Minutes

Finance and Economic Overview and Scrutiny Committee

Tuesday, 21 July 2026, 10.00 am

Council Chamber – South Kesteven House, St. Peter's Hill, Grantham, NG31 6PZ

SOUTH KESTEVEN DISTRICT COUNCIL

Committee Members present

Councillor Gareth Knight (Vice-Chairman)

Councillor Matthew Bailey
Councillor Gloria Johnson
Councillor Max Sawyer
Councillor Lee Steptoe
Councillor Elvis Stooke
Councillor Murray Turner
Councillor Mark Whittington

Cabinet Members present

Councillor Ashley Baxter (Leader of the Council)
Councillor Richard Cleaver (Cabinet Member for Property and Public Engagement)
Councillor Philip Knowles (Cabinet Member for Corporate Governance and Licensing)
Councillor Bridget Ley (Cabinet Member for Finance)
Councillor Virginia Moran (Cabinet Member for Housing)

Officers

Richard Wyles (Deputy Chief Executive and S151 Officer)
Karen Whitfield (Assistant Director of Culture, Leisure and Place)
David Scott (Assistant Director of Finance)
Emma Whittaker (Assistant Director of Planning and Growth)
Gyles Teasdale (Head of Service – Property and ICT)
Claire Moses (Head of Service - Revenues, Benefits, Customer Service and Community)
Simon Jackson (Economic Development Inward Investment Manager)
Michael Chester (Team Leader – Leisure, Parks and Open Spaces)
Charles James (Policy Officer)
Amy Pryde (Democratic Services Officer)
Joshua Mann (Democratic Services Officer)

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10. Public Speaking

There were none.

11. Apologies for Absence

An apology for absence was received from Councillor Tim Harrison.

12. Disclosure of Interests

There were none.

13. Minutes from the previous meeting

The minutes from the meeting held on 7 May 2026 were proposed, seconded and **AGREED** as an accurate record.

14. Updates from previous meeting

All actions were complete.

15. Announcements or updates from the Leader of the Council, Cabinet Members or the Head of Paid Service

The Leader of the Council informed the Committee Members of the recent discussion at Full Council, where Members raised their disappointment of the outcome received from Central Government of Local Government Reorganisation.

16. Asylum Dispersal Funding

The Cabinet Member for Housing presented the report. The report outlined the scheme, which was managed by the Home Office to house asylum seekers whilst their applications were being processed.

It was noted there was a concentration of properties within Grantham and a significant amount of work had been undertaken to apply pressure on the Home Office, however, no further properties had been secured.

The Council was due to receive further funding in the current financial year. As detailed within the report, the additional funding, together with the funding the Council had already received was just under £1m.

Cabinet were due to consider how the funding should be allocated to best serve the communities and the asylum seekers within the District.

Some members believed that the proposals outlined within Table Two did not culminate in a cohesive strategic plan.

A member emphasised the importance of public safety and a visible Police presence and suggested that officers explored delegating some funding to the Police to fund an additional four Police Officers for Grantham. The member stated that a precedent for this had been set by Cheltenham Borough Council. Other members did not support the proposal, noting that the Police were funded by the Home Office.

The Cabinet Member for Housing noted that the additional Safer Streets patrols, Anti-Social Behaviour Officer, Environmental Health Officer, Homeless Officer, and moveable/mobile CCTV was all intended to emphasise and prioritise public safety.

A member expressed that the emphasis should be on supporting those seeking asylum and funding would be more effectively spent on leisure, arts and culture. Additionally public safety could be enhanced by effective liaison between services.

The suggestion was made to increase funding on English language lessons to at least £20,000, with the member emphasising measures to integrate asylum seekers into society following the award of leave-to-remain.

A member suggested a more cohesive reflection between the areas outlined within 2.5 of the report and the areas identified for the funding to be used within table two.

Given that the funding was Lincolnshire-wide, it was expressed that dialogue should occur with Lincolnshire County Council regarding areas such as schools and children’s social care, which would be impacted.

