

**ECONOMIC SCRUTINY COMMITTEE
23 FEBRUARY 2016**

PRESENT: COUNCILLOR A BRIDGES (CHAIRMAN)

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

Councillor S M Tweedale attended the meeting as an observer

Officers in attendance:-

Andy Brooks (Commissioning Manager (Regeneration)), Andrea Brown (Democratic Services Officer), Justin Brown (Commissioner for Economic Growth), Jon Burgess (LEP Officer), David Hickman (Environment Commissioner) and Tracy Johnson (Senior Scrutiny Officer)

66 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

All members of the Committee were present.

Councillor C J Davie, Executive Councillor for Economic Development Environment, Planning and Tourism, had requested that his apologies for absence be noted.

67 DECLARATIONS OF COUNCILLORS' INTERESTS

There were no declarations of Councillors' interests at this stage of the proceedings.

68 MINUTES OF THE MEETING OF THE ECONOMIC SCRUTINY COMMITTEE HELD ON 12 JANUARY 2016

RESOLVED

That the minutes of the Economic Scrutiny Committee meeting held on 12 January 2016 be confirmed and signed by the Chairman as a correct record.

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

Councillor S M Tweedale, Executive Support Councillor for Economic Development, Environment, Planning and Tourism, was invited to update the Committee on recent events within the County:-

1. The Devolution bid had now been submitted and a response was expected in the next two to three weeks;

2. The director of the Midlands Engine had agreed to address a business audience, to be arranged by the Local Enterprise Partnership, in April 2016;
3. Councillor Tweedale had attended a coastal developer forum at Sutton on Sea which had been a positive meeting. The main outcome of the meeting was to arrange a workshop with the environment agency to discuss coastal protection;
4. An officer from China was expected on 24 February 2016 to undertake a familiarisation visit to Lincolnshire prior to a high delegation visit arranged for late March;
5. The announcement of the Scampton Air Show was good news for the county and expected to add approximately £10/£12m to the local economy. The RAF Charitable Trust, who was arranging the event, would be approached to engage in discussions early. It was anticipated that the earliest opportunity to hold the event would be in September 2017.

The Chairman thanked Councillor Tweedale for the update.

70 AGREEMENT OF STRATEGIC ECONOMIC PLAN FOR GREATER LINCOLNSHIRE

Consideration was given to a report from the Executive Director of Environment and Economy which presented the Committee with the draft Strategic Economic Plan (SEP) for Greater Lincolnshire and proposed that Lincolnshire County Council adopt the plan rather than create its own economic development strategy.

Jon Burgess, LEP Officer, introduced the report and confirmed that the LEP Board had signed off the draft plan and it was hoped that all the District Council Leaders would do the same. The aim was to agree the final wording in time for the Spring budget.

During discussion, the following points were noted:-

- Clarification was provided in relation to the potential employment figures noted on pages 23 and 33 of the report as the Committee thought these figures were too low for a wide area. Page 33 of the report specifically related to the projects listed on page 31 where the investment had been secured to-date. The figure of 13k new jobs, noted on page 23, was directly linked to the business who had been targeted or had received intervention from the Local Enterprise Partnership (LEP) only;
- In relation to companies providing direct training for their workforces, it was thought that this would be highlighted through the business consultation with the ability to ensure that local businesses make that type of provision available;
- It was noted that the reference to the steel industry, TATA Steel in particular, was written prior to the closure of the firm and that this would be updated in the final version of the plan;
- The SEP was an overarching document which would have a number of other plans underneath. One of those plans would be an Employment and Skills Board plan which would be expanded on at the next meeting of the Committee

on 12 April 2016. In developing that plan, businesses had identified that entrants often did not have the right level of competences required for the role and, although they would provide job specific training, external delivery of training would be required in a number of areas. An additional challenge was that staff within companies may hold the required knowledge but that they may not be qualified to impart that knowledge to others;

