

REPORT TO:		Resources Overview and Scrutiny	
DATE:		20 February 2025	
PORTFOLIO:		Councillor Noordad Aziz/Councillor Vanessa Alexander - Finance and the Budget Process	
REPORT AUTHOR:		Martin Dyson, Executive Director (Resources)	
TITLE OF REPORT:		Capital Programme 2025/2026 to 2027/2028	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	No	Not applicable	
KEY DECISION:	Yes	If yes, date of publication:	

1. Purpose of Report

- 1.1 The report informs the Cabinet of the proposed capital programme for 2025/26 – 2027/28.

2. Recommendations

It is recommended that Cabinet proposes to Council:

- 2.1 To approve the Capital Programme for 2025/26 including new scheme additions of £2,476,406 with a net cost to the Council of £886,000 as set out in Appendix 3.
- 2.2 To approve the funding of the programme by the use of newly anticipated direct external grants totalling £1,590,206 with the remaining funding of £886,000 to come from the Council's resources.
- 2.3 To note the expected new scheme additions for 2026/27 and 2027/28.
- 2.4 That delegated authority is given to the Executive Director (Resources), in consultation with the Portfolio Holder for Resources to flex the programme in accordance with the available funding, provided this does not require any additional borrowing.

- 2.5 That the individual projects with the Capital Programme 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 provide the Executive Director of Resources, with written details of estimated costs of schemes with full justification of the need and benefits from undertaking the capital investments before approval is provided and that approval to commence is delegated to the Executive Director (Resources), in consultation with the Portfolio Holder for Resources. That where he deems it appropriate, the Executive Director (Resources) be given authority to release funding in stages to ensure effective financial control can be maintained and project risk managed.
- 2.6 That in-year underspends are not made available to fund new projects during the year.

3. SUMMARY

- 3.1 The report sets out the Council's Capital Programme for 2025/26 including forecast slippage on schemes from 2024/25 and the additions of new schemes to the Council's Capital Programme for 2025/26.
- 3.2 The significant level of investment in previous years has only been possible by the Council obtaining external financial support, as well as the Council's own effective financial management over recent years which has allowed it to have the funds necessary to finance these major projects when other funding has become available.
- 3.3 The new additions to the capital programme for 2024/25 have reduced to £2.476m, compared to £4.404m in 2024/25. External funding of £1.538m has been confirmed towards the cost of these new capital schemes (Disabled Facilities Grant and UK Shared Prosperity Funding) with a further £0.052m funding to be secured.
- 3.4 The additions to the programme in 2025/26 will bring the total approved capital programme to £26.054m, including forecast slippage of the unspent programme from 2024/25 of £23.578m, which can be seen in Appendix 1. The forecast slippage from the 2024/25 programme includes £4.555m for the Leisure Estate Investment Programme and £16.789m for the Levelling Up Programme. The capital budgets for the Levelling Up Programme are based on the latest forecast of costs however as these are not tendered figures, they are still subject to change and should there be any changes to the current forecast, these will be reported during the year.
- 3.5 It is important to note that the funding of the 2025/26 capital programme is based on the realisation of additional capital receipts during the year. The programme assumes £3.092m of expenditure will be funded from capital

receipts, of which £0.595m relates to the King George V Pavilion and pitches scheme which is contingent on funding from the disposal of land. £1.147m in available receipts is forecast to be brought forward at the beginning of the year, leaving a target of £1.350m of new receipts which are required, which if not realised will need to be replaced by funding from earmarked reserves.

- 3.6 The capital programme currently excludes the proposed Huncoat Garden Village scheme which will be wholly funded from the Home England Brownfield Infrastructure and Land Fund grant of £29.898m. When the funding agreement is approved, the capital and revenue costs of the scheme and associated funding will be submitted for inclusion in the council's revenue and capital budgets.
- 3.7 The expected new schemes for 2026/27 and 2027/28 (totalling £2.4m) are detailed in Appendix 3. This is for information only as funding will need to be identified for these schemes before they are put forward for approval into the programme in future years.
- 3.8 The Council intends to continue its strong policies of financial management and look only to borrow what it needs to fund these major investment projects. The Council will continue to rely on securing external sources of funding, using capital receipts, making revenue contributions to capital projects and will use unspent monies to fund its programme. It will 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 is in accordance with Council policy.
- 3.6 The Revenue implications to finance the Capital Programme continue to be a key element in the affordability issues on the Revenue Budget this year. The programme contains a limited amount of risk this year. The level of risk remains increased compared to previous years due to the size of programme. However, to further reduce the risk the Council has 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 are believed to be sufficiently robust to effectively monitor these risks and ensure appropriate action is taken if they should materialise.
- 3.7 The Council will continue with its strategy to reduce its level of debt wherever possible by restricting borrowing and repaying debt and will continue to work extensively with external funders to bring forward realistic plans for Capital investment in the area.

