
CABINET

Wednesday, 22nd January, 2025

Present: Councillor Munsif Dad BEM JP (in the Chair), Councillors Noordad Aziz, Scott Brerton, Stewart Eaves, Melissa Fisher, Kate Walsh and Kimberley Whitehead

In Attendance: Councillors Bernard Dawson and Zak Khan

Apologies: Councillor Vanessa Alexander

303 Apologies for Absence

Apologies for absence were submitted on behalf of Councillor Vanessa Alexander.

304 Declarations of Interest and Dispensations

There were no reported declarations of interest or dispensations granted.

Agenda Item 15 on the Supplemental Agenda was taken next at the meeting.

305 Payment of Grant Funding to Hyndburn Leisure and Conclusion of the Leisure Review

The Leader of the Council sought the agreement of the Cabinet to withdraw this item from the Agenda. Approval was granted and, accordingly, the item was withdrawn.

306 Minutes of Cabinet

The minutes of the meeting of the Cabinet held on 4th December 2024 were submitted for approval as a correct record.

Councillor Zak Khan raised a matter in respect of Minute 255 – Reports of Cabinet Members (Pay and Display On-Street Parking Consultation). He indicated that he had followed up this matter with representatives of Lancashire County Council and that they had confirmed that there were no current proposals to implement on-street parking charges in Hyndburn. Any request for such arrangements would need to be initiated by the Borough Council.

The Leader responded that the announcement at the last meeting was made in good faith and based upon information which had been circulated at that time to Lancashire district council leaders and chief executives:

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

307 Urgent Decisions Taken

In accordance with Executive Procedure Rule B16(c), Members considered a report on the following decisions taken under the urgency procedure:

No.	Decision Heading	Portfolio Holder	Date of Approval
(a)	HBC Shirt Sleeve Sponsorship Agreement with Accrington Stanley Women's Football Team	Councillor Kimberley Whitehead	29 th November 2024

Resolved - To note the report on urgent decisions taken.

308 Reports of Cabinet Members

Deputy Leader of the Council and Portfolio Holder for Housing and Communities

Councillor Melissa Fisher reported on the following:

Hoarders Forum

The first meeting of the Hoarders Forum would take place on 28th January 2025 at 2.00pm.

Accrington Victoria Hospital Strategy Group

A meeting of the newly formed Accrington Victoria Hospital Strategy Group was due to be held on 26th February 2025.

Deputy Leader of the Council and Portfolio Holder for Transformation, Education and Skills

Councillor Noordad Aziz reported on the following:

Wilson Playing Field Site

In respect of Agenda Item 14, Urgent Decisions Taken (Wilson Playing Field Site), the decision was required to be taken urgently in order to appoint the new construction contractors, Universal Civils and Build, as soon as possible, to recommence the building works.

Portfolio Holder for Environmental Services

Councillor Stewart Eaves reported on the following:

Refuse Vehicles

The tender had now gone out for new refuse vehicles, including the food waste pods.

Damage in the region of £6k had been caused to an existing refuse vehicle, by the collapse of a wall. The wall was the property of Onward Homes, who would be liable for the cost of the repairs.

Taxi MOT Testing Station

A report on the possible establishment of an independent MOT testing station, to support the taxi trade, was currently being finalised and should be ready at the end of the week.

Whinney Hill Landfill Site

Lancashire County Council had recently signed an extension to the waste disposal contract, until 31st March 2026, to continue to use the facilities at Whinney Hill. The Borough Council was also continuing to look at options for the future provision of waste disposal.

Councillor Zak Khan reminded Members that, at the Council meeting on 16th January 2025, Councillor Steven Smithson, had proposed an extension to this contract to coincide with the date for reorganisation of local government in Lancashire. Councillor Eaves responded that this suggestion had not yet been formally considered. The Chief Executive added that he had recently met with the new head of service at Lancashire County Council. A further extension of the contract for Whinney Hill was not considered to be the best option, but other options were currently being explored including taking waste to the Suez site at Darwen, or to Farington Waste Recovery Park, near Leyland. Councillor Whitehead clarified that the current contract extension had come about following on-going discussions with Lancashire County Council, separately from the matter raised at the Council meeting.

Food Waste

The food waste caddies for the new collection service had now been ordered and should be received next week. The order had been placed for 10 councils across Lancashire working in partnership to achieve maximum value for money

Skip Days

Further Skip Days had been arranged, as follows:

- Barnfield – 1st February 2025
- Netherton – 8th February 2025
- Overton – 15th February 2025

Dates were due to be arranged in three additional wards.

Trade Waste

The Council was proposing to increase trade waste removal fees by 9% to take account of increased costs for landfill site operators due, in part, to the increases in Landfill Tax with effect from 1st April 2025.

Portfolio Holder for Culture, Heritage and Arts

Councillor Kimberley Whitehead reported on the following:

Events Proposals and Community Cohesion and Resilience Fund

Councillor Munsif Dad declared a personal interest in this matter, on the basis that he had a connection with one organisation that had recently applied for a grant from the Community Cohesion and Resilience Fund.

Councillor Aziz declared a personal interest in this matter, on the grounds that that he had been invited by one of the bidders to provide advice in voluntary capacity regarding their submission.

The deadline for the submission of bids to run local events was today. Members and officers would look at the detail of the submissions next week. In the light of experience, the Council had taken the opportunity add two new categories of events to the application

process, namely, events in public open spaces and events in parks. This had successfully attracted a new cohort of bidders. The current application process also recognised the success of recent events held in the townships, particularly in Great Harwood. There would also be some minor grants available to encourage and support smaller scale cultural events.

The deadline for bids under the Community Cohesion and Resilience Fund had also recently passed.

Councillor Zak Khan noted that some successful bids under the Community Cohesion and Resilience Fund had already been announced. He asked when further information would be available about the other bids submitted. Councillor Whitehead responded that funding allocations had only been made last week and that further information would follow.

Culture and Heritage Strategy

Members, officers and partners were continuing to develop the Culture and Heritage Strategy. The Culture and Heritage Investment Panel (CHIP) was due to hold an away day next week to consider a number of issues.

Portfolio Holder for Business & Growth

Councillor Scott Brerton reported on the following:

Business Engagement

Councillor Brerton placed on record his thanks to the MP, Sarah Smith, who had welcomed Chancellor of the Exchequer, The Rt Hon Rachel Reeves MP, to the Borough in December. The Chancellor had spoken to representatives of businesses in Rishton, to promote new powers for councils to revive high streets. During the Chancellor's visit, Councillors Brerton and Walsh had been able to speak to her about business, skills and young people.

