

**ECONOMIC SCRUTINY COMMITTEE
 8 SEPTEMBER 2015**

PRESENT: COUNCILLOR A BRIDGES (CHAIRMAN)

Councillors C Pain (Vice-Chairman), Mrs J Brockway, G J Ellis, N I Jackson, Mrs E J Sneath, W S Webb, P Wood and L Wootten

Councillors C J Davie, R J Davies and S M Tweedale attended the meeting as observers

Officers in attendance:-

Andrea Brown (Democratic Services Officer), Justin Brown (Commissioner for Economic Growth), Andy Gutherson (County Commissioner for Economy and Place), Samantha L Harrison (Enterprise Growth Manager), Tracy Johnson (Scrutiny Officer), Fran Smith (Nature Partnership Manager, Greater Lincolnshire Nature Partnership) and Jasmine Sodhi (Performance and Equalities Manager)

23 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received from Councillor D McNally. No replacement Members were in attendance.

24 DECLARATIONS OF COUNCILLORS' INTERESTS

There were no declarations of Councillor's interests.

25 MINUTES OF THE MEETING OF THE ECONOMIC SCRUTINY COMMITTEE HELD ON 21 JULY 2015

RESOLVED

That the minutes of the Economic Scrutiny Committee meeting held on 21 July 2015 be confirmed and signed by the Chairman as a correct record.

26 ANNOUNCEMENTS BY THE EXECUTIVE COUNCILLOR FOR ECONOMIC DEVELOPMENT, ENVIRONMENT, PLANNING AND TOURISM

Councillor C J Davie, Executive Councillor for Economic Development, Environment, Planning and Tourism, was invited to update the Committee on recent events within the County.

1. To date, Lincoln Castle had received 165k visitors since the reopening. The target for the year was 110k and it was, therefore, agreed that this had been a huge success story for the Council and the county. Despite reaching the finals of the National Lottery Awards for the Best Heritage Project, Lincoln Castle was marginally beaten by the RAF Museum "First World War in the Air";
2. On 1st September 2015, members of the British Guild of Travel Writers voted on a large number of projects which had been shortlisted as finalists for the 2015 Tourism Awards (only three finalists in each of the three categories). Lincoln Castle had been voted as a finalist for the Best UK Tourism Project. Nearly 300 Guild members would vote to decide the winner with the result expected to be announced on 1st November 2015;
3. Thursday 10th September 2015 would see the authority welcoming a major delegation from the Chinese Province of Hunan. Despite the economic downturn in China, the economy continued to grow at 7%. By comparison, economic growth in Lincolnshire was 0.1%. Many businesses were trading successfully with China and it was hoped that Lincolnshire could also benefit from the formal treaty of friendship and Economic Cooperation expected to be signed at the event;
4. Following discussions with Eddy Poll, Chairman of the Anglia (Northern) Regional Flood and Coastal Committee (RFCC), it had been highlighted that one third of businesses had indicated that flood risk was a disincentive to investing in the county;
5. The Economic Agenda had been at the forefront of the bid submission for Devolution within Greater Lincolnshire. The skills issue was key for the growth of the economy and work continued to target funding more effectively;
6. Central Lincolnshire Local Plan – this would be considered at Overview and Scrutiny Management Committee in October 2015 with a view to having briefings for Members of the other, pertinent, scrutiny committees.

The Chairman thanked Councillor Davie for the update.

27 BUSINESS LINCOLNSHIRE GROWTH HUB - PROGRESS AND NEXT STEPS

Consideration was given to a report from the Executive Director of Environment and Economy which provided information on the Business Lincolnshire Growth Hub activity to date and the plans for the future.

Samantha Harrison, Enterprise Growth Manager, introduced the report and circulated "The Business Lincolnshire Growth Hub" leaflet to Members. Councillors were encouraged to make their constituents aware of the service available.

During discussion, the following points were noted:-

- Page 20 of the report "Current State of Play" noted that the number of jobs both created and safeguarded was zero despite the target being 40. It was explained that this support had commenced in April 2015 and therefore relationships with businesses were being built. As this period hadn't reached six months when the report was published, this figure could not be monitored.