- The example was used of one engineering business whose current training provider was based in Leicester and the LEP was keen to work with colleges and training providers in Lincolnshire to deliver the training which businesses would buy-in. The difficulty was that in an area with low population, the numbers were not high enough to make this viable but it was hoped the strategy would provide a number of solutions;
- Councillor B Adams advised that South Kesteven District Council had asked a government consultant adviser to consider the document and provide feedback, in a private capacity. Councillor Adams requested that the following comments be noted within the minutes:-
 - Where did the south of the county fit in to Devolution?
 - The SEP was silent in terms of the strategy for encouraging growth from the southern part of the LEP area and the opportunities arising from building on the growth from Greater Cambridgeshire and Greater Lincolnshire. There were some specific text changes proposed;
 - In terms of geography and connectivity, the SEP did not recognise the importance of the East Coast Mainline and A1 Corridor;
 - The document had no clear purpose – what was it for? Who was expected to do what differently as a result of this? What was being asked of the Government and the market? In particular, it was unclear why this was required to be finalised prior to the Spring budget;
 - There was no real contextual clarity from the narrative and the tone of the document was not sufficiently proactive around growth and investment in success. How did it relate to devolution and fiscal revolutions currently being prioritised by government? Where was the consideration of new financial instruments, new ways of working, public services reform, etc? What really was the relationship to Midlands Engine, Northern Powerhouse and London/Greater South East (which was within 60-90 minutes journey time and not the four hours the SEP referenced);
 - It was unclear what resources were in scope and out of scope of the plan, beyond ESIF;
 - It was thought that the conceptual approach to growth of core and 'emerging' sectors was deeply flawed;
 - The results and outputs were thought odd and uncoordinated throughout. For example, 13k jobs by 2030 was questionable in light of the quoted 100 homes. The Midlands Engine prospectus claims 300k new jobs by 2020.
- Councillor Adams stressed that these comments were made to highlight the concerns on behalf of his division. It was agreed that this was an extremely important document for the county and that the Committee would need to be

kept fully informed of any changes made to it. The Committee was advised that the comments of the independent consultant may be relevant for the role of a District Council within the economic development of the county but the role of the LEP and the County Council was entirely different, with both working to complement each other. The role of the LEP and County Council within the SEP was to give businesses the confidence to grow;

- The relationship between the LEP and LCC was clarified for the Committee. It was correct that LEP staff were on the Council's payroll and officially reported to the Commissioner for Economic Growth, however the Committee were advised that the LEP Chairman and Board held responsibility for the day-to-day management of these members of staff. It was stressed that LCC had no input into their roles as this would be inappropriate and that the relationship between the staff and the Commissioner for Economic Growth was primarily pastoral although the added value of having the LEP team co-located with the Council's Economic Development Team should not be understated. The Chairman requested that an email be circulated to the Committee to provide further clarity;
- It was agreed that the section in the SEP which referred to job creation would be rewritten to ensure that it was made clearer that the creation of 13k jobs would be as a result of grants the LEP had received from the Government. The total number of jobs required by 2030 was 200k and with 80k of those created through natural wastage, a total of 120k new jobs were needed;
- Page 69 of the report referred to the roads investment strategy which included the A52 from Grantham to Boston. The Committee was advised that this road had been included following discussions with officers of South Kesteven District Council as it was thought this road was a gateway to the east of the County;
- The LEP was working on a bid for £4m of EU Funding for a low carbon site at Grimsby Institute;
- Work was ongoing with the Skills Funding Agency on a scheme which would provide more tailored vocational training to growing sectors;
- £9m of skills funding was focussed on Greater Lincolnshire's highest growth areas such as Engineering, Agri-Food, Tourism, Low Carbon and Health/Care. Seven different Government sponsored initiatives teaching young people about career opportunities were being delivered in Greater Lincolnshire but they were not coordinated amongst each other, were directly cutting across local relationships and had been, therefore, fairly ineffective so far. Joint discussions with the Executive Director for Children's Services were underway in an attempt to bring these seven organisations together to complete a GAP Analysis with a further suggestion that a joint Task and Finish Group, between the Economic Scrutiny Committee and the Children and Young People Scrutiny Committee, be established to focus on what was required to improve these relationships;
- Skills were currently commissioned nationally but it was thought that there would be more influence locally should the Devolution bid be successful;
- The potential rail freight in Spalding had not been included within the SEP as concern remained regarding the lack of progress made. This led to the

Committee reiterating requirement for an improved transport infrastructure and an update on this area within the SEP;

At this point of the proceedings, Councillor W S Webb indicated that he would abstain from voting on this item as this may be affected by the South East Lincolnshire Local Plan of which he was involved.

- The Committee were minded to reaffirm support for the SEP provided the suggestions noted were considered by the LEP Board.

RESOLVED

1. That the report and comments be noted; and
2. That, dependent on the suggestions made by the Committee being considered by the LEP Board, support for the Strategic Economic Plan be reaffirmed.

71 TOURISM REVIEW

Consideration was given to a report from the Executive Director for Environment and Economy which set out the findings of the review in to the Council's approach to tourism development.

Justin Brown, Commissioner for Economic Growth, introduced the report and confirmed that the review had been carried out by Councillors B Adams, A Bridges and Mrs J Brockway. This had been done in the context of the reduction of budgets and the consolidation of the outcomes of 2015, the opening of Lincoln Castle Revealed and the good publicity received as a result of that work.