A breakfast event had also been arranged for business leaders in Altham last week. Among the issues discussed was the extension of workers' rights, which had been well received by business leaders. The English Devolution White paper had also been discussed and there had been broad support for the Mayoral model of devolution and the creation of a Pennine Lancashire Unitary Authority.

Workshops for local businesses continued to be delivered, with the following sessions having taken place recently, or due to be held in the near future:

- How to evaluate what you charge for your service;
- Raising business finance;
- Integrating AI into businesses; and
- Grow your business with Canva & Instagram.

The Portfolio Holder had recently met with Great Harwood resident, Katrina Rutter, founder of the Work from Home Hub, the UK's largest home-based network helping people to find remote jobs. He hoped to be able to hold further discussions with her about this venture.

Other Matters

The following news-bites were mentioned:

- A special mention was given to two local organisations, who had recently embraced flexible working arrangements:
 - Surface Print - 4 day week; and
 - Advocacy Focus – unlimited annual leave.
- The Portfolio Holder reminded those present about the importance of cash payments for small businesses.
- A relaunch was due to take place of the Hyndburn Jobs and Careers Fare, which would be held in March 2025, at the Town Hall, Accrington, supported by Scott Dawson Advertising.
- The Economic Development Forum was due to recommence at the end of the month.

Portfolio Holder for Sustainability and Families

Councillor Kate Walsh reported on the following:

Nursery Places

During the discussions with the Chancellor of the Exchequer in Rishton, the matter of insufficient nursery places had been raised. In particular, there was limited provision for under 2s, which was detrimental to families, with parents having to travel out of the area to access the nearest places, or simply not returning to work.

Oswaldtwistle Civic Theatre

Some filming had been taking place at the Civic Theatre in anticipation of an announcement next week, but the details were currently embargoed.

A question had been raised at the Council meeting on 16th January 2025 about how the money in the 2024/25 budget for the Civic had been spent. To date approximately £36k had been spent, which comprised electricity, gas, water, security, repairs/maintenance and insurance. The on-going annual cost of maintaining these premises while closed was estimated to be in the range £60k - £100k.

There was a capital budget of £267,000, which had previously been earmarked for roof repairs, to make the building watertight. However, before commencing these works it would be necessary to procure a detailed roof timber inspection to prevent any unforeseen issues arising. The roof repairs should then lead to less emergency repairs being required. It was not yet known whether this budget would be sufficient to carry out the roof works needed, subject to the inspection outcome.

309 LGA Peer Review Report and Action Plan

Members considered a report of Councillor Munsif Dad BEM JP, Leader of the Council, regarding a process for developing an action plan addressing the recommendations of the recent Local Government Association Corporate Peer Challenge (CPC).

Councillor Dad reminded Members that the background set out in the report had also been provided to the Council at its meeting on 16th January 2025. The peer review findings would guide the Council towards making improvements. The current report set out

proposals for the development an action plan and would include the involvement of a cross-party working group. Councillor Khan thanked the Leader for supporting cross-party working.

Approval of the report was not deemed a key decision.

Reasons for Decision

The Council had invited a team of senior local government councillors and officers to undertake a Local Government Association Corporate Peer Challenge, including a visit to Hyndburn between 29th and 31st October 2024.

A CPC was a comprehensive review of key finance, performance and governance information and formed a key part of the improvement and assurance framework for local government. CPC assisted councils in meeting part of their Best Value duty, with the UK Government expecting all local authorities to have a CPC at least every five years. Peer challenges were improvement focused, not inspections, and the process was not designed to provide an in-depth or technical assessment of plans and proposals.

The Peer Team

Peers, who were experienced elected members and officers, were at the heart of the peer challenge process and provided a 'practitioner perspective' and 'critical friend' challenge. Peers took time away from their busy "day job" to contribute to improvement within the local government sector. The peer team for Hyndburn Borough Council comprised:

- Member Peer – Cllr Tricia Gilby, Leader, Chesterfield Borough Council
- Member Peer – Cllr Simon Minas-Bound, Group Leader, Basingstoke & Deane Borough Council
- Chief Executive Peer – Ian Miller, Chief Executive, Wyre Forest District Council
- Officer Peer – Artemis Ansell, Director of Planning & Regeneration, Lichfield District Council and Lichfield West Midlands Traded Services
- Officer Peer – Dominic Bradley, Director of Resources, Horsham District Council
- LGA Peer – Alex Howell, Adviser - Devolution, Local Growth and Digital
- Peer Challenge Manager – Anne Brinkhoff, LGA Associate
- Project Support Officer – Kristel Whittaker, LGA

The peer team had prepared by reviewing a range of documents and information and had then spent three days on site at Hyndburn Borough Council, during which they had spoken to more than 110 people, including a range of council staff, members and external stakeholders. They had toured Accrington Town Square regeneration projects, visited the Raza Jamia Masjid mosque, and attended a meeting of HBC's Cabinet.

Findings and Recommendations

The team had presented their main findings and recommendations verbally to the Council on their final day here and had now provided a formal report.

The report included a number of recommendations, listed below, which were designed to help the Council improve and build on the many positive findings of the peer team. Some of those positive findings were outlined in the report and included:

- Strong progress on key projects, such as Accrington Town Centre Regeneration, Huncoat Garden Village, and Leisure Transformation.

- Leveraging cultural and industrial heritage to drive economic growth and community engagement.
- Positive relationships with partners, including police, businesses, and the voluntary sector.
- Strong focus on improving health and well-being through partnerships and innovative projects.
- Successful initiatives to reduce carbon emissions and address climate change.
- Loyal, committed staff with high retention and a friendly, collegiate culture.
- Robust audit arrangements and a commitment to modernisation.
- Improved reserves, better financial systems, and effective management.
- Investments in training and development, internal promotions, and effective apprenticeship schemes.
- A more constructive and collaborative political environment.
- Willingness to embrace external peer reviews and share learning.

The following were the peer team's key recommendations to the Council:

1. Conduct the planned review of the corporate strategy and align the organisational structure accordingly.
2. Engage in top team development to develop effective relationships within Cabinet/CMT as a group to create agreed ways of working and clarity of roles and responsibilities.
3. With partners, lead the development of a clear and well understood vision for the whole borough (Place Strategy).
4. Consider what capacity and skills the council needs to develop and address this as part of the review of organisational structure, including options for collaboration with partners and the use of consultants.
5. Design a transformation & digital strategy and action plan.
6. Develop a strategy for income generation, including commercial income, fees & charges and council tax.
7. Review and implement new plans for internal and external communication, aligning it with the new corporate strategy.
8. Create and implement a well understood and effective process for forward planning of Council decision making which engages Cabinet members and Scrutiny.
9. Promote the Council's approach to climate change and decarbonisation and play a key role in leading the Borough on this agenda.
10. Continue and broaden engagement with local government and beyond in order to learn from others and offer the authority's experience and learning.

