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# RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

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**Monday, 23rd February, 2026**

**Present:** Councillor Noordad Aziz (in the Chair),  
Councillors Mike Booth, David Heap, Judith Addison, Steven Smithson,  
Bernard Dawson MBE and Jodi Clements.  
Co-optees: Tim O'Kane, Richard Downie, Christine Heys and Wesley Davitt

**In Attendance:** Councillor Vanessa Alexander – Cabinet Portfolio Holder for Resources & Council Operations  
Councillor Munsif Dad – Leader of the Council, Labour Party  
Councillor Zak Khan – Leader of the Opposition, Conservative Party  
Councillor S. Fazal – Green Party  
Martin Dyson – Executive Director, Resources

**Apologies:** Councillors Paul Cox, Andrew Clegg and Heather Anderson

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## **311 Apologies for absence, Substitutions, Declarations of Interest and Dispensations**

Apologies for absence were submitted on behalf of Councillors Andrew Clegg, Heather Anderson and Paul Cox.

Councillors Bernard Dawson and Jodi Clements acted as substitute representatives for Councillors Andrew Clegg and Heather Anderson, respectively.

Councillor Aziz referred to item 7 – Capital Programme and declared a personal interest in respect of his father receiving a Disabled Facility Grant. He continued to take part in the debate and remained in the room.

No dispensations were declared at the meeting.

## **312 Minutes of Last Meeting**

The Minutes of the meeting of the Resources Overview & Scrutiny Committee held on 10<sup>th</sup> December, 2025 were submitted for approval as a correct record.

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

## **313 Chair Update**

### **Councillor Marlene Haworth**

The Chair referred to the recent sad passing of Councillor Marlene Haworth (former Leader of the Council) and, on behalf of the Committee, expressed their condolences. The Committee observed one minute's silence as a mark of respect.

## **New Co-optee – Wesley Davitt**

The Chair introduced the new Co-optee Member, Wesley Davitt, and welcomed him to the Committee.

### **314 Medium Term Financial Strategy**

The Portfolio Holder for Resources and Council Operations, Councillor Alexander, submitted a report giving the Council's Medium Term Financial Position for 2026/27 to 2028/29. The report had been submitted to Cabinet on 18<sup>th</sup> February 2026 with the accompanying Medium Term Financial Strategy and had been approved.

The Leader of the Council reported that the Government had recently announced that Local Government Elections would now proceed in May 2026 and that local Councils across the 21 reorganisation areas would receive additional capacity funding. The amount is not currently known. The Council has since reported that this funding would be used to offset a zero Council Tax rise rather than the 2.99% increase originally proposed. The charge for a Band D property would therefore remain at £276.46 for 2026/27. Further details would be included in the final Budget papers due to be submitted to Council on 26<sup>th</sup> February, 2026.

The Strategy was appended to the report and set out the three-year projections of income and expenditure for the Council ahead of formulating its 2026/29 Revenue and Capital Budgets. The Strategy provided a summary of the main issues when setting the budget, including:-

- The continuation of delivering the Council's major capital projects including Levelling Up/Town Centre regeneration, Leisure transformation and progress on the Huncoat Garden Village project, which will provide over 1,800 new homes.
- The consequence of both national and global issues.
- The Council's own financial position including inflationary pressures and energy costs.
- The financial forecasts over the next 3 years including facing the challenges of Government reforms and increased pressure on spending.
- The 2026/27 Local Government finance settlement (LGFS) introduced the major reforms consulted on as part of the Fair Funding Review including a multi-year funding approach and changes to grant funding and business rates. The Council faces real term reductions.
- Hyndburn had been identified in the Fair Funding Reform review as being amongst the authorities furthest from their assessed funding level. As a result, the Council would lose 5% of its 2025/26 baseline funding by 2028/29.
- The Council has addressed the £6.35m reduction through savings and use of resources.

As a consequence of the issues raised above, there is an anticipated loss of £6.35 m over the MTFS period but the multi-year settlement offered a level of certainty to enable the Council to prepare for future challenges. The 3-year settlement represented a minimum level of funding and provided a certainty around government funding resulting in a relatively stable outlook across all scenarios, pessimistic, standard and optimistic.

The appendix attached to the report also provided more detail on:

- Elements of the MTFS
- Background
- Resources
- Government Grant
- Council Tax
- Business Rates
- Changes in Costs
- Budget Pressures
- Capital Costs
- Growth
- Reserves

- Other Assumptions
- Scenarios and Scenario Breakdowns
- Robustness of the Forecast
- Overall Net Position
- Details of each of the 3 scenario models

The following question was raised by Members and responded to at the meeting:

- What proportion of the share of the £63 million from Government would Hyndburn receive?

