
RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Tuesday, 11th November, 2025

Present: Councillor Noordad Aziz (in the Chair),
Councillors Paul Cox (Vice Chair), Heather Anderson, David Heap,
Judith Addison, Steven Smithson and Bernard Dawson MBE
Co-optees: Tim O’Kane and Christine Heys

In Attendance: Councillor Dad, Leader of the Council, David Welsby (Chief Executive),
Stuart Sambrook (Policy Manager)
Councillor Alexander, Cabinet Portfolio Holder for Resources and Martin
Dyson (executive Director, Resources)

Apologies: Councillors Andrew Clegg, Mike Booth and Richard Downie

195 Apologies for absence, Substitutions, Declarations of Interest and Dispensations

Apologies for absence were submitted on behalf of Councilor Booth and Councillor Clegg and Richard Downie.

Cllr Dawson acted as substitute representative for Cllr Clegg.

There were no interests or dispensations declared at the meeting.

196 Minutes of Last Meeting

The Minutes of the last meeting, held on 23rd July 2025, were submitted for approval as a correct record.

Resolved - That, the minutes of the Resources Overview & Scrutiny Committee held on 23rd July 2025, be accepted as a correct record.

197 Issues Arising from Overview & Scrutiny Reports

The Chair provided the Committee with an update on the items considered at the previous meeting. These included items on Performance Review, Household Support Fund and the Leisure Services Annual Review.

198 Local Government Reorganisation

The Leader of the Council, Councillor Munsif Dad, presented a report to update the Committee on preparations to submit a proposal for Local Government Re-organisation to Government. He gave details of the business case that had been prepared to support the creation of three unitary authorities in Lancashire. A one-page executive summary of this case was attached to the report and a copy of the full business case had been circulated to Committee Members, prior to the meeting. Also, in attendance at the meeting was the Chief Executive, David Welsby, and the Policy Manager, Stuart Sambrook, to respond to the questions of the Committee.

The Leader of the Council explained that the aim for Local Government Re-organisation was to improve service and financial efficiency. He reported that Hyndburn had chosen to propose the three unitary model to Government and pointed out that this model was the most suitable and met all Government tests without compromise. Other models weakened the case for any reform. He indicated that the issue was also due to be discussed by Full Council before a decision was taken by Cabinet on the 19th November 2025. All proposals had to be submitted to Government no later than 28th November 2025.

Questions in Advance

Members had submitted questions in advance which requested further information on timelines, consultation of the matter, the financial impact of the cost of Adult social care, clarity around an Elected Mayor and civic Mayors, Shadow Authority elections and electoral divisions and the number of Council representatives proposed for the new Unitaries.

The Committee was provided with a timeline and key dates for the Local Government Re-organisation and informed that a full consultation with the public would be carried out. It was pointed out that Adult Social Care was the biggest expenditure in Unitary Councils and one of the factors influencing Council reform. Of the different reform model options the evidence provided in the business cases favoured the 3-model option. In respect of the introduction of a Lancashire elected Mayor, the Committee was informed that this was a possibility and that there could be Mayoral elections in 2028. The continuation of Civic Mayors was currently unknown but this would be decided before the introduction of a new Shadow Authority. In respect of elections and electoral divisions, the Committee was informed that it was likely that wards would be based on County wards, although nothing had yet been confirmed.

Further Discussion

Members of the Committee submitted further questions and comments on Local Government Re-organisation including:

- During the September consultation, which business stakeholders participated and requested data and numbers.
- Was consideration given to coastal authorities and natural borders when considering the formation of new Unitary Authorities.
- Elected Members for the new Unitary Authorities would, potentially, have a greater number of electorates to represent. There was concern that representatives could find their workloads unmanageable and asked for consideration to be given to this factor.
- Will the Local Elections in May 2026 still take place?
- What will happen to Council reserves and to the debts carried by some Authorities?
- What will happen to the Hyndburn Leisure Trust?
- Would Parish and Area Councils need to be resurrected due to the potential size of the new Authority?
- What will the new Authorities be called?
- What happens if Hyndburn Borough Council can't decide which option they want?
- Will meetings of Hyndburn Borough Council and the Shadow Authority be separate?
- How would an Elected Mayor work?
- Social care issues – the greatest cost on Councils, staff recruitment issues and funding for it. How will this be dealt with?
- What will happen to staff of the current local authorities when the new Authorities are formed?

- Does the Council have the capacity to deal with any additional workload to establish a Shadow Authority?
- Would financial reports still be produced by each individual Council and will the Council need to be more careful with the funding of projects?

Responses:

An analysis of the consultation, carried out in September, had not yet been completed but the information would be broken down and circulated to Members for information.

