

Minutes

Finance and Economic Overview and Scrutiny Committee



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Thursday, 24 July 2025, 2.00 pm

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 Gloria Johnson
Councillor Max Sawyer
Councillor Lee Steptoe
Councillor Murray Turner
Councillor Mark Whittington
Councillor Tim Harrison
Councillor Robert Leadenham

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)

Other Members present

Councillor Matthew Bailey
Councillor Graham Jeal

Officers

Richard Wyles (Deputy Chief Executive, S151 Officer)
Alison Hall-Wright (Director of Housing, Deputy Monitoring Officer)
David Scott (Assistant Director of Finance, Deputy S151 Officer)
Emma Whittaker (Assistant Director of Planning and Growth)
Karen Whitfield (Assistant Director of Culture, Leisure and Place)
Claire Moses (Head of Service – Revenues, Benefits, Customer Service and Community)
Claire Saunders (High Street Heritage Action Zone Project Manager)
Charles James (Policy Officer)
Megan White (Corporate Project Officer)
Amy Pryde (Democratic Services Officer)

1. Public Speaking

There were none.

2. Apologies for Absence

Councillor Tim Harrison substituted for Councillor Ian Selby.

Councillor Robert Leadenhams filled the Conservative Vacancy.

3. Disclosure of Interests

There were none.

4. Minutes from the previous meeting

The minutes from the meeting held on 13 May 2025 were proposed, seconded and **AGREED** as an accurate record.

5. Updates from previous meeting

All actions were completed.

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

There were none.

7. Turnpike Depot Update - July 2025

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

The Project Board had recently met and were continuing to ensure the new depot became operational at the end of November 2025, within budget.

Officers were thanked for their hard work on this project, whilst simultaneously running other large projects within the District.

One Member noted that specific elements of construction were behind, however, would not prevent the depot opening. Clarification was sought around what the specific elements were and if they were related to any budget changes.

The Deputy Chief Executive clarified the specific element related to the supply of steels to the site. The steels contractor went into liquidation, however, Lindum's had sourced the steels from an alternative supplier.

It was noted that some utility connection costs had not yet been confirmed. It was queried what proportion of the contingency budget remained unallocated and whether it would be sufficient to absorb the potential liabilities from utility providers.

The contingency budget was completely unallocated at present and would be available for utility providers if necessary.

Members were reassured that representatives of the Committee and Cabinet Members attended monthly board meetings on the project. The board had sight of any new costs introduced into the contract.

The Chairman of the Committee attends the board meetings as an observer. The Leader of the Council, Cabinet Member for Property and Public Engagement and the Cabinet Member for Environment and Waste were members of the board.

The Committee had visited the site prior to the meeting and were pleased with the progress made.

The Committee noted the current position of the delivery of the new Waste Depot at Turnpike Close, Grantham.

8. Grantham Future High Street Fund Programme Update

The Leader of the Council presented the report to update the Committee on the Grantham Future High Streets Fund (FHSF) Programme, following the previous update in February 2025.

The FHSF is a £5.2m programme which began in 2021 and should be completed in March 2026.

The improvements at present had included the Conduit Lane toilet refurbishment, the five-armed junction at Station approach and Grantham market square. 9 of the 22 proposed upper floor residential units had been completed and let. Works were ongoing to complete the remaining flats.

Following the completion of the public realm works, £882,695 had been reallocated within the public realm budgets, which had been released for reallocation.

Following negotiation with the Ministry of Housing, Community and Local Government (MHCLG), Officers secured permission to reallocate the funding to projects within the Future High Streets Fund which would help ensure the total funding is utilised.

Progress in delivering the approved projects was detailed in paragraphs 2.7 and 2.8 of the report.

Subsequently, an additional £400,000 had been identified, principally from savings within the public realm projects.

One Member queried what plans may be in place for the available £400,000.

The £400,000 was part of the Government's Future High Street Fund grant and a form of capital expenditure. The Events budget formed part of the Council's match funding to the programme, which was managed separately as different terms for spending that money would apply.

Further information on how money would be spent on events within the programme was requested. It was noted that a cost of £7,000 for a brass band was proposed for Lincolnshire Day, although this would be derived from a separate budget.

The Leader of the Council clarified that £7,000 would not be spent on a brass band for Lincolnshire Day. It was noted that the £7,000 was part of a separate budget to the programme underspend.

