

REPORT TO:		Special Overview & Scrutiny Committee	
DATE:		25 March 2026	
PORTFOLIO:		Councillor Clare Pritchard – Transformation and Town Centres	
REPORT AUTHOR:		Steve Riley – Executive Director (Environment)	
TITLE OF REPORT:		Town Centre Levelling Up funded project progress	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	Options	Not applicable	
KEY DECISION:	Options	If yes, date of publication:	

1. Purpose of Report

- 1.1 To update Special Overview & Scrutiny Committee on the Levelling Up funded (LUF) town centre projects.

2. Recommendations

- 2.1 That the Special Scrutiny Committee note the detailed report and raise any questions prior to the scheduled meeting to allow for responses to be provided.

3. Reasons for Recommendations and Background

- 3.1 The Levelling Up Fund was announced at the 2020 Government Spending Review. Its focus was on capital investment in local infrastructure projects that require up to £20m of funding and builds on prior programmes such as the ‘Local Growth Fund’ and ‘Towns Fund’.

- 3.1.1 In January 2022, Cabinet gave 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 an enhanced food and drink offering alongside traditional market stalls and new 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.

3.2 Acquisitions

3.2.1 Market Chambers - In total, six freehold and twenty-five leasehold interests have been acquired across the properties 2-4 Church Street and 43-59 Blackburn Road. The first secured in August 2023 and the last in July 2025. A General Vesting Declaration was made by the Council on the 10 February 2026 and notices have been posted around the property subsequent to the confirmation of the Compulsory Purchase Order by the Inspector. Following a 3-month notice period, the Council will register the acquired land as a single title with the Land Registry.

3.3 Phase 1 construction contract

3.3.1 All works procured under the phase 1 contract are complete and the small number of defects identified by the phase 2 contractor have been resolved by the phase 1 contractor and their subcontractors.

3.4 Phase 2 construction contract (fit-out)

3.4.1 The following work headings are instructed:

- Full internal fit-out works to Market Hall and Burtons Chambers, such as floors, walls, ceilings, electrical, mechanical and ventilation systems, decorations, fixtures/fittings etc.
- Installation of a new damp proof protection system to two elevations in Burtons Chambers which are below the external ground level
- Re-covering to the roof of Burtons Chambers
- Further replacement of roof glazing, guttering and safety walkway to the Market Hall roof
- Installation of a Solar Photovoltaic system to the Market Hall roof including any repairs to the existing covering
- External public realm works to Peel Street (reduced scope from the original approved planning application, following extensive surveys which identified the proximity/quantity of utility services and river culvert)

3.4.2 Additional works have been identified as the project has progressed. These being additional asbestos removal, make secure existing floor joists, additional weatherproofing details to roof glazing. Whilst it has been necessary to instruct this work under the phase 2 contract, these costs are being managed within the overall approved budget.

3.4.3 There is no LUF funded work planned to the remaining leaseholder's ground floor external façade in Burtons Chambers, although designs have been future proofed as far as possible to enable the space could be incorporated, the curtain walling system/windows and internal services extended into the redeveloped workspace if/when it becomes vacant and the Council wished.

3.5 Monitoring / Reporting

3.5.1 The quarterly reporting requirement to MHCLG has changed. The Council is now required to report progress every six months, starting from April 2026 and the spending deadline has been extended, from 31 March 2026 to 31 March 2028.

3.5.2 The phase 2 contractor's most recent progress report highlights seventeen different contractors on the project. Of these, seven have head offices in the Merseyside area, four

in Greater Manchester, two in Cheshire/North Wales, two in West Yorkshire and one in Lancashire. Whilst there are no contractors registered address in Hyndburn, twelve operatives working on site live within postcodes BB3, BB4, BB5 and BB12.

3.6 Budget

3.6.1 At the end of the phase 1 contract, the project cost consultants and Council finance team reported £14,336,357 expenditure against £25,416,516 of available funding (£20,000,000 LUF funding, £3,916,516 from Hyndburn Borough Council and £1,500,000 of match funding from Lancashire County Council). This provided a remaining approved budget of £11,080,159 for phase 2 works (plus a separate client contingency of £500,000). At the time of writing the report, the latest cost report produced by the Council's consultants Rihbell and Rider Levett Bucknall, currently estimate an overall phase 2 cost of £11,129,503, which would be a £49,344 overspend and less than 2% of the approved budget. However, there are still twenty-two outstanding Provisional Sums yet to be agreed and instructed. These have a tender estimated contract value circa £1.3m so the overall phase 2 cost could still fluctuate upwards or downwards. The project team and phase 2 contractor are working to have these works agreed and the prices fixed within the coming month.

