

Minutes

Finance and Economic Overview and Scrutiny Committee



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Tuesday, 18 November 2025, 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 Tim Harrison
Councillor Graham Jeal
Councillor Gloria Johnson
Councillor Max Sawyer
Councillor Murray Turner
Councillor Paul Martin

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 Virginia Moran (Cabinet Member for Housing)
Councillor Paul Stokes (Deputy Leader of the Council)

Officers

Richard Wyles (Deputy Chief Executive, S151 Officer)
David Scott (Assistant Director of Finance, Deputy S151 Officer)
Claire Moses (The Head of Service (Revenues, Benefits and Customer Service))
Gyles Teasdale (Head of Service – Property & ICT)
Charles James (Policy Officer)
Amy Pryde (Democratic Services Officer)

35. Public Speaking

There were none.

36. Apologies for Absence

An apology for absence was received from Councillor Lee Steptoe.

Councillor Paul Martin filled the Conservative Vacancy for this meeting.

37. Disclosure of Interests

There were none.

38. Minutes from the previous meeting

The minutes from the meeting held on 23 September 2025 were proposed, seconded and **AGREED** as an accurate record.

39. Updates from previous meeting

All actions were complete.

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

The Cabinet Member for Property and Public Engagement updated the Committee on the following arrangements:

- Free parking in Grantham car parks on Fridays in December (1st – 19th)
- Four hours free parking in the run up to Christmas (Monday to Thursday) (1st – 24th Dec) at Stamford's largest car park, the Cattlemarket Car Park.

41. Corporate Plan 2024-27: Key Performance Indicators Report - Mid-Year (Q2) 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.

This report is the third of the reporting cycle and covers the period July to September 2025 (Quarter 2 2025/26).

Appendix A presented the overall performance against the fifteen actions.

Twelve of the actions are rated Green. These were actions on or above target as planned

Three actions were rated as Under Review. These are actions that are being considered requiring amendments.

One Member raised a query in relation to 'ECON6' and why the priority had taken 18 months to strategically leverage the Council's procurement spend to maximise social value.

The Deputy Chief Executive and S151 Officer confirmed that social value was a different definition to local supply and was included in tender specifications that stipulated the amount of social value and reinvestment back into the community, for example workshops, apprenticeships and training. Social value was now included in the recently approved Contract Procedure Rules.

A query was raised on 'COUN12' and why the priority was below target.

The Cabinet Member for Corporate Governance and Licensing clarified the target was 'under review' as an ongoing exercise. The new finance system had only recently gone live, therefore this KPI would be updated once fully operational to enable the requirements of the target to be met.

The Policy Officer outlined a clerical error within the table of the report.

The Assistant Director of Finance (Deputy S151 Officer) confirmed an update on COUN8 regarding the new finance system would be included within the next quarterly report.

The Committee:

Noted and reviewed the current performance against the Corporate Plan Key Performance Indicators in relation to the delivery of the Corporate Plan 2024-27.

42. Turnpike Close Depot Update - November 2025

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

Works had continued to progress on site since commencement in October 2024 and are now passing from the Construction Phase to the Mobilisation Phase. This is a critical point in the final fitting out and commissioning stages of the project.

Since the previous update in September, the contractor has outlined an additional 2-week delay to the completion of the Construction Phase of the project, moving back the anticipated construction completion from the 30th October 2025 to the 11th November 2025.

The overall delay has been incurred due to a combination of issues within the construction programme. However, the predominant reason for the additional delay in handover is due to the delays caused by Anglian Water with respect to the connection of the building's hydrant main to infrastructure on Turnpike Close.

These works were originally scheduled to be undertaken in October, prior to completion of the original construction phase. However, due to a gas leak on Harlaxton Road causing traffic diversion via Swingbridge Road, Anglian Water were unable to secure the necessary permit to work from LCC Highways to facilitate the works. Anglian Water did initially indicate they would be unable to reschedule these works until Late November. However, after pressure was put upon the management of Anglian Water these works have been rescheduled and commenced on 3rd November.