Officers were aware that a number of businesses had expanded and jobs had been both safeguarded and created but the exact figure was not yet available;

- Clients would be clearly advised where the free service ended and where there may be a potential cost involvement with third party partners;
- District Councils were offered briefings at various levels to enable the message to be cascaded. It was acknowledged that a robust mechanism for this was required;
- Page 20 "Current State of Play" – Distance to Travel was the difference between achievement to date and the current position;
- In relation to the "Other" category, this was for businesses not yet allocated a Classification Code. "District Other" related to businesses who were out of county but wanted to relocate into Lincolnshire;
- It was acknowledged that the A1 Corridor was one of Lincolnshire's biggest economic opportunities;
- Growth Advisors were all home based but District Councils allowed them to hot desk within their offices. Details of the Growth Advisors could be found on the website but Members would be emailed the details also;
- An EU funding bid was being made to extend the service for another three years. The expression of interest had been successful and a full bid was now being prepared. Members were reminded that any bid would require match funding from LCC and, whilst the match funding was built into the current Economic Development budget, it was important to maintain the match funding so that LCC could continue to assist businesses;

RESOLVED

That the current progress be noted.

28 PROTECTING AND SUSTAINING THE ENVIRONMENT COMMISSIONING STRATEGY

Consideration was given to a report from the Executive Director for Environment and Economy which invited the Committee to review the Protecting and Sustaining the Environment Commissioning Strategy.

Andy Gutherson, County Commissioner for Economy and Place introduced the report and asked the Committee to note two elements within the report:-

1. Pages 28-31 and Appendix B at page 61 – Members were asked what they felt could work better and more coherently;
2. Page 27 – the Economic Commissioning Strategy should sit alongside the environment and infrastructure strategies.

During discussion, the following points were noted:-

- An inaugural meeting with a group of coastal investors was planned stretching from Cleethorpes to Boston where consideration will be given to setting an agenda which enabled investment in the coast as well as long-term issues of sea defences and coastal protection;

- Concern was raised regarding flood risk in Lincolnshire villages as well as on the coast which was felt to be due to inadequate drainage systems. It was thought that the example of this given had been due to an accumulation of circumstances, including the extreme rainfall on that particular day. Despite this, it was acknowledged that investigatory work would be required to find out if the current drainage systems were fit for purpose and work with partners to decide what solutions were required;
- A significant amount of money had been allocated within the Anglian Water Business Plan to improve the current drainage system. The plan included the local growth plan and the national growth strategy and were in line with LCC's plan;
- District Councils should consult with LCC during the consideration of planning applications to ensure that these fit in with the overall plan. As partnership working was key to the process, detailed consultation would be received on all applications;
- Interesting facts about Lincolnshire were included within the report at page 39. A marketing paper would be presented to the Committee at a future meeting and Members would be asked to give their thoughts on the content and how useful those facts were;
- The Local Enterprise Partnership (LEP) had developed an interactive map which would provide an understanding of relevant projects within the county. The intent was to launch the map at a forthcoming event – LEP Business Live on 23rd October 2015;
- Despite a number of licenses being granted for fracking, no site had requested to commence development. It was thought that the Gainsborough trough area would be the most likely should this go ahead.

RESOLVED

That the report be noted.

**29 IMPACT OF TRANSPORTATION ON MAXIMISING ECONOMIC GROWTH
(ITMEG) - SCRUTINY REVIEW - SPECIFIC ACTIONS**

Consideration was given to a report from the Executive Director for Environment and Economy which provided an update on the action plan in addition to information on the way in which the key issues raised within the report could be progressed.

Andy Gutherson, County Commissioner for Economy and Place, introduced the report noting that item 2 of the action plan referred to major schemes. He also gave a presentation to the Committee which explained further the content of the report.

During discussion, the following points were noted:-

- The potential rail freight hub in Spalding was being developed by a private developer in partnership with one or two major businesses. Their financial package was being developed before any approach was made to the relevant planning authority. Due to the location their main dialogue was with South Holland District Council and, as this project was private sector driven and led,

LCC had advised that their support and assistance was available to them should this be required;

- Before the rail freight hub scheme could be taken forward, there was a lot of complex and technical work required. It was acknowledged that this was a clear opportunity to improve the rail link however improvements to the East Coast Mainline were also required so finding a balance would be a challenge;
- The intention of the strategy was to provide a mechanism to meet the aspirations. The coastal route was included for improvement as this was part of the Greater Lincolnshire approach to where issues required address;
- It was acknowledged that routes such as the A16 did require improvement but the schemes suggested within the report had been prioritised given the amount of funding available.

