

Minutes

Finance and Economic Overview and Scrutiny Committee



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Thursday, 7 May 2026, 10.00 am

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

Committee Members present

Councillor Bridget Ley (Chairman)
Councillor Gareth Knight (Vice-Chairman)

Councillor Matthew Bailey
Councillor Tim Harrison
Councillor Graham Jeal
Councillor Gloria Johnson
Councillor Max Sawyer
Councillor Lee Steptoe
Councillor Murray Turner

Cabinet Members present

Councillor Ashley Baxter (Leader of the Council)
Councillor Paul Stokes (Deputy Leader of the Council)
Councillor Richard Cleaver (Cabinet Member for Property and Public Engagement)

Officers

Richard Wyles (Deputy Chief Executive and S151 Officer)
Emma Whittaker (Assistant Director of Planning and Growth)
Gyles Teasdale (Head of Service – Property and ICT)
Michael Chester (Team Leader – Leisure, Parks and Open Spaces)
Megan White (Corporate Project Officer)
Amy Pryde (Democratic Services Officer)

David Scott (Director of LeisureSK Ltd)

77. Public Speaking

There were none.

78. Apologies for Absence

All Committee Members were present.

79. Disclosure of Interests

There were none.

80. Minutes from the previous meeting

The minutes from the meeting held on 10 March 2026 were proposed, seconded and **AGREED** as an accurate record.

81. Updates from previous meeting

There were no actions agreed at the meeting held on 10 March 2026.

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

The Leader of the Council thanked all Members and Officers involved in the investment 'net zero' works put into Grantham Meres Leisure Centre.

83. Review of Housing Revenue Account – Finance Action Plan

The Leader of the Council presented the report which outlined a review of the Housing Revenue Account.

The recent pressures and financial challenges facing the HRA, and the repairs and maintenance budgets, have been consistently communicated to the Committee. Firstly, via the HRA outturn £2.3m overspend in 2024/25, and more recently to the Full Council meeting of 20 November 2025 when a further £2.7m to the revenue budget was approved.

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

However, as has been stated at previous meetings, the continued uplift in repairs and maintenance budgets is unsustainable. There was an overspend in 2024/25, an uplift in 2025/26 and three-year budget projections are set at a similar high level.

One Member queried whether the Council undertook repairs and maintenance above and beyond their legal requirement to do so.

The Leader of the Council confirmed Council properties were brought up to a decent, habitable standards as set out by Local Government.

It was emphasised that the Council were aiming to put financial resilience and sustainability back into the HRA.

A report on rent convergence was due to be heard at Cabinet in June 2026, to request approval on the adoption of it. This would then be implemented from 2027/28, which would make a contribution to the income side of the HRA.

Savilles had been appointed alongside the Council to provide peer support and provide an action plan to break down actions into metrics with clear timelines.

One Member noted a change in legislation from Government meaning some responsibility lay with them. It was queried whether any money would be given to Local Authorities from Government for the HRA.

The Leader of the Council highlighted that Government could be lobbied, alongside the Local Councils Network and the LGA.

The HRA did not receive any funding from Council as it does not operate in the same way as the general fund in terms of grants and business rate retentions.

It was noted that the table of repairs and maintenance spend, and budget summary forecasted over £13m being spent in 2025-26. It was queried how future estimations would be calculated on how a forecast of £13m per year could be reduced and by what extent.

The Deputy Chief Executive and S151 Officer clarified the table demonstrated at what point the Council moved away from a sustainable HRA. During 2022/23 and 2023/24, the HRA was balanced against budgets set at that time. In 2024/25, the Council started to move around £1.6m away from the set budget, which then increased by £3.6m in 2025/26. It was noted that majority of the money was spent clearing repairs and maintenance backlog.

One Member requested this item being a standing item on all Committee meetings.

Concern was raised that a root cause of overspends could not be viewed within the report. A detailed breakdown was requested to further scrutinise the overspends.

Clarification was sought on which of the actions outlined within the report would actually deliver cashable savings and by how much.

