. The winning school, Altham St James CE Primary School had won a trip to London and a visit to the Pankhurst Museum, in Manchester. The other participants Huncoat Primary School would also visit the Pankhurst Museum and Mount Pleasant Primary School would be treated to a day out at a special Lydia Becker exhibition in the Dome, Accrington, as well as a visit to the Town Hall.

Workshops would be held at the Dome as part of the Lydia Becker exhibition due to run over a 6 week period from 20<sup>th</sup> February, every Friday and Saturday from 10am-2pm, until 28<sup>th</sup> March 2026. The exhibition would be free to attend.

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

Councillor Scott Brerton reported on the following:

Hyndburn Jobs Fair

The Hyndburn Jobs Fair had been held last week and had been a great success. Footfall had been high, although exact figures were not currently available, but would be provided soon. Councillor Brerton placed on record his thanks to all of the businesses that had attended and to the event organisers, as well as the Council's Economic Development Team. There were lots of positive messages to take from the event, which was also a celebration of locally based businesses. The number of job vacancies on offer and number of growing businesses were good indicators of the health of the local economy.

Councillor Khan made comments and/or asked questions, as summarised below:

- Regarding the LCC Levelling Up SGHS projects, he noted that these were concentrated on only two areas and asked if there were more borough-wide projects planned – *Response*: The Leader responded that the £50m allocated across east Lancashire would include £5m for Hyndburn. The projects had already been identified based on extensive consultations, so could not be reallocated. Further information was available on the LCC website. As a resident of the ward which would benefit most from the funding, the Leader confirmed that he was happy with the selection process and schemes identified. There were some projects which had not appeared in the final list of scheme selection and this matter had been raised with the County Council. It was hoped that a reply would be received in the next few weeks.
- The Hyndburn Jobs Fair was good news, but he would wish to see more detailed statistics about how many job seekers successfully gained employment as a result of event and what other outcomes had been achieved – *Response*: Councillor Brerton confirmed that the statistics would be available, although these would not necessarily track each individual attendee at the event. It was worth noting that not all attendees were unemployed job seekers – many were apprentices or people already in work looking for new opportunities. Overall, Hyndburn was outperforming

the rest of the UK in new business creation and was not in the highest quartile for business closures.

### **304 Biodiversity Duty Report**

The Cabinet considered a report of Councillor Munsif Dad BEM JP, Leader of the Council, on the Council's biodiversity duty.

The Leader provided a brief introduction to the report, highlighting The Environment Act 2021, which had introduced a strengthened 'biodiversity duty' requiring all public authorities in England to consider what they could do to conserve and enhance biodiversity. Local authorities and local planning authorities were required to publish a biodiversity report which set out how they would comply with this duty and the actions they could take. Thereafter, authorities would have to publish an updated report within 5 years of the end date of the previous reporting period.

The Act had also introduced a mandatory requirement for a minimum of 10% 'Biodiversity Net Gain' (BNG) from major developments. The report included details of the authority's approach to the BNG.

Councillor Zak Khan considered that the work done so far was a good news story for the Council. He would be keen to see further publicity about how the Council was continuing to protect its green spaces and what positive impacts had been achieved in the light of the environmental duties now in place. The Leader responded that the updated Local Plan was expected to be adopted during the summer. It might be appropriate to ask the Head of Planning and Transportation for further details about Biodiversity at that time. Councillor Kimberley Whitehead commented that the proposed Budget for 2026/27 included funding for on-going improvements at the Brookside (Bury Meadows) Restoration Project and the Bullough Park Project. The Council was striving to secure investment for the future.

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

#### *Reasons for Decision*

The Council had a statutory duty to conserve and enhance biodiversity (habitats and species) as set by the Environment Act 2021 and the amended Natural Environment and Rural Communities Act 2006 (NERC Act). This was known as 'the biodiversity duty'.

A key effect of the Environment Act was to amend s.40 of the NERC Act from a duty to 'conserve' to a requirement to both 'conserve' and 'enhance', with the aim to provide for the enhancement or improvement of biodiversity, not just its maintenance in its current state.

To comply with the Biodiversity Duty the Council as a public authority, had to

- Consider what it could do to conserve and enhance biodiversity;
- Agree policies and specific objectives based on its consideration;
- Act to deliver its policies and achieve its objectives; and
- Report on its biodiversity duty actions.

Government guidance provided advice on complying with the duty and reporting on this compliance. The end date of the first reporting period was stated as 'no later than 1<sup>st</sup> January 2026'.

The Council had to publish a Biodiversity Duty Report within 12 weeks of the period's end to inform progress on actions taken. Therefore, for a reporting period ending 1<sup>st</sup> January 2026, the publication deadline was 26<sup>th</sup> March 2026.

The end date of subsequent reporting periods should be no later than 5 years after the end of the previous reporting period i.e. the next reporting window will close no later than 1<sup>st</sup> January 2031.

By law, the report had to include:

- a summary of the action the Council had taken to comply with the biodiversity duty;
- how the Council planned to comply with the biodiversity duty in the next reporting period; and
- any other information the Council considered appropriate.

Reports from local planning authorities also had to include the following biodiversity net gain (BNG) information:

- the actions the Council had taken to meet BNG obligations;
- details of BNG resulting, or expected to result, from biodiversity gain plans the Council had approved; and
- how the Council planned to meet BNG obligations in the next reporting period.

The Biodiversity Duty Report, which was included in the report as Appendix 1, had followed advice provided by Defra to define its structure and content.

The Biodiversity Duty Report summarised the actions the Council had taken to comply with the biodiversity duty and demonstrated that the Council had existing policy, strategy and practices that met this duty.

Examples included:

- The Council's Corporate Strategy had prioritised making the Council's activities and operations Net Zero by 2030 and promoted making the most of the natural environment through enhancement of habitats, positive land management and partnership working.
- The Council's Development Plan, comprising the Hyndburn Core Strategy (2012), Development Management DPD (2018), Accrington Area Action Plan and emerging Local Plan 2040, contained policies that sought to conserve and enhance biodiversity.
- Undertaking of woodland planting initiatives on Council owned and privately owned land in the Borough.
- Positive management of existing nature reserves and woodlands (e.g. Brookside (Bury Meadows) and Bullough Park).
- Implementation of differential mowing regimes in the Council's parks, with areas left to rewild and work scheduled to remove dead, dying, diseased or otherwise dangerous trees and their replacement on Council owned land.