Next steps

The Council was required to develop an action plan to address the recommendations within 3 months. It was proposed that a cross-party working group be established to support and oversee this work and proposed Terms of Reference were set out in the report at Appendix 2.

A progress visit would be arranged for some or all of the peer team. This was likely to take place in September or October 2025.

Proposed action planning process

The following steps were proposed:

- **January / February** - Management Team and Service Managers consider recommendations and develop draft action plan.
- **January / February** – cross-party working group established.
- **February** - Discussions with relevant portfolio holders about proposed actions (e.g. recommendation 6 relates to finance portfolio).
- **Early March** - Draft action plan brought to working group for discussion.
- **26 March 2025** - Final draft to Cabinet for formal agreement.
- **April onwards** – Implementation / reporting.
- **September / October 2025** – review visit by LGA peer team.
- **Post visit** – review action plan based on any further feedback and continue with implementation, building into service plans or strategies where appropriate.

The proposed principles to be applied in developing the action plan were set out in the report and relate to the following aims:

- Clarity and timescales;
- Alignment with recommendations;
- Actionable steps;
- Responsibility and oversight;
- Resources and collaboration;
- Support effective relationships;
- Performance and monitoring;
- Risk management; and
- Review and communication.

Alternative Options considered and Reasons for Rejection

In agreeing to the CPC process, the Council had committed to developing an action plan based on the recommendations.

Resolved

- (1) That Cabinet agrees the proposed process (as set out in Paragraph 3.10 of the report) to develop an action plan based on the Corporate Peer Challenge recommendations.**
- (2) That a cross-party working group (with the Terms of Reference as outlined in Appendix 2 to the report) be established to oversee the development and implementation of the action plan.**

310 Council Tax Base - 2025/26

The Cabinet considered a report of Councillor Munsif Dad BEM JP, Leader of the Council, informing Members of the Council Tax Base for the financial year 2025/2026.

Councillor Dad provided a brief introduction to the report.

Approval of the report was not deemed a key decision.

Reasons for Decision

In accordance with Section 35 of the Local Government Finance Act 1992, the Council was required to formally determine the Council Tax Base for 2025/2026 prior to 31st January

2025. This allowed the Council to notify the major preceptors (Lancashire County Council, the Police and Crime Commissioner for Lancashire and Lancashire Combined Fire Authority) by the 31st January of the Council Tax Base.

The requisite calculation (set out at Appendices A and B of the report) had to be carried out in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012. Once determined, the Council Tax Base could not be changed and had to be used when the Council set its Council Tax for the financial year 2025/2026.

The calculation of the Tax Base for Hyndburn and Altham for 2025/2026 was provided in the report. It was proposed that the Tax Base for Hyndburn 2025/2026 should be 22,163. This was an increase from last year's Tax Base of 22,095. The 2025/2026 Tax Base for Altham was 320, an increase from last year's Tax Base of 317.

The Local Authorities (Calculation of Council Tax Base) Regulations 2012 specified formulae for calculating the Council Tax Base, which had to be set between the 1st December 2024 and the 31st January 2025.

The Council Tax Base was the measure of the number of chargeable dwellings held on the valuation list as at the 15th September 2024 and then adjusted to take account of discounts, exemptions, re-bandings and Council Tax Support to arrive at the Authority's Council Tax Band D.

There were no alternative options for consideration or reasons

Resolved

- **That Cabinet notes the report on the Council Tax Base for the financial year 2025/2026 and approves the following:**
 - (1) **That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount calculated by the Council for its Council Tax Base for the financial year 2025/2026 shall be 22,163.**
 - (2) **That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount calculated by the Council for its Council Tax Base for the parish of Altham for the financial year 2025/2026 shall be 320.**

311 Aids and Adaptations - Pilot Project

Members considered a report of Councillor Melissa Fisher, Portfolio Holder for Housing and Communities, seeking approval to allocate up to £250,000 of the Disabled Facilities Grant (Better Care Funding) programme for a pilot project in partnership with the National Health Service (Lancashire and South Cumbria Integrated Care Board), Lancashire County Council and the Peel House Medical Practice. The project aimed to fund early aid and adaptation interventions to prevent falls and hospital admissions and reduce the health burden cost.

Councillor Fisher provided a brief introduction to the report.

Members discussed the following matters:

- The difficulties in committing the full DFG allocation in previous years, which could be improved by this type of scheme;
- A previous successful example of using DFG funding flexibly, to support the development of respite facilities on the site of the former North Cliffe School in Great Harwood;
- A concern, based on a recent example, that sufficient DFG funding was sometimes difficult to secure for those in need, particularly where extensive adaptations were required, due to funding limits;
- A concern that the allocation of £250k for this programme might lead to a shortfall in funds available for other aids and adaptations.

The Head of Regeneration and Housing, Mark Hoyle, responded that DFG funding was part of a wider pot of money allocated to the Council, via Lancashire County Council, from the Government. One element of this funding was ring-fenced for DFG. The regulations now allowed greater flexibilities in the use of this funding. In previous years, the Council had struggled to utilise all of the money available. The new legislation allowed the Council to broaden the scope of the grants available and the Council had appropriate policies in place to manage this wider remit. For example, funding could be used to provide facilities to safely support people returning to the community from hospital. This programme would operate in a similar manner.

On the question of funding limits, a mandatory limit of £30k was set for individual DFG allocations, but there was discretion to increase this to £50k in appropriate circumstances.

In respect of the overall level of grant funding, for the current year, an additional £164k had been allocated to the Council and this would be repeated in 2025/26. An assurance was provided that no-one would lose out by the introduction of this pilot programme. The preventative measures proposed by the new programme should save on future spending on more complex adaptations, or on future expensive hospital admissions.

Councillor Whitehead placed on record her personal thanks to Homewise for adaptations made to her own home.

Councillor Walsh asked if a similar scheme to enable dementia patients to remain in their own homes for longer could be considered. Mr Hoyle undertook to look into the matter.

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

Reasons for Decision

Injury from trips and falls especially among older, vulnerable adults was a significant reason for hospital admissions and a future burden on health budgets. Discussions had taken place at the Lancashire and South Cumbria Integrated Care Board about a pilot project, which aimed to identify those people at risk of falls in the home and then to apply a targeted approach to install appropriate aids and adaptations to eligible households to prevent falls in the home, as well as reduce morbidity and mortality.