The Committee:

1. Considered the report which was being presented to Cabinet on Tuesday 21 July 2026 and provide any recommendations or alternative proposals to Cabinet.

17. Corporate Plan 2024-27: Key Performance Indicators Report - End-Year (Q4) 2025/26

The Cabinet Member for Corporate Governance and Licensing presented the report.

The Corporate Plan 2024-2027 was adopted by Council on 25 January 2024. It was proposed actions, key performance indicators (KPIs) and targets would be developed by the relevant Member led Committees, which would retain oversight of the performance management arrangements at a strategic level. The actions within the remit of this Committee with accompanying measures were presented to and agreed by the Committee on 19 March 2024.

Twelve of the actions are rated green. These are actions which are on or above target as planned. Three actions are rated amber, these are those off target by less than 10% or where milestone achievement is delayed but with resolution in place to be achieved within a reasonable timeframe. Zero actions are rated as red. These are actions that are significantly below target.

Clarification was sought around actions Econ 7 & 8. They were currently under review but were below target.

One Member queried where the targets would go in the future, given they were mostly on target to be achieved.

The Cabinet Member for Corporate Governance and Licensing noted the KPIs were set by the Committee.

The achievements of the Corporate Plan could be in doubt due to Local Government Organisation. The Reorganisation would coincide with the expiration of the Corporate Plan 2024-27. In 2027/28, the Council would be under a Section 24 directive which would require the Council to seek and gain consent from the shadow authority for all financial transactions over a defined threshold. This could significantly impact delivery of the Council's business and may risk meaningful delivery of the Corporate Plan 2027/28, possibly making 2026/27 the last year of effective delivery.

In previous reorganisations, a scheme of general consents was introduced to effectively balance the need to prevent financial decisions that would unfairly burden the new unitary authority, whilst enabling the current authorities to deliver their services. The key test of the general consents was whether the expenditure was to fulfil the approved actions of the Council's Corporate Plan in delivering the set revenue budget.

Members of the Committee had the ability to change or request different KPIs.

ACTION: For the Policy Officer to send a copy of the updated information relating to the Corporate Plan provision in line with Local Government Reorganisation.

It was clarified that actions Econ 7 & 8 were fluid targets and were changing due to the new Economic Development Strategy and some objectives being outstanding.

The Committee:

1. Noted and scrutinised the performance against the Corporate Plan Key Performance Indicators in relation to the delivery of the Corporate Plan 2024-2027.

18. General Fund - Asset Maintenance Update

The Cabinet Member for Property and Public Engagement presented the report.

In recognition of a significant amount of backlog maintenance relating to the Council's General Fund assets, a Maintenance Strategy was developed - See background papers – Maintenance Strategy (Corporate Property Assets) and adopted that set out criteria which is now being used to prioritise and allocate financial resources.

The criteria that is being used can be summarised as follows:

- Operational and strategic fit to Corporate Plan priorities
- Health and Safety and other statutory responsibilities
- Condition Rating

Based upon the analysis of the property condition surveys there was an anticipated backlog maintenance cost of £5,962,698 across the whole portfolio, with £3,290,612 attributable to leisure properties and £2,672,086 to the remaining corporate property portfolio.

From 2026/27 condition surveys are being undertaken on a 20% rolling basis in order to ensure the most accurate information is recorded to enable more accurate maintenance planning. This is in line with the industry frequency of between 3 – 5 years.

Alongside this, each asset is being categorised to identity how it supports service delivery and the achievement of Council's Corporate Plan ambitions. This assessment could demonstrate that the asset is no longer required and can be declared surplus to avoid the Council incurring unnecessary costs. This was the situation that has led to the disposal of Mowbeck Way Grantham. For those assets that demonstrate alignment to delivery Council objectives, then the maintenance budget will be allocated accordingly.

A query was raised on what the process would be for asset maintenance during Local Government Reorganisation.