Separate to the Biodiversity Duty, The Environment Act had introduced a mandatory requirement for a minimum of 10% 'Biodiversity Net Gain' (BNG) from major development sites from 12<sup>th</sup> February 2024 and for small sites from 2<sup>nd</sup> April 2024 (amended from November 2023). This required new developments to leave the natural environment in a better state than beforehand. Developers had to deliver a minimum 10% increase in

biodiversity value compared to the pre-development habitat, aiming to enhance ecological connectivity and create habitats.

BNG was measured using Defra's biodiversity metric and was managed and secured through the planning process. Officers had worked and would continue to work constructively with developers to ensure that developments avoided the most harmful impacts, ensure that unavoidable harm was adequately mitigated, and that on-site biodiversity was integrated and enhanced as part of good design principles.

Aligned with the Biodiversity Duty and Biodiversity Net Gain requirements, the Council had completed Biodiversity Baseline Assessments for all sites allocated for development within the emerging Local Plan 2040 which would cover the period 2021 to 2040. The Local Plan allocated land for housing and employment development in the Borough to meet identified needs. In summary, the assessments identified that:

- Based on the loss of all existing habitats on each site, development of the six employment sites would result in a loss of 442.21 habitat units and 13.04 hedgerow units.
- Based on the loss of all existing habitats on each site, development of the five gypsy and traveller sites would result in a loss of 11.51 habitat units and 0.35 hedgerow units.
- Development of the nineteen housing sites would result in the loss of 782.81 habitat units and 19.82 hedgerow units.

This indicative habitat baseline provided an opportunity for the Council to predict the 'worst case' scenario loss of biodiversity due to development up to 2040. The Council was then able to estimate the amount of 'habitat gain sites' that might be required within the Borough to offset the estimated biodiversity net loss.

A habitat gain site (or Biodiversity Gain Site) was a designated area of land, registered with Natural England, specifically developed or enhanced to create a measurable increase in biodiversity value. These sites, often secured for at least 30 years via legal agreements (e.g. s106 or conservation covenants), provided "biodiversity units" to compensate for habitat loss elsewhere.

In the event that developments (or developers) were unable to achieve the required 10% Biodiversity Gain Site on-site (or off-site on their own land), landowners, including the Council, could register their land as 'habitat gain sites' where the resultant biodiversity units could be sold to developers or other entities needing to compensate for habitat loss on their development sites.

The Council had considered its own land assets, with a view to creating local habitat gain sites. The Council had assessed 29 Council-owned sites, and completed 29 Habitat Management and Monitoring Plans, one for each site.

In summary, the total number of baseline habitat units was 2,256.54 and 5.68 hedgerow units. Habitat creation and enhancement over a 30-year period could result in an increase of 718.62 habitat units and 9.32 hedgerow units.

Further work was ongoing to investigate the potential to register Council-owned habitat gain sites, although the mechanism to register sites was complex and the demand for biodiversity units had first to be established.

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

**Resolved**

- (1) That Cabinet approves the Biodiversity Duty Report for publication in accordance with the requirements of the Environment Act 2021.**
- (2) That Cabinet delegates authority to the Head of Planning and Transportation to make minor amendments to the Council's Biodiversity Duty Report in consultation with the Portfolio Holder.**

### **305 Market Trader Rent/Licence Fee Concessions**

Members considered a report of Councillor Clare Pritchard, Portfolio Holder for Transformation and Town Centres, seeking approval to continuing the support for market traders decanted into the temporary cabins on the market square through licence fee concessions and continuing the support provided to the Official Accrington Stanley Supporters Trust (OASST).

Councillor Clare Pritchard provided a brief introduction to this report, highlighting that, while construction was still underway at the Market Hall and in the light of competition from on-line shopping, the Council would continue to provide financial support to the decanted market traders and OASST. Councillors Kimberley Whitehead, Scott Brerton, Melissa Fisher and Zak Khan all spoke in favour of this course of action.

Councillor Khan queried whether the revenue costs of delays to the Market Hall project were sufficiently transparent. The Leader considered that the Council had been very open about this matter, even in the face of some criticism. The Market Hall should be completed by the end of the year and the Council wanted the traders to be on a sound financial footing should they chose to return indoors. Councillor Pritchard commented that the traders were fully on board with the project. The financial issue for the Council was not about additional costs, but rather about the loss of rental/licence fee income. Councillor Whitehead added that these costs had been set out in reports published both last year and in the current year. Councillor Pritchard summarised by noting that although there was a perception of delays to the completion of the project, the end date had never been fixed, as there had always been an understanding that this was on old building and that complex issues (such as asbestos) could arise during the refurbishment works. Ultimately, the Council wanted to provide a quality facility, not a cheap fix. Traders and Council staff had been patient and supportive throughout the project and references to 'delays' were not helpful.

Approval of the report was not deemed a key decision.

#### *Reasons for Decision*

The Council had agreed to support those market traders temporarily relocated on the town square whilst the Market Hall redevelopment works were undertaken. A report presented in March 2025, had seen Cabinet give approval to provide rent and licence fees concessions for 12 months from 1<sup>st</sup> April 2025 or until the temporary cabins were removed whichever came first.

This 12-month agreement was coming to an end and the report proposed the Council maintained its zero-rent lease/fee charge for the temporary cabins with all other charges remaining as per the current concession levels. If approved by Cabinet, this would maintain the following charges until the cabins were removed from the town square for the Market Hall reopening:

- £0.00 (zero charge) per calendar month for market cabin rent/licence fee
- £9.00 per sqft per calendar month for service charges.
- £25 per calendar month for trader storage units located under the rear pavilion at the Market Hall (no services provided to these storage units).
- £120.00 per calendar month as a combined rent and service charge for the trader who had a dedicated cold room and prep room.

Continuing with these concessions would result in loss of income to the Council of circa £2,930 per month and assumed traders continued to pay the service charge and where applicable, storage unit rent, cold/prep room rent.

If approved, the extension would be given on the same terms as the 2024/25 concession through new leases, and traders would be required to continue to pay all service charges and, where applicable, storage unit rents and any other payments via direct debit.