A similar project carried out in Wales between 2010 and 2017 showed that frail elderly residents living in areas of higher social deprivation were more likely to have significant falls resulting in hospital admission and subsequently poorer health outcomes. Data studied suggested that intervening with home adaptations, such as stair rails and grab rails and into ensuring homes were well heated/warm, could reduce this risk.

Peel House Medical Practice had volunteered and agreed to take part in the pilot with the aim of targeting a cohort in the Practice's locality based on frailty scores in households aged over 50. With the households' permission, the aim was to carry out home assessments to identify potential and appropriate aids and adaptations to reduce the risk of falls and enable people to remain in their home longer.

Hyndburn Homewise Society, Hyndburn's independent home improvement agency, already provided aids and adaptations in conjunction with Hyndburn Borough Council and for Lancashire County Council. The report proposed to award Hyndburn Homewise a contract up to the a maximum value of £250,000, to enhance the services already provided by Homewise and for the funding to be ring fenced for the aids and adaptations pilot project.

Homewise Society was a Charitable Incorporated Organisation (CIO), Charity Number: 1179077.

Peel House Medical Practice would identify the potential households after which Homewise would arrange a household inspection, identify, and then install appropriate aids and adaptations to the home and this would be funded from the DGF grant monies.

It was proposed to waive contract procedure rules for the following reasons:

- Hyndburn Homewise already provided an aids and adaptations service for Lancashire County Council and therefore this funding award would add to the existing service, using their local knowledge and expertise;
- The pilot project had been developed in conjunction with similar activities carried out by Homewise and in conjunction with local health services; and
- The funding would be used to cover costs only, with no profit element, therefore maximising the amount of available funding to assist eligible households.

There were no alternative options for consideration or reasons

Resolved

- That Cabinet:

- (1) Agrees to waive the Council's Contract Procedure Rules in respect of appointing Homewise Society to administer funding up to a maximum of £250,000 for the provision of aids and adaptations to eligible vulnerable households living within the pilot project area for the reasons set out in the report.**
- (2) Notes that the funding award is subject to formal approval by Lancashire County Council that is expected imminently.**
- (3) Agrees that the cost of the funding, up to a maximum of £250,000, will be met from the Council's Disabled Facilities (DFG) Funding programme.**
- (4) Delegates authority to the Head of Regeneration and Housing in consultation with the Executive Director (Legal and Democratic Services), to draw up, finalise and execute a contract with Homewise Society for the pilot project.**

312 Market Chambers Operating Costs

The Cabinet considered a report of Councillor Noordad Aziz, Deputy Leader and Portfolio Holder for Transformation, Education and Skills, seeking confirmation that the Council was committed to financially supporting the proposed development of Market Chambers through a commitment to provide annual funding towards the operational costs of Market Chambers once opened in late 2027 in accordance with the estimated sums set out in paragraph 4 of that report.

Members were also advised that such funding would need to remain in place unless and until the Market Chambers scheme was in a position to self-fund without the need for significant support funding from the Council. The Council's independent advisors, Bradshaw Advisory, had produced financial forecasts confirming their advice that Market Chambers would be largely self-financed within 10 years from opening. Although from that point onwards, the Council should assume that it might be required to provide some funding in the region of up to £50,000 to £60,000 per year whilst identifying alternative revenue generating opportunities to ensure that Market Chambers no longer required any Council support.

Councillor Aziz provided a brief introduction to the report.

Councillor Khan asked how frequently the level of future financial support from the Council for the operation of Market Chambers would be reviewed. He noted that, given the projected timescales, this responsibility would become a matter for the proposed new unitary authority, which introduced an element of risk to any long-term arrangements. Councillor Aziz responded that the level of financial support would be reviewed from time to time, as necessary. In respect of the long-term arrangements, the new unitary authority would be fully apprised of the situation and elected councillors for Hyndburn wards within that council would need to be a strong advocate for supporting this project.

Approval of the report was considered to be a key decision.

Reasons for Decision

The Council was currently promoting a Compulsory Purchase Order (CPO) for Market Chambers, Accrington. An Inquiry had been opened with an Inspector appointed by the Secretary of State for Levelling Up, Housing and Communities in December 2024. That inquiry had not yet closed but had been adjourned for closing submissions to take place in early 2025. The Inspector had not yet determined whether or not the CPO would be confirmed.

To provide the best opportunity for the CPO to be confirmed by the Inspector, it was necessary for the Council to demonstrate that the proposed development, was likely to contribute to achieving the promotion or improvement of the economic, social, and environmental well-being of the Council's area. The Council also had to show that it had a clear plan for the land's use including confirmation that the required funding was available. This included both development costs and reasonable ongoing operation costs for the proposed development. There should be no physical or legal impediments that would prevent the development from being implemented and maintained in the future.

In January 2022, Cabinet had given its formal approval in support of the Town Centre Stakeholder Board's recommendations that the Council's LUF submission and key priorities should focus around a single scheme that included the following three principal

interventions, noting that at the time of submission 2 and 3 were not in the Council's ownership;

1. Redevelopment within the Indoor Market Hall and outdoor pavilions along Peel Street – the intervention known as Market Hall.
2. Improvements and redevelopment to the block 61-69 Blackburn Road – the intervention known as Burtons Chambers.
3. Improvements and redevelopment to the block of properties at 43-59 Blackburn Road / 2-4 Church Street – the intervention known as Market Chambers.

Cabinet had received regular updates on LUF funding and the progress of its property acquisition consultant, CBRE, in their negotiations to seek purchase by agreement from the relevant freeholders/leaseholders in Market Chambers. As far as working with freeholders/leaseholders to seek agreement for the acquisition of their land interests, it was also prudent for the Council to consider the use of CPO powers where sale by agreement could not be reached. A report presented to Cabinet by the Levelling Up Portfolio Holder in June 2023, sought and received approval to make a Compulsory Purchase Order (CPO) for Market Chambers.

A second report presented by the Portfolio Holder, titled National Lottery Heritage Fund Submission, had asked that Cabinet support the recommendation of the Town Centre Stakeholder Board and delegate authority to the Executive Director (Environment) following consultation with the Portfolio Holder to prepare and submit a £5 million Development Plan, to the National Lottery Heritage Fund (Heritage Fund) which included providing all the evidence and documentation required by the Heritage Fund.