The mobilisation period has been reviewed following the change in the construction handover date and works have been adjusted to work in parallel to the end of the construction phase from the 3rd November with the view to facilitate a new target Go-live of week commencing 1st December. The programming of the project has however been adjusted to provide a contingency period of two weeks reporting a Go-Live on the 15th December to accommodate any possible further unforeseen delays.

The Council were still awaiting a permit from the Environment Agency.

Officers involved were thanked for their diligent work on the project over the last 12 months.

The Deputy Chief Executive (S151 Officer) clarified the permit application was sent in February 2025, Environment Agency reviewed it in August 2025 and in October 2025, the Environment Agency confirmed the permit had been 'duly made'. At present, the Council had not received the permit. The new site could be operated from, however, waste could not be stored on the site without the permit.

In terms of contingency, Environment Agency could provide a temporary permit or the Council could apply for a three-month exemption, meaning waste could be stored on the new site until the permit is received by the Council.

It was queried whether issues with Anglian Water had been fully addressed and whether the 'go live' date would be delayed any further.

Members recognised the overall success of the project.

A query was raised on when proposals would be brought forward for the use of the site at Mowbeck Way.

A solution was in place to secure short-term lettings on the site, which had received some interest.

Clarification was sought around the difference between the mobilisation period and the operation go- live period.

Concern was raised on the Mowbeck Way site becoming void and the potential for anti-social behaviour.

ACTION: For a report to be brought the Committee in the future to outline proposals for the Mowbeck Way site.

The Head of Service (Property and ICT) confirmed that mobilisation would take place when the Council take control and liability of the site. During this period, services would be transferred from Mowbeck Way to the new site.

The operational go-live period would mean completion of the mobilisation phase meaning services would resume as usual from the new site.

The Chairman formally thanked the team and all Officers involved in the project.

The Committee:

Noted the current position of the delivery of the new Waste Depot at Turnpike Close, Grantham.

43. Leisure Investment Reserve proposals

The Deputy Leader of the Council presented the report.

The Council was currently focussing significant resources in tackling a backlog of maintenance across a varied range of corporate property assets. This work commenced in 2023 and was likely to continue for the next ten years. During this period, significant resources have been invested in the leisure facilities including roof and infrastructure repairs, replacement of boilers and plant, investment in external decorations, repairs to the wave machines at Bourne and Stamford and investment in carbon and energy reduction schemes.

As the primary focus had been on dealing with maintenance, there have been limited resources available to improve the decoration and replace worn out fixtures and fittings at the facilities. In recognition of the need to invest in these elements of the facilities, it was agreed to create a dedicated reserve to the value of £500k to enable investment in the facilities.

It was agreed that an improvement plan for each of the locations be developed focussing on those areas where there is a strong interface with the customers and where there is clear evidence of an investment requirement.

A proposed methodology had been developed on information from a range of sources. This approach was presented to the Committee on 23rd September 2025 and received support as a way forward.

Following the meeting, external consultants had been appointed to visit each Centre and prioritise the proposed works focussing on the following customer experience areas:

- Changing areas
- Reception areas
- Public toilets
- Meeting rooms
- Other communal areas

These visits took place during October 2025 and the consultants were accompanied by staff from the Council and representatives from Leisure SK Ltd. The overwhelming conclusion was that the funding should be primarily focused on the changing areas and facilities as these have the most negative impact on the customers and have not been adequately maintained for a number of years. In respect of the Meres leisure centre, this will be the changing village adjacent to the pools.

In summary the priority focus is to be:

- Fixtures and fittings
- Replacement of missing items – seats, handles etc
- Decoration improvements
- Deep cleaning
- Replacement of ceiling tiles

The Deputy Chief Executive (S151 Officer) provided a visual presentation to the Committee to outline the immediate obvious issues at each of the sites (3 leisure centres and SK Stadium).