The Council had also agreed to assist the OASST by meeting the cost of the monthly rent for their unit in the Arndale Centre, which was currently £275.41 (£3,301.68 in total for the financial year 2024/25). The approval for this arrangement was also coming to an end and the report proposed that the Council should agree to continue meeting the cost of OASST's rental payments. If approved this financial support would be in line with the other market traders in the temporary cabins on the town square and the support would continue until the cabins were removed from the town square for the Market Hall reopening. OASST had confirmed its lease with the Arndale was on a 'rolling' 3-month agreement.

#### State Aid/Subsidy Control

The Subsidy Control Act 2022 would apply, although the individual subsidies were likely to be exempt subsidies on the basis that they represented minimal financial assistance ("MFA") for the purpose of the Subsidy Control Act 2022. MFA subsidy could be given without the need to assess whether the subsidy complied with the subsidy control principles provided the amount of subsidy in the current financial year and the two preceding financial years did not exceed £315k per recipient. In this regard, the Council would be required to serve a pre-award notice on each of the traders before the leases/licences were completed to confirm the amount of the subsidy and seeking confirmation from the traders that the MFA threshold would not be exceeded. The leases/licences / rental subsidy could only be granted once the traders / OASST had responded and the Council would be required to serve a post award confirmation notice after completion to confirm the amount of subsidy provided by the Council, the date it had been given and that it was minimal financial assistance for the purpose of the Subsidy Control Act 2022.

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

The Council could let the current rent/licence fee concessions expire and revert to the previous levels. This was not recommended because the Market Hall was anticipated to reopen for the Christmas light switch-on event in 2026 and whilst there was no guarantee all traders would wish to return, these traders could remain until the cabins were removed from the town square and decanted back into the Market Hall.

#### **Resolved**

- (1) That Cabinet approves the extension of the current 100% reduction of the rent and licence fees payable by market traders in the temporary market cabins on the town square until the cabins are removed from**

**the town square for the Market Hall reopening, as detailed in Paragraph 3.2 of the report.**

- (2) That Cabinet approves the extension to the current storage unit rents and service charges for the temporary storage units until the cabins are removed from the town square for the Market Hall reopening, as detailed in Paragraph 3.2 of the report.**
- (3) That Cabinet notes that the proposed rent and service charge concessions will reduce income levels for the market budget in the next financial year by circa £2,930 per month and it was unlikely any efficiency or other cost savings within the market service budget would offset this.**
- (4) That Cabinet approves the extension of financial support to the Official Accrington Stanley Supporters Trust, (OASST) as detailed in Paragraph 3.4 of the report, in respect of their temporary unit within the Arndal Centre, to continue until the Market Hall reopening.**

## **306 Code of Corporate Governance**

Members considered a report of Councillor Vanessa Alexander, Portfolio Holder for Resources and Council Operations, seeking approval for a new code of corporate governance.

Councillor Alexander introduced this report, outlining that it would be good practice to adopt the code and that the principles it sought to embed would assist in the build up to Local Government Reorganisation and at the commencement of the new unitary authority.

Approval of the report was not deemed a key decision.

### *Reasons for Decision*

The Chartered Institute of Public Finance Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) had recommended that all local authorities should document their governance arrangements to demonstrate compliance with the “seven core principles of good governance”, which CIPFA and SOLACE had jointly developed. Hyndburn’s neighbouring authorities already had such codes in place and it had been suggested that the codes might be useful starting points or points of reference for the work to develop governance arrangements both for the Local Government Reorganisation process and for the emerging successor authorities.

The seven core principles were as follows:

- i. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- ii. Ensuring openness and comprehensive stakeholder engagement.
- iii. Defining outcomes in terms of sustainable economic, social, and environmental benefits.

- iv. Determining the interventions necessary to optimise the achievement of the intended outcomes.
- v. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- vi. Managing risks and performance through robust internal control and strong public financial management.
- vii. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

The Council was committed to having an effective governance framework and, using the CIPFA / SOLACE principles, had developed a Code of Corporate Governance which identified the arrangements the Council had in place to support good governance. The code also identified activity planned for the next 12 months to further strengthen the Council's governance arrangements.

The Council's governance framework would be reviewed annually to ensure its ongoing effectiveness.

*Alternative Options considered and Reasons for Rejection*

The Council could decide not to adopt a code of corporate governance. This was not recommended as it would be contrary to CIPFA guidance and recognised good practice.

**Resolved** - **That Cabinet approves the draft Code of Corporate Governance appended to the report**

**307 Medium Term Financial Strategy 2026/2027 - 2028-2029**

Members considered a report of Councillor Vanessa Alexander, Portfolio Holder for Resources and Council Operations, informing the Cabinet of the 3-year projections of income and expenditure for the Council ahead of formulating its 2026/2027 to 2028/2029 Revenue and Capital Budgets.

Councillor Alexander introduced this report, highlighting some of the key financial information included in the Medium Term Financial Strategy (MTFS), the 3 year duration of the projections, the purpose of the document, the Government's three-year financial settlement and future challenges. The Council anticipated a loss of grant of almost £6.35m over the MTFS period. This would be partially offset by significant pensions savings and other identified budget savings, but would still give rise to a total funding gap of £5.062m by 2028/29. This gap would need to be met by reserves. Overall, the Council would have sufficient reserves to sustain itself until Local Government Reorganisation and the use of reserves in this way had been approved by the Ministry of Housing Communities and Local Government (MHCLG).

Through good financial management the Council could still meet its commitments, including its Capital Programme and staffing costs. The Council would be cautious about future expenditure unless any surpluses were identified or additional grant funding received.

The Leader indicated that the Government had announced that the local elections in 2026 would not now be postponed. To assist those councils affected the Government would make £63m grant funding available nationally. Hyndburn would receive a share of that allocation. As the Council's budget had already included provision for an election, the grant would free up this resource. Accordingly, the Council was now in a position to freeze the

Council Tax, at a cost of £185k compared to a 2.99% increase. Further details would be included in the final Budget papers due to be submitted to the Council on 26<sup>th</sup> February 2026.