At a recent FHSF board meeting, discussions took place on exploring ways in which the overspend could be utilised:

- Power supply to the market square in Grantham to cater for events may require lighting or electricity.
- Improve wayfinding in the town centre to encourage visitors to visit historic features within the town.
- Investment would be made in the Grantham Museum in order to hold exhibits and repatriate collections from Lincoln museum.
- Plans for the cultural quarter (St Peters Hill to the Savoy Cinema),

One Member queried the likelihood of the remaining unallocated budget being fully contractually committed and whether the funding would be returned if not allocated.

The Leader of the Council had hoped none of the funding would be returned. Officers were working towards a tight deadline, however, it was believed upcoming projects would fully absorb the allocation.

Clarification was sought that lessons had been learnt from the ticketed event for the Family Festival.

As FHSF was due to end in March 2026, the Council's long-term strategy was queried in order to ensure the momentum for increased footfall in Grantham.

It was highlighted that the ticketed event for the Family Festival was a good event, however, there had been a low turnout. It was clarified a contingency plan was in place to ensure a better turnout in future.

The Council were working with local partners to increase footfall in the centre of Grantham.

It was highlighted that local businesses and Town/District Councillors would need to champion events in Grantham post March 2026. The Council would not have sums of money, as in recent years. The Council would work to increase footfall in all towns within the District.

Members welcomed the FHSF on the regeneration of Grantham town centre.

It was noted that £50,000 would be spent on the cultural quarter of St Peters Hill, however, concern was raised on comments received from residents on anti-social behaviour taking place within the cultural quarter.

The Leader of the Council confirmed there had been an increase of CCTV within that area and urged any behaviours were reported.

The Council were finalising proposals for improvements to the cultural quarter which may include improving the grasses areas, planting schemes and a water feature.

It was suggested that lessons learnt from previous events and schemes be brought back to the Committee in the future to scrutinise.

£60,000 of FHSF would be used for bistro chairs, a stage and chair/covers. Assurance was sought whether funding would need to be contractually committed by the end of September 2025 and that the proposed events stage would be fully utilised, once purchased.

The Assistant Director of Planning and Growth clarified work was taking place around how the funding could be best utilised. The stall covers were not required and therefore, the bistro chairs and stage were being explored. The Committee would be updated in due course if the markets allocation of FHSF came to less than £60,000.

A query was raised on requirement and claw back mechanisms the Council had in place with Upper Floor Grants properties if the recipients decided to resell or repurpose the property within a short period of time.

Within the grant agreements for each recipient, there was a five-year claw back clause in which if the property was sold or materially disposed of, the grants could be drawn back. There was a charge placed on the land registry against the properties if sold.

The Committee noted the report and progress on the Grantham Future High Street Fund Programme and to offer feedback to the FHSF board.

9. General Fund Provisional Outturn

The Leader of the Council presented the report.

The report demonstrated a positive position with strong and prudent financial management of the Council's finances, resulting in a provisional underspend of £1.1m on the revenue budget.

This underspend had enabled the Council to strengthen its reserves in areas such as IT and support training and development, as well as helping with future financial challenges which the Fair Funding Review and Local Government Reorganisation may bring.

The Council has delivered a number of key projects over the past 12 months and a number of multi-year schemes which require budgets to be carried forward, to support their delivery in 2025/26.

Paragraph 5.2 of the report outlined the reserve movements which were previously recommended to Governance and Audit and approved. There was an additional recommendation agreed to create a leisure investment reserve of £500,000 to invest in maintenance and improvement of the three leisure centres and the SK stadium.

Members were pleased to see that all Council services had been delivered within budget and having an underspend of £1.1m.

It was noted the underspends were largely driven by the lower fuel and energy costs together with better than expected interest income from the cash balances. It was queried what inflationary risks were anticipated for 2025/26 and whether the Council had sufficient financial headroom for unexpected commodity or wage inflation.

The Deputy Chief Executive confirmed to date, one budget assumption for 2025/26 was understated. The Council budgeted for 2% pay award, however, as previously agreed the Council had met the national position of 3.2%

In terms of fuel and energy, the Council was not seeing any financial pressures coming through. Attempts were made to bring energy costs down via LED light upgrades and installation of solar panels on Council assets.

One Member queried where reserves would sit under Local Government Reorganisation.

The Deputy Chief Executive confirmed reserves had been built up from local taxpayers and it was hoped they would be used in any future Council representing the local area. The Council had to run a balanced budget and would still be required to be prudent in spending any reserves prior to Local Government Reorganisation.

One Member sought further clarification on matters relating to the listing of expenditure:

- Item EDO1093 – consultant fees (stationary)
- PO02686 – polygons
- 18 entries of legal team work fees

The Chairman requested that any queries on individual monthly statements from the list of expenditure be dealt with after the meeting.