One Member formally requested a explanatory press release be prepared to inform residents of the financial figures and planned works.

The Deputy Chief Executive (S151 Officer) accepted the £500k was a low amount of funding and it was felt a higher amount of money could be spent on each of the sites, however, the funding was capped at £500k.

The Meres leisure centre and SK Stadium were in worse condition due to having the highest usage, this had been reflected in the allocation and share of the £500k and also recognises the need for a further allocation of £500k to the Leisure Investment Reserve within the Cabinet budget proposals for 2026/27.

It was further clarified that the report at present had been reviewed by a consultant, and a specification had not yet been to the market. The feedback from the consultant only provided advice on where the most return for the investment would be.

(Councillor Tim Harrison arrived at the meeting at 10:40am)

One Member noted that all Council assets should be well looked after. It was felt that further funding would be required to refurbish the buildings.

The Cabinet Member for Property and Public Engagement confirmed it was Cabinet's priority to ensure funding is explored to maintain Council assets.

The Deputy Chief Executive (S151 Officer) clarified the figures provided were provisional until the Council went out to market. The Council were developing the new contract procedural rules and exploring the use of local supply chains to source the work.

One Member noted that local residents had provided negative feedback on the Meres Leisure Centre changing facilities.

One Member highlighted they would prefer to see the initial funding spent on Bourne and Stamford Leisure Centres before working on the upgrades at the Meres Leisure Centre, it was felt the facilities at the Meres were in the worst condition.

South Kesteven stadium was primarily used by Grantham Football Club and other community groups. It was suggested that £100,000 on the stadium may be best spent elsewhere and the stadium upgrades be reviewed once the lease with Grantham Football Club had been arranged.

The Committee were reminded that South Kesteven Stadium served the whole District and not just Grantham.

One Member offered to provide a tour of the stadium to provide a visual insight of the upgrades it required.

It was suggested a communication strategy be created to inform the users of the leisure centres and stadium on the overdue maintenance planned.

Clarification was sought around the meaning of 'contract to preliminaries'

The Head of Service (Property and ICT) clarified contract to preliminaries referred to costs associated with the contract being on site which included welfare costs and any set up for compounds and the hire of equipment to carry out the works.

The Cabinet Member for Property and Public Engagement clarified that all centres and the stadium were a priority, rather than a specific one.

One Member hoped that residents of South Kesteven would benefit from the refurbishment of the changing room facilities across all the Centres prior to Local Government Reorganisation.

It was highlighted that a new leisure centre was due to open in Spalding in 2026. Concern was raised that this may have a negative impact on Bourne Leisure Centre facilities.

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

- 1. To support the allocation of the funding of £500k to refurbish the changing room facilities across all the Centres.**
- 2. Recommend that Cabinet consider a further allocation of £500k to the Leisure Investment Reserve within their budget proposals for 2026/27.**

44. General Fund Quarter 2 Budget Monitoring Report 2025/26

The Leader of the Council presented the report which outlined the Council's forecast 2025-26 financial position in respect of September 2025 revenue and capital budgets.

The report had previously been presented and approved by Cabinet on 4 November 2025.

The General Fund was performing strongly and currently had a underspend of £499,000. The underspend was mainly due to fuel price reductions, utility cost reductions, lower tariffs, an increase in car parking income, planning fee income and green waste income.

The salary vacancy continued to be monitored and was on track to be achieved by 31 March 2026.

In terms of the capital programme, there was an overall of 1.26% variance for all schemes, which had been presented in table 4 of the report.

The report provided information regarding the collection rates for council tax and business rates which confirmed no areas of concern at this stage of the financial year.

A query was raised on whether the Council received any income from the cardboard waste collections.

It was clarified the Council were the waste collection authority and Lincolnshire County Council were the waste disposal authority. Therefore, the Council only incurred the costs of waste collection.