Councillor Khan made comments and asked a number of questions as shown below, to which responses were provided, as follows:

- Could the Cabinet confirm that around 5% of the Council's baseline funding had been lost over a 3 year period, amounting to some £6.35m? - *Response:* This was correct.
- Would this Council receive a share of the £63m grant announce by the Government? - *Response:* The Council would receive an allocation from that grant.
- Would the above grant offset the whole of the financial settlement reduction, given that there were 315 councils in England, or would the use of reserves still be required? - *Response:* The grant was only for the 30 councils affected by the reinstatement of the elections. However, the use of this Council reserves would still be necessary.
- Hyndburn was the 16<sup>th</sup> most deprived local authority area in the country, but was doing well in growing businesses. However, it was being penalised by the Government. For 2026/27, what was the loss in the financial settlement that needed to be filled? - *Response:* There was no funding gap for the forthcoming year. The Leader and MP had worked hard to challenge the initial settlement proposals and had been successful in improving the Council's position. The Government was focusing on supporting top tier authorities during years 2 and 3 of the settlement period. However, Hyndburn had received £1.5m Pride in Place additional capital funding, freeing up revenue that would otherwise have been allocated to those schemes. The future Revenue Budget funding gaps for Hyndburn were as follows: 2026/27 £0m, 2027/28 £2.2m, 2028/29 £2.8m.
- The Portfolio Holder had given a commitment not to borrow to fund capital projects. Was there a list of assets for disposal available? Would the Council be willing to borrow if suitable opportunities cropped up? - *Response:* The assets list was still being worked on. There was no intention to borrow more money, but the Council would keep a close eye on any opportunities emerging.
- Was the forecast underspend in 2025/26 around £6k? - *Response:* That was correct.
- Reduced employer's contributions to the Pension Fund had provided a large saving in future years. Officers had previously made some sound financial decisions in relation to this liability and should be congratulated. This approach had been implemented under an earlier Conservative administration. - *Response:* Various successive administrations had also supported this approach.
- Where would the funding come from to offset losses from the freeze in Council Tax? - *Response:* This would come from the £63m grant distributed across all affected local authorities. For budgetary purposes the amount of this grant received would be aggregated, rather than aligned to specific budget headings.

Approval of the report was not deemed a key decision.

#### *Reasons for Decision*

The Council required an update on its medium-term financial outlook ahead of setting the Budget for 2026/27 and determining the level of Council Tax for the new financial year.

In summary, during 2025/26, the Council's work and finances had largely been focused on delivering major capital projects, including the Levelling Up/Town Centre regeneration, the new Cath Thom Leisure Centre at Wilson Playing Fields, and progress on the Huncoat Garden Village project, which would provide 1,800 new homes. These efforts had been delivered alongside the Council's day-to-day services and other key strategic priorities.

It was expected that these key events and their impact on the Council's finances, would continue over the next few financial years, with the potential for the effects to continue beyond the MTFS period.

The Council would operate a roll forward Budget for 2026/27 based on the 2025/26 Budget with adjustments for changes to salary and wages, energy and other cost pressures. This would provide Service Managers with a degree of stability for 2026/27. Overall expenditure would need to be contained at around £17.608m in 2026/27 to set a balanced budget.

The Council, if necessary, might have to use some of its reserves to help balance the Budget. This was likely given the reductions made to Government funding across Business Rates and grants as part of the Fair Funding Review. Additionally, it might be necessary to use reserves if it was believed that, in the current economic climate, it would be inappropriate to raise Council Tax.

The Council would face significant financial challenges over the next three years as it sought to overcome the consequences of both national and global issues. It would also face the challenges of Government funding reforms and increased pressures on spending over this period.

The 2026/27 local government finance settlement (LGFS) introduced the major reforms consulted on as part of the Fair Funding Review, including a multi-year funding approach (the first in 10 years) and changes to grant funding and business rates. While national Core Spending Power (CSP) was projected to grow steadily, Hyndburn Council itself faced real-terms reductions due to formula changes and limited tax-raising capacity.

The Government had issued its Fair Funding Review 2.0 consultation paper in June 2025, which proposed fundamental changes to local government finance. The proposals included:

- A revised funding formula with a stronger link to deprivation levels and population size.
- A full reset of the baseline for retained business rates in 2026/27.
- Ending the New Homes Bonus and reallocating the funding to the core settlement.
- Simplifying and merging multiple grant streams, including those for homelessness prevention, rough sleeping, and temporary accommodation.
- Introducing transitional funding, including a minimum funding floor, to protect councils from the full impact of the changes.

Although most councils would receive cash-flat protection against their 2025/26 baseline, Hyndburn had been identified early in the consultation as being among the authorities furthest from their assessed funding level. As a result, the Council would lose 5% of its 2025/26 baseline funding by 2028/29.

Despite an anticipated loss of almost £6.35m over the MTFS period, the multi-year settlement offered a level of certainty that enabled the Council to prepare for future

challenges. The Council had addressed the £6.35m reduction through, savings and use of resources.

It was recognised that the 2027 spending round (and those in future years) might bring about alterations, however these were likely to be minor in terms of quantum and would likely only be upwards with the announced 3-year settlement, representing a minimum level of funding. The certainty that the 3-year settlement had provided around Government funding had resulted in a relatively stable outlook across all scenarios, pessimistic, standard and optimistic. Any variances would occur due to diverging assumptions over service income and expenditure with the most severe of the scenarios assuming no or low growth in income but an above inflationary rise in expenditure. The pessimistic model assumed a modest increase in Council Tax below the Local Plan and Government targets. The standard model assumed growth in the Council Tax base in line with the Local Plan.

A third scenario, the optimistic model, was also presented which showed the Council's potential position if it was able to boost its own tax revenue due to a buoyant tax base, and expenditure inflation being low. This optimistic model was considered to have a much lower probability of occurring compared to the other two models but was provided to illustrate the wide range of potential outcomes.

In the circumstances, it was prudent for the Council to look to increase its reserves and revenue streams such as Council Tax and Business Rates whenever it could and to avoid committing to any new revenue expenditure while continuing to concentrate on its work to reduce internal costs.

The main MTFS document, provided as an Appendix to the report, included the following detailed sections:

- Hyndburn in a Snapshot;
- Corporate Strategy;
- Summary;
- Elements of the MTFS;
- Background;
- Resources (including Government Grant, Council Tax, Business Rates);
- Changes in Costs;
- Budget Pressures;
- Capital Costs;
- Growth;
- Reserves;
- Other Assumptions;
- Equality Impact Assessment;
- Scenarios (including Breakdown of Pessimistic, Standard and Optimistic Models and a Suggested Course of Action);
- Robustness of the Forecast;
- Overall Net Position;
- Statutory Obligations of the Responsible Financial Officer (s151 Officer);
- Meeting Future Funding Gaps; and
- Appendices showing details of the Pessimistic, Standard and Optimistic Models.

