

Minutes

Cabinet

Tuesday, 10 February 2026



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Date of publication: 18 February 2026

Call in expiry: 25 February 2026

**Decisions can be implemented from
26 February 2026.**

The Leader: Councillor Ashley Baxter (Chairman)

The Deputy Leader: Councillor Paul Stokes (Vice Chairman)

Cabinet Members present

Councillor Rhys Baker, Cabinet Member for Environment and Waste

Councillor Richard Cleaver, Cabinet Member for Property and Public Engagement

Councillor Phil Dilks, Cabinet Member for Planning

Councillor Philip Knowles, Cabinet Member for Corporate Governance and Licensing

Councillor Virginia Moran, Cabinet Member for Housing

Non-Cabinet Members present

Councillor Tim Harrison

Councillor Elvis Stooke

Officers

Karen Bradford, Chief Executive

Richard Wyles, Deputy Chief Executive and Section 151 Officer

Alison Hall-Wright, Director of Housing and Projects (Deputy Monitoring Officer)

Graham Kitchen, Director of Law and Governance (Monitoring Officer)

David Scott, Assistant Director of Finance and Deputy Section 151 Officer

Chris Prime, Communications Manager

Mark Rogers, Head of Service (Technical Services)

James Welbourn, Democratic Services Manager

Emma-Jayne Abbott, Housing Strategy Manager

Patrick Astill, Communications Officer

Jordan Brooks, Assistant Housing Systems Officer

Suniel Pillai, New Build Project Officer

95. Public Open Forum

There were no questions or statements from members of the public.

96. Apologies for absence

There were no apologies for absence.

97. Disclosure of Interests

There were no interests disclosed.

98. Minutes of the previous meeting

The minutes of the meeting held on 15 January 2026 were agreed as a correct record.

99. Budget Report for 2026/2027 including Indicative Budgets for 2027/2028 and 2028/2029 - Housing Revenue Account

Purpose of report

To present the draft budget proposals and estimates for 2026/27 for the Housing Revenue Account (HRA).

Decision

Cabinet made the following recommendations to Council:

- 1. Approve the HRA budget for 2026/27 and indicative proposals for 2027/28 and 2028/29 (Appendix A).**
- 2. Approve an increase of 4.8% for 2026/27 for the social housing dwellings.**
- 3. Approve the proposed increase of 2% for garage rents and 3.8% increase for service charges.**
- 4. Approve the HRA Capital Programme and financing statement 2026/27 to 2028/29 (Appendix B of the report).**
- 5. Approve the HRA Capital Programme budget carry forward of £10.416m from 2025/26 (Appendix B of the report).**
- 6. Approve the movements in HRA Reserves (Appendix C of the report).**

Other options considered

The alternative options were considered as part of the report in sections 3 to 7.

Reasons for the decision

The Council was required to set a HRA Budget each year and to set rent levels in accordance with the Government rent setting guidance.

The HRA budgets had been set in the context of delivering the aims of a housing strategy whilst balanced against the need to maintain a sustainable 30-year business plan.

The 2025-2030 Housing Strategy was approved by Cabinet on 4 November 2025 and set the vision for housing across the district. It also set out five priorities:

- A commitment to deliver new affordable and specialist housing in partnership.
- Continual improvement of the quality, standard and safety of homes
- Support people to live healthy and independent lives in their homes
- Facilitate housing to be sustainable
- Support communities to be sustainable.

The Financial challenges facing the HRA required Council in 2025/26 to allocate further resources in response to increasing revenue costs. These pressures continue into 2026/2027, and this financial growth was reflected in the proposed revenue budgets. It was also reflected in the projected financial reserve balances that were available; down from £35.7 million in March 2026 to £7.7 million in three years' time.

In the longer-term HRA Business Plan, projections indicated a projected need to draw on further reserves before potentially falling into a deficit position by 2032/2033. Therefore, spending plans would need to be reviewed to take corrective action to avoid a deficit. The recent Government announcement on 28 January 2026 outlined the outcome of the rent convergence proposals, which would provide an increase in revenue income. This may bring the business plan back into balance. Work would be undertaken to model the impact of the proposals and update the HRA business plan accordingly.

