

**ENVIRONMENT AND ECONOMY
 SCRUTINY COMMITTEE
 9 APRIL 2019**

RESENT: COUNCILLOR B M DOBSON (CHAIRMAN)

Councillors Mrs W Bowkett (Vice-Chairman), B Adams, Mrs A M Austin, M A Griggs, C Matthews, Mrs E J Sneath and Dr M E Thompson

Councillors C J Davie, D McNally and E J Poll, attended the meeting as observers

Officers in attendance:-

Andy Brooks (Commissioning Manager (Regeneration Programme)), Justin Brown (Enterprise Commissioner), David Hickman (Growth & Environment Commissioner), Daniel Steel (Scrutiny Officer), Tanya Vaughan, Rachel Wilson (Democratic Services Officer) and Simon Wright (Principal Officer (Regeneration))

74 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received from Councillors G E Cullen, R P H Reid and C L Strange.

The Chief Executive reported that having received a notice under Regulation 13 of the Local Government (Committees and Political Groups) regulations 1990, she had appointed Councillor R H Trollope-Bellew as a replacement member of the Committee in place of Councillor R P H Reid for this meeting only.

75 DECLARATIONS OF MEMBERS' INTERESTS

There were no declarations of interest at this point in the meeting.

76 MINUTES OF THE PREVIOUS MEETING OF THE ENVIRONMENT AND ECONOMY SCRUTINY COMMITTEE HELD ON 26 FEBRUARY 2019

RESOLVED

That the minutes of the meeting held on 26 February 2019 be agreed and signed by the Chairman subject to it being noted that Councillor D McNally was in attendance as an observer.

77 ANNOUNCEMENTS BY THE CHAIRMAN, EXECUTIVE