The report identified the recommendations for the Council to undertake, in particular PR work, and strengthening the role of the Visit Lincolnshire Website (www.visitlincolnshire.com). Additionally, there were recommendations for providing support to the private sector and addressing the demand for hotel accommodation.

Members involved in the review were invited to provide an update.

Councillor Mrs J Brockway reported that the meetings had been enthusiastic and explored a number of different ideas with keenness on the idea of "spectacle". Having attended Gay Pride in Lincoln, Councillor Mrs Brockway had found only one or two stalls and rainbow flags. Other cities who had held similar events had arranged processions with a number of complementary events running in parallel and it was felt that the potential for such an event in Lincoln had been lost. It was, therefore, agreed that the "wow" factor was required to draw visitors to these events.

Councillor B Adams agreed that there had been a productive series of meetings which had been positive, discussing a pleasant topic. Councillor Adams had offered the services of South Kesteven District Council to promote tourism within Lincolnshire and was confident that other District Councils would also wish to support this promotion. Lincoln Castle had been a central showpiece but it was thought that this may have overshadowed some other areas within the county and it was agreed that

tourism promotion needed to fully exploit all events, tourist attractions and areas of interest.

The Chairman, Councillor A Bridges, concurred with the previous comments and advised that he was particularly interested in PR and marketing. The group had met with Mark Hibbert, a PR Consultant who had, for some years, promoted tourism in Lincolnshire. It was hoped that he would represent LCC and direct attention to the American market, strengthening links between Lincolnshire and the USA, due to the forthcoming Mayflower Anniversary.

During discussion, the following points were noted:-

- The World Travel Market was scheduled to take place between 7 and 9 November 2016 to be held at the Excel in London. During the exhibition, there would be the opportunity to participate in a "press room". It was thought that Mark Hibbert would represent Lincolnshire for two days in the Press Room, particularly with the American press, promoting the top 10 attractions in Lincolnshire. This would include the Mayflower anniversary, of which a steering group had been established between LCC and East Lindsey District Council; Gainsborough Old Hall was thought to be the centre piece for the Mayflower promotion along with Boston although the focus would be on the Mayflower and Gainsborough to initially attract American visitors and then advise them of other attractions;
- It was agreed that the Castle had transformed the Bail area into a busy, enjoyable, area and it was thought that continuous improvements were required to describe what was available. There did not appear to be a comprehensive leaflet for attractions across the whole county nor what was available to those less mobile visitors;
- A suggestion was made to place advertisements on Virgin Trains or on the London Underground which may be effective in bringing in more tourism. Encouraging Virgin Trains to advertise their own service from London to Lincoln may be of benefit to both the company and the county;
- The installation of the ceramic poppies at Lincoln Castle was a key attraction for 2016. It had been hoped to bring this to Grantham also and further information was requested by the local Member, Councillor L Wootten. It was agreed that the process for requesting the installation, including the cost, was done by Heritage Services and the contact details would be passed to Councillor Wootten;
- It was agreed that Recommendation 2 should read "develop and promote" and that this would be amended.

RESOLVED

1. That the following recommendations from the Tourism Review Group be supported:-
 - a. Recommendation 1 – Lincolnshire County Council (LCC) should maintain a focus on PR, building on the successes of the Lincoln Castle Revealed scheme;

- b. Recommendation 2 – LCC should develop and promote spectacular tourism schemes, based around significant anniversaries in Lincolnshire's heritage;
- c. Recommendation 3 – LCC's economic development unit should prepare information which demonstrates the economic value of tourism;
- d. Recommendation 4 – LCC should reduce the input it gives to www.visitlincolnshire.com, enabling Lincolnshire Chamber of Commerce to deliver its responsibilities for the website. LCC should broker strong relationships between Lincolnshire Chamber of Commerce and district councils, using South Kesteven District Council's offer of assistance as a pilot for this approach;
- e. Recommendation 5 – LCC should focus its attendance at tourism trade fairs on the PR/press aspects, but be prepared to join Lincolnshire partners' presence at those fairs as necessary;
- f. Recommendation 6 – LCC's economic development team should actively support tourism businesses with their growth plans;
- g. Recommendation 7 – LCC should work with the Greater Lincolnshire Local Enterprise Partnership (GLLEP) and other partners to assess the detailed demand for hotel accommodation in Lincolnshire, and then implement a promotional strategy.

72 INTERNATIONAL TRADE PROSPECTS FOR LINCOLNSHIRE BUSINESSES

Consideration was given to a report from the Executive Director for Environment and Economy which provided findings on the importance of international trade to growing the county's economy. It also suggested that Lincolnshire County Council should establish connections with international partner areas and the signposting of potential exporters to sources of advice.