*There were no alternative options for consideration or reasons*

**Resolved**

- **The Cabinet approves the report and the accompanying Medium Term Financial Strategy (MTFS).**

**308 Prudential Indicators, Capital, Treasury Management and Investment Strategies  
2026/27 - 2028/29**

Members considered a report of Councillor Vanessa Alexander, Portfolio Holder for Resources and Council Operations, setting out the proposals for the Council's policy and objectives with respect to treasury management, and explaining how it would achieve its objectives and manage its activities; and agreement to an investment strategy for 2026/27.

Councillor Alexander provided a brief introduction to this report, outlining the four key documents provided.

Councillor Khan noted that there might be a veto to borrowing more money in the build up to transferring to a new unitary authority. He asked if there would be any opportunity to borrow more money. The Leader referred to earlier responses on the question of borrowing. The Council would set a balanced Budget and would only borrow if there was a significant project that needed to be undertaken. The £1.5m Pride in Place funding and other grants had helped to remove the need for additional borrowing. Councillor Alexander reiterated that the situation would be kept under review and that consideration would be given to anything suitable that arose.

Approval of the report was not deemed a key decision.

*Reasons for Decision*

The proposed Treasury Management Strategy and associated appendices, comprising the following documents, were attached to the report:

- Minimum Revenue Provision Policy Statement 2026/27;
- Treasury Management Policy Statement 2026/27; and
- Treasury Management Practices 2026/27.

Treasury management was defined as:

*"The management of the Council's investment and cash flows, its banking, money market and capital market transactions;*

*The effective control of the risks associated with these activities; and*

*The pursuit of optimum performance consistent with those risks."*

The Council was required to operate a balanced budget which meant that cash raised during the year would meet cash expenditure. Part of treasury management was to ensure the cash flow was properly planned with cash available when needed. Surplus monies were invested in line with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of treasury management was funding the Council's capital plans. The plans gave a guide to the future borrowing need of the Council. The management of this longer-term cash flow might involve arranging long or short-term loans or using longer term cash flow surpluses. Occasionally, outstanding debt might be restructured to reduce Council risk or meet cost objectives.

The report had been prepared in line with the Treasury Management Code and Guidance (2021) written by The Chartered Institute of Public Finance & Accountancy (CIPFA). In the case of local authorities in England and Wales, the Code was significant under the provisions of the Local Government Act 2003. This required local authorities 'to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify'. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 in Paragraph 24 required local authorities to have regard to this guidance. Acceptance of the report fulfilled those obligations.

CIPFA had published revised codes on 20<sup>th</sup> December 2021 and the Council now adopted the liability benchmark treasury indicator to support the risk management of the capital financing requirement.

Appendix 1 of the covering report comprised the Treasury Management Strategy 2026/27-2028/29 document, which included the following detailed sections:

- Background;
- Prudential Code and Prudential Indicators;
- Capital Expenditure and Capital Financing Requirement;
- International Financial Reporting Standard (IFRS) 16 - Leasing;
- Minimum Revenue Provision;
- Affordability Prudential Indicators;
- Treasury Management Strategy 2026/27 – 2028/29;
- Current Treasury Position;
- Expected Movement in Interest Rates;
- External Debt Overall Limits;
- External v Internal Borrowing;
- Liability Benchmark;
- Limits on Activity;
- Debt Rescheduling;
- Investment Strategy;
- Environmental Social and Governance (ESG);
- Treasury Management Practices (TMP);
- Policy on the use of External Service Providers; and
- Treasury Management Strategy In-Year and Year End Reporting.

Appendix 2 of the report comprised the Council's Treasury Management Policy Statement 2026/27.

Appendix 3 set out the detail of the authority's Treasury Management Practices 2026/27, comprising the 12 identified TMP areas, as follows:

- |      |  |
|------|--|
| TMP1 | Risk Management;   |
| TMP2 | Performance Management;  |
| TMP3 | Decision-Making and Analysis;  |
| TMP4 | Approved Instruments, Methods and Techniques;                                    |
| TMP5 | Organisation, Clarity, Segregation of Responsibilities and Dealing Arrangements; |
| TMP6 | Reporting Requirements and Management;   |
| TMP7 | Budgeting, Accounting and Audit Arrangements;                                    |
| TMP8 | Cash and Cash Flow Management;   |
| TMP9 | Money Laundering;  |

- TMP10 Training and Qualifications;
- TMP11 Use of External Service Providers;
- TMP12 Corporate Governance.

Appendix 4 provided the Capital Strategy 2026/27, which included information on the following:

- Overview and Scope;
- Capital Expenditure;
- Capital v Treasury Management;
- Service and Commercial Investments;
- Council Objectives;
- Capital Budget Setting Process;
- Monitoring of the Capital Programme Expenditure;
- Multi-Year Schemes;
- Funding Strategy and Capital Policies;
- Procurement and Value for Money;
- Partnerships and Relationships with Other Organisations;
- Management Framework;
- Performance Management;
- Risk Management; and
- Other Considerations

*There were no alternative options for consideration or reasons*

**Resolved**

- **That Cabinet agrees to recommend Council to:**

- (1) **Adopt the prudential indicators and limits detailed in the report.**
- (2) **Approve the Treasury Management Strategy, and associated indicators, as set out in Appendix 1 to the report.**
- (3) **Approve the Investment Strategy as set out in Section 13 of Appendix 1 to the report.**
- (4) **Approve the Minimum Revenue Provision Policy for the year 2026/27, as set out in Section 5 of Appendix 1 to the report.**
- (5) **Approve the Treasury Management Policy Statement for 2026/27, as set out at Appendix 2 of the report.**
- (6) **Approve the Treasury Management Practices Statement 2026/27 as set out at Appendix 3 of the report.**
- (7) **Approve the Capital Strategy 2026/27 as set out at Appendix 4 of the report.**

### 309 General Fund Revenue Budget 2026/27

Members considered a report of Councillor Vanessa Alexander, Portfolio Holder for Resources and Council Operations, introducing the proposals contained within the Revenue Budget Report 2026-2027, which was provided as Appendix A. The covering report also provided an overview of key issues arising from the Medium-Term Financial Strategy.