The response was that this was unknown at the present time.

It was recommended that the report and any comments be noted.

**Resolved - That the report be received and noted.**

### **315 Prudential Indicators, Capital, Treasury Management and Investment Strategies 2026/27-2028/29**

The Portfolio Holder for Resources and Council Operations, Councillor Alexander, submitted a report setting out the Council's Prudential Indicators and Treasury Management and Investment Strategy 2026/27 to 2028/9 which sets out the Council's policy and objectives with respect to treasury management, to explain how it will achieve its objectives and manage its activities; and to agree an investment strategy for 2026/27. The report had been submitted to Cabinet on 18<sup>th</sup> February 2026. Councillor Alexander thanked the Executive Director, Resources, and the Council's Finance Team for their hard work in producing the report.

The following details were summarised in the attachment to the report:-

- Background
- Prudential Code & Prudential Indicators
- Capital Expenditure & Capital Financing Requirement
- IFRS 16 –Leasing
- Minimum Revenue Provision
- Affordability Prudential Indicators
- Treasury Management Strategy 2026/27
- Current Treasury Position
- Expected Movement Interest Rates
- External Debt Overall Limits
- External Vs Internal Borrowing
- Liability Benchmark
- Limits on Activity
- Debt Rescheduling
- Investment Strategy
- Environmental, Social & Governance (ESG)
- Treasury Management Practices (TMP)
- Policy on the Use of External Service Providers
- Treasury Management Strategy in – Year & Year-End Reporting

Also included with the report are the Treasury Management Policy Statement 2026/27 and the Treasury Management Practices 2026/27 and the Capital Strategy 2026/27.

Cabinet made the following recommendations to Council:

- (1) To adopt the prudential indicators and limits detailed in the report;
- (2) To approve the Treasury Management Strategy, and associated indicators, as set out in Appendix 1 to the attached report;
- (3) To approve the Investment Strategy as set out in Section 13 of Appendix 1 to the attached report;
- (4) To approve the Minimum Revenue Provision Policy for the year 2026/27 – as set out in Section 5 of Appendix 1 to the attached report;
- (5) To approve the Treasury Management Policy Statement for 2026/27 – Appendix 2 of the attached report
- (6) To approve the Treasury Management Practices Statement 2026/27 – Appendix 3 of the attached report;
- (7) To approve the Capital Strategy 2026/27 – Appendix 4 of the attached report.

**Resolved** - That the contents of the report be noted.

### 316 General Fund Revenue Budget 2026/27

The Portfolio Holder for Resources and Council Operations, Councillor Alexander, submitted a report setting out proposals for the 2026/27 General Fund Revenue Budget, as attached at Appendix A of the report. This also provided an overview of key issues which had arisen from the Medium Term Financial Strategy.

The Council's 2026/27 Revenue Budget required a net expenditure of £17,607,700 and under the budget proposals, as a result of Local Elections being reintroduced and a recent Government announcement of an additional capacity grant being made available to help the reorganisation of Councils, there would be no rise in Council Tax for Hyndburn residents for Hyndburn Council provided services. The charge for a Band D property would, therefore, remain at £276.46. The Budget report to Council would be revised accordingly.

A number of national and global issues had had an impact on the Council's budgets along with the impact of higher inflation and forecast pay settlements, however, the Council intended to use the additional capacity grant to offset the proposed zero increase in Council Tax for residents of Hyndburn. Lancashire County Council, the Police & Crime Commissioner and the Lancashire Combined Fire Authority have not yet formally taken their decisions on Council Tax levels for 2026/27. It is expected that all three authorities will raise its Council Tax. Relating to Band D properties, Lancashire County Council is expected to raise its Council Tax by 3.8%, the Police and Crime Commissioner to increase by 5.41% and Lancashire Combined Fire Authority by 5.57%.

Altham Parish Council has set a separate precept requirement for its activities and has decided not to increase the Band D charge and will remain at £44.33 for 2026/27. The Parish Council will precept the Collection Fund for £14,141 for 2026/27. Details of the proposed position on other Bandings for properties in Altham are shown in Appendix 6 of the report.