It was confirmed the Council would still be responsible for its assets until 31 March 2028.

One Member queried whether there were any major works to assets that had not yet been completed. Members noted the Council had a large number of other assets, for example, a drainage asset.

It was clarified that the programme of maintenance on drainage assets sat within the remit of the Environmental Health Team.

The Council were undertaking regular updates on asset condition surveys and prioritising urgent works, whilst implementing a 20% minimum re-survey on an annual basis.

ACTION: For the Cabinet Member for Property and Public Engagement to provide further information on the programme of maintenance on drainage assets.

The Committee:

Noted the progress being made in reducing the backlog maintenance and supported the continuation of the maintenance programme.

19. Housing Revenue Account Provisional Outturn Report 2025/26

The Cabinet Member for Finance presented the report.

The budgets had continued to focus on meeting the housing needs of the Council's tenants investing in homes and ensuring compliance with statutory requirements to ensure resources were allocated appropriately.

The HRA had faced financial challenges during the year, specifically in terms of repairs and maintenance budgets, which required an additional £2.7m revenue budget increase in the year.

The HRA had encountered and continued to face financial challenges caused by a combination of changes to legislation, increasing landlord responsibilities, improving a range of local performance targets including backlog repairs, repair times and void times.

There was an original budget surplus of £8m, which had reduced to £5m based on the latest budget. The provisional outturn surplus is £4.5m, as a result of half a million overspend in-year.

In regard to capital expenditure, the Council has made £21m investment in its properties, including energy efficiency initiatives, refurbishment improvements and compliance works in order to provide high quality homes for tenants.

Members discussed how the budget could be balanced enough to provide a high quality homes for tenants whilst ensuring enough money is transferred over to the new authority following Local Government Reorganisation.

The Deputy Chief Executive and S151 Officer clarified any resources, reserves or conditions of the stock would be put alongside other authorities to make up the new authority.

Members thanked Officers for their work on the HRA.

A query was raised on whether the Council had figures from other Councils' HRA accounts, specifically Councils proposed to be merged with this Council under Local Government Reorganisation.

There was a HRA workstream that had been established, which all stock holding Council’s across Lincolnshire had been working on collaboratively. Since a recent announcement, further meetings would take place to establish the governance arrangements, due to being informed of the configuration of Council’s in Lincolnshire.

It was requested that more precise time frames were provided within the action plan of this report in future.

Clarification was sought around a key performance metric in relation to void turnaround and repair response times. The metric stated the review had been completed, however, there was a note stating the action could not be completed until the other interventions have concluded.

The Cabinet Member for Finance confirmed a working group had been established to continue working on the action plan.

The Committee:

1. Reviewed the provisional Housing Revenue Account Revenue and Capital Outturn position and the supporting appendices for the financial year 2025/26.

2. Noted the revenue and capital budget carry forwards in para 3.5 and para 4.8 respectively.

20. General Fund Provisional Outturn Report 2025/26

The Cabinet Member for Finance presented the report.

A balanced budget was set for 2025/26 which provided a solid foundation for the delivery of Council services over the year.

During the financial year, the Council has managed budgets prudently and has been able to redirect funding where necessary to support the objectives set out in the Corporate Plan. A combination of savings and the generation of additional income have enabled the Council to boost its financial resilience. This is particularly important in the context of the recent Local Government funding review including a reset of the Business Rate system. This reset is not favourable towards district councils, and the medium-term financial outlook remains difficult. The Council must also prepare for the financial structural changes of Local Government Reorganisation (LGR) (although at the time of compiling this report no announcement has been made). Therefore, it will be necessary to present a future financial proposal as the Council will be required to provide funding in order to transition towards the new arrangements.

It was noted the Council was £1.7m underspent for the General Fund. A Member thanked the current administration and Officers for demonstrating strong financial management.

One Member raised a question on why planning fee income had increased by £486,000 more than expected. It was suggested that more Planning Officers be employed to aid the increase in the number of planning applications.