The decision to set the Budget was a core decision of the Council. The role of the Cabinet was to recommend a proposed Budget to Council.

Councillor Alexander introduced this report, highlighting key figures from the report. She reiterated that the Council would set a balanced Budget for 2026/27 without the use of reserves or cuts to services or staff. She reminded all that there had been some loss of Government funding for the forthcoming year. The Council's net expenditure for 2026/27 would be around £17.608m. She also outlined the sources of funding and amounts proposed, including savings targets. The Portfolio Holder also confirmed the proposal announced earlier in the meeting, not to increase Hyndburn's element of the Council Tax, which would now remain at £276.46 for a Band D property. She added that the Budget report would be revised as necessary in advance of the Council meeting on 26<sup>th</sup> February 2026. This would also include the final Council Tax figures from the various precepting authorities.

Headline proposals included:

- Free car parking;
- A freeze on the green waste collection charge;
- Support available from the Cabinet Action Fund; and
- A freeze in Hyndburn's element of the Council Tax.

Councillor Khan noted that £300k had been allocated for the operation of the Market Hall following the departure of the original contractor. Councillor Pritchard clarified that the original contractor and Council had parted company by mutual agreement and the £300k was the estimate of the running costs of an in-house offer.

Councillor Khan also asked about the total amount being transferred to reserves in 2026/27.

Approval of the report was not deemed a key decision.

#### *Reasons for Decision*

The report set out the Council's Revenue Budget for 2026/27. This would require net expenditure of £17,607,700.

Initially it had been proposed that Council Tax for Hyndburn residents would incur a rise in charge for Hyndburn Council provided services and the charge for a Band D property would increase from £276.46 in 2025/2026 to £284.73. However, this proposal had been revised in the light of the Government's announcement on grant funding due to the reinstatement of the local elections in May 2026. Accordingly, the current proposal was for a Council Tax freeze.

A number of national and global issues had undoubtedly had an impact on the Council's budgets and this along with the impact of higher inflation and forecast pay settlements had

contributed to the Council initially seeking to raise its element of the Council Tax by the maximum 2.99%, an increase of £8.27 annually on a Band D property. However, this was no longer being proposed.

Lancashire County Council, the Police & Crime Commissioner and the Lancashire Combined Fire Authority had not yet formally taken their decisions on Council Tax Levels for 2026/27. The County Council had proposed a Council Tax increase of 3.8%, as opposed to the maximum of 4.99% that would be possible without referendum. The Police and Crime Commissioner had proposed an increase to the Band D Property charge of £15.00 (5.41%) and that the Lancashire Combined Fire Authority had proposed a £5.00 (5.57%) increase.

Altham Parish Council had set a separate precept for its activities. This year the Parish Council had decided not to increase the Band D charge. Accordingly, the charge for Altham Parish Council would remain at £44.33 for 2026/27. The Parish Council would precept the Collection Fund for £14,141 for 2026/27. Details of the proposed position on other Bandings for properties in Altham were shown in Appendix 6 of the report.

In setting the Budget for 2026/27, the Council faced continued volatility around some of the most significant items within its Budget. Major reforms of local government finance had transferred the risk of business rate revenues and Council Tax benefits to the Council. The certainty on which the Council could budget and manage its finances had therefore decreased since 2013 and it would be important going forward to plot any deviations away from the expected figures and take appropriate action if these should start to emerge. This might result in the need to reduce spending during the year, if revenue monitoring started to indicate the amounts of funds received would fall short of the target or if the authority faced an upsurge in spending.

The Cabinet intended to continue the good financial stewardship of the Council's affairs by continuing its successful policies to manage costs effectively and promote appropriate service investment. This Budget would therefore deliver:

- A continuation of the Council's established approach of limiting enhancements on early retirement, continuing its rigorous approach to absence management and committing to minimising borrowing costs. These actions had already stemmed the build-up of unproductive costs within the organisation. In each of these cases the authority had put a stop to the costly and financially damaging policies of the past and created a healthier and more financially stable culture within the Council.
- The Capital Programme for 2026/27 would continue to deliver key investment in council and public facilities adding another £7.86m to the £56.51m that the Council currently had approved.
- A large proportion of the capital programme would be phased over the next few financial years, and this included the continued delivery of £29m investment in the Huncoat Garden Village Project, with all the funding coming from Homes England, and finalising the Levelling Up works in Accrington Town Centre along with other complementing Town centre regeneration.
- The additions to the programme in 2026/2027 of £7.86m included:
  - a) £689,000 of investment into Parks and Play areas of which the Council expected to be able to utilise £630,000 of external grant funding to contribute to the improvements.

- b) £1,359,906 to provide Disabled Facility Grants this year which was fully funded from the Better Care Fund.
  - c) £2,161,135 to maintain and invest in its operational assets and vehicle fleet.
  - d) £165,000 to improve and develop new ICT and technical equipment to deliver services in a more efficient way.
  - e) £435,000 on Community projects that involved War Memorial restoration, Christmas decoration replacement and Maden Street Clock Towner lighting.
  - f) £2,600,000 towards the future development of the Market Chambers building linked to a bid for additional grant from the Heritage Lottery Fund to re-imagine the interior and exterior of the building into a Heritage and Arts venue.
  - g) £450,000 for the continuing repurposing of Mercer Hall Leisure Centre and the contribution towards Accrington Stanley Community Trust's capital investment in sports initiatives.
- The Capital Programme for 2026/2027 was partly funded from the Government's grants to deliver a Pride in Place Impact Fund. Hyndburn would receive £1.5m to be committed to projects that would deliver visible improvements to community spaces; public spaces and high street and town centre revitalisation. Despite costs of around £90,000 to provide car parking in Hyndburn for residents and visitors and particularly for shoppers, the authority would continue to provide this facility free of charge and not introduce charges for parking in Hyndburn. The Council believed this action would help bolster its town centres through these difficult economic times and provide an incentive for people to shop locally rather than drive and pay to shop elsewhere across the North-West. The Council had once again prioritised affordability for residents and cleanliness across the borough by freezing green waste charges at £35 per annum and offering bulky household waste collections free of charge. This service currently cost the Council approximately £169,000 each year.
  - Further reductions in the Council's accommodation costs, building on the success over the last 15 years including further rationalising the authority's accommodation and looking at more ways of using its accommodation more effectively. The Council would also continue its actions to reduce its carbon emissions and energy costs and continue contributing to the improvements of its own environmental footprint by positive action.