The return on investments was at 4.3% which seemed positive. It was queried what notice period was applied to notice accounts.

The Council take advice from MUFG on their investments. Investments had previously been discussed at a Governance and Audit Committee held on 13 November 2025.

A query was raised on whether the budget underspend was a 'one-off' or whether the Council would be in the same position in years to come.

It was noted the National Pay Award was 2% higher than budgeted for. It was questioned whether the Pay Award had come from the local priorities reserve and how this would be sustainable in future.

The Deputy Chief Executive (S151 Officer) confirmed the local priority reserve may not be required to fund the 3.2% Pay Award. Underspends and overachieving budget lines would be used to fund the Pay Award increase instead of the local priority reserve.

The Leader of the Council drew the Committee's attention to table 2 where significant variances were outlined.

A query was raised about whether the Council was considering lowering planning fees and encouraging people to apply for more development.

The Deputy Chief Executive (S151 Officer) informed the Committee that the majority of planning fees were set by Government and not by the Council. The reason for the increased income of budget of £250,000 was due to late notification from Government on the increases alongside additional planning applications.

In previous years, Government had not increased planning fees at all. The Council had budgeting on the assumption there would be no increase on planning fees.

One Member noted a £60,000 overspend on the decarbonisation scheme. A query was raised if there was a payback period for the overspend.

The Leader of the Council stated there would be around a 30-year pay back, however, the decarbonisation project at the Meres leisure centre would bring a reduction in their energy bills and would generate savings from utility consumption. The overspend would be a 'one-off' cost from the property reserve.

One Member raised a point in terms of the planning fee income. It was noted of the £250,000 surplus, £162,000 was related to a large solar farm planning application.

It was noted that local developers looking to build houses were critical of the discretionary fees of the Council.

The Assistant Director of Finance (Deputy S151 Officer) highlighted the only discretionary charges were during the pre-planning stage.

Green waste income was bringing in a £100,000 surplus over budget. A query was raised on whether the Council would explore bringing the cost of green waste down after making the saving.

The Council currently charged the second highest rate in the County for green waste. The routes had been changed to save a significant amount of money, therefore, understand how the income saved would be utilised was questioned.

The Deputy Chief Executive (S151 Officer) clarified the green waste round review was around cost avoidance due to the growth of the District as a whole. The routes became outdated, insufficient and were based on a different geographical layout.

(Councillor Graham Jeal left the meeting at 11:40).

The Committee:

1. Reviewed and noted the forecast 2025/26 outturn position for the General Fund Revenue and Capital budgets as at the end of September 2025.

45. Housing Revenue Account (HRA) Budget Monitoring Report 2025/26

The Leader of the Council presented the report.

The report had previously been presented and approved by Cabinet on 4 November 2025.

The forecast pressure had previously been highlighted in the budget monitoring report presented to Cabinet on 9 September 2025. Since the report, the forecast has since increased to a projected overspend of £2.781m.

This overspend was due to the clearance for maintenance backlog, tackling void turnaround times and improving performance from 79 days in March 2025 to 54 days in August 2025. Another factor was properties being left in a poor condition by outgoing tenants, the increase in material costs and emerging legislative responsibilities and new statutory obligations.

A preliminary breakdown of the forecast overspend is attributable to the factors revealed:

- £1.7m on addressing backlogs and meeting performance targets.
- £0.35m in inflationary and other additional material costs.
- A potential £0.85m in regulation changes.

It was requested the Committee support the report to tackle the issue and ensure sufficient resources were available for the service to continue working on backlog.

The Deputy Chief Executive (S151 Officer) clarified the spend pressures on this particular budget first came to Officers attention in February 2025 (Q3 report). It was noted social landlords were experiencing a high amount of pressure from regulators and lack of funding.

A concern was raised that the 30-year business plan for the HRA needed to show a solvent and sustainable financial outlook, however, problems were arising for the next 2-3 years.