Within the financial implications section of the second report, Cabinet Members had been informed that if successful, the Council would likely receive around 10% of the bid to enable the Council to undertake the initial Development Phase works to submit a Delivery Phase submission. This section also stated:

- *that whilst NLHF funding would be used for the capital works to redevelop Market Chambers, there will be ongoing revenue required to manage and operate the centre. This would be either through specific external revenue funding stream/s, income generated from within the facility, annual grant from the Council or a combination.*

A report presented by the Portfolio Holder for Culture, Heritage and Arts to Cabinet in December 2024, recommended Cabinet:

- *acknowledges the need for a robust business plan to be developed as part of the Market Chambers Development Stage, and additional funding bids made to support the running of the venue in its early years; and*
- *recognises that there may be a need to consider future budget provision to support operational costs during the post-opening period.*

It had been the Council's working assumption that funding for the Market Chambers ongoing operations costs would be through external grants, event income and the reallocation of savings from the current Market Hall revenue budget, plus new income streams from Burtons Chambers and lease income from the Market Hall. In the report Cabinet was being asked to note and agree that in principle savings from the existing Market Hall budget and all surplus income that resulted from the development of both the Burtons Chambers and Market Hall schemes, once open, were sufficient to meet the forecast unmet operational costs of Market Chambers until it operated at breakeven or better.

The advice from the Council's consultant Bradshaw Advisory, had always been to see the LUF funded projects as a whole scheme, with each project: Market Hall; Burtons Chambers and Market Chambers complimenting each other, providing visitor/customer footfall; income generation opportunities and therefore any surplus income generation or savings from one should be diverted to cover costs, where needed, by another.

Funding

Capital funding to the sum of £11m to undertake the necessary capital works on Market Chambers was from the following sources: Levelling Up (LUF) £3.4m; UK Shared Prosperity Fund £0.6m; Lancashire County Council £1m; Hyndburn Borough Council £1m and Heritage Fund £5m. The Council had secured £463,056 from the Heritage Fund as a Development Grant, with the remaining Delivery Grant funding to be applied for following the successful agreement to the Council's Market Chambers Delivery Phase Submission.

The 5-year business plan for Market Chambers, (included in the report as Appendix 1) had been produced by the Council's external bid writing consultant, Bradshaw Advisory in August 2023, as required for the Heritage Fund Development Phase submission. A table outlining Market Chambers Revenue cost estimates, (page 25 of the business plan), indicated that the Council would be required to provide funding towards the annual operating costs once the facility opened. A version of that table was reproduced in the Cabinet report and highlighted those Council funding requirements. Due to the delay in the Heritage Fund Development Phase funding approval, the current anticipated opening for Market Chambers was now late 2027, (but could slip into 2028 if the Council did not receive approval of the Delivery Phase funding at the start 2026).

The business plan estimated this annual financial support from the Council to be circa:

- £120,000 in 2027/28 (part year);
- £230,000 in 2028/29;
- £200,000 in 2029/30;
- £180,000 in 2030/31; and
- £160,000 in 2031/32.

Beyond the 5-year business plan, the Council would still need to provide funding, but it was anticipated that this would reduce year by year from the level of £160,000 at year 5 (2032) up to year 10 (2037), as the aim was for Market Chambers to be largely self-financing at that point. Whilst this would be the aim, it should be noted that the business plan also highlighted that it might well not be fully achieved within this timescale and so it would be prudent for the Council to assume it could need to continue with the funding for a further 10 years but at a reduced level, estimated to be in the region of £50,000 to £60,000 per annum.

The business plan also indicated other income streams would be required to meet the operational costs of Market Chambers. Whilst acknowledging that costs could increase or decrease, if it was assumed these operating costs remained the same, but a reduced income achieved from events or external grants, there would be a shortfall. As an example, if the estimated income generation from the two main income streams (events and external grants), was only 66% of that stated in the business plan, the following additional funding would need to be provided by the Council (in addition to that anticipated to be required as stated at Paragraph 4.3 of the report):

- £79,200 in year 2027/28 (part year);

- £123,750 in year 2028/29;
- £140,250 in year 2029/30;
- £145,200 in year 2030/31; and
- £155,500 in year 2031/32.

In this scenario and if there was no change, (reduction or increase) in costs, the total annual funding from the Council would increase to circa:

- £199,200 in 2027/28 (part year);
- £353,750 in 2028/29;
- £340,250 in year 2029/30;
- £325,200 in year 2030/31; and
- £315,000 in year 2031/32.

However, it should be noted that if the operating costs of Market Chambers were lower and/or the income/grants higher than anticipated, then the required annual funding required from the Council would be lower than the figures set out at Paragraph 4.3 of the report.

In terms of how this funding requirement was anticipated to be met, the Council's financial position from the opening of the Market Hall and Burtons Chambers in later 2025, was anticipated to improve on a year-by-year basis. If the current Market Hall service budget was maintained, noting the Council had been providing funding for the provision of a market offering since Hyndburn Council was created in 1974, (from the amalgamation of local townships) it would have a positive variance for the Council of circa £328,000 per year (comprising £278,000 in respect of savings and £50,000 in respect of income generated from the new market operator lease). In addition, as a result of the operating agreement in place, the Council was expected to receive 60% of the profit from Burtons Chambers, in the order of circa £60,000 from year 5 (2032), or earlier/greater if usage was higher than anticipated. The surplus anticipated to be generated in respect of both Market Hall and Burtons Chambers would provide the Council with sufficient income and savings to support the ongoing funding which was likely to be required in respect of Market Chambers.

A further report/s would be brought at an appropriate time, that would provide an update on procurement of a preferred operator and any funding implications associated with such an appointment in accordance with any legal/constitutional requirements.

Alternative Options considered and Reasons for Rejection

Cabinet could choose not to make the commitment to fund the operational costs of Market Chambers once open, until it was able to self-fund or alternative sources of funding become secured. It was recommended that this option be rejected because the redevelopment of Market Chambers, Market Hall and Burtons Chambers were viewed a single scheme and were a key priority within the Council's Corporate Strategy 2023-2028. The scheme was an essential part of the town centre investment plan (TCIP) and was anticipated to act as a catalyst for further development/investment in the heart of the town centre.

The three projects were viewed as a single scheme and it had been the Council's working assumption that any savings and income generation from the Market Hall and Burtons Chambers would be the first call for any operational costs of Market Chambers. Without the commitment from the Council to fund, where needed, any deficit in operational costs would affect the long-term success of the Market Chambers project and could also have a negative impact on the outcome of the CPO for Market Chambers.

