

Minutes

Finance and Economic Overview and Scrutiny Committee



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Tuesday, 24 February 2026, 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 Tim Harrison
Councillor Graham Jeal
Councillor Gloria Johnson
Councillor Max Sawyer
Councillor Lee Steptoe
Councillor Murray Turner
Councillor Robert Leadendam

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)

Officers

Richard Wyles (Deputy Chief Executive, S151 Officer)
David Scott (Assistant Director of Finance, Deputy S151 Officer)
Emma Whittaker (Assistant Director for Planning and Growth)
Gyles Teasdale (Head of Service – Property & ICT)
Carol Drury (Community Engagement Manager)
Amy Pryde (Democratic Services Officer)

51. Public Speaking

There were none.

52. Apologies for Absence

An apology for absence was received from Councillor Matt Bailey.

Councillor Robert Leadendam substituted for Councillor Matt Bailey.

53. Disclosure of Interests

There were none.

54. Minutes from the previous meeting

The minutes from the meeting held on 18 November 2025 were proposed, seconded and **AGREED** as an accurate record.

55. Updates from previous meeting

All actions were complete.

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

There were none.

57. Turnpike Depot Closure Report

The Cabinet Member for Property and Public Engagement presented the report which outlined the closure and completion of the Turnpike Depot project.

The project was delivered on time and within budget. The depot was fully operational.

One Member queried whether any rectification would need to take place on the old site at Mowbeck Way before renting units out.

The Deputy Chief Executive and S151 Officer confirmed an early decision was made to not release freehold control of the site due to the adjacent site owned by Lincolnshire County Council. At present, the site was fenced off and protected. The agent had commenced marketing of the site for letting purposes.

The Head of Service (Property and ICT) clarified there had been interest in all of the units from various potential tenants. Negotiations were taking place with potential tenants on terms and offers.

Officers were thanked for all their hard work on the project and the success of the end result.

The Leader of the Council outlined lessons learnt on the project. Successful Member involvement and communication allowed the project to be scrutinised. This allowed Members to keep up to date on progress and contractor issues that occurred.

The Chairman highlighted that any further projects of this scale should follow a similar process of Member involvement in supporting the project.

Clarification was sought on whether any further costs would be incurred following the 'go-live' of the site.

The Deputy Chief Executive and S151 Officer confirmed the site had experienced some 'teething issues' on a minor scale. Any further costs incurred would fall into normal budget parameters for property.

Officers were exploring the possible use of future development space within the site as an over-flow carpark or additional space for facilities.

The Committee reviewed the information set out in this report, noting the completion of the Depot project and the successes and lessons learned.

58. General Fund Finance Update Report: Quarter 3 (April to December) 2025

The Leader of the Council presented the report.

As of December 2025, the Quarter 3 position for the General Fund outlined a strong financial position. The current revenue forecast was an underspend of £361,000, based on a number of variances outlined in table 2 of the report.

Some variances included savings on fuel and utilities against budget and additional income from the Stamford Cattle Market car park, green waste subscriptions and planning fees.

The predicted surplus for LeisureSK Ltd was noted and this continued to perform strongly.

Cost challenges were set out in the report and were accommodated with the overall forecast underspend position.

In relation to Capital spends, the majority of schemes were on track to be completed by the end of the current financial year, on budget. The current forecast out-term was £1.2m underspend and a budget carry-forward would be considered by Full Council.

Collection performance remained 'good' for Council Tax and Business Rates. The Council were just below target for collection of Council Tax and Business Rates, however, the Council had the highest collection rate for Council Tax compared to other Councils in the County,

Members praised the General Fund position.

One Member queried how the Council's finances compared to North Kesteven District Council and South Holland District Council, in light of Local Government Reorganisation in the future.

The Leader of the Council highlighted that all Councils had to produce these types of reports for review.

The Committee reviewed and noted the forecast 2025/26 outturn position for the General Fund Revenue and Capital budgets as at the end of December 2025.

59. Housing Revenue Account (HRA) Update Report: Quarter 3 (April to December) 2025

The Leader of the Council presented the report.

The report outlined ongoing financial pressure on the HRA maintenance and repairs budgets, which was first highlighted in September 2025. Since then, an additional revenue budget of £2.7m had been put in place by Full Council in November 2025.

The pressures were continuing and being closely monitored. A number of actions had been taken in order to bring the situation back under control, the actions were set out within the report.

The actions have enabled previously projected overspend to be brought back in line with a reduced projected overspend of £91,000, forecast for the revenue repairs and maintenance budgets.

There were some variances across the HRA revenue budgets which were leading to an overall forecast overspend of £162,000, which included reduced investment income as a result of having to draw on the HRA reserves in year.

With regard to the Capital programme, the refurbishment and improvement programme, there were a number of slight variances as priorities for expenditure had been moved around. This has resulted in movements between schemes where works had been reprioritised, which could be seen in Appendix A.

Overall, there was a projected underspend of £1.1m which was being requested as a budget carry forward.

The other significant variance was on the new-build programme where the underspend of £8.5m would be carried over into 2026-27 as works progress on the new schemes for development.

One Member queried how much the Council received on the sale of Lumby's Terrace, Stamford and how this compared with the cost of the replacement houses proposed in Stamford.

The information on Lumby's Terrace, Stamford was commercially confidential as the transactions were still going through a process with Solicitors.