The Assistant Director for Planning and Growth clarified there was a national shortage of professional planning officers across the public sector. Additional posts had been created within the Planning Team to aid with a higher number of planning applications.

A query was raised on the money spent on ICT investment.

The Deputy Chief Executive and S151 Officer confirmed the ICT reserve was created to support procurement, software or licence opportunities that may arise within the financial year.

The Committee:

1. Reviewed and provided feedback to Cabinet on the provisional General Fund Revenue and Capital Outturn position including the supporting appendices for the financial year 2025/26.

2. Noted the revenue and capital budget carry forwards in Appendix B and C.

3. Endorsed the proposed reserve movements in table 3 in readiness for presentation to Governance and Audit Committee.

21. Economic Development Strategy 2026-29

The Leader of the Council presented the report.

The Council's previous Economic Development Strategy 2024-28 was adopted by Cabinet in October 2024. Since the previous Economic Development Strategy there have been several key changes in circumstance and context following its adoption. These include significant changes in the structure of local government, the publication of "The UK's Modern Industrial Strategy" by the Department of Business and Trade (June 2025) and the establishment of the Greater Lincolnshire Combined County Authority (GLCCA) with a Mayor being elected in May 2025.

The three economic development focus areas for the GLCCA are transport, employment and skills and business and infrastructure.

To deliver against these focus areas, the GLCCA has established an Economic Advisory Panel; Employment and Skills Board; Business and Infrastructure Board and a Transport Board. The GLCCA is currently preparing strategies covering housing growth, transport, growth and infrastructure as well as a Local Skills Improvement Plan; all are expected to be published in 2026.

It will be important to ensure the South Kesteven Economic Development Strategy aligns with the GLCCA growth strategies to maximise impact and to attract funding and other resources into the District.

The purpose of the document was for the Council and businesses within the community to measure progress in line with actions within the document.

Upon debate, the following comments were made:

- When the final edition would be published?
- Whether Local Government Reorganisation would make the document partly redundant?

The Leader of the Council confirmed the latest edition of the document would be updated once feedback had been received. It would then be considered by Cabinet in September 2026.

Local Government would still continue to promote economic development within the area once the new shadow authority was in place.

A suggestion was made around markets and whether this could be included within supporting tourism and viability of town centres to continue to promote the good work.

It was clarified this strategy was the overarching policy document and several other pieces of work were ongoing for tourism and town centres.

Some figures were included within the document that related to South Kesteven alone, it was suggested that other figures nationally and more locally be provided to establish whether South Kesteven was above or below average.

Members discussed how the Local Plan and the Economic Development Strategy would link together following LGR. It was hoped these documents would be an integrated approach to coincide the documents with one another.

The Leader of the Council confirmed Cabinet were due to consider how the Council can develop a new Local Plan to coincide with other plans and strategies. There was currently no direct between the two documents at present.

The Economic Development Strategy function was to provide an explanation to local businesses on how the Council can support them and to encourage inward investors to work collaboratively with the Council.

The Local Plan focused more on land uses; how existing employment sites were retained and ways to facilitate growth. It was confirmed the two teams would work together on certain projects.

It was proposed, seconded and **AGREED** to:

1. Consider and provide feedback on the Economic Development Strategy 2026-29

2. Recommend to Cabinet that the Economic Development Strategy 2026-29 is adopted

22. Housing Payment Policy Proposal - 2027/28

The Housing Payment Policy Proposal 2027/28 was introduced by the Cabinet Member for Finance.

The Crisis Resilience Fund required that a new scheme must be named ‘’Housing Payment’’. The Housing Payment closely replicated the previous Discretionary Housing Payment guidelines and adopted a phased transition over the 3-year funding period.

Housing Payments were intended to help people with housing costs, providing financial assistance in situations where the Council considered that additional help was required. The administration and payment of HP was at the discretion of each LA.

As of 31 May 2026, £129,401 of the £155,861 government contribution remained.