The Deputy Chief Executive confirmed the list of expenditure in question related to May 2025. The information presented on the Council's website was in accordance with the requirements set out in the Transparency Code.

The Committee reviewed the provisional General Fund Revenue and Capital Outturn position and the supporting appendices for the financial year 2024/25

10. Housing Revenue Account Provisional Outturn Report 2024/25

The Leader of the Council presented the report.

The report outlined the HRA budgets and Council's focus on continuing to meet the housing needs of tenants, by investing in homes and ensuring compliance with statutory requirements to ensure resources were allocated appropriately.

There had previously been a budget surplus of £7m in line with the HRA business plan in order to help fund future housing stock investment.

Based on a provisional overspend of £1.3m, this had reduced the surplus to £5.7m. This was mainly due to the significant investment required in year to reduce the backlog of repairs and to remedy damp and mould cases.

There had been an increased focus to decrease void turnaround times, which had contributed towards the overspend, but had led to increased rent receipts of £500,000 and reduced void times from 136 days to 79 days average.

In regard to capital expenditure, the Council made £22.7m investment in properties including energy efficiency initiatives, refurbishment improvements and compliance works in order to provide high quality homes for tenants.

Paragraph 5.2 outlined the reserve movements which had been recommended and approved by Governance and Audit Committee.

Members were pleased with the report and congratulated the team and administration on their hard work.

A query was raised on how the current reserve was linked to the HRA business plan.

It was noted that Governance and Audit had also agreed to create a new reserve of £1m for reactive repairs maintenance.

The Assistant Director of Finance confirmed that as part of the HRA business plan, there were different years where, in line with the HRA business plan there would be a budgeted surplus to help build reserves for future investment into the housing stock.

The Committee reviewed the provisional General Fund Revenue and Capital Outturn position and the supporting appendices for the financial year 2024/25

11. Local Council Tax Support Scheme Proposals 2026/27

The Leader of the Council presented the report.

The Council Tax Support Scheme was reviewed each year to ensure it was fit for purpose.

The scheme came into effect over 10 years ago and the Council agreed for the scheme to provide up to 80% entitlement for working age claimants and up to 100% for pension age claimants.

In determining the potential changes for the 2026/27 scheme, the Council was required to consider the cost of the scheme along with the administrative and legislative need to consider any changes.

During 2025, there had been a small increase in claimant numbers for customers of working age. This was a result of an increase in caseload due to the move to Universal Credit.

Additionally, the Welfare and Financial Advice team had seen an increase in financial support requests from residents with household support fund, discretionary council tax payments and discretionary housing payments.

Whilst a minor increase, it was an indication of how financial volatility and other external factors can influence claim numbers.

The Council's local scheme has been updated with amendments since the introduction in April 2013 to maintain the link with housing benefit and technical changes.

The Council had also introduced local changes during this time, which were detailed in paragraphs 2.12 to 2.30 of the report.

The report was proposing a 'no change' to the scheme for 2026/27, however, a consultation process would still take place.

It was noted that only 2 Special Constables had claimed for available discount. It was queried how many Special Constables lived in the District and hadn't claimed the discount.

It was confirmed 8 Special Constables would be eligible for the scheme within the District. The Police and Crime Commissioner were responsible for the promotion of the scheme directly to the Special Constables, alongside promotion on the Council's website.

The Head of Service (Revenues, Benefits, & Customer Service) confirmed a variable percentage of the scheme across the County, with the lowest being 75% for working age. A comparison of the percentages would be brought to the Committee in November.

Clarification was sought whether there was evidence to support the 'no change' scheme and if there was a point at which it would become financially unsustainable.

The increase was due to more customers moving on to Universal Credit, promotion of the scheme and the cost of living. The cost of the scheme was part of budget processes and would be reviewed at budget setting each year on its sustainability.

It was further queried whether the Council was concerned that a flat council tax support scheme may lead to a struggle with managing discretionary funds.

The discretionary scheme would be used for support where the council tax support scheme was prescriptive. Commonly, the Council did not spend all funding received for discretionary scheme and any underspend could be carried over.

Overall, the Committee were supportive of the 'no change' scheme.

The Committee:

- 1. Offered comment and feedback on the proposal of a 'no change' Local Council Tax Support Scheme 2026/27 for stakeholder consultation**
- 2. Endorsed the areas for stakeholder consultation as detailed in the report (paragraphs 2.12 to 2.30)**

12. Discretionary Council Tax Payment Policy 2026/27

The Leader of the Council presented the report.