The Leader of the Council confirmed comments within the report reiterated that the financial challenges facing the repairs and maintenance budgets were well understood and had been consistently communicated to members.

The Deputy Chief Executive and S151 Officer highlighted previous reports to the Committee had identified overspends, specifically the report to Council in November 2025 where the proposed budget framework amendment was approved for the £2.7m additional funding. The breakdown covered: Maintenance backlog, voids and improving performance; Inflationary and additional material costs; and regulation changes.

It was confirmed that the target figure for the HRA would be a balanced budget. The HRA was ringfenced and only received income from rent and the sales of houses.

The Council had produced a set of proposals for both income and expenditure which would address it, with the assistance of external consultants.

A query was raised on how much the external consultants were costing.

The Deputy Chief Executive and S151 Officer clarified the external consultant cost was around £5,000.

It was noted that tough choices would need to be made on what the Council offers tenants and what tenants expect from the services from this Council. This may include investment put into properties and time in which the Council responds to 'noncritical' repairs and the replacements outside of decent homes.

A query was raised on whether the Council was making more use than previously of smaller contractors to deal with 'one-off' items of repair.

The Leader of the Council confirmed the Council had an aspiration for a local suppliers framework. The Council were analysing the changes in contract procedure rules, which means the Council could allow more quotes to be received by local suppliers. A good proportion of over 50% of the Councils spend with local suppliers within the contract procedure rules.

A query was raised on the 30-year business plan and when this would be completed, it was hoped to be completed sooner rather than later.

Further clarification was sought around the external expertise working with the Council.

One Member sought clarity around review service charge levels in response to the review of sheltered housing communal areas income.

Further information was requested on the review of rechargeable policy for repairs and where it can be identified that property damage has been caused by tenants.

It was noted the 30-year finance business plan was reviewed on a regular basis as a statutory requirement. The plan set out expectations and assumptions around CPI, RPI, rental levels, right to buy sales etc. The plan anticipates the overall balance level of the HRA on an iterative basis.

The Leader of the Council clarified the review of service charges related to the hire of community rooms by tenants and outside bodies.

The Rechargeables Policy related to tenants of Council properties and how the properties are left. The Policy allows the Council to chase any outstanding rent arrears and any damage to the property.

A query was raised on when the Committee would see prioritisation of the budget and decisions made in order to get the HRA budget under control. It was felt that income increases of the HRA would not cover the £3m overspend.

A point of information was outlined to clarify that rental increases were limited in accordance with the Government's rent setting guidance.

One Member noted the HRA money was rightly spent on properties where a new tenant takes over a property. Council inspections would take place alongside repairs where necessary.

The Deputy Chief Executive and S151 Officer confirmed the report was a scoping document. Progress update reports would be brought back to future meetings, as requested.

The Committee:

1. Supported the actions as set out in the proposed HRA Financial Action Plan.

2. Agreed to receive periodic updates on progress.

84. Grantham Future High Street Fund Project Closure

The Leader of the Council presented the report.

The Government launched the Future High Street Fund in December 2019 as part of a £830m investment in town centres across England. It was one of a range of town-centre focused grant schemes administered by MHCLG.

Following an extensive application process, which included community and stakeholder consultation, the Council was successful in securing £5.5m in grant funding for improvements to Grantham.

In addition to the funding, the Council committed £379,000 in match funding to be used to deliver a revenue programme supporting the creation of a Town Centre Engagement Manager post, creation of Grantham Town Team and the delivery of cultural events.

The delivery of the programme was managed by the Economic Development Team and regular updates had been provided to the Committee throughout the programme, which ran from September 2021 to March 2026.

In addition to those meetings, there was an operational Future High Street Fund Board which also met throughout the duration of the programme.

The programme delivered improvements in Grantham Town Centre, including two public realm schemes in the Market Place and the Station Approach junction. The scheme also created 22 new residential units in previously vacant upper-floor retail spaces and an extensive programme of additional works which included investment in the Guildhall Arts Centre, Grantham Museum, Conduit Lane toilets and improvements to St Peter's Hill green.