RESOLVED

1. That the report be noted;
2. That the detailed workstreams noted in the report be supported; and
3. That an update be brought to the Committee's meeting in February 2016.

30 THE ECONOMIC VALUE OF NATURE TOURISM IN GREATER LINCOLNSHIRE

Consideration was given to a report of the Executive Director for Environment and Economy which asked the Committee to consider and comment on the 'Value of Nature Tourism' project.

Fran Smith, Nature Partnership Manager from the Greater Lincolnshire Nature Partnership, introduced the report and invited members' comments.

During discussion, the following points were noted:-

- The Greater Lincolnshire Nature Partnership (GLNP) Conference will be held on 12th November 2015 at the Brackenborough Hotel in Louth. Further details would be circulated following the meeting and Members were encouraged to attend;
- Natural England were scheduled to address Councillors on 20th October 2015 at 2.00pm to discuss Coastal Access. Following this meeting, the same presentation would be given to a joint meeting of the South Lincolnshire and Rutland Local Access Forum and the Mid Lincolnshire Local Access Forum at 6.00pm;
- When asked if tourists were counted at Donna Nook, it was confirmed that this only took place in the winter when the seals were there. This was classed as a short season and relied upon a high number of volunteers to manage tourists in the area;
- Other specific nature sites within the county had a specific window for tourists and often resulted in multiple entrances and exits making counting difficult. The Wildlife Trust was looking to put counters on the main entrances to reserves in order to provide more accurate visitor figures but these counters required a significant amount of maintenance;

- Visitors numbers contained within the report were from an approximate count of the car park;
- The GLNP worked closely with Lincolnshire Wildlife Trust (LWT) as custodians of smaller nature reserves in the county. They were also based in the offices of LWT. It was confirmed that they were one of the 48 partners but their links were particularly close;
- It was agreed that, economically, further promotions of the visitor centres was required. For example, restaurants, tea rooms, pubs, etc, could benefit greatly from these visitors and vice versa. It was agreed that the Tourism Development team look to work more closely with the GLNP in order to take this forward.

RESOLVED

1. That the report be noted;
2. That project support be recommended; and
3. That an update on the project be brought to a future meeting of the Committee.

At 12.25pm Councillor W S Webb left the meeting and did not return.

31 MIDLANDS ENGINE/NORTHERN POWERHOUSE

Consideration was given to a report from the Executive Director for Environment and Economy which provided information relating to 'The Midlands Engine', a government led initiative to stimulate growth across the East and West Midlands.

Justin Brown, Commissioner for Economic Growth, introduced the report and encouraged Councillors to be visible and engaging of the initiative which was designed to stimulate growth across the East and West Midlands.

Having attended a meeting in the House of Commons regarding The Midlands Engine, Councillor C J Davie reported that ministers were keen to promote this as they saw Lincoln as part of the Great Northern Powerhouse so this would be an overlap strengthening this initiative. They also recognised that the Port of Immingham was extremely important to the West Midlands.

RESOLVED

1. That the report be noted; and
2. That an update on The Midlands Engine/Northern Powerhouse be brought to a future Committee meeting.

At 12.30pm, Councillor C J Davie left the meeting and did not return.

32 COUNCIL BUSINESS PLAN 2015 - 2016 PERFORMANCE REPORT -
 QUARTER ONE

Consideration was given to a report of the Executive Director for Environment and Economy which provided the Committee with the opportunity to review the Quarter 1 performance data against the Council Business Plan.

Jasmine Sodhi, Performance and Equalities Manager, introduced the report and provided a live demonstration of the Performance Data and the new style of reporting performance which was available from the LCC Connect Website.

At 12.40pm Councillor S M Tweedale left the meeting and did not return.