Resolved

- (1) That Cabinet notes and agrees that, in principle, savings from the existing Market Hall budget and all surplus income that results from the development of both the Burtons Chambers and Market Hall schemes, be directed, insofar as is necessary, to support the ongoing Council funding which is likely to be required in respect of Market Chambers.**
- (2) That Cabinet notes the report and agrees to identify and include the ongoing operational costs of Market Chambers in the Council's budget setting proposals in the sums identified in the table in Section 4 of the report, allowing for a potential increase in these sums in the event that other income sources underperform (and the potential reduction of the same if additional income is secured from other sources); at a reducing rate from year 5 (2032) to year 10 (2037) and thereafter at a reduced level of circa £50,000 - £60,000 per year.**
- (3) That Cabinet notes the report and agrees to recommend that the Council's Medium Term Financial Strategy is updated to reflect details from this report.**

313 Prudential Indicators Monitoring and Treasury Management Strategy Update - Quarter 3 2024/25

Members considered a joint report of Councillor Noordad Aziz, Deputy Leader and Portfolio Holder for Transformation, Education and Skills, and Councillor Vanessa Alexander, Portfolio Holder for Resources and Council Operations Updating Cabinet on the Treasury Management activities since the start of this financial year.

Councillor Aziz provided a brief introduction to the report. He indicated that Levelling Up Fund (LUF) money received in advance and slippage in the capital programme, including delays to and Wilson Sports Village, as well as higher than expected interest rates, had led to a strong cash position for the Council.

Councillor Khan noted the strong financial position and asked whether there was any scope to reallocate capital funding to support the renovation of the Civic Theatre, Oswaldtwistle. Councillor Aziz responded that LUF monies were allocated for specific interventions and could not be reallocated.

Councillor Khan noted the balance for the Climate Change Reserve (included in Table 12 of the report) and that there had been little call upon this reserve as at Quarter 3. He enquired if the Net Zero Working Group had any related expenditure plans. Councillor Aziz undertook to look into this matter.

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

Reasons for Decision

The Prudential Code for Capital Finance in Local Authorities required the Council to set Prudential Indicators annually for the forthcoming three years to demonstrate that the

Council's capital investment plans were affordable, prudent, and sustainable. The Council had adopted its prudential indicators for 2024/2025 at its meeting in February 2024.

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

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

'Treasury Management' related to the borrowing, investing and cash activities of the authority, and the effective management of any associated risks. In February 2024, in the same report referred to above, the Council had also set out and then approved its current Treasury Management Strategy. This was in accordance with the CIPFA (Chartered Institute of Public Finance & Accountancy) code of practice on treasury management in public services, the Council having previously adopted, via Cabinet, the then revised code of practice. Associated treasury management Prudential Indicators had been included in the February 2024 report.

Prudential Indicators Monitoring

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

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

Treasury Management Update

The forecast balance sheet position at 31st December 2024 for treasury management activities was shown in the table below.

Forecast Treasury Balance Sheet Position 2024/25

Portfolio Position 2024/25 Q3	Original Estimate 2024/25 £'000	Position 31 Dec 2024 £'000
<u>EXTERNAL DEBT</u>		
Borrowing	9,595	9,595
Other Long-Term Liabilities	1,274	1,302
Total External Debt	10,869	10,897
Capital Financing Requirement	8,798	8,826
Under/(Over) Borrowing	(2,071)	(2,071)
<u>INVESTMENTS</u>		
Total Long-Term Investments	-	-
Total Short-Term Investments	-	34,780
Total Investments	-	34,780

The table demonstrated that the Council was performing within the original targets set at the start of the year. Within the prudential indicators there were a number of key indicators to ensure that the Council operated its activities within well-defined limits. In general, the requirement was that the Capital Financing Requirement exceeded gross debt. However, in 2024/25 the gross debt exceeded the Capital Financing Requirement. This was due to the Council having historical debt with a maturity repayment profile (meaning all principal was paid at the loans maturity date) but the accounting treatment required that the Capital Financing Requirement was reduced each year by the payment of Minimum Revenue Provision (MRP). Other Liabilities in prior years reflected finance liabilities relating to vehicles and plant and in the current year reflected the transfer of all leases onto the balance sheet to comply with the new IFRS 16 – Leases accounting standard.

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

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

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

The Capital Programme 2024/25 was expected to be funded by the use of Government Grants (including Levelling Up Fund and UK Shared Prosperity Fund) and other external financing. It had also been supported during the year by greater use of internal sources of capital finance (including capital receipts and use of the Council's reserve balances). No external borrowing was expected to be required during the year.

Investment Activities During The Period

During the first half of the year the Council had invested funds with other Local Authorities, the Government's Debt Management Agency Deposit Facility and used Money Market Funds and Bank deposit accounts. Investments to the end of Quarter 3 were as shown in the table below:

Portfolio Position 31 Dec 2024	Position 31 Dec 2024
	£'000
Local Authorities	30,000
Debt Management Agency Deposit Facility	1,000
Money Market Funds	2,000
Lancashire County Council Call Account	1,000
Bank Deposit Accounts	780
Total Short-Term Investments	34,780

Two further tables were included in the report, which gave further details of the investments the Council had in place at 31st December 2024 with other local authorities and any future dated loans agreed at the end of the quarter. However, there were no future dated loans agreed at the end of the quarter.

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

Expected Movement in Interest Rates

The Council had appointed Link Asset Services as treasury adviser to the Council and part of their service was to assist the Council in formulating a view on interest rates. A graph was included in the report, which gave Link's latest available view of the expected future movement in interest rates. The latest forecast set out a view that both short and long-dated interest rates would start to fall, as inflation had fallen closer to the Bank of England's target of 2.00%.

The Council's exposure to interest rate movements was largely neutralised currently as its borrowings were effectively at a fixed rate until a trigger point was reached, where the lender believed a better rate could be achieved elsewhere. Interest rates would have to exceed current levels before this was likely to happen. The aforementioned graph indicated that this was unlikely to happen in the next few years as interest rates were expected to fall, although this would continue to be closely monitored.