The programme formally completed in March 2026 and all of the allocated grant funding had been spent.

Consequently, because of the programme, £1.9m in private sector and third-party match funding had been leveraged and includes £243,800 from the National Lottery Heritage Fund for the Grantham Community Heritage Association's Grantham Museum.

The final elements of delivery would include the installation of street furniture, planters and power infrastructure in the Market Place were paused to prevent disruptions to the Mid-lent Fair. The works were due to commence on 26 May 2026.

Alongside the Capital Programme, a pilot programme of community and cultural events was delivered, using the improved Market Place and drawing footfall into the Town Centre.

(Councillor Graham Jeal declared he was a Member of the Board and a Chairman of the Grantham Community Heritage Association).

(Councillor Lee Steptoe declared he was a trustee for Grantham Museum).

One Member felt underwhelmed on how the fund had been spent and felt more could have been done with the money.

Clarification was sought around the benefit cost ratios set by MHCLG at the time and how the Council performed.

A query was raised on a large sum of money on strategic sites acquisition which was consequently removed from the programme in November 2023. Further clarity was sought on how much money was spent on the masterplan of the project between the Council being given the money and removing it from the programme.

The Leader of Council highlighted the change in personnel of Officers and Members between 2019 and November 2023.

The Assistant Director of Planning and Growth confirmed the benefit cost ratio was a calculation through MHCLG that required to be undertaken each time a project

adjustment request had been put forward. The benefit cost ratio remained the same from the submission of the last project adjustment form.

ACTION: To provide a written response around costs and abortive costs of the master plan for strategic sites acquisition.

A query was raised on the opening hours of the Conduit Lane toilets and the cost acquired to the Council on repairs of vandalism.

The Deputy Chief Executive and S151 Officer confirmed the toilets were open 9am-4pm, 6 days a week. Following a series of vandalism events, the toilets were closed temporarily, however, opening hours had reverted back to the previous arrangement and the toilets were now opened and closed each day by external contractors or an in-house team in the Council.

It was clarified that the cost of vandalism was unknown, however, the vandalism was relatively modest.

A suggestion was made on whether a remote locking/unlocking system could be put in place at the Conduit Lane toilets to reduce the need of external contractors.

A query was raised on when the first expected use of the stage would be and where.

The Leader of the Council noted that remote locking/unlocking for the toilets could cause safety concerns, and the toilets would need to be checked before closure.

The Deputy Leader of the Council clarified the stage had been purchased and would need to be erected via a rigger. The use of the stage around the District was being discussed.

The Committee:

Noted the report on the completion of the FHSF Project and provide any feedback on the lessons learned.

85. Council Investment Plan Update

The Deputy Leader of the Council presented the report which provided an update on phase 1 of the leisure improvements programme.

Following on from the previous report to the Committee on 18 November 2025, where the funding application was agreed. Officers had been working with consultants to finalise the scope of the works.

The procurement attracted high levels of interest, and a total of nine formal submissions were received.

Following the evaluation, Northdown Property Services were identified as the preferred contractor and subsequently Cabinet approved the contract award on 5 May 2026.

Northdown Property Services are a leading property refurbishment and maintenance company based in Peterborough, with experience of delivering similar projects.

The total cost of the contact was under the proposed budget of £500,000 at a cost of £321,222 with some savings seen particularly at Grantham Meres leisure centre.

Officers had carried out due diligence checks which included pricing clarifications during the tender evaluation process and receiving written confirmation from Northdown Property Services that their submission was correctly priced.

This meant that £162,778 would be carried forward into phase 2 of the programme and would allow a greater scope of works to be included.

In addition to mobilising the contract with Northdown Property Services included liaison with LeisureSK Ltd. Officers were engaging with consultants to identify the scope of works for phase 2, which would be procured.

The Deputy Chief Executive and S151 Officer confirmed that a delegation had been put into place for himself in consultation with the Deputy Leader of the Council, to vary contract works on the site if further works are required.

A query was raised on when the works would commence.

It was confirmed works were due to take place at the end of June 2026, after mobilisation of the contract and liaison with LeisureSK Ltd.