The Council intended to continue to deliver all the above and remained committed to a radical agenda of improvement while managing within its available resources. This would be more difficult in the years to come, given the authority's reduced resources from the Government. However, there remained a firm commitment and absolute determination amongst Members and Officers of the Council to control the finances of the Council, drive forward on the efficiency agenda and continue to improve service delivery. The Council wished to continue to push forward on the drive for delivering value for money as a key priority.

The rewards of strong financial control remained clearly evident. The Council had built itself back up from experiencing major difficulties in controlling expenditure and a position of negative reserves in 2003/04 to a situation by March 2026, in which general reserve balances were expected to be just under £1.9m. The Council had been able to operate within its existing financial resources over the last four years, through good financial management and would continue to deliver strong financial performance in the years to come.

Within the Budget for 2026/27 there were a number of areas which were subject to the Council's best estimation. There were, therefore, a number of risks around the Budget, should these estimated costs or revenue amounts vary during the year.

After the introduction of the Government reforms to Business Rates Funding of Local Government, the Council now carried a significant risk around the level of monies available, fluctuating substantially from this source. In addition, as the calculation of how much funds would be available was dependent on a number of factors including debt collection rates, the size of appeals against business rates assessment and the success of those appeals, new rules around levies, safety nets and pooling, the introduction of new multipliers on rates for retail, hospitality and leisure premises, as well as predicted levels of growth or decline in business activities and the estimation of a number of figures which would only truly emerge after the end of the financial year, the imprecision in these estimates was regarded as high and could be subject to variations of hundreds of thousands of pounds. The volatility around these forecasts had increased due to the impact that recent national and global issues had had on the Business Community.

The detailed Revenue Budget Report 2026-2027, as set out at Appendix A of the report, included the following information:

- Background;
- Medium Term Financial Strategy;
- Continuation Budget;
- Growth and Inflation Pressures;
- Available Resources;
- Resources Summary;
- Budget Proposal;
- Budget Saving Proposals;
- Reserves;
- Risks and Management;
- Consultation;
- Conclusion; and
- Appendices Nos. 1 – 6 (comprising the detailed Budget figures for the Council and the proposed or estimated levels of Council Tax by property band for both Hyndburn Borough Council and all precepting authorities)

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

There had been a wide number of individual proposals put forward to produce a Balanced Budget. Options had been rejected on a variety of grounds including policy objectives, practicalities and the potential for additional costs to be incurred. Further options might be presented at the Council meeting.

NOTE: An alteration was proposed and agreed to the wording of the recommendation at Paragraph 2.1 of the report to take account of the proposed freeze in Council Tax. This is incorporated within Resolution (1) below.

#### **Resolved**

**(1) That Cabinet recommends the proposal that the Council Tax for 2026/27 not be increased, thus the charge for a Band D property will remain at £276.46.**

**(2) The Budget for 2026/27 will therefore be £17,607,700 as detailed in Appendices 1 to 3 of the**

**Revenue Budget 2026-2027 report attached at Appendix A of the report.**

- (3) That Cabinet recommends approval of the changes in budget requirement through including inflation, growth and savings as identified in Appendix 3 of the Revenue Budget 2026-2027 report, to ensure the Council can set and approve a balanced budget.**
- (4) That Cabinet notes the significant improvement made in relation to budget monitoring and cost reduction within the Authority over the past 20 years and confirms its commitment to continuing this approach in the year ahead.**
- (5) That Cabinet recommends during the financial year 2026/27, the Executive Director (Resources) be delegated responsibility to amend the Budget (following consultation with the Leader of the Council) for technical reasons, such as the restructuring of cost centres, the re-apportionment and re-allocation of overheads etc., provided such amendments have an overall neutral impact on the Budget.**
- (6) That Cabinet recommends during the financial year 2026/27, the Executive Director (Resources) be delegated responsibility to amend the Budget (following consultation with the Leader of the Council) should the estimate of Business Rates not be sufficiently accurate, by drawing on reserves if needed or paying over additional contributions to reserves.**
- (7) That, to aid future financial management planning, any surpluses generated during 2026/27 are set aside to help the Council reduce its cost base over the next three years, to support its long-term capital programme or to strengthen its overall reserve position.**
- (8) That Cabinet recommends that any additional funds from Government that are not ring-fenced funding, as well as any other surplus funds, can be used, if required, to support capital expenditure as determined by the Executive Director (Resources) in the overall financing of capital expenditure or be transferred to reserves.**

Members considered a report of Councillor Vanessa Alexander, Portfolio Holder for Resources and Council Operations, setting out the proposed capital programme for 2026/27 – 2028/29.

Councillor Alexander introduced this report, highlighting key figures for new additions to the programme, slippage from previous years and the total cost of the Capital Programme in 2026/27 of £38.5m. She also outlined some key projects including the following:

- War Memorial Restoration;
- Maden Street Clock Tower Lighting;
- Christmas Decorations;
- Huncoat Garden Village Scheme;
- ICT Projects;
- Levelling Up Projects;
- Sport Facilities;
- Operational Buildings;
- Parks and Play Areas; and
- Pride in Place Projects

Councillor Clare Pritchard spoke about the importance of Disabled Facilities Grant (DFG) projects and gave an example of a recent case in which she had been involved where a resident's quality of life had been enhanced. She placed on record her thanks to Sarah Whittaker, Regeneration Manager, for her assistance. Councillor Fisher was also pleased to see this grant being utilised, but noted that, unfortunately, adaptations did take some time to implement.