The announcement made on the 28 January 2026 regarding the outcome of the consultation also confirmed the following:

- From 1 April 2027 rent can be set with an additional £1 a week if this does not result in the rent exceeding formula rent.
- From 1 April 2028 rent can be set with an additional £2 a week as long as this does not result in the rent exceeding formula rent.

Council would be asked to consider this later in the year, and if taken forward it would be included in the 2027/2028 budgets.

The Section 151 Officer confirmed that financial modelling has taken place regarding the announcement from Government. It would mean in the region of £500,000 per year of additional income, if accepted by Full Council.

The following points were highlighted during debate:

- The current percentage of 'Decent Homes' achieved by the Council was 99.73%.
- The backlog of housing maintenance and repairs was reducing.

- Given that costs for repairs and maintenance were always rising, it was best to spend money now on the Council's housing stock, so that it could be in the best condition possible.
- Rent collected from tenants was reinvested into the homes they lived in.
- The repairs and maintenance budget was at the same level over the 3-year period of the budget report and was an ongoing challenge.
- Investment levels in housing stock were constant over the next 3 years, mainly due to Government pressuring local councils on this issue.
- Officers and Cabinet members had committed to do more work over the summer period to come up with a set of proposals to put the HRA on a better financial footing.
- The HRA cannot be subsidised through the General Fund (GF).
- Regular budget monitoring reports were provided to the Finance and Economic Overview and Scrutiny Committee (OSC).

100. Budget Report for 2026/2027 including Indicative Budgets for 2027/2028 and 2028/2029 - General Fund

Purpose of report

To present the draft budget proposals and estimates for 2026/27 for the General Fund.

Decision

Cabinet made the following recommendations to Council:

- 1. Set a General Fund budget requirement of £22.875m for 2026/27 inclusive of Special Expenses (Section 3 and Appendix A of the report).**
- 2. Propose a Council Tax level of £195.03 including Special Expenses for 2026/27 (Band D property) after consideration of the consultation responses.**
- 3. Note indicative Budget estimates for 2027/28 and 2028/29 (Appendix A of the report).**
- 4. Approve the General Fund Capital programme and financing statement 2026/27 to 2028/29 (Section 6 and Appendix B of the report).**
- 5. Approve the General Fund Capital Programme budget carry forward £1.389m from 2025/26 (Appendix B).**
- 6. Approve the movements in General Fund Reserves (Section 8 and Appendix C of the report).**
- 7. Approve the Treasury Management Strategy Statement (Section 9 and Appendix F).**
- 8. To approve the Capital Strategy (Section 9 and Appendix G of the report).**

Other options considered

The alternative options were considered throughout the report.

Reasons for the decision

The Council was required to set a balanced budget each financial year.

At Joint Budget OSC it was highlighted that the Government has completed their fair funding review. For SKDC this resulted in a multi-year settlement to 2028/2029.

Whilst this provided some financial certainty, the Government has said that the latter two years may be subject to a future reassessment.

On 9 February 2026 the final settlement was confirmed by Government outlining that an element of business rate funding was being taken away from some local councils. The Government had committed to offsetting this loss to SKDC in 2026/2027 through an 'Adjustment Support Grant'. It was unclear whether this Grant was a one-off payment or would continue into future years. Without the Grant, the forecasted Budget for 2027/2028 would contain a deficit position.

In January 2026 SKDC launched their Council Tax consultation with residents. 61% of respondents supported the Council's proposals to increase Council Tax by 2.99% (£5.66 increase on a Band D property). This was an increase on the 55% support seen in the previous year's consultation.

A balanced budget had been achieved. Within this, £20,000 would be committed towards the 'Newton 300' celebrations, earmarked from the £100,000 events budget. Once the budget outturn position was known, it was likely that the £100,000 budget would be replenished. Funding for the district's market towns had also been made available.

There was a debate about fees associated with houses in multiple occupancy (HMOs) at Full Council on 29 January 2026. A 'sliding scale' of fees had been discussed; officers have since looked again at staffing resources in relation to HMOs, as well as benchmarking against other local authorities. A proposal would be brought back to Full Council on 26 February 2026.