It was noted that projections for the HRA based on the current profile was reducing the reserves down to around £8m by 2028, this was an area of concern as without dealing with the financial challenge there would be no finances available to fund the capital programme after that point.

The Leader of the Council highlighted quarterly monitoring reports were brought to the Committee, four times a year. Cabinet was aware of the concern and would report back to the Committee in due course.

One Member thanked the Officers on works that had been undertaken on the much needed investment on the Earlesfield estate, Grantham.

It was hoped that clarity around the allocation on resources would be forthcoming prior to budget setting. The Deputy Chief Executive and S151 Officers main concern was the Capital Programme, it was felt prioritising certain works would be required as the HRA expenditure would not be sustainable in the near future.

It was highlighted that Councils who become part of a reorganised local government structure would still have their own HRA in the short-term following reorganisation.

One Member felt the HRA was not sustainable and an action plan should be put into place to determine financial prioritisation from Cabinet.

The Leader of the Council confirmed Cabinet would review the situation on a regular basis. They would consider which measures would need to be applied in order to slow down the spending of the HRA. The Council could not cross-subsidise the HRA account from the General Fund, it could only be funded via rents received from tenants and investment income.

The Deputy Chief Executive and S151 Officer highlighted £2.7m had been spent on kitchens this year and £1.7m on bathrooms. It was emphasised that the Council could not afford to spend at these levels and the investment programme would require reprioritisation.

Officers would revisit the stock condition survey in conjunction with what the Council can afford to do in line with priorities and HRA projection.

Members were extremely concerned around the urgency around HRA projection.

The Leader of the Council outlined that heavy spending at a fast pace was due to a previous backlog of maintenance in the housing stock. This was following a breach of social housing regulations.

Members accepted the Council had a form of social responsibility and growing need. It was noted that choices may be the increase of rent utilising the rent convergence or reprofiling maintenance spend.

The Chairman highlighted that Housing Overview and Scrutiny Committee had been discussing the possibility of kitchen and bathroom refurbishments being pushed slightly back in the future.

The Deputy Chief Executive and S151 Officer confirmed the HRA had a 30-year plan.

It was confirmed a meeting would take place with Cabinet and the Cabinet Member for Housing to meet and determine a way forward. This would be considered after year-end.

ACTION: For a Housing Revenue Account (HRA) financial scoping plan to be brought to the Committee in May 2026.

It was clarified that levels of spend were showing no signs of reduction and therefore, this would be addressed via a proposal for future years.

One Member emphasised the positives which had come from the HRA in terms of voids and getting on top of maintenance and the backlog.

The Committee reviewed and noted the forecast 2025/26 outturn position for the HRA Revenue and Capital budgets as at the end of December 2025.

60. Update on UK Shared Prosperity Fund 2025-26

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

The UKSPF originally ran from April 2022 to March 2025 and provided £2.6 billion of funding for local investment cross the country. The government subsequently announced in its 2024 Autumn budget that there would be a single year extension to the UKSPF (2025-2026).

The allocations to date against each of the three themes was shown in Appendix A and summaries at the present time only £107 remain unallocated.

In light of the extension period, reconciliation was due to take place against the initial deadline of March 2026 to confirm actual expenditure against the allocated amounts. Additional projects would be considered to ensure full spend by end of September 2026 on any underspend.

Members praised the brilliant projects brought forward as a result of UKSPF. Members shared Ward specific projects they were particularly proud of, such as:

- Hive FM
- Denton Play Area
- Grantham Skatepark

One Member felt the process in applying for UKSPF had significantly improved. It was noted the process was easier, good advice and assistance was also provided to applicants.

A query was raised on whether there were any restrictions on unallocated spends.

The Assistant Director for Planning and Growth confirmed the Lincolnshire Combined Authority had provided guidance on unallocated funds. The Council would follow their internal process and reallocate where necessary.

The Committee is asked to note the contents of this report and the progress made regarding the UK Shared Prosperity Fund allocation for 2025-26

61. Update on Grantham Southern Relief Road

The Leader of the Council presented the report.

The Grantham Southern Relief Road (GSRR) is a large-scale infrastructure project being delivered by Lincolnshire County Council (LCC). Once completed the GSRR will be a 3.5km relief road located to the south of Grantham that aims to improve the town's infrastructure and growth.

Whilst works to Phase One commenced in 2015 with the new roundabout officially opening in August 2016, subsequent phases required approval from the Secretary of State which was given in 2019. Works commenced on Phase Two in October 2019 and on Phase three in April 2021. Phase Two was completed in December 2022.

There are ongoing delays with the completion of Phase Three of the bridge due to the identification of soft, unstable ground at the bridge construction site. LCC has publicly confirmed that there was a design error relating to the rollout of the bridge over the River Witham and the East Coast Mainline. This impacted the anticipated completion date as well as the cost of rectifying the error expecting to cost between £10-£20 million. The total cost of delivering the GSRR is now expected to be up to £168 million.

One Member queried what the original cost estimate of the scheme was.

It was confirmed the original project cost estimate was £140m, meaning additional works costing between an extra £10-20m.

The Committee noted the contents of the report.

62. Work Programme 2025/26

The Committee noted the Work Programme 2025/26.

The Chairman reminded the Committee of the additional meeting scheduled for 10 March 2026.

The following reports were added to the Work Programme for the meeting being held on 7 May 2026:

- Update on Housing Revenue Account (HRA) Plan
- Future High Street Fund – Closure Report

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

There were none.

64. Close of meeting

The Chairman closed the meeting at 15:22.