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

Forecast Treasury Revenue Outturn – 2024/25 Q3

Portfolio Position 2024/25	Working Budget 2024/25	Forecast Outturn 2024/25	Forecast (Under)/ Over Spend
	£'000	£'000	£'000
<u>INTEREST RECEIVABLE</u>			
Interest Receivable on Temporary Lendings	(401)	(1,627)	(1,226)
Other Interest Receivable	-	-	-
Total Interest Receivable	(401)	(1,627)	(1,226)
<u>INTEREST PAYABLE</u>			
Interest Payable on Long-Term Borrowings	513	440	(73)
Interest Payable on Finance Leases	41	39	(2)
Other Interest Payable	-	-	-
Total Interest Payable	554	478	(75)
Minimum Revenue Provision	1,085	1,006	(79)
Net (Income) / Expenditure from Treasury Activities	1,237	(143)	(1,380)

Interest Receivable

The Council had invested amounts of surplus cash on a short-term, temporary basis. The Council's strategy continued to focus on the security of deposits and the liquidity of funds. The interest received from these investments was above the budgeted expectations for the full year, mainly due to higher levels of funds being held and the Bank of England maintaining interest rates at higher levels than had been anticipated when the budget had been set. The forecast income from investment interest for the year ending 31st March 2025 was £1,627,000, an increase of £1,226,000 against the original budget forecast.

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

Interest Payable

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

Minimum Revenue Provision

Minimum revenue provision charge was forecast to be below budget due to new vehicles being delivered later than had been expected.

Performance Against Prudential Indicators

The Council's performance to date, and current forecasts for the year, against the Prudential Indicators set in the Treasury Management Strategy approved by full Council on 27th February 2024 were shown in Appendix 1 of the report. The Council had remained within the Prudential Indicators set out in the approved Treasury Management Strategy.

Liability Benchmark

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

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

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

There were no alternative options for consideration or reasons

Resolved

- **That the Cabinet notes the Treasury Management activities and position during the third quarter of 2024/25.**

314 Revenue Budget Monitoring 2024/2025 - Quarter 3 to end of December 2024

The Cabinet considered a joint report of Councillor Noordad Aziz, Deputy Leader and Portfolio Holder for Transformation, Education and Skills, and Councillor Vanessa Alexander, Portfolio Holder for Resources and Council Operations, regarding the financial spending of the Council up to the end of December 2024 for the financial year 2024/25 and the forecast impact on the Council's Medium Term Financial Strategy for 2024/25 to 2026/27.

Councillor Aziz provided a brief introduction to the report. A positive variance of £96k was forecast as at Quarter 3. However, there were still some potential budget pressures ahead, including costs around the waste disposal site/waste transfer station and food waste collections. The Council needed to remain prudent as regards its expenditure.

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

Reasons for Decision

At the Full Council meeting on 27th February 2024, Council had agreed the General Fund Revenue Budget for 2024/25. This had set a budget for the Council's total spend in 2024/25 of £16.122M.

The current forecast spend to the end of the financial year in March 2025 was £16.026M. This brought the forecast underspend for the year against the budget to £0.096M. Further analysis of changes in forecast spend were shown in Section 4 of the report. A summary is as shown below.

Table 1: Forecast Performance Against Budgets

Department	Original Budget £'000	In Year Budget Changes £'000	Working Budget £'000	Forecast Outturn £'000	Forecast Outturn Variance to Working Budget £'000
Environmental Health	793	-	793	832	39
Environmental Services	5,491	18	5,509	5,564	55
Legal and Democratic	1,834	-	1,834	1,814	(20)
Planning and Transportation	725	(10)	715	829	114
Regeneration and Housing	1,496	(48)	1,448	1,427	21
Resource	4,651	10	4,661	5,672	1,011
Net Cost of Services	14,990	(30)	14,960	16,138	1,178
Non-Service	1,238	30	1,268	(112)	(1,380)
Cabinet Approved Contributions	-	-	-	-	-
Corporate Savings Target	(106)	-	(106)	-	106
Total Net Expenditure	16,122	-	16,122	16,026	(96)
Funding	(16,122)	-	(16,122)	(16,122)	-
(Under)/Overspend	-	-	-	(96)	(96)

The current forecast spend to the end of the financial year showed an increase of £0.011M from the last report at QTR2, which brought the forecast underspend for the year against the budget to £0.096M. Two further tables in the report (Nos. 2 to 3) set out details of changes by service since the last report at QTR2 and the most significant changes in the forecast variance.

Section 4 of the report included a narrative and additional tables (Nos 4 to 11) on Variance by Service, which provided more detailed information on the areas identified in Table 1 above.

Reserves

The Council was currently forecasting a reduction of £8.618M in its usable reserves during the year, bringing them to £17.486M at the end of the year. Forecast movements in reserves were shown in Table 12 of the report. The most significant movements in reserves were the forecast spending on the capital programme.

Potential Pressures and Risks in Year

Although the forecast underspend at Quarter 3 stood at £0.096M, there were some further pressures and risks that needed to be considered, some of which were not currently built into any financial forecasts.

The main pressures/risks to be considered were related to the matters outlined below:

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

A more comprehensive description of the above issues was set out in the report.

These pressures/risks would need to be considered over the course of the Medium-Term Financial Strategy along with an appropriate action plan to ensure the Council could meet any future predicted budget gaps.

There were no alternative options for consideration or reasons

Resolved

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

Members considered a joint report of Councillor Noordad Aziz, Deputy Leader and Portfolio Holder for Transformation, Education and Skills, and Councillor Vanessa Alexander, Portfolio Holder for Resources and Council Operations, which provided an update for Cabinet on the Council's Capital Programme Monitoring. It set out the latest phasing of the programme including the latest estimate of available resources and any additions or changes in forecast outturn since the last monitoring position had been presented to the Cabinet on 30th October 2024.

Councillor Aziz provided a brief introduction to the report. As mentioned previously, there had been some slippage around Levelling Up Fund (LUF) projects and Wilson Sports Village, which would roll over into next year. However, this had produced a positive effect on the Council's revenue position. The Government had agreed to an extension to the timelines in respect of the LUF interventions. The Wilson project had been subject to a short delay, due to the previous contractor, ISG, entering into administration. It was reported that, in view of the additional grant of £240k provided by Sport England, there would be no additional funding required from the Council to complete the project.

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

Reasons for Decision

The Council had authorised new additions to the capital programme of £4.404m at its meeting on the 27th February 2024.

Since the Council meeting in February 2024, new schemes totalling £1.443m had been approved and added to the programme. The additional expenditure approved was to be fully funded from by external grants and receipts that had been awarded and or / received.

In addition, the capital spend outturn from 2023/2024 had slipped £40.656m into 2024/2025, of which £37.769m related to the Levelling Up scheme for Accrington Town Centre, the Leisure Estate Investment and Housing Schemes, including Disabled Facilities Grants.

The total approved Capital programme now totalled £44.866m and was as shown in the table below:

Current Approved Capital Programme

	£m
New Additions to the Capital Programme (Reported at February Council 2024)	4.404
Budget Changes	
Slippage from 2023/24	40.656
Budgets removed from the programme	-1.637
New Schemes and Additional Funding approved in year	1.443
Current Approved Capital Programme Budget 2024/25	44.866
Less Slippage to 2025/26	-21.244
Current Working Capital Programme Budget 2024/25	23.622

The financing of the programme in 2024/2025 was set out in a pie chart within the report.