The Council faces continued volatility around some of the most significant items within its Budget. Major reforms of local government finance have transferred the risk of business rate revenues and Council Tax benefits to the Council. The certainty on which the Council could budget and manage its finances has therefore decreased since 2013. The Committee was informed of the importance of plotting any deviations away from the expected figures and taking appropriate action should these start to emerge, which could result in the need to reduce spending during the year.

However, Committee was informed that Cabinet intended to continue managing the Council's affairs effectively and promoting appropriate service investment. It would therefore:

- Continue to limit enhancements on early retirement, continue a rigorous approach to absence management and commit to minimising borrowing costs.
- The Capital Programme for 2026/27 would continue to deliver key investment in council and public facilities by adding another £7.86m to £56.51m the Council has already approved.
- A large proportion of the capital programme will be phased over the next few financial years which includes the delivery of £29m investment in the Huncoat Garden Village Project, with all the funding coming from Homes England, and finalising the Levelling Up works in Accrington Town Centre along with other complementing Town Centre regeneration.
- To continue free car parking in Hyndburn.
- Freezing green waste charges at £35 per annum and offering free bulky waste collections.
- Continuing efforts to reduce accommodation costs and actions to reduce carbon emissions and energy costs.

An addition to the programme in 2026/27 of £7.86m to include further investment of £689,000 in Parks and Plays areas, £1,359,906 for Disabled Facility Grants, £2,161,135 to maintain and invest in the Council's operational assets and vehicle fleet, £165,000 to improve and develop ICT and technical equipment, £435,000 on Community Projects that involve War Memorial restoration, Christmas decoration replacement and Maiden Street Clock Towner lighting, £2,600,000 towards the future development of the Market Chambers building and £450,000 for the continued repurposing of Mercer Hall Leisure Centre and the contribution towards Accrington Stanley Community Trusts capital investment in sports initiatives.

The Capital programme for 2026/27 is partly funded from the Governments grants to deliver a Pride in Place Impact Fund. Hyndburn will receive £1.5m to be committed to projects that deliver visible improvement to community spaces; public spaces and high street and town centre revitalisation.

General reserve balances are expected to be just under £1.9m.

Due to Government reforms to Business Rates Funding of Local Government, the Council now carries a significant risk around the level of monies available. The calculation of available funds will be dependent on a number of factors and, as such, could be subject to

variations of hundreds of thousands of pounds. The volatility around these forecasts have increased due to the impact of recent national and global issues on the Business Community.

The following information was attached to the report, which had been submitted to Cabinet on 18<sup>th</sup> February 2026:-

- Background to Revenue Budget 2026 -27
  - Medium Term Financial Strategy
  - Continuation Budget
  - Growth & Inflation Pressures
  - Available Resources
  - Resources Summary
  - Budget Proposal
  - Reserves
  - Risks & Management
  - Consultation
  - Conclusion
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- Appendix 1 – Initial Outline Budget 2026/27
  - Appendix 2 - Revenue Budget 2026/27
  - Appendix 3 - Budget Movements in Year 2026/27
  - Appendix 4 - HBC Tax Increase 2026/27 by Property Band
  - Appendix 5 - Estimated Overall Change in Council Tax 2026/27
  - Appendix 6 - Altham Parish Precept by Property Valuation Band 2026/27

Members raised the following questions:

- What vacancy targets were set?
  - Keeping the post vacant for three months
  - Relocating staff from Broadway Office into Scaitcliffe House
- What Bulky Waste collection savings were made
- What's happening with reserves

Responses were provided at the meeting.

Councils would continue to deliver their business as usual until reorganisation was complete, with being staff appointed to manage additional workloads where necessary.

Cabinet made the following recommendations to Council:

- (1) That there be no increase in Council Tax for 2026/27 with the charge for a Band D property remaining at £276.46.
- (2) That the Budget for 2026/27 will be £17,607,700 as detailed in Appendices 1 to 3 of the Revenue Budget 2026-2027 report, attached at Appendix A to the covering report.
- (3) That changes in budget requirement including through inflation, growth and savings identified in Appendix 3 of the Revenue Budget 2026-2027 report be approved, to

ensure the Council could set and approve a balanced budget.