Justin Brown, Commissioner for Economic Growth, introduced the report and confirmed that the number of businesses which traded internationally currently was lower than in recent years. It also noted that businesses trading internationally tended to be more successful.

During discussion, the following points were noted:-

- The Committee was supportive of widening trade partnerships with the global market but requested social guidance when presented to delegations. For example, when meeting with the Chinese delegation, guidance on their customs and cultures be given to ensure that delegates were not, unintentionally, offended;
- A decision had been taken not to duplicate the work of the UKTI and the Chamber of Commerce, who were working with European companies to build trade partnerships, but to actively promote that work to the business community. Promotion of international trade would continue but focus was on China and the USA at present;

- An update of the figures was expected towards the end of the year as the Office of National Statistics (ONS) did not present snapshot figures in case this was taken during an economic dip.

RESOLVED

1. That the way in which Lincolnshire County Council was promoting Chinese international opportunities to local businesses be supported;
2. That the initiative of the Executive Councillor Economic Development, Environment, Planning and Tourism to establish an economic partnership agreement with Pinellos County, Florida, be endorsed; and
3. That promotion of international trade further on the Business Lincolnshire website (www.businesslincolnshire.com) be supported.

73 IMPACT OF TRANSPORTATION ON MAXIMISING ECONOMIC GROWTH (ITMEG)

Consideration was given to a report from the Executive Director for Environment and Economy which provided an update on progress on the recommendations of the Impact of Transportation on Maximising Economic Growth (ITMEG) report.

Andy Brooks, Commissioning Manager (Regeneration), introduced the report and highlighted the latest activity in relation to the progress made in several areas since the last report to the Committee.

During discussion, the following points were noted:-

- The potential impact of the Rail Hub at Spalding was recognised and the Committee agreed that pressure needed to be applied to move this forward despite being a private sector led initiative. It was suggested that a meeting be held, to include representatives from LCC, South Holland District Council, the Local Enterprise Partnership and the local Member, to share knowledge of this initiative so far. It was also hoped that a further update would be included within the Rail Structure report to be presented to the Committee at a future meeting;
- It was thought that the draft rail strategy would be presented to the Highways and Transport Scrutiny Committee in the near future and this was expected to address the suggestion to the Midlands Engine to combine the A46 and A16 and improve the A17. It was requested that the draft strategy also be brought to a future meeting of the Committee;
- The Committee were assured that consideration was being given to improve the A1/A46/A17 intersection, as this remained a significant pinch point for the area, the link to the A47 in the south of the County as this might also affect what happened within Lincolnshire and also the M180/A15. However, for the purpose of the report presented to the Committee, focus had been on Lincolnshire alone;
- Discussions with Highways England had commenced regarding the East Coast Mainline and the A1 Corridor, two of the major routes through the county. These discussions were unable to be done in isolation and Highways England were keen to have these discussions;

- It was suggested that the rail operators could expand across to the East Coast as well as to Spalding and Sleaford although this would result in a huge expanse of track for maintenance. A considerable amount of work had been undertaken by those responsible for the transport policy therefore the information in this report was focussed on the economic growth should the transport infrastructure improve rather than the transport element itself;
- Network Rail and how they operate had been noted at the meeting with Highways England, during which Highways England were asked to discuss this further with the Department for Transport.

RESOLVED

1. That the steps taken to actively address the findings of the ITMEG report be supported; and
2. That a report on the draft Greater Lincolnshire Rail Strategy, prepared by Greater Lincolnshire Local Enterprise Partnership (GLLEP) be presented at a future meeting of the Economic Scrutiny Committee.

74 GLLEP WATER MANAGEMENT PLAN AND COASTAL VISION

Consideration was given to a report from the Executive Director of Environment and Economy which provided details of the Water Management Plan and an update on progress towards the coastal vision.

David Hickman, Environment Commissioner, introduced the report and confirmed that this was the first time this plan had been produced and that it included key elements of the approach to flood risk. In relation to the Coastal Vision, comments had been received from authorities of the South of the Humber Bank after the deadline therefore the comments included were currently Lincolnshire Centric, however it was expected that the integration of these comments would result in a new version with the inclusion of the additional comments.

