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CABINET

Wednesday, 3rd December, 2025

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

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

Apologies: Councillor Clare Pritchard

234 Apologies for Absence

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

235 Declarations of Interest and Dispensations

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

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

236 Minutes of Cabinet

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

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

237 Minutes of Boards, Panels and Working Groups

The minutes of the following board were presented:

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

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

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

238 Reports of Cabinet Members

Portfolio Holder for Resources and Council Operations

Councillor Vanessa Alexander reported on the following:

Town Hall Annexe

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

Household Support Fund

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

Thanks

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

Portfolio Holder for Environmental Services

Councillor Stewart Eaves reported on the following:

Green Flag Award 2025

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

Food Waste Pilot

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

Portfolio Holder for Business, Growth and Sustainability

Councillor Scott Brerton reported on the following:

Economic Development

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

Department for Work and Pensions (DWP)

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

Economic Development Forum

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

Hyndburn Jobs Fair

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

Small Business Saturday

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

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

Leader of the Council

Councillor Munsif Dad BEM JP reported on the following:

Local Government Reorganisation (LGR)

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

Accrington Neighbourhoods Board Plan

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

Skip Day – Spring Hill

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

Fair Funding Review

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

Organisational Review

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

239 Planning Enforcement Plan

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

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

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

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

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

Approval of the report was not deemed a key decision.

Reasons for Decision

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

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

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

Alternative Options considered and Reasons for Rejection

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

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

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

Resolved

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

240 Accrington Market Hall Operator Update

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

In the absence of Councillor Pritchard, the Leader of the Council gave a brief introduction to the report and explained the changes in circumstances leading to the approach now presented. Councillors Whitehead and Breton spoke in favour of the proposals which they

believed would allow the flexibilities of a traditional market, support local traders by setting affordable rents and protect the building for the community as an inclusive public space.

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

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

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

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

Approval of the report was not deemed a key decision.

Reasons for Decision

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

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

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

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

Operator Procurement

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

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

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

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

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

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

Had agreement been reached with the preferred operator, the trader fees and charges and granting of leases to traders would have been the operator's responsibility. Changing to a Council managed model, would now require the Council to set the level of fees and charges, decide the terms of the leases offered to traders and agree a process and criteria

for selecting traditional market traders, food and beverage traders or other traders to be offered a lease.

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

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

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

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

Alternative Options considered and Reasons for Rejection

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

Resolved

- (1) **That Cabinet acknowledges the outcome of the negotiations between the Council and the preferred operator for the Accrington Market Hall lease as highlighted in Paragraphs 4.1 and 4.2 of the report.**
- (2) **That following a review of the available options, Cabinet agrees that the day-to-day operations of the new Market Hall offering is managed by the Council.**
- (3) **That Cabinet agrees to waive the Contract Procedure Rules and grant delegated authority to the Executive Director (Environment) and/or such senior officer as shall be appointed to manage Accrington Market Hall, to appoint Barker**

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

- (4) That Cabinet notes and agrees that in principal and subject to the Council's approval as part of the Council's 2026/27 budget setting process, to allocate sufficient funding for the new Market Hall staffing structure and an appropriate annual revenue operational budget.
- (5) That Cabinet delegates authority to the Executive Director (Environment) and/or such senior officer as shall be appointed to manage Accrington Market Hall, in consultation with the relevant Portfolio Holder and following advice from the consultant Barker Proudlove, to agree opening days and hours for the Market Hall and agree the process and criteria for selecting traders to be offered a lease.
- (6) That Cabinet delegates authority to the Executive Director (Resources) and/or such senior officer as shall be appointed to manage Accrington Market Hall, in consultation with the Executive Director (Legal and Democratic Services) and the relevant Portfolio Holder, to agree and implement all necessary regulation for the operation and management of Accrington Market Hall, all trader fees and charges, (including utilities, communal areas, service yard fees or other service charges), discounts, rent deposits, lease terms and conditions and the signing of such leases.

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

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

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

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

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

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

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

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

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

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

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

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

Approval of the report was deemed a key decision.

Reasons for Decision

Proposed Grant - General Background

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

These cost pressures included:

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

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

Proposed Grant - Subsidy Control

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

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

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

- provided for the benefit of the public; and

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

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

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

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

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

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

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

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

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

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

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

Proposed Grant - General Public Law Considerations

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

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

Financial Position

Proposed Subsidy Grant 2025/2026

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

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

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

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

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

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

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

- Late in 2024/2025 Hyndburn Leisure had taken over responsibility for procuring their own energy costs and were able to negotiate substantially reduced rates for the leisure centres than had been possible through the Council's contract. This had resulted in a reduction in the kilowatt charge rate and the VAT rate, which had enabled savings of almost £300,000 per annum.
- As all costs had risen with inflation, Hyndburn Leisure had also renegotiated several of their other premises and supplies and services contracts and set a further savings target to be achieved in year to ensure the subsidy would be reduced from 2024/2025.
- The opening of the Cath Thom Leisure Centre in October would also contribute towards increased attendances, although in the first six months of operation the centre was not expected to make a financial surplus.

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

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

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

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

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

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

Financial Monitoring Position as at the end of September 2025

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

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

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

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

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

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

Employee Costs

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

Premises Costs

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

Supplies and Services

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

Project Expenditure

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

Finance & VAT Costs

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

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

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

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

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

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

Other Income – Service Recharges & Sponsorship

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

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

External Grant Funding – External Grants & Commissions

There were no variances on this funding.

Impact on Subsidy Required from the Council

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

Alternative Options considered and Reasons for Rejection

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

- Resolved**
- (1) That Cabinet notes the forecast financial position of Hyndburn Leisure at Q2 of the 2025/2026 financial year as shown in Section 5 of the report.
 - (2) That Cabinet agrees to pay Hyndburn Leisure the sum of £700,000.00 by way of grant to support the provision of community leisure services in the Borough in respect of the period 1st April 2025 to 31st March 2026, subject to completion of a grant funding agreement in accordance with Paragraph 3.6 of the report.

242 Exclusion of the Public

- Resolved**
- That, in accordance with Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during the following item, when it was likely, in view of the nature of the proceedings that there would otherwise be disclosure of exempt information within the Paragraph at Schedule 12A of the Act specified at the item.

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

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

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

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

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

Reasons for Decision

The reasons for the decision were set out in the exempt report.

Alternative Options Considered and Reasons for Rejection

The alternative options considered and reasons for rejection were set out in the exempt report.

- Resolved**
- That the recommendations as set out in the exempt report be approved.

Signed:.....

Date:

Chair of the meeting
At which the minutes were confirmed