4. DETAIL

- 4.1 See the attached report on the Capital Programme.

5. **Reasons for Recommendations and Background**

5.1 These schemes represent the best value for money and meet the Council's overall Corporate Policy objectives, within the funding envelope for the year.

6. **Alternative Options considered and Reasons for Rejection**

6.1 A wider programme of funding has not been considered due to the Council's policy commitment to limiting Capital Expenditure to affordable levels and seeking to repay debt.

7. **Consultations**

7.1 A variety of schemes are recommended from a number of sources to the Council. These are considered by the Council's CPWG against a list of corporate priorities and other assessment criteria before the final list is determined. Councillors and the Public as well as Businesses are invited to participate via a meeting of the Council's Resources Overview & Scrutiny Committee on the 20th of February 2024 at 3:00pm to review the proposals and give their views. These views are then reported to the Council ahead of them making their decision on the Capital Budget.

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	The main risks within the programme relate to the dangers of escalating costs linked to building work, as many of the buildings are old and potential problems can emerge once the scheduled work has commenced. The Council attempts to mitigate this risk by undertaking survey work ahead of schemes commencing and adopting a rolling programme of work to allow flexibility in the scheduling of projects if cost overruns start to occur. The Council will seek to supplement its own project management skills by the appointment of professional project managers and

	cost control experts for its larger projects.
<p>Equality and diversity implications</p> <p><i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i></p>	<p>There are no specific measures within the report that require an Equality Impact Assessment. Individual proposals stemming from the budgetary process will be Equality Impact Assessed as required over the coming months.</p>

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

- 9.1 This Report should be read in conjunction with the other finance reports presented to the Cabinet meeting on the 12th of February 2025. The relevant reports are listed below and can be found by accessing the Council’s website.

For access to the Cabinet Agenda and Reports --please follow this link to the appropriate dates and reports

Prudential Indicators Monitoring & Treasury Management Strategy 2025/26 to 2027/28

Revenue Budget Report 2025/26

Medium Term Financial Strategy Report 2025/26 – 2027/28

10. 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.

The background of the cover is a photograph of a park. In the foreground, there is a paved path that curves to the right. To the left of the path is a well-maintained green lawn. The middle ground is filled with a dense line of mature trees with lush green foliage. In the background, a clear blue sky with a few wispy white clouds is visible. The overall scene is bright and sunny, suggesting a pleasant day in a park.

CAPITAL PROGRAMME

2025-2026

FOR AN AMBITIOUS AND SUSTAINABLE

HYNDBURN FUTURE

CAPITAL PROGRAMME

1.1 The proposed additions to the capital programme for 2025/26 are listed in Appendix 3, with expected new schemes to come forward for 2026/27 and 2027/28 also detailed for note. A summary of the major projects is given below.

1.2 COMMUNITY PROJECTS

This programme includes £117,960 of proposed Community works which include War Memorial Restoration, replacing lighting at Maiden Street clock tower and replacement of Christmas decorations.

1.3 FOOD WASTE

Following Government legislation, from 1 April 2026 all waste collection authorities must provide a weekly food waste collection service for its residents. To allow Local Authorities to prepare to deliver this service, all Councils have been provided with a capital grant from DEFRA for purchasing vehicles and equipment. The Council's grant allocation which was received in 2024/25 is £668,728.

1.4 DISABLED FACILITY GRANT

The Council has been allocated £1,395,906 in Disabled Facility Grants in 2025/26, to help those that suffer from medical conditions that threaten their ability to live independent lives in their own homes. The money will provide stair lifts, toilet and bathroom adaptations, access ramps and other equipment, as well as grants for major structural alterations where needed.

1.5 IT PROJECTS

The programme includes £475,000 of schemes to develop new ICT and refresh the ICT equipment used in order to deliver services in a more efficient way.

1.6 LEISURE ESTATE INVESTMENT PROGRAMME

As part of the planning conditions for the new Leisure Facility at Wilsons Playing Fields, the Council must undertake drainage works on the surrounding sports pitches. £300,000 was included in the capital programme for 2024/25 for these works which have been rephased into 2025/26, along with 40% of the development budget as works have been impacted by the procurement of a new contractor to complete the planned works (£4,554,525).

1.7 LEVELLING UP PROGRAMME

The 2025/26 programme includes £16,789,095 in total for projects in the Levelling Up funded programme to improve the Market Hall, Burton Chambers and Market Chambers. These budgets are based on the latest forecasts which will be kept under review and updated when tendered figures have been confirmed.