In order to meet these unbudgeted costs, the only viable option available is to propose the use of the HRA reserves in the following way:

- £1.000m from the Reactive Repairs Reserve
- £1.781m from the HRA Priorities Reserve

Governance and Audit Committee had previously created a £1m reserve to deal with the HRA overspend at year end.

Collection of £14.761m as of 5 October 2025 against an annual debt of £29.856m, as shown in table 4 of the report, the collection rate was 0.65% below target equating to £0.167m.

One Member requested further clarification on the breakdown of the overspend as a third of the money was projected for legislation changes.

Concern was raised on the possibility of providing 'value engineering' in the future in terms of housing in order to save money. It was felt that housing may fall behind again due to the lack of funding.

The Government had consulted on rent convergence, where social rents could be harmonised to affordable rent levels. There are opportunities for the Council to consider a £1-2 increase on those properties per week. This model could result in around £600,000 additional rental income.

Concern was raised around the New Renters Right Bill and how this would accumulate pressure on the Council via repairs.

It was confirmed any obligations and pressures would be included within the budget reported to Cabinet.

One Member highlighted that more legislations, responsibilities, obligations and costs given to social landlords, the greater the demand for social housing be brought onto local authorities as private landlords were selling their properties.

It was requested whether a figure for the cost of void properties in terms of lost rent could be provided.

Some tenants left properties in poor condition, one Member felt that more regular inspections were necessary.

The Leader of the Council clarified problems around access to tenants' properties related to essential maintenance, fire, and electrical safety inspections. In some cases, Court Orders were sought on some Council tenants where they had refused to leave.

One Member shared his disappointment that the HRA had a projected overspend of £2.781m.

The Leader of the Council highlighted the overspend was a direct consequence of the neglect of housing services from the previous administration. It was felt housing should be expanded in order to accommodate many individuals on the housing register.

The Cabinet Member for Housing clarified the housing service area had made major improvements in their team.

The Deputy Chief Executive (S151 Officer) emphasised the £2.7m figure was a forecast for March 2026. As at the end of September 2025, the Council were not overspending on that line, however, resources were being put into place to expect a possible overspend of £2.781m.

A query was raised on whether the Council could request S106 contributions from housing developers.

The HRA was a ringfenced fund and S106 contributions would be for health, education and not for housing.

Concern was raised that another aspect may exponentially take the HRA out of scale.

Each time re-let a house, new carpets AWABS Law – make buildings fit without significant increases in rent.

Housing developments had a requirement for 10-30% of the properties to be affordable or social housing (housing associations or Council).

The Committee were reminded that reserves were set out in the Council report.

The Committee:

Reviewed and noted the forecast 2025/26 outturn position for the HRA Revenue and Capital budgets as at the end of September 2025.

46. Localised Council Tax Support Scheme Proposals 2026/27

The Leader of the Council presented the report which reviewed the council tax support scheme and its sustainability.

Despite the scheme being a local scheme, due to the nature of protection provided to pensioners and vulnerable working age customers, the Council will always incur some costs over which it has no influence.

Due to the protections from changes to pensioners and vulnerable working age customers, any reduction in cost to the proposed scheme can only be applied to the 883 working age customers, or 12.19% of the caseload. This means out of the

Council's current share of the cost of £737,053 – only £89,847 (12.19%) can be influenced by any change made to the current scheme. This is a reduction from 14.34% at the same point in 2024.

A consultation had taken place for a no change scheme in September 2025 and of the 7,243 surveys issued, 440 people responded at a response rate of 6%.

Overall, 83% of respondents agreed with the principles of the current scheme, and 84% of respondents agreed the Council had worked hard to ensure that its Council Tax Support Scheme was fair, protects pensioners and those in vulnerable groups, and responds to local concerns.

A query was raised on the discretionary council tax payment fund and whether people were aware of the fund or if the criteria was too strict. There was £30k of the fund available and only £8.5k had been used.