Proposed recurring budget increases were:

Heading	Cost	Details
Employee Expenditure	£316,060	• Enforcement Officer • Private Sector Housing Officer • Events Officer • Income Recovery Officer • Rough Sleeper Support Officer Roles • Housing Options Officer
Tree planting for SKDC open spaces	£62,000	Tree planting initiative across the District including in the award-winning parks
Tree maintenance for SKDC open spaces	£66,150	Allocation to respond to the actions arising from the Tree Management

		Policy
Events budget	£100,000	A programme of public events across the district during 2026/27. The programme to be presented to the Leisure and Culture OSC.
Funding for Compliance Works in General Fund Corporate Buildings	£100,000	Rolling programme of compliance works relating to DDA, Asbestos, Fire Risk Assessments across General Fund assets
Surface Water Drainage Clearance Programme	£60,000	Rolling programme of remedial repairs and maintenance of gullies and drainage systems.
Stock condition surveys	£40,000	Rolling programme of stock condition surveys across General Fund assets. 20% of assets to be surveyed each year
Increase in community grants	£100,000	Increase in the annual budget for the established community grant scheme from £100k to £200k
Total	£844,210	

101. Award of Contract for Christmas Lights

Purpose of report

To consider awarding a contract to the preferred supplier for the provision of Christmas lights in Grantham for five years.

Decision

That Cabinet:

- 1. Approve the contract award for the Christmas lights in Grantham to Gala Lights Ltd at a cost of £56,720 per year, for a period of three years with the option to extend for a further two years.**
- 2. Delegate authority to the Section 151 Officer, in consultation with the Cabinet Member for Leisure and Culture to extend the contract by up to a further two years or increase or extend the lighting provision should this be required.**

Other options considered

The Council had an option to purchase Christmas lights rather than hire them. However, purchase amount would be significant, and additional costs would be incurred in relation to their installation, storage and ongoing repair and maintenance.

Reasons for the decision

A compliant procurement exercise had been undertaken to identify a preferred supplier for the provision of Christmas lights in Grantham. Following the expiry of the appropriate standstill period the contract needed to be formally awarded.

As a Special Expense Area (SEA) Grantham taxpayers directly paid for services delivered to the parish by SKDC. The costs identified would be charged to the SEA.

The lights would be complemented by a Christmas tree, and family friendly activities. The 'Christmas Light Switch On' would take place on Sunday 29 November 2026.

Should Grantham Town Council wish to take on the responsibility for the provision of the Christmas lights then it was possible to novate the contract to them. They would then become responsible for honouring the remaining term of the agreement. It had not previously been possible for the Grantham Charter Trustees (predecessor to Grantham Town Council) to provide lights as they did not have the powers of a Town Council; for this reason SKDC had provided lights for the town.

102. Facilities Management Contract

Purpose of report

To seek approval for the award of the Facilities Management Contract to Key Integrated Services (Maintenance) Ltd.

Decision

That Cabinet:

- 1. Approve the award of the Facilities Management contract to Key Integrated Services (Maintenance) Ltd for an annual sum of up to £450,000 for a period of 3 years with an option to extend for a further 2 periods of 2 years.**
- 2. Delegate to the Deputy Chief Executive and Section 151 Officer to sign a Parent Company guarantee with Key Integrated Services (Holdings) Ltd in respect of the award of the Facilities Management Contract.**
- 3. Delegate to the Deputy Chief Executive and Section 151 Officer, in consultation with the Cabinet Member for Property and Public Engagement to extend the contract by up to a further two periods of two years should this be required.**

Other options considered

The Council could have adopted an in-house maintenance model. However, this approach would have required the recruitment of specialist personnel to deliver

services in key technical areas such as heating, ventilation and air conditioning (HVAC), electrical systems and gas safety.

The Council does not employ any specialist maintenance operatives within the Corporate Property Team, and it would have required significant resource and financial investment to have established a capable in-house maintenance approach.