During discussion, the following points were noted:-

- In relation to education and research in this area, it was reported that Anglian Water did a lot of work to promote water efficiency and, as a result, were consulted by the local authority and also through the Flood and Drainage Management Scrutiny Committee. Anglian Water also had a direct relationship with rate payers in their own areas to promote water efficiency;
- Although re-nourishing the beaches with sand had been the best way forward some years ago, this method was no longer cost effective and, as a result, a number of solutions had been proposed. A lot of work would be required to identify the best mechanism to use for long-term effectiveness. Consideration would have to be given to proposed methods to ensure that there would be no knock on effect of the implementation of these methods;
- Consideration was being given within the Water Management Plan to pilot some alternative methods which would be tested over a few years to ascertain which would be sustainable for future years as it was recognised that the current Lincolnshire model would not be sustainable in future years. The

Coastal Developers Forum was being asked to debate sustainable mechanism with the Environment Agency;

- It was reported that the Coastal Developers Forum had met recently. A presentation was made by the Environment Agency which had been both helpful and positive. They had suggested that the Coastal Developers Forum host a workshop to explore some of the potential solutions and it was agreed to hold this in the early part of the June 2016. There was optimism that the Environment Agency would be open to enter a full dialogue which would help to give shape to the options give and some legitimacy to any future funding bid submissions;
- It was expected that major infrastructure work would be taken from national capital funding and there was a move to a position where a national capital grant should be matched to a certain extent from local sources. The current tranche was predominantly nationally funded, however an additional £2m approximately of local funding had also been bid for, for coastal improvements in the Boston area. There was also further debate as to the line of responsibility between local protection and national protection;
- In relation to the Internal Drainage Board (IDB) Boundaries, noted on page 150 of the report, it was explained that the IDB did cover areas outside of their drainage districts and, through devolution, it was hoped that IDB coverage could be extended;
- Page 138 of the report suggested that water and sewerage companies were addressing the impact of lack of water through their own Water Management Plans. It was explained that, commercially, this could be managed by way of onsite water efficiency measures or small reservoirs. In domestic properties, some methods were well known and currently utilised by a number of properties. Anglian Water held the responsibility for advising domestic users of the importance of water management. This was also the case for commercial use, however there was an argument that this message could be delivered much wider using partner agencies such as the Local Authority;

RESOLVED

That the report and comments made be noted.

75 THEME PERFORMANCE QUARTER 3

Consideration was given to a report from the Executive Director for Environment and Economy which provided an update on performance against the Council's four economic development indicators including the proposed indicators for 2016/17.

Justin Brown, Commissioner for Economic Growth, introduced the report and explained that, with regard to the funding target, the team had met the deadline for bid submissions despite that being the afternoon of the attack to the Council's IT systems. The team was commended on their efforts to ensure the deadline was not missed.

The Committee was referred to pages 171 and 172 of the report which provided proposals for some performance indicators in 2016/17:-

"Jobs directly created by county council economic development schemes" would reduce from 380 to 70. Previously, the number of jobs created had included those jointly worked on with the UKTI. One of those departments had been affected by the Comprehensive Spending Review and work was ongoing to clarify those changes in order to advise on future indicators. Until that had been confirmed, these figures had been removed.

During discussion, the following points were noted:-

- A piece of work was being commissioned regarding need for business units across Lincolnshire. Further detail would be brought to a future meeting of the Committee for consideration on how these projects could be brought forward;
- It was confirmed that the Economic Development Team was in discussions with the economic teams within the District Councils also;
- Page 178 of the report referred to "Qualifications achieved by adults" which was an indicator of the local authority's courses designed to improve the numeracy and literacy of adults in order to provide them with the first step into vocational training. Employers had indicated that they require their workforces to be numerate and literate therefore these schemes provided a qualification to demonstrate that individuals had reached a desired level.

RESOLVED

That the report and comments be noted.

76 ECONOMIC SCRUTINY COMMITTEE WORK PROGRAMME 2016

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, Senior Scrutiny Officer, introduced the report and advised that there were no amendments to the work programme since it was published and that, following discussion at the meeting, a report to the Committee on the *Greater Lincolnshire Local Enterprise Partnership Draft Rail Strategy* would be added.

The Committee was advised that the next meeting would focus on skills and apprenticeships. It was also noted that the Government was currently consulting on the provision of apprenticeships although the consultation would end prior to the next meeting of the Committee. The Lincolnshire Employment and Skills Board, chaired by Mr Herman Kok from Lindum, would provide a response to the consultation. It was further noted that Councillor Mrs P A Bradwell was also a member of the Lincolnshire Employment and Skills Board.

12
ECONOMIC SCRUTINY COMMITTEE
23 FEBRUARY 2016

RESOLVED

That the Economic Scrutiny Committee Work Programme, with the addition of the following report to a future meeting of the Committee, be approved:-

Greater Lincolnshire Local Enterprise Partnership Draft Rail Strategy

The meeting closed at 12.45 pm