The proposed policy for 2027/28 was included within Appendix 1 of the report.

It was confirmed that there had been an overall increase in funding received by SKDC compared to the previous scheme.

It was confirmed that the consultation for the new scheme would run between 1-13 September before the scheme was presented to the committee again in November 2026.

The committee duly considered the proposed Housing Payment Policy prior to its inclusion within the consultation on the Localised Council Tax Support Scheme 2027/28.

23. Discretionary Council Tax Payment Policy Proposal - 2027/28

The Discretionary Council Tax Payment Policy Proposal 2027/28 was introduced by the Cabinet Member for Finance.

Each year, as part of the Council Tax Support Scheme consultation, the Council agreed to provide £30,000 funding for this scheme, this was a direct cost to the General Fund. The continuation of this funding was currently being considered as part of the Localised Council Tax Support Scheme decision process, with approval of a final scheme to be in place by January 2027. For 2026/27, the proposal was to take forward the unallocated funding from 2025/26 into the new financial year. As a result, in 2026/27 there was total funding of £36,277.

Once funding was approved, the Discretionary Council Tax Payment (DCTP) policy for 2027/28 was to be put into place to ensure effective financial support was provided to eligible recipients.

To qualify for consideration for assistance under this scheme the customer must have already been in receipt of some Council Tax Support.

The proposed policy for 2027/28 was outlined in Appendix One of the report. It was proposed to make one minor change to the policy in paragraph 6.1 to include a web link to the new online application form.

During discussions, the following comments were made:

It was confirmed that some Household Support funding had been used to aid residents who may have been eligible for the Discretionary Housing Payment when seeking support for their Council Tax liability. Whereas Crisis Resilience Support payments had a broader scope as individuals did not have to have previously been awarded support for their Council tax liability in order to qualify.

The Discretionary Council Tax Payment Policy Proposal - 2027/28 was duly considered by the Committee prior to its inclusion within the consultation on the Localised Council Tax Support Scheme 2027/28.

24. Local Council Tax Support Scheme Proposals 2027/28

The Local Council Tax Support Scheme Proposals (LCTSS) 2027/28 was introduced by the Cabinet Member for Finance.

There were 7,400 residents claiming LCTSS in the South Kesteven District. Of these, 3,138 were pensioners who were protected under the legislation and received LCTSS as prescribed by the Government (broadly similar to the level of Council Tax Benefit). This left 4,262 claimants of working age; of those 3,399 were included within the Council's vulnerable scheme. Leaving 863 who would have been affected by any changes to the level of support determined by a local scheme.

For 2025/26, the cost of the scheme was £8,201,881. The Council's share of the total cost was £738,169 (based on a 9% share). On 1 April 2026, the cost of the 2026/27 scheme increased to £8,616,717. This was a result of increases in 1) Council Tax and b) the number of people in receipt of support. This resulted in an increase of £414,836 with the Council's share being £37,335 (based on a 9% share).

There was no local policy changes proposed to the scheme, but statutory uprating and technical changes may still be applied. The Council was still required to undertake a consultation, details of which were set out in Section 6 of this report.

During discussions, the following comments were made:

SKDC's autonomy over setting parameters of the scheme was questioned, particularly regarding exemptions, in comparison to neighbouring authorities. It was confirmed that a thorough impact assessment was required to account for the varying demographics across Lincolnshire.

Following discussions, it was proposed, seconded, and AGREED to endorse the areas of the existing scheme (2026/27) for stakeholder consultation as detailed in Appendix One.

25. Work Programme 2026/27

It was agreed to add the following to the Work Programme:

- Annual Building Control Partnership Update (September meeting)
- UKSPF report (November meeting)

26. Any other business, which the Chairman, by reason of special circumstance decides is urgent

When questioned about funding requirements in light of local government reorganisation developments, the Leader of the Council noted that the Executive were considering all routes of challenging the decision.

27. Close of meeting

The Vice-Chairman closed the meeting at 13:04.