3.7 Programme

3.7.1 At the time of writing the report, the contractor's programme still showed a working assumption that the construction works to Burtons Chambers will be 'practically complete' by 6 July 2026 and Market Hall by 13 July 2026 (**RIBA 6 – Handover**).

3.7.2 Following the change to leasing the Market Hall, where the Council will now manage the Market Hall day-to-day operations, there is a substantial amount of work for the Council to undertake in promoting and signing up new food and drink traders plus any other general market type traders to compliment the existing traders temporarily decanted to the town square. The Head of Policy and Communications, who is not part of the existing LUF project team, has been asked to lead this work to ensure the Market Hall opens successfully.

3.7.3 Given the time required to secure new tenants and recant the traders from the temporary cabins, it has been agreed that the Market Hall re-opening will align with the Christmas Lights Switch events, on either the 19 or 20 November 2026 (exact day will be agreed nearer the time with market traders). The Council continues to liaise closely with the Burtons Chambers operator to understand the work/timescale they require for testing or any soft launching, but the operator has agreed to open in line with the Market Hall as the temporary cabins will need to have been removed from in front the building's entrance (**RIBA 7 – Use**).

4. Alternative Options considered and Reasons for Rejection

4.1 The report is for updating Cabinet on progress only.

5. Consultations

5.1 Monthly update meeting with Portfolio Holders, updates to Cabinet and progress briefings the existing Accrington Town Centre Stakeholder Board.

6. Implications

Financial implications (including any future financial commitments for the Council)	<p>The Council approved an additional £250,000 of funding to complete the agreed scope of works under the phase 2 contract (this represents a circa 1% increase in the total phase 1&2 LUF budget).</p> <p>The Council approved a £500,000 'Client Contingency' for the phase 2 contract. Any use of this contingency will be at the sole discretion of the Council.</p> <p>The Council has updated its medium-term financial strategy MTFP as a result of acknowledging it will need to create a suitable maintenance budget and staffing structure given its responsibilities as a landlord, obligations under the management agreement with Burtons Chambers operator and funding the new in-house Market Hall operations team.</p> <p>Once the temporary market cabins on the town square have been removed some repairs to the existing paving may be needed. At present the work is unknown/uncosted but any repair work will be managed directly by the Council.</p>
Legal and human rights implications	<p>There are no legal and human rights implications from this update report.</p>
Assessment of risk	<p>There is a risk of unforeseen additional costs or client driven changes to the phase 2 works. This is mitigated as far as possible in agreeing a defined scope of works, fixing the costs of works were ever possible, strict procedures to investigate/sign off any claims for additional work/cost incurred by the contractor and where the designs have yet to be finalised/agreed, provisional sums have been market tested to give accuracy and some assurance.</p> <p>There is a risk to the Council of the contractor not completing by their programme date. This is mitigated as far as possible by including</p>

	<p>appropriate levels of liquidated damages. The level of such damages would cover additional costs incurred by the Council such as retaining the client project team, extended cabin hire etc.</p> <p>There is a risk to the Council of the Burtons Chambers operator withdrawing if the project is substantially delayed. This is mitigated as far as possible by regular briefings with the operator on the fit-out specification and project progress.</p>
<p>Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i></p>	<p>Not applicable for this report</p>

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

7.1 Accrington Martel Hall Operator Update – Cabinet December 2025
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=3031&Ver=4>

Levelling Up Funded Projects Update – Cabinet October 2025
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=3030&Ver=4>

Town Centre Levelling Up Funded Project Update – Special Overview & Scrutiny Committee October 2025
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=323&MId=3053&Ver=4>

Town Centre Levelling Up Funded Project Update – Special Overview & Scrutiny Committee February 2025
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=323&MId=2990&Ver=4>

Market Chambers Operating Costs - Cabinet January 2025
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2898&Ver=4>

Appointment of Operator for Burtons Chambers – Cabinet March 24
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2802&Ver=4>

Levelling Up Funded Projects Update - Special Scrutiny Committee March 2024
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2802&Ver=4>

LUF and Other Funding Update – Cabinet February 2024
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2801&Ver=4>

Markets Decant – Cabinet December 2023
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2799&Ver=4>

Market Traders Decant Accommodation – Cabinet October 2023

<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2798&Ver=4>

LUF General Update and Operator Procurement – Cabinet September 2023

<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2797&Ver=4>

Levelling Up Update – Special Scrutiny Committee July 2023

<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=323&MId=2814&Ver=4>

Levelling Up Update – Cabinet June 2023

<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2795&Ver=4>

Levelling Up Update – Special Scrutiny Committee March 2023

<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=323&MId=2773&Ver=4>

Levelling Up Update – Special Scrutiny Committee December 2022

<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=323&MId=2762&Ver=4>

8. Freedom of Information

- 8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.