Reasons for the decision

By entering a new contract, SKDC could now:

- a) Continue with a structured approach to managing legal and health & safety obligations, including gas, electrical, and building safety requirements, ensuring a reducing risk of regulatory breaches.
- b) Ensure all assets and equipment were maintained in a safe and operational condition, supporting the continued availability and functionality of facilities.
- c) (through the Corporate Property Team) maintain and enhance the existing planned maintenance programme, monitor asset performance, and implement new initiatives to contribute towards SKDC's sustainability objectives.
- d) Operate within forecasted maintenance budgets, providing greater certainty and planning capability over the contract period.
- e) Continue to utilise providers with expert knowledge across a wide range of building maintenance disciplines, ensuring professional and effective service delivery.

103. Acceptance of funding for Cyber Security Enhancements

Note: Councillor Philip Knowles left the Council Chamber.

Purpose of report

This report recommended the acceptance of £200,000 from the Local Digital Cyber Team to support continued progress against the Cyber Assessment Framework (CAF) for local government.

Decision

That Cabinet:

- 1. Approve the acceptance of £200,000 of funding to support the continued progress and improvements against the Cyber Assessment Framework (CAF).**
- 2. Delegate authority to the Deputy Chief Executive & Section 151 Officer to allocate funding in accordance with the agreed criteria.**

Other options considered

It was not considered to be good value for money to reject the funding offer and use existing finances for cyber improvements.

Reasons for the decision

The Council had a great opportunity to improve its cyber security by utilising the funding and the additional support that was being offered.

The funding was offered to progress and implement projects that have been identified as 'business critical'.

Cyber threats to local government were constantly evolving. This funding would help the Council continue to improve and secure its systems whilst protecting customer information.

104. Grantham Canal Water Level Control and Safe Access Works

Purpose of report

To obtain authority to enter into a contract for water level control and safe access works at the Council owned 1kn section of Grantham Canal.

Decision

Cabinet approved the award of a contract to ECS Engineering Services Ltd. for water level control and safe access works at Grantham Canal for a value of £205,763.98.

Other options considered

Taking no immediate action was considered, however the Council had a legal obligation to maintain the canal and avoid risks to property and residents. Delaying the works any longer would have resulted in the canal structure further deteriorating, leading to higher costs and risks of failure in the future.

Reasons for the decision

The structure of the canal was deteriorating as evidenced by the water seepage and a report on condition carried out by JBA Consultants. Installing water level control features and safe means of access would mitigate the risk of failure in the short term whilst the longer-term future of the canal was decided.

The award to ECS Engineering Services Ltd. was based on an open tender and assessment of their pricing and quality of response, both of which scored higher than the other valid tender received, therefore the Council was choosing the most cost-effective tender.

Part of the Canal had been neglected for many years. The Grantham Canal Partnership had been resurrected and was chaired by Councillor Robert Leadenham to good effect. The Grantham Canal Society were also a valuable partner.

105. Wellington Way, Market Deeping - Approval of Contract Sum Increase

Note: Councillor Philip Knowles returned to the Council Chamber.

Purpose of report

To increase the approved construction contract sum for the Wellington Way, Market Deeping new build housing scheme by £190,000. This was following the findings of recent site investigations, and technical reports undertaken after the initial contract award in September 2025.

Decision

That Cabinet approve an increase of £190,000 to the approved construction contract sum of £1.926m for the Wellington Way, Market Deeping new build housing scheme. This was due to additional works arising from recent survey findings.

Other options considered

Not approving the additional funding would have resulted in delays to the project and could have compromised delivery of the scheme. This option was discounted due to the ongoing housing need and the importance of maintaining the certainty of the programme.

Reasons for the decision

Approval of the additional funding enabled the Wellington Way scheme to proceed without delay, ensuring delivery of high-quality, sustainable council housing whilst protecting the Council's investment.

Following the initial contract award, site investigations were undertaken which looked at ground conditions. Previously unknown areas of ground with historic contamination were discovered; this could not have reasonably been identified at the tender stage.

The works would be funded from HRA capital receipts.

106. Voids Policy

Purpose of report

To consider approving the new Voids Policy.