- (4) That the significant improvement made in relation to budget monitoring and cost reduction within the Authority over the past 20 years be noted and its commitment to continuing this approach in the year ahead be confirmed.
- (5) That during the financial year 2026/27, the Executive Director (Resources) be delegated responsibility to amend the Budget (following consultation with the Leader of the Council) for technical reasons, such as the restructuring of cost centres, the re-apportionment and re-allocation of overheads etc., provided such amendments had an overall neutral impact on the Budget.
- (6) That during the financial year 2026/27, the Executive Director (Resources) be delegated responsibility to amend the Budget (following consultation with the Leader of the Council) should the estimate of Business Rates not be sufficiently accurate, by drawing on reserves if needed or paying over additional contributions to reserves.
- (7) That, to aid future financial management planning any surpluses generated during 2026/27 are set aside to help the Council reduce its cost base over the next three years, to support its long term capital programme or to strengthen its overall reserve position.
- (8) That any additional funds from Government that are not ring-fenced funding as well as any other surplus funds could be used if required to support Capital expenditure as determined by the Executive Director (Resources) in the overall financing of capital expenditure or be transferred to Reserves.

**Resolved**

**- That the contents of the report be noted and supported.**

### **317 Capital Programme**

The Portfolio Holder for Resources and Council Operations, Councillor Alexander, submitted a report relating to the Council's Capital Programme 2026/27 – 2028/29.

The report set out the Council's capital programme for 2026/27 including forecast slippage on schemes from 2025/26 and the additions of new schemes to the Council's Capital Programme for 2026/27.

The significant level of investment in previous years had only been possible by the Council obtaining external financial support, as well as the Council's own effective financial

management over recent years which had allowed it to have the funds necessary to finance these major projects when other funding became available. The new additions to the capital programme have increased to £7.860m (including £1.020 leasing costs) compared to £2.476m in 2025/26. External funding of £3.20m has been confirmed towards the cost of the new capital schemes (Disabled Facilities Grant, Extended Producer Responsibility Grant (EPR) and Pride in Place Impact Grant) with a further £0.03m funding to be secured.

The additions to the programme in 2026/27 will bring the total approved capital programme to £38.565m, including forecast slippage of the unspent programme from 2025/26 of £30.706m, which can be seen in Appendix 1 of the report. The forecast slippage from the 2025/26 programme includes £22.366m (£3.815m slippage to £2027/28) for Huncoat Garden village, £0.40m for the Leisure Estate Investment Programme and £6.251m for the Levelling Up Programme. The capital budgets for the Levelling Up Programme are based on the latest forecasts of costs, however, as these are not tendered figures, they are still subject to change.

The funding of the 2026/27 capital programme is based on using council reserves and potential capital receipts. There will be continued emphasis on the realisation of additional capital receipts during the year. The programme assumes £3.010m of expenditure will be funded from capital reserves, and £0.6m from unfunded receipts. Any new receipts received will replace the funding required from these reserves.

The small number of expected new schemes for 2027/28 and 2028/29 (totalling £1.910m) are detailed in Appendix 3 of the report (for information only).

The Council:

- will continue its strong policies of financial management and look only to borrow what it needs to fund major investment projects.
- will rely on securing external sources of funding, using capital receipts, making revenue contributions to capital projects and use unspent monies to fund its programme.
- has appointed experienced professionals to manage its two largest projects, to reduce risks to the Capital Programme.
- will continue with its strategy to reduce its level of debt.

Details of the Capital Programme are appended to the report.

Members of the Committee submitted two questions in advance of the meeting. These related to an extract from the Pride in Place Impact Fund prospectus which set out which stakeholders should be involved in identifying priorities and the delivery of the Pride In Place Impact Fund. The group involved in the process for Hyndburn was the Neighbourhood Board.

1. What percentage of members of the public are on the Board and are members of the Board from a wide selection of Hyndburn?
2. How would the fund progress be monitored and stakeholder engagement be reported and had any timescales been set?

Two further questions were submitted by members of the public as follows:

1. There are 12 Projects being financed by the Government's £1.5 m Pride in Place money. The Government prospectus requires local authorities to engage and seek support from a wide range of people using existing groups or to set up a new group,



who would suggest Pride in Place projects. Which of the 12 projects were requested by this group and which have been put forward by the Council?

Responses in respect of the Pride In Place money was that the Member of Parliament (MP) had been involved and stakeholder meeting and consultations had been carried out. These had included the Neighbourhoods Board. In addition, Ward Councillors had spoken to individuals representing local communities.

To prevent any confusion, the Committee was reminded that the Neighbourhood Board was responsible for the Plan for Neighbourhoods Fund, which was an investment of over £20m over a 10-year period. The Price of Place Impact Fund was recently allocated additional Government funding of £1.5m for the Council to invest in the Borough over a 2-year period.

The 12 projects put forward are listed within the Budget papers and the Committee was referred to these.