Councillor Zak Khan made some comments and asked a number of questions, as follows:

- He was pleased to note that a large number of Pride in Place schemes had been proposed. He asked what consultations had taken place about the schemes to be supported and what schemes had been rejected.
- Who had determined the Community Projects and Neighbourhood Projects identified?
- Did the IT Projects identified include provision for livestreaming meetings?  
*Response:* As reported previously, this scheme had not been agreed on the grounds of value for money. However, it was understood that one councillor had offered to undertake livestreaming using their own portable equipment.
- The support for Mercer Hall and Accrington Stanley Community Trust (ASCT) was noted. He asked if there would be a formal agreement with ASCT about the schemes to be funded. - *Response:* ASCT were due to make an announcement on this subject shortly.
- He was pleased to note the investment in the Brookside Restoration Project. In respect of investment in Parks and Open Spaces. Would the funding be spread across many parks, or focused on a small number of schemes? - *Response:* Support for parks and open spaces was a priority and the intention was to spread the funding evenly across the Borough, in so far as this was possible. One park in Accrington and one park in Rishton were due to be refurbished.
- Who determined allocations from the Cabinet Action Fund?

Councillor Dad responded that for programmed schemes all Cabinet members were involved in the decisions. Discussions had taken place with stakeholders, including the Neighbourhoods Board. Ward councillors had also spoken to individuals representing local communities. Councillor Whitehead added that for some Neighbourhood Improvement

Projects the funding had not yet been allocated. There would be some small areas that required capital investment to make a difference, but no monies had yet been earmarked for specific schemes

Approval of the report was not deemed a key decision.

#### *Reasons for Decision*

The report set out the Council's Capital Programme for 2026/27, including forecast slippage on schemes from 2025/26 and the additions of new schemes to the Council's Capital Programme for 2026/27.

The significant level of investment in previous years had only been possible by the Council obtaining external financial support, as well as the Council's own effective financial management over recent years, which had allowed it to have the funds necessary to finance these major projects when other funding had become available.

The new additions to the capital programme for 2026/27 had increased to £7.860m (including £1.020 leasing costs), compared to £2.476m in 2025/26. External funding of £3.20m had been confirmed towards the cost of these new capital schemes (Disabled Facilities Grant, Extended Producer Responsibility Grant (EPR) and Pride In Place Impact Grant) with a further £0.03m funding to be secured.

The additions to the programme in 2026/27 would bring the total approved capital programme to £38.565m, including forecast slippage of the unspent programme from 2025/26 of £30.706m, which could be seen in Appendix 1 of the detailed report at Appendix A. The forecast slippage from the 2025/26 programme included £22.366m (£3.815m slippage to 2027/28) for Huncoat Garden Village, £0.40m for the Leisure Estate Investment Programme and £6.251m for the Levelling Up Programme. The capital budgets for the Levelling Up Programme were based on the latest forecast of costs however as these were not tendered figures, they were still subject to change and should there be any changes to the current forecast, these would be reported during the year.

It was important to note that the Council funding of the 2026/27 Capital Programme was based on using Council reserves and potential capital receipts. There would be a continued emphasis relating to the realisation of additional capital receipts during the year. The programme assumes £3.010m of expenditure would be funded from capital reserves, and £0.6m from unfunded receipts. Any new receipts received would replace the funding required from these reserves.

The small number of expected new schemes for 2027/28 and 2028/29 (totalling £1.910m) were detailed in Appendix 3 of the report. This was for information only, as funding would need to be identified for these schemes before they were put forward for approval into the programme in future years, alongside any Local Government Reorganisation (LGR) consequences.

The Council intended to continue its strong policies of financial management and look only to borrow what it needed to fund major investment projects. The Council would continue to rely on securing external sources of funding, using capital receipts, making revenue contributions to capital projects and would use unspent monies to fund its programme. It would also apply a rigorous approach to selecting projects by examining all proposals against its corporate objectives and only selecting the most pressing and deserving projects to fund. This was in accordance with Council policy.

The Revenue implications to finance the Capital Programme continued to be a key element in the affordability issues on the Revenue Budget this year. The programme contained a limited amount of risk this year. The level of risk remained increased compared to previous years due to the size of the overall programme. However, to further reduce the risk the Council had supplemented its own project management and cost control capacity by the appointment of experienced professionals in both disciplines for its two largest projects. The Council's overall resources and management systems were believed to be sufficiently robust to effectively monitor these risks and ensure appropriate action was taken if they should materialise.

The Council would continue with its strategy to reduce its level of debt wherever possible by restricting borrowing and repaying debt and would continue to work extensively with external funders to bring forward realistic plans for capital investment in the area.

A detailed report on the Capital Programme was provided as Appendix A to the covering report, which set out information on the following:

- Summary of the Major Additions to the Capital Programme;
- Improving the Management of Capital Investments;
- Conclusion;
- Appendix 1 - Capital Programme 2026/27 (Summary);
- Appendix 2 - Capital Programme 2026/27 (Detailed);
- Appendix 3 - Capital Programme 2026/27 (New Additions); and
- Appendix 4 – Capital Programme 226/27 – Pride in Place

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

A wider programme of funding/borrowing had not been considered due to the Council's policy commitment to limiting capital expenditure to affordable levels and seeking to repay debt.

#### **Resolved**

#### **- That Cabinet recommends the Council:**

- (1) To approve the Capital Programme for 2026/27 including new scheme additions of £7,860,041 with a net cost to the Council of £3,609,970 as set out in Appendix 3 of Appendix A to the report.**
- (2) To approve the funding of the programme by the use of newly awarded direct external grants totalling £3,229,909, lease vehicle borrowing costs £1,020,165 and the remaining funding of £3,609,970 to come from the Council's resources.**
- (3) To note the expected new scheme additions for 2027/28 onwards set out in Appendix 1 of Appendix A to the report.**
- (4) To give delegated authority to the Executive Director (Resources), following consultation with the Portfolio Holder for Resources and**

**Council Operations to flex the programme in accordance with the available funding, provided this does not require any additional borrowing.**

- (5) To agree that the individual projects within the Capital Programme will require the written authorisation of the Executive Director (Resources) following consultation with the Portfolio Holder for Resources and Council Operations before commencing and incurring expenditure and that Service Managers must provide the Executive Director (Resources) with written details of estimated project costs and a full justification of the need for and benefits from undertaking the capital expenditure before such approval is provided; and that the ability to approve commencement of capital projects is delegated to the Executive Director (Resources); in consultation with the Portfolio Holder for Resources and Council Operations and that the Executive Director (Resources) is given delegated authority to release capital funding in stages if deemed appropriate to ensure effective financial control and risk management.**
  
- (6) To agree that in-year underspends will not be made available to fund new projects during the year.**

Signed:.....

Date: .....

Chair of the meeting  
At which the minutes were confirmed