The Head of Service (Revenues, Benefits, Customer Service and Community) clarified that many people were unaware of the fund, however, work was being undertaken to promote the fund.

One Member queried whether Lincolnshire County Council were content with the current scheme, as their political control had recently changed.

The Leader of the Council confirmed Lincolnshire County Council were content with the current scheme.

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

- 1. Consider and comment on the feedback from the public consultation.**
- 2. Recommend to Cabinet a 'no change' Local Council Tax Support Scheme for 2026/27.**

47. Discretionary Payment Policies 2026/27

The Leader of the Council presented the report which detailed two discretionary payment policies that are reviewed each year.

The policies provide flexibility and support available to eligible residents, alongside alleviating poverty, preventing homelessness and addressing individual needs.

The administration of the Discretionary Council Tax Payment Policy was at the Council's discretion. Funding was solely provided by SKDC and each year, a provision of £30,000 was made.

It was proposed to make one change to the policy from 1 April 2026. The change was to limit the amount of household capital to £4,000.

The administration of a Discretionary Housing payment policy was based on guidance from Department of Working Pensions, as well as areas of eligibility which were at the discretion of the Council. Funding was determined by Department of Working Pensions on an annual basis. For 2026/27, they had provisionally confirmed a no change to the existing funding allocation (£156,000).

An integration of the Discretionary Housing payment into the crisis resilience fund would be a phased approach by March 2029.

Both policies and relevant changes were included as part of a local council tax support consultation, with 90% of respondents agreeing to the policies with no change.

Concern was raised on the £4,000 limit on household capital during cost-of-living pressures. It was queried how the Council decided the £4,000 limit was the right 'cut off' point and was anything in place to monitor the impact of people just above the limit.

The Head of Service (Revenues, Benefits, Customer Service and Community) confirmed that applications could be reconsidered in any circumstances of crisis where an individual has dropped below the £4,000 limit. Any changes implemented would be monitored thoroughly.

It was confirmed the Council would communicate with residents on the £4,000 limit, any changes that were due to be implemented and inform them that if circumstances were to change, a reapplication should be made.

A query was raised on whether the Council work towards the £30,000 contribution level or whether the level needed to be increased.

The Head of Service (Revenues, Benefits, Customer Service) clarified the contribution level was monitored on a monthly basis. In 2024, there was an underspend of £82. The team would continue to review the level and should there be a need to increase it, a delegated decision would be taken in-year to the Deputy Chief Executive (S151 Officer).

One Member queried whether ongoing support and advice was taking place following the 'one-off' payment.

The Head of Service (Revenues, Benefits, Customer Service) assured the Committee that support was being provided.

ACTION: For the Head of Service (Revenues, Benefits, Customer Service and Community) to provide case studies on how residents and tenants were being supported.

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

- 1. Consider and comment on the feedback from the public consultation.**
- 2. Recommend to Cabinet the Discretionary Council Tax Payment Policy for 2026/27 with a change to limit the amount of household capital (claimant and/or partner) to £4,000**
- 3. Recommend to Cabinet a 'no change' Discretionary Housing Benefit Policy for 2026/27.**

48. Work Programme 2025/26

The Committee noted the Work Programme 2025/26.

The following items would be brought to the meeting being held on 24 February 2026:

- General Fund Quarter 3 Budget Monitoring Report 2025/26
- Housing Revenue Account (HRA) Budget Monitoring Report 2025/26
- Turnpike Depot Update – Closure Report
- UKSPF 25/26 allocation update
- Economic Development Strategy 2024-28 Update
- Car Parking charges

The Chairman queried when an update would be brought back to the Committee on St Martins Park, Stamford. The item would be added to 'unscheduled items' until a date was known.

A further query was raised about when a fees and charges document would be brought to the Committee.

It was confirmed that fees and charges would be considered at the Budget Overview and Scrutiny Committee meeting being held on 13 January 2026.

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

There were none.

50. Close of meeting

The Chairman closed the meeting at 12:40.