2. Further to your issue of the spending in the Hyndburn area can I ask about the statement that is made ' These projects will list alongside our ongoing capital projects which as the £30 million investment in Huncoat Garden Village creating 1800 new homes'.

There is quite a lot mentioned about 30 million relief road, what is the 30 million that your budgeting for in the spending information can you please clarify what this 30 million is going towards in this project.

Response: Homes England have awarded £30m towards key infrastructure costs including a new relief road connecting Huncoat directly with the A56, land acquired to deliver the new relief road, brownfield land remediation on the former colliery and power station sties and a contribution towards improvements to junction 8 on the M65 motorway (and potentially to improvements to the nearby Shuttleworth Mead junction) to improvement junction safety.

Councillor Zak Khan made the following comments and raised a number of issues in relation to the Pride of Place schemes.

Councillor Dad explained that all Cabinet Members were involved in decision making for programmed schemes and that discussions had taken place with stakeholders, including the Neighbourhood Board. Ward Councillors had also spoken to individuals representing local communities.

Councillor Whitehead added that for some Neighbourhood Improvement projects the funding had not yet been allocated. There would be some small areas that required capital investment to make a difference, but no monies had yet been earmarked for specific schemes.

Cabinet made the following recommendations to Council:

- (1) To approve the Capital Programme for 2026/27 including new scheme additions of £7,860,041 with a net cost to the Council of £3,609,970 as set out in Appendix 3 of the report.

- (2) To approve the funding of the programme by the use of newly awarded direct external grants totalling £3,229,909, lease vehicle borrowing costs £1,020,165 and the remaining funding of £3,609,970 to come from the Council's resources.
- (3) To note the expected new scheme additions for 2027/28 onwards set out in appendix 1 of the report.
- (4) That delegated authority is given to the Executive Director (Resources), in consultation with the Portfolio Holder for Resources and Council Operations, to flex the programme in accordance with the available funding, provided this does not require any additional borrowing.
- (5) That the individual projects within the Capital Programme require the written authorisation of the Executive Director (Resources) following consultation with the Portfolio Holder for Resources and Council Operations before commencing and incurring expenditure and that Service Managers provide the Executive Director of Resources with written details of estimated project costs and a full justification of the need for and benefits from undertaking the capital expenditure before such approval is provided and that approval to commence capital projects is delegated to the Executive Director (Resources), in consultation with the Portfolio Holder for Resources and Council Operations. That where he deems it appropriate, the Executive Director (Resources) be given authority to release funding in stages to ensure effective financial control can be maintained and the project risk managed.
- (6) That in-year underspends are not made available to fund new projects during the year.

**Resolved** - That the contents of the report be noted and supported.

### **318 Alternative Budget Proposals**

The Main Opposition Group (Conservative Group) did not submit an amendment to the proposals for the Council's 2026/27 Budget. There was also no amendment submitted by the Green Party.

**Resolved** - That there were no amendments submitted at the meeting.

### **319 Representations and Questions from Members of the Public and Individual Members of the Council on the Budget**

There were two questions submitted by Members of the Public. These questions were taken previously in the meeting and responses given. These questions related to the Government's Pride in Place Impact Fund and Neighbourhood Plan Funding and in respect of the Huncoat Garden Village project. Responses were provided at the meeting under item 7 – Capital Programme.

**320 Scrutiny Comments and Resolutions to be Submitted to the Council**

The Chair thanked the Cabinet Portfolio Holder, Councillor Alexander for submitting the Council's budget proposals and comments for consideration at the meeting. He reported that a report of the Committee would be submitted to Full Council on 26<sup>th</sup> February 2026.

**Resolved - That Council be requested to note the following resolutions of the Committee:-**

**(1) That the contents of the following reports be noted:-**

**Prudential Indicators and Treasury Management and Investment Strategy 2025/26 to 2027/28**

**Medium Term Financial Strategy 2025/26 to 2027/28**

**General Fund Revenue Budget 2025/26**

**Capital Programme 2024/25 to 2027/28**

**(2) That the contents of the General Fund Revenue and Capital Programme 2025/26 reports, be supported;**

**(3) That the Committee thanks the Cabinet Portfolio Holder, Councillor Vanessa Alexander for her participation and contribution to the scrutiny of the Budget process.**

**(4) That the Executive Director Resources, Martin Dyson, and all other officers involved, be commended for their work in producing the budget; and**

**(5) That Council be requested to take the comments of the Committee into consideration when setting the Budget for 2026/27.**

Signed:.....

Date: .....

Chair of the meeting  
At which the minutes were confirmed