Decision

That Cabinet:

- 1. Approve and adopt the new Voids Policy.**

- 2. Agree that any future minor amendments (i.e. changes to wording to reflect changes in process) required through the life of the policy are delegated to the Head of Service – Technical Services, in consultation with the Cabinet Member for Housing.**

Other options considered

Retaining the existing policy was ruled out as it was considered out of date and no longer fit for purpose.

Reasons for the decision

The Council was required to have strict void policies in place to ensure the safety of properties being let, whilst adhering to regulatory compliance and safety standards.

The Void Policy was required to minimise rent loss and it set out the Council's lettable standard to residents.

The following groups were consulted on the new Void Policy:

- Housing OSC
- Housing Department Management team
- Voids team
- Resident workshop and online consultation.

107. Updated Tenancy Agreement

Purpose of report

To consider the updated Tenancy Agreement for tenants living in Council owned properties.

Decision

That Cabinet:

- 1. Approve the revised tenancy agreement.**
- 2. Delegate authority to the Director of Housing and Projects in consultation with the Cabinet Member for Housing to make minor changes to the Policy (such as grammar and formatting).**

Other options considered

Not reviewing the tenancy agreement would have led to updates such as the domestic abuse and safeguarding chapters not being included. Opportunities such as the proposed change to the rent collection period would have also been missed.

Reasons for the decision

The resolution to approve the proposed revised tenancy agreement was made to ensure it complied with legislation. It also ensured that SKDC were managing tenancies, properties and neighbourhoods effectively, and ensured the tenancy agreement was easier for tenants to read and understand.

The agreement was last reviewed in 2020. Several changes were included to ensure compliance with current legislation.

Residents would often refer to 'free weeks', which in practice meant that their yearly rent was divided by 48/49 weeks, meaning there were approximately three weeks of the year where no rent was paid. This could have been an issue for people on Universal Credit, which was paid weekly. The new agreement meant that weekly payment amounts would reduce but would be due every week of the year.

All SKDC residents had been consulted on these changes, and further additions to the agreement had been made because of feedback. A letter would be sent to all tenants detailing the agreed changes.

The 52-week rent year would be implemented from April 2027. SKDC was obligated to give residents 28 days' notice of this change.

108. Housing Asset Management Strategy

Purpose of report

To consider the new Asset Management Strategy.

Decision

That Cabinet:

- 1. Approve and adopt the new Asset Management Strategy.**
- 2. Agree that any future minor amendments (i.e. changes to wording to reflect changes in process) required through the life of the strategy are delegated to the Head of Service – Technical Services, in consultation with the Cabinet Member for Housing.**

Other options considered

Retaining the existing strategy was ruled out as it was considered out of date and no longer fit for purpose.

Reasons for the decision

The Council was required to have an up-to-date asset management strategy to set out how it would ensure that properties remained safe, suitable, affordable and efficient in the long term.

The purpose of this strategy was to:

- Manage available resources effectively to balance investment need across repairs and improvements ensuring the long-term viability of Council housing.
- Ensure: homes were safe, met modern standards and were suitable for diverse needs; improved tenant satisfaction; reduced void times.
- Ensure that properties met current regulations, energy efficiency and environmental standards and avoided non-compliance.
- Future proof properties against climate change and evolving tenant demands through planned investment.
- Optimise value for money and make informed decisions about maintenance.
- Link to the Council's Corporate Plan and key priorities.

The following groups were consulted on the proposed new Housing Asset Management Strategy:

- Housing OSC
- Housing Department Management team
- Resident workshop and online consultation.

109. Open Questions from Councillors

Councillor Elvis Stooke to the Cabinet Member for Environment and Waste

Councillor Stooke asked the Cabinet Member whether SKDC would be implementing a penalty scheme for placing waste items in the wrong bin. Councillor Rhys Baker confirmed that there was no plan to implement such a scheme.

110. Cabinet Forward Plan

The Chief Executive highlighted that Cabinet would need to consider a response to the LGR consultation at their meeting on 10 March 2026; that report would be added to the Cabinet's Forward Plan.

The remainder of the Forward Plan was noted.

The meeting closed at 5:27pm.