The Council has previously been awarded a grant of £500,000 from the Heritage Lottery towards the ongoing culture and heritage works at Market Chambers. A follow up bid is expected to be submitted in Summer 2025.

1.8 OPERATIONAL BUILDINGS

Following the Levelling Up works at Accrington Market, the Council has external

CONT. CAPITAL PROGRAMME

works which need to be undertaken on this building. A total budget of £234,000 is included in the capital programme in 2025/26, including works rephased from 2024/25.

There is a further £483,000 in the programme which has been rephased from 2024/25, including £267,000 for Oswaldtwistle Civic Theatre refurbishment. In order to ensure that the Council's buildings continue to comply with fire safety regulations and satisfy the Council's insurance requirements, the programme includes £287,690 (£143,840 in 2025/26 and £143,850 in 2026/27) for these works across the Council's properties. This is expected to be an ongoing programme of capital works.

1.9 PARKS & OPEN SPACES

The programme included £595,440 for works at King George V Pavilion and Pitches (including slippage from 2024/25), this is contingent on the Council achieving capital receipts that will release funding to bring this site to the required standard.

£235,000 has been included for works to the Leeds and Liverpool canal cycle path (rephased from 2024/25).

New additions to the programme total £317,000 and this includes: Play Area refurbishment (£100,000) and CCTV at Mercer Park (£45,000) for which external funding will be secured for both schemes.

In addition, provision has been made for internal works at the Crematorium, extension of Dill Hall Cemetery Road. Lowerfold park footpaths improvements, Lee Lane Cemetery Water Supply and works to Bullough Park Pavilion.

1.10 PLANNED ASSET IMPROVEMENTS

The programme includes £50,000 for planned asset improvements. This is expected to be an ongoing programme of capital works.

1.11 VEHICLES & EQUIPMENT

In previous years, the Council has included a vehicle and plant replacement programme for the purchase of any small items of equipment or vehicles which are required. There is earmarked funding set aside in capital receipts for vehicle and equipment purchases.

In addition, there is provision in the 2025/26 for the purchase of new vehicles and equipment to facilitate a new Food Collection service from 2026/27 (see 1.3 above).

1.12 UK SHARED PROSPERITY FUND (UKSPF) PROGRAMME

The Council has been allocated £177,797 Government grant funding in 2025/26 for Capital projects under the UKSPF programme. Decisions are still being made on how this will be spent.

IMPROVING THE MANAGEMENT OF OF CAPITAL INVESTMENTS

- 2.1 The Council needs to continue to develop its financial control over its major capital investment programme. It is critical that during 2025/26 the Council continues to adequately manage this spend, to ensure it gains as much benefit from this investment as possible and effectively controls its costs.
- 2.2 The outline of schemes for the 2025/26 Capital Programme can be seen at Appendix 2. However, the Council needs to ensure these schemes can provide the positive benefits the level of spend requires. Each scheme is required to provide more detailed analysis before final approval for spending is committed, to ensure that the project can be delivered within the funds made available, that revenue costs of the schemes can be accommodated within existing revenue budgets and most importantly that the benefits from the scheme are clearly identified and delivered.
- 2.3 The Executive Director (Resources) will have the authority to release permission to spend in stages as he deems appropriate for larger projects to ensure the effective management of the overall scheme and the mitigation of risk. The Executive Director (Resources) will only release funds for capital investment once the required written detail has been submitted to him for approval. Until this has been given, Service Managers are not allowed to commit expenditure. Additional projects may be authorised by the Executive Director (Resources), in consultation with the Portfolio Holder for Resources during the year if the projects have sufficient external funding to meet their costs or other funding sources can be obtained.
- 2.4 Under the current regime of Prudential Borrowing, there is no requirement to spend up to a budgeted amount. The Council should determine its needs for Capital spend purely on rational grounds and underspends in the programme should not automatically lead to other projects being brought forward to soak up potentially available funds. Given that a rigorous process of determining the need for Capital spend has taken place at the start of the year and the Council's strong commitment for reducing the overall level of debt, there should be a major predisposition to continued banking of these underspends as a genuine saving to the Council.

CONCLUSION

5.1 Overall, the Council will be investing an additional £0.886m of its own resources to fund the capital programme additions in 2025/26.

5.2 The details behind all these proposals remains at the outline stage only and further work is required to ensure that these projects provide positive benefits to the Community and the Council. Each project is therefore required to submit further detailed plans to obtain final approval for expenditure to occur and to obtain final clearance from the Executive Director (Resources), in consultation with the Portfolio Holder for Resources.