Concern was raised on disruption of the works to users of the leisure centre. The level of disruption and impact on timetables was queried.

The Deputy Leader of the Council confirmed the biggest disruption would be at Grantham Meres leisure centre. The works were due to be scheduled during summer time, when the swim club closes.

One Member sought clarification on whether the works would be completed prior to the 6-week school holidays.

It was noted the pool at Grantham Meres leisure centre was less utilised in the school holidays and therefore the works would most likely take place during that time. Works would take place on a sequential basis, meaning that works would take place on one leisure centre at a time.

A query was raised on the level of threat from other privately operated leisure facilities in terms of losing members at Stamford leisure centre.

The Deputy Leader of the Council clarified that at present there was no threat from privately operated leisure facilities, however, this may peak in the future.

Further concern was raised around the Grantham Meres swimming pool being closed for the duration of the 6-week school holidays.

The Team Leader – Leisure, Parks and Open Spaces clarified the indicative programme did not estimate for the swimming pool at Grantham Meres to be closed for the whole duration of the school holidays. The impact of this and how it could be minimised would be discussed with LeisureSK Ltd.

The Deputy Chief Executive clarified that there would be disruption due to intrusive works taking place. The works would focus on the customer elements of the facility. At Grantham, the changing village was a shared area making it more difficult for a temporary changing room to be located.

It was highlighted there were several dry changing areas within Grantham Meres, however, this would pose a health and safety concern following individuals leaving the pool.

It was emphasised that all other services within Grantham Meres leisure centre could be used during the time of the pool closure.

Further clarification was sought around a timescale of disruption for Grantham Meres leisure centre.

It was suggested that any other maintenance takes place during the closure of the pool to maximise the opportunity.

The Deputy Chief Executive and S151 Officer confirmed that maintenance was ongoing at the facility. This initiative deliberately focused on parts of the building that required the update of customer-facing elements rather than general maintenance.

The Committee:

Noted the contents of the report and the work undertaken to date in procuring the contract for Phase One of the Leisure Improvement Works.

(The Committee adjourned for a 15-minute break).

(Councillor Bridget Ley left the meeting at 11:30, Cllr Gareth Knight acted as Chairman for the remainder of the meeting).

86. Work Programme 2025/26

The Committee noted the Work Programme 2025/26.

ACTION: For an update on the HRA to be a standing item for each Committee meeting.

87. LeisureSK Ltd Finance Update

The Director of LeisureSK Ltd presented the report which outlined the financial performance of the company.

The report provided the latest forecast figures for 2025/26, based on information at the end of February 2026.

LeisureSK Ltd had an operating surplus of £136,000, which was an overachievement against the budget, which was set when the business plan was agreed.

The figures for 2026/27 had predicted an increase of a surplus of around £183,000.

LeisureSK Ltd were looking into their own investment works from the Capital Programme. A sum of £95,000 was allocated into the programme for 2025/26, with the potential to update the gym at Stamford leisure centre.

It was noted that overall fitness memberships had decreased. It was queried whether an increase of gym memberships had been seen at Grantham Meres as a result of the newly refurbished gym.

The Director of LeisureSK Ltd confirmed there had been an improvement on membership level as a result of the newly refurbished gym at Grantham Meres. It was noted there was more social media marketing around Grantham Meres than previously following an introduction of a new post.

Clarification was sought around the surplus and the repayment of loans for investment at Bourne and Grantham. The proposed repayments timeframe for the loans was queried.

The Council provided the loans to LeisureSK Ltd to undertake the investments and a particular interest rate and payments were made back to the Council on a monthly basis. The loan would be repaid over 7 years.

It was proposed, seconded and **AGREED** to go into closed session:

‘Under Section 100(a)(4) of the Local Government Act 1972, the press and public may be excluded from the meeting during any listed items of business, on the grounds that if they were to be present, exempt information could be disclosed to them as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.’

The Committee noted the contents of the report.

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

There were none.

89. Close of meeting

The Vice-Chairman closed the meeting at 12:14.

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