During discussion the following points were noted:-

- Despite the Quarterly Economic Survey Snapshot, on page 109 of the report, which suggested a negative picture in coming months, businesses trading domestically were confident but, given the current position within the Eurozone, export businesses would have potentially less business. It was unsure if this would become a trend but coming months would give a clearer picture;
- It was agreed that the new format of reporting was strong as the clarity over the indicators was clear and informative. Although the red boxes did not give an encouraging picture in some areas, further explanation was given as to why this was:-
 - Jobs created and safeguarded – there was a target of 190 and data was only collected every six months. Reassurance was given that the team were always working with businesses to help them develop and grow;
 - Businesses supported by the Council – Business Growth Advisers were in post and able to provide support in areas they weren't able to before. This target would not change until the outcome of the European Funding was known;
 - External Funding Target – the target was £34m but the report noted that the achievement was zero. An update was tabled which explained why this had been reported in this way. This is noted below:-

"Progress against target had been delayed. The target is still expected to be met, albeit at a later point in the year.

The target is made up of:-

- *EU Growth Programme - £6m: The EU Funding process is taking longer than expected. Bids with a value of £4.2m were approved "in principle" on 29th July.*
- *EU Leader Programme - £6.5m: Again, the EU funding process is taking longer but is now starting to operate. All four contracts were signed on 28.8.2015 with a value of £6.5m.*

- *Single Local Growth Fund - £27.5m: The detailed due diligence of projects is continuing with particular involvement from department for transport. These contract negotiations are expected to be completed in November 2015, with a value of £27.5m.*
- *Growth Deal II - £14.8m: Due diligence in these projects will commence when the SLGF projects (above) have been given a contract.*

The EU Leader Programme and Single Local Growth Fund (£6.5m + £27.5m = £34m) were the items of income that were profiled for Q1. Members will recognise that progress against both is good, but delayed)."

A progress update on this item would be provided to Members.

- Training targets noted on page 105 of the report were formed by the adult skills budget, the adult learning budget (historically night school) and the European Social Fund (ESF) vocational programme. The amount of courses provided had reduced substantially for recreational purposes and increased for vocational purposes, for example job seeking, IT skills, etc. With respect to ESF, this focussed on working with businesses and Stamford College was a consortium led by the NE Group, who identified where businesses needed training but were unable to access government funding.
- Included within the devolution bid was the need to control the commissioning of nationally managed funds to meet local need;
- The targets within the report would remain the same but the explanation against each indicator would change in each quarter;
- It was anticipated that a specific update would be provided on each indicator which did not meet the set target;
- The External Funding target would be re-profiled and changed each quarter;
- The Committee supported the new layout of the performance report.

RESOLVED

That the report be noted.

33 MEASURING CUSTOMER SATISFACTION

Consideration was given to a report from the Executive Director for Environment and Economy which provided various options on how the measurement of customer satisfaction information could be used to refine services provided by the Council's economic development function.

Justin Brown, Commissioner for Economic Growth, introduced the report and advised that further work had been undertaken to ascertain how to measure customer satisfaction for the economic development team.

During discussion, the following points were noted:-

- It had been found that businesses did not provide feedback on the economic development function as they were unaware that the County Council provided the actual support to them;
- Following the restructure, all team members were required to build a portfolio of six businesses to who they were to liaise with and provide support. It was suggested that a joint letter from the Chairman of the Economic Scrutiny Committee and the Executive Councillor for Economic Development, Environment, Planning and Tourism be sent to all businesses in order to advise them of this intention.

RESOLVED

1. That the report be noted;
2. That the suggestion to contact all businesses to advise them of the intention to build stronger relations be supported.

34 ECONOMIC SCRUTINY COMMITTEE WORK PROGRAMME 2015/16

Consideration was given to a report of the Director Responsible for Democratic Services which provided the Committee with an opportunity to consider its work programme for the coming year.

Tracy Johnson, Scrutiny Officer, introduced the report and suggested that the following addition be made to the Work Programme:-

- 23 February 2016 – Update on the Impact of Transportation on Maximising Economic Growth (ITMEG)

RESOLVED

That the Economic Scrutiny Committee Work Programme, with the amendment noted above, be approved.

The meeting closed at 1.20 pm