5.3 The Capital Programme does require a degree of flexibility within it, to respond to sudden demands for Capital expenditure, actions to be taken on the

receipts of monies and revisions to proposals as projects are not financially viable or encounter other problems such as securing external funding. The Capital Programme Working Group (CPWG) will report back to Cabinet at frequent intervals throughout the year to ensure Cabinet is kept appraised of the current situation and that any approvals necessary for alteration are obtained.



APPENDIX 1

CAPITAL PROGRAMME 2025/26

SUMMARY

	2024/25		2025/26			2026/27
	Approved Programme	Forecast Spend	Programme to be Slipped into 2025/26	New Additions	New Programme (Total)	Programme to be Slipped into 2026/27
Budgeted Expenditure on Capital Schemes						
Community Projects	£528,471	£497,509	£30,962	£87,000	£117,962	
Food Waste Collection	£665,610	-	£665,610	-	£665,610	
Housing Improvement Plan	£2,133,279	£2,133,279	-	£1,359,906	£1,359,906	
IT Projects	£267,774	£212,313	£55,461	£419,500	£474,961	
Leisure Estate Investment Programme	£11,864,849	£7,310,324	£4,554,525	-	£4,554,525	
Levelling Up Programme	£26,323,362	£9,534,267	£16,789,095	-	£16,789,095	
UK Shared Prosperity Fund	£388,441	£388,441	-	£177,800	£177,800	
Operational Buildings	£1,108,703	£313,093	£651,766	£65,000	£716,766	£143,844
Parks & Open Spaces	£1,467,491	£637,049	£830,442	£317,000	£1,147,442	
Planned Asset Improvements	£209,710	£209,710	-	£50,000	£50,000	
Vehicles & Equipment	£100,858	£100,858	-	-	-	
Total Budgeted Expenditure	£45,058,548	£21,336,843	£23,577,861	£2,476,206	£26,054,067	£143,844
Funding of Capital Schemes						
Grants	£28,493,235	£13,824,616	£14,918,617	£1,590,206	£16,508,823	
Revenue Contributions/Reserves	£10,380,270	£6,231,125	£6,028,839	£568,000	£6,596,839	
Capital Receipts	£6,185,043	£1,281,102	£2,630,405	£318,000	£2,948,405	£143,844
Borrowings	-	-	-	-	-	
Total Capital Scheme Funding	£45,058,548	£21,336,843	£23,577,861	£2,476,206	£26,054,067	£143,844

APPENDIX 2

CAPITAL PROGRAMME 2025/26

DETAILED

Scheme	Programme to be Slipped into 2025/26	New Additions 2025/26	Proposed Programme 2025/26
Community Projects			
Local Area Management - Not Defined	£30,962	-	£30,962
Christmas Decoration Replacement	-	£20,000	£20,000
Maiden Street Clock Tower Lighting Replacement	-	£12,000	£12,000
War Memorial Restoration Programme	-	£55,000	£55,000
Sub-Total	£30,962	£87,000	£117,962
Food Waste			
Food Waste Collections Grant	£665,610	-	£665,610
Sub-Total	£665,610	-	£665,610
Housing Improvement Plan			
Disabled Facilities Grant	-	£1,359,906	£1,359,906
Sub-Total	-	£1,359,906	£1,359,906
IT Projects			
CRM Digital Services	£38,605	-	£38,605
Assure Software Planning/Building Control	£16,856	-	£16,856
ICT Technology Refresh - Annual Replacement Program	-	£50,000	£50,000
Civica Migration re Environmental Health Services	-	£197,500	£197,500
Server Migration Programme	-	£120,000	£120,000
Committee Management Software	-	£35,000	£35,000
WiFi Upgrade Scaitcliffe House	-	£17,000	£17,000
Sub-Total	£55,461	£419,500	£474,961
Leisure Estate Investment Programme			
Wilsons Playing Fields	£4,254,525	-	£4,254,525
Wlisons Playing Fields Sport Pitch Drainage Scheme	£300,000	-	£300,000
Sub-Total	£4,554,525	-	£4,554,525