A Discretionary Council Tax Payment could be awarded where a council tax support recipient had a shortfall between their award and their liability. Before the payment was rewarded, consideration would be given as to whether all other discounts and sources of help had been exhausted. Where appropriate, decisions would be deferred until all other avenues were explored.

Funding for this payment was solely provided by the Council and a provision was made each year of £30,000,

Paragraph 2.9 of the report outlined the Council's contribution from 2023/24 to date. Any underspends were rolled onto the following financial year.

At present there was £26,844 remaining to be awarded by the end of the financial year.

The Council proposed a 'no change' to the policy, however, were required to undertake a consultation process.

It was noted the expenditure had increased from 2023/24 to 2024/25. Concern was raised that inflation may cause a breach of the £30,000 budget.

The Head of Service (Revenues, Benefits & Customer Service) confirmed the budget was reviewed and any increase would be requested through budget setting. The Household Support Fund would also be utilised to support customers, if required.

The Discretionary Payment would only be eligible for a resident in receipt of council tax support.

It was queried how discretionary decisions were monitored and managed to ensure constancy and fairness.

Two Officers at the Council process the discretionary decisions. One Officer would make the decision and if the customer wasn't satisfied with the decision, the second Officer would review the decision.

The Committee:

Considered and made comment on the proposed Discretionary Council Tax Payment Policy prior to its inclusion within the consultation on the Localised Council Tax Support Scheme 2026/27.

13. Discretionary Housing Payment Policy 2026/27

The Discretionary Housing Payment Policy 2026/27 was introduced by the Leader of the Council.

Discretionary Housing Payments were awarded in instances where there was a shortfall between an individual's Housing Benefit or Universal Credit award and their rent.

The decision to award a Discretionary Housing Payment was often deferred until all other avenues of funding had been explored. So far for 2025-26, 22.22% of Discretionary Housing Payment applications were successfully awarded.

Funding for the scheme was determined by the Department of Work & Pensions and £155,861 of funding was awarded for 2025-26. At the time of the meeting, £34,633 had been spent.

A Member requested clarification about the top up facility. It was confirmed that the top up facility was for the Council to top up the level of Discretionary Housing Payment funding should they wish to. However, central government cap the level of this to prevent a postcode lottery with vastly different funding depending on the area.

During 2024-25, there were 282 applications awarded of the 610 received. The request was made for statistics of this nature to be released to the Committee for the year 2019-20.

It was confirmed that the scheme was only available to those in the rented sector.

ACTION: For the Head of Service (Revenues, Benefits & Customer Service) agreed to inform Members the proportion of Discretionary Housing Payment recipients that were Council tenants.

Members noted the proposed Discretionary Housing Payment Policy prior to its inclusion within the consultation on the Localised Council Tax Support Scheme 2026/27.

14. Corporate Plan 2024-27: Key Performance Indicators Report - End-Year (Q4) 2024/25

The Corporate Plan 2024-27: Key Performance Indicators Report - End-Year (Q4) 2024/25 was introduced by the Cabinet Member for Corporate Governance & Licensing.

Fifteen actions were presented within the remit of the Finance & Economic Overview and Scrutiny Committee. Twelve were rated green and three amber.

The Committee was asked not just to scrutinise the Council's performance against the outlined indicators, but also the continued relevance of the indicators themselves.

Members praised that no actions were rated red and a high proportion were rated green.

Clarity was sought about the effectiveness of the new Finance system, noting this had been rated amber for a sustained period of time. It was confirmed this was due to the 'go-live' date for the system being postponed from April until August.

It was confirmed that external benchmarking was undertaken via services such as LGInform. It was noted that blanket benchmarking could prove challenging given the varying factors between authorities.

It was acknowledged that some areas such as eco-development had been affected due to staff vacancies but overall the service had continued to be delivered well.

Members noted the performance against the Corporate Plan Key Performance Indicators in relation to the delivery of the Corporate Plan 2024-27.

15. Work Programme 2025/26

The Committee noted the Work Programme 2025/26.

A closure report on Turnpike Depot would be brought to the Committee at a later meeting.

One Member queried why the update on the South Kesteven Economic Development Strategy and the 6-monthly update on marketplace footfall was not on the agenda for the meeting.

The South Kesteven Economic Development Strategy would be brought back to the Committee in September 2025, once the Economic Development Manager was in post.

The marketplace footfall would be included within an update on the Future High Streets Fund at a future meeting.

The Council was required by MHCLG to monitor footfall, however, Officers were currently exploring meaningful ways in which this data could be collected, for example, spend data.

A report on Leisure Investment Reserve Criteria would also be brought to the Committee in November 2025.

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

There were none.

17. Close of meeting

The Chairman closed the meeting at 16:10.

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