The current programme of £44.866m would not be capable of being delivered in the current financial year and it was proposed to now rephase the programme into the years in which it was now expected to be spent. The phasing of the programme was now summarised as below.

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

Programme Area	2024/25	2025/26	2026/27	Total
	£000	£000	£000	£000
Operational Buildings	313	651	144	1,108
Parks and Open Spaces	637	830	-	1,467
IT Projects	212	55	-	267
Recreation and Sport	-	-	-	-
Vehicles and Equipment	101	666	-	767
Community Projects	498	31	-	529
Planned Asset Improvement Programme	210	-	-	210
Leisure Estate Investment Programme	7,310	4,555	-	11,865
Public Sector Decarbonisation Scheme	-	-	-	-
Levelling Up Fund	12,012	14,312	-	26,324
UK Shared Prosperity Fund	388	-	-	388
Transitional Housing Programme	-	-	-	-
Housing Improvement Programme	1,941	-	-	1,941
Total Approved Capital Spend Budgets	23,622	21,100	144	44,866

3rd Quarter Update Position

The Actual expenditure and commitments to 31st December 2024 was £10.901m against the latest rephased budget for 2024/2025 of £23.622m. This equated to 46.15% spend.

As shown in the table above, there was expected to be £21.244m of budget to be rephased into 2025/26 and 2026/27, in respect of capital schemes which would now not be completed during the current year.

As the programme had been rephased, the latest forecasts remained in line with the budgeted profile and were expected to be spent in year.

The significant elements of the programme to be spent in year were shown in the table below, with a more detailed breakdown provided in the report as Appendix 1.

Significant in-Year Spend

Programme Area	Total Budget	Spend and Commitments to Date	Forecast Spend for Remainder of Year	Forecast Outturn Position for the Year	Variance (Under) / Overspend
	£000	£000	£000	£000	£000
Operational Buildings	313	219	102	321	8
Parks and Open Spaces	637	470	167	637	-

IT Projects	212	104	113	217	5
Recreation and Sport	-	-	-	-	-
Vehicles and Equipment	101	31	70	101	-
Community Projects	498	45	452	497	(1)
Planned Asset Improvement Programme	210	40	170	210	-
Leisure Estate Investment Programme	7,310	3,362	3,948	7,310	-
Public Sector Decarbonisation Scheme	-	(3)	3	-	-
Levelling Up Fund	12,012	4,926	7,086	12,012	-
UK Shared Prosperity Fund	388	115	274	389	1
Transitional Housing Programme	-	-	-	-	-
Housing Improvement Programme	1,941	1,592	349	1,941	-
Total	23,622	10,901	12,734	23,635	13

% of Budget Spend	46.15%	53.91%	100.06%	0.06%
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Quarter 3 monitoring figures for revenue reflected contributions towards the forecast overspends shown in the table above.

Close monitoring of the capital programme would be undertaken throughout the year to ensure that the projects were kept in line with spend forecasts and were considered in the Council's cash flow forecasts. Deviations from the spending profiles and any financial implications would be considered in future treasury and revenue budget forecasts.

Financial Risks of the Capital Programme

Capital Receipts

The financing of the programme is reliant on using receipts of £5.004m, which had been generated from the sale of Council land and buildings. To date the Council still needed to sell land and buildings to the value of £2.945m to achieve all its required financing from capital receipts. Due to slippage in the programme this funding was not required in 2024/25, but would still be required in future years. Work would be progressing on the sale of the assets identified in these receipts. If some of these asset sales were delayed, the Council had sufficient reserves in place to fund the existing programme in the short term. It was crucial that the planned sales continued to be progressed to ensure the Council achieved the required receipts that would enable future capital programme works to be undertaken.

This was a medium level risk.

External Grants and Contributions

The Capital Programme was reliant on £28.301m in external funding, with the Council providing additional match funding. It was crucial that the external funding was secured, and grant works were claimed on a frequent basis. To date £9.911m had been received, leaving £18.390m still to be received / claimed over the next two years.

The majority of external funding was to be provided by the following sources (further details of which were included in the report):

- Levelling Up Project (LUF);
- UK Shared Prosperity;
- Disabled Facilities Grant; and
- Leisure Estate Investment Programme.

This was a medium level risk.

Major Schemes in Capital Programme

The programme contains some major schemes that required close monitoring to ensure they were on target and that any external financing had been secured and was being claimed frequently. Major schemes included:

- Levelling Up Programme - with £12.012m in year and £14.312m in 2025/26, these figures included additional Council works incorporated into the Levelling Up programme;
- Disabled Facilities Grant - with £1.941m in year;
- UK Shared Prosperity Grant – with £0.388m in year;
- Leisure Estate Investment Programme – Forecast £7.310m in year & £4.555m in 2025/26. The profile of these works had been updated following the recommencement of works on the Wilson playing field site following the recent appointment of a new main contractor; and
- Asset Programme works £1.568m in year, £1.512m in 2025/26 and £0.144m in 2026/27. These works included maintenance of operational buildings and the continued investment in Parks and Playgrounds.

Conclusion

The capital programme had significantly grown over the past two financial years to a current programme totalling £44.866m. Although the programme was approximately 66% funded from external grants and contributions, it nevertheless put a strain on the Council's staffing resources to be able to procure and deliver these projects. It was therefore key to ensure that projects were well planned and phased to deliver within the required time limits.

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

There were no alternative options for consideration or reasons

Resolved - **That the Cabinet notes the progress on capital expenditure to date.**

316 Exclusion of the Public

Resolved - **That, in accordance with Regulation 4(2)(b) of the Local Authorities (Executive Arrangements)**

(Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during the following item, when it was likely, in view of the nature of the proceedings that there would otherwise be disclosure of exempt information within the Paragraph at Schedule 12A of the Act specified at the item

317 Urgent Decisions Taken

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

In accordance with Executive Procedure Rule B16(c), Members considered a report on the following decisions taken under the urgency procedure:

No.	Decision Heading	Portfolio Holder	Date of Approval
(a)	Leisure Transformation Project – Wilson Playing Fields Site	Councillors Noordad Aziz and Vanessa Alexander	12 th December 2024

Further information on the above decision had been provided at the Council meeting on 16th January 2025.

Resolved - **To note the report on urgent decisions taken.**

Signed:.....

Date:

Chair of the meeting
At which the minutes were confirmed