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CONT. APPENDIX 2

CONT. CAPITAL PROGRAMME 2025/26

Scheme	Programme to be Slipped into 2025/26	New Additions 2025/26	Proposed Programme 2025/26
Levelling Up Programme			
Market Hall	£5,615,980	-	£5,615,980
Burton Chambers	£4,168,692	-	£4,168,692
Market Chambers	£5,943,173	-	£5,943,173
Indoor Market Hall Redevelopment	£239,250	-	£239,250
Market Hall Fire Compliance Works	£322,000	-	£322,000
Market Hall Facade Works	£500,000	-	£500,000
Sub-Total	£16,789,095	-	£16,789,095
UK Shared Prosperity Fund			
UK Capital Grant Allocation	-	£177,800	£177,800
Sub-Total	-	£177,800	£177,800
Operational Buildings			
Accrington Town Hall	-	£65,000	£65,000
External Security Lighting	£12,098	-	£12,098
Fire Risk Assess Works Various	£93,843	-	£93,843
CCTV Upgrade	£30,143	-	£30,143
ATH External Improvements	£168,682	-	£168,682
Fire Assessment Building Alterations	£50,000	-	£50,000
Oswaldtwistle Civic Theatre Refurbishment Works	£267,000	-	£267,000
Cemetery Fence	£30,000	-	£30,000
Sub-Total	£651,766	£65,000	£716,766
Parks & Open Spaces			
King George V Pavilion & Pitches	£595,442	-	£595,442
Leeds Liverpool Canal Cycle Path	£235,000	-	£235,000
Crematorium - Internal Repairs and Decoration	-	£25,000	£25,000
Dill Hall Cemetery Road Extension	-	£35,000	£35,000
Lowerfold Park Footpaths	-	£20,000	£20,000
Play Area Refurbishment	-	£100,000	£100,000
Lee Lane Cemetery Tap and Water Supply	-	£52,000	£52,000
Mercer Park Bowling CCTV	-	£45,000	£45,000
Bullough Park Pavilion	-	£40,000	£40,000
Sub-Total	£830,442	£317,000	£1,147,442
Planned Asset Improvements			
Planned Asset Improvement Programme	-	£50,000	£50,000
Sub-Total	-	£50,000	£50,000
Total	£23,577,861	£2,476,206	£26,054,067

APPENDIX 3

CAPITAL PROGRAMME 2025/26

NEW ADDITIONS

Scheme	Total Cost 2025/26	External Funding Available 2025/26	Cost to be Funded by the Council 2025/26	Potential Future Net Cost 2026/27	Potential Future Net Cost 2027/28
Community Projects					
Christmas Decoration Replacement	£20,000	-	£20,000	£20,000	£20,000
Maiden Street Clock Tower Lighting Replacement	£12,000	-	£12,000	-	-
War Memorial Restoration Programme	£55,000	-	£55,000	£120,000	-
Sub-Total	£87,000	-	£87,000	£140,000	£20,000
Housing Improvement Plan					
Disabled Facilities Grant	£1,359,906	£1,359,906	-	-	-
Sub-Total	£1,359,906	£1,359,906	-	-	-
IT Projects					
ICT Technology Refresh - Annual Replacement Programme	£50,000	-	£50,000	£50,000	£50,000
Civica Migration re Environmental Health Services	£197,500	-	£197,500	-	-
Server Migration Programme	£120,000	-	£120,000	£52,000	£52,000
Committee Management Software	£35,000	-	£35,000	-	-
WiFi Upgrade Scaitcliffe House	£17,000	-	£17,000	-	-
Sub-Total	£419,500	-	£419,500	£102,000	£102,000
UK Shared Prosperity Fund					
UK Capital Grant Allocation	£177,800	£177,800	-	-	-
Sub-Total	£177,800	£177,800	-	-	-
Operational Buildings					
Accrington Market Hall External Improvements				£315,970	-
Accrington Town Hall	£65,000	-	£65,000	-	-
Mercury Abatement Works at Accrington Crematorium				£1,000,000	
Fire Safety Improvements				£250,000	£250,000
Sub-Total	£65,000	-	£65,000	£1,565,970	£250,000
Parks & Open Spaces					
Crematorium - Internal Repairs and Decoration	£25,000	-	£25,000	-	-
Dill Hall Cemetery Road Extension	£35,000	-	£35,000	-	-
Lowerfold Park Footpaths	£20,000	-	£20,000	-	-
Lee Lane Cemetery Tap and Water Supply	£52,000	-	£52,000		
Play Area Refurbishment	£100,000	£30,000	£70,000	-	-
Mercer Park Bowling CCTV	£45,000	£22,500	£22,500	-	-
Oakhill Park Bowling Green Fence				£40,000	-
Bullough Park Pavilion	£40,000	-	£40,000	-	-
Sub-Total	£317,000	£52,500	£264,500	£40,000	-
Planned Asset Improvements					
Planned Asset Improvement Programme	£50,000	-	£50,000	£115,000	£100,000
Sub-Total	£50,000	-	£50,000	£115,000	£100,000
Total New Schemes	£2,476,206	£1,590,206	£886,000	£1,962,970	£472,000