It was explained that the Secretary of State required proposals to be submitted from each authority in Lancashire. However, none of the model options had full support but the 3 and 4 models were predominantly the most popular.

The issue that elected Members may have to represent a greater number of electorates and the manageability of potential workloads was considered and noted.

The Local Elections may possibly be deferred as they had been during the re-organisations that had taken place with other Local Authorities. The Decision was with the Secretary of State which would be known in early 2026.

Hyndburn Leisure Trust was an independent organization and there were currently no plans to change this.

The financial position of all authorities would be merged and any debt would be disaggregated. Reserves would remain where they are. The Chief Executive informed the Committee that financial restrictions would be introduced later as new regulations were brought in.

The names of the new authorities would be determined by the Secretary of State and it was likely that this would be simplistic names.

The Leader of the Council explained that Hyndburn Borough Council intended to propose the 3-model option and that each Lancashire Authority would submit their own proposal. There would be a public consultation in February and from this information the Secretary of State would make the final decision.

The Chief Executive explained that Hyndburn Borough Council would meet to make decisions associated with the Council whilst the Shadow Authority would meet to make the decisions of the new Authority. He explained that the two Authorities would work side by side until the transition had taken place.

A Lancashire Elected Mayor would be funded by the Government and oversee the whole of Lancashire. An elected Lancashire Mayor would replicate those of Liverpool and Manchester.

The Leader of the Council explained that the provision of social care was a major factor in forming the new Authorities and that it was important to ensure that the model options proposed covered a sufficient population of at least 500,000 to ensure that services could be delivered financially and efficiently. Anything under a population of 500,000 and it would be difficult to deliver, which was why Hyndburn would be proposing the 3-model option.

The Chief Executive reported that the general position on staffing was that everyone had the right to TUPE and that it applied to everyone.

The Chief Executive explained that a Joint Committee had been set up, with representatives from each authority. This Committee's role was to align services through ensuring each Council provided up to date lists of assets, personnel information and other relevant data. He pointed out that this may involve additional work for staff but that the Council's budget planning would include capacity for this, should it be required.

For each unitary formed, there would only be one financial report and each individual project would be given careful financial consideration before commencing to ensure that the funding and project could be delivered during the reforms.

The Chair thanked Members for their contributions to the discussion on Local Government Re-organisation that had centred around issues such as finances, staffing, public consultation, ward representation and boundaries, the continuation of projects currently underway, elections and the possibility of an Elected Mayor.

Resolved

(1) That the Resources Overview & Scrutiny Committee recommended that Cabinet noted their support for:

- a) The Council's proposal for a three unitary authority model for Local Government re-organisation in Lancashire; and**
- b) The postponement of the 2026 Local Elections for Hyndburn;**

(2) That it also be noted, that the Leader of the Council thanked the Chief Executive, the Policy Manager and the Executive Director, Resources, for their hard work in preparing the report and representing the Council at regional meetings; and

(3) That the Policy Manager provides details of a breakdown of the consultation, carried out in September, in respect of the numbers of those who responded, data relating to business and other stakeholders and other relevant data and circulates this analysis to Committee Members.

199 External Consultancy & Agency Fees

The Cabinet Portfolio Holder for Resources, Councillor Vanessa Alexander, submitted a report to inform Members of the Committee on the level of external consultancy fees and costs for both revenue and capital expenditure for 2024/25 and for the first six months of 2025/26. The Executive Director, Resources, was also in attendance to support the presentation.

The Executive Director, Resources, explained that recruitment agencies were used for staff cover if there was a need for additional staff to cover seasonal or temporary work as well as if there was a need to deliver short term projects which required expertise that the Council didn't have. He reported that the report only referred to revenue costs and detailed: costs per service area, company names against the cost and reasons for the recruitment. The Committee was informed of the total cost for 2024-25 of £925,653k and for the first six months of 2025-26 of £702,187.

In respect of the need to use recruitment agencies, he explained that they would be used when there had been unsuccessful attempts to recruit permanent staff, there was a need for specialist expertise for short-term projects and to meet seasonal or temporary demand. He indicated that the Council had found it difficult to appoint key personnel due to competition for people in these posts and informed the meeting that there was also a shortage of qualified people and that the salaries being offered were not competitive enough. However, he informed the meeting that the authority was managing and, although there was a need for a review of the Council's job evaluation system, this would not be feasible due to Local Government Reorganisation.

The Cabinet Portfolio Holder for Resources, Councillor Vanessa Alexander informed the Committee of the difficulty of appointing staff in some areas of the Council. She pointed out that there was a gap between experienced staff who had worked for the authority for years and young new starters in the authority.

Members submitted questions in advance of the meeting as follows:

The Cabinet Portfolio Holder for Resources, Councillor Alexander and the Executive Director, Resources responded to the questions as follows:

1. Has the Council negotiated with an agency in respect of the supply of staff, to ensure reduced rates?

Response - There was NOT one favoured agency, Matrix is often used by other larger authorities, but there was not currently a deal in place with any agency at Hyndburn as the selection for professional roles is based upon a 'best fit and experience' level with interviews generally taking place.

2. The report contains a breakdown of figures for revenue expenditure but not for Capital expenditure, is it possible for the figures to be provided for the Capital Expenditure for external consultancy fees?

Response -Capital expenditure figures were provided verbally as follows:

Capital expenditure for external consultancy fees was provided for the 2024/25 & 2025/26 to date.

2024/25 - £1.057m including £31k spent on DFG and £32k on Wilson's Playing Fields, £949k LUF scheme.

2025/26 - first six months £518k is currently £178k LUF, £323k on Huncoat Garden Village, £10k on DFG and £5k on Wilsons Development.

3. Are there any fees included in the payment for Universal Valuation 10 – Wilsons (details provided). If so, how much?

Response - Fees included £16,410 (contracting fees) and 1.7% invoice value. – Fees include VAT

4. How much of the payment for Wilson Field Leisure Centre Construction Valuation 11 and Fees (details provided) is related to fees?

Response -Fees included £16,000 project management and covering Alliance Leisure to deliver and manage a lot of the scheme. – 1.35% invoice value – Fees include VAT

5. How are these payments analysed within the Council's internal accounting system?

Response - The Executive Director, Resources reported that all payments were cost coded and each service area had a cost centre in relation to service need. All costs are broken down into service area with more detailed codes within this to identify if this was cost/fees etc.

Members commented and enquired about the following issues:

- It was important to attract appropriately qualified and experienced staff into roles.
- Shortages of qualified staff in some areas such as Finance and Planning meant that the Council was having to pay inflated rates to recruit staff from agencies.

Other issues raised in the meeting

1. Reference was made to legal proceedings against the Council and costs. Members requested a list of fees for legal proceedings.

Response - The Executive Director, Resources, reported that he would provide a list of legal fees in respect of legal proceedings brought against the Council.

2. Reference was made to the expenditure of over £100k on HMOs spent during 2024-25. An explanation was requested in respect of this payment.

The Executive Director, Resources reported that the Council had undertaken work regarding the increased uptake of HMO's in the borough and that this had become a budget pressure in Housing Benefit payments and therefore works were being undertaken to introduce more regulation and restrictions in this area. A piece of work was being undertaken to ensure that benefits were being claimed accurately, and grant money was being used to offset costs.

3. Members also referred to the cost of implementing Article 4 in relation to consultancy fees and ensuring that the report was accurate. Questions were also raised about why the whole borough had not been included in the Article 4 Direction.

Work was continuing on the Article 4 Direction to prevent further unregulated HMOs and so that the Council would have more control.

4. Reference was made to costs associated with Asylum Seekers, as set out in the report, and further clarification was sought on why these costs had arisen.

In respect of the cost listed against Asylum Seekers, it was reported that these costs were offset through Government funding and were being used for integration and housing.

5. Members agreed It was important to try and bring the right skill sets into the Council.

6. Had the Council applied for grants to assist the Planning Department.

Government money was also received in 2023/24 to help Planning authorities to get back on their feet after Covid, however, although there was still a backlog, the bulk of this was covered by planning fees. He pointed out that the Planning Department was also struggling to recruit suitably qualified and experienced staff.

7. Who signed off agency fees?

It was explained that Heads of Service / Service Managers signed off their own agency fees although any areas where this may lead to a budget pressure, would be reported through management team and a request for additional resources would be considered.

- Resolved**
- 1) That the report be noted; and
 - 2) That the Executive Director, Resources, circulates a list of legal fees, in respect of legal proceedings brought against the Council, to Members of the Committee.

200 Exclusion Of the Public

- Resolved**
- That, in accordance with Section 100A(4) Local Government Act 1972, 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 following item.

201 Co-optee Vacancy

Exempt Information under the Local Government Act 1972, Schedule 12A, Paragraph 1 – Information relating to an individual

The Committee was requested to consider and make a recommendation to Full Council on the application submitted for the vacant co-optee position on the Communities and Wellbeing Overview & Scrutiny Committee.

- Resolved**
- That the Communities and Wellbeing Overview & Scrutiny Committee recommend that Full Council approve the application for the vacant co-optee position.

Signed:.....

Date:

Chair of the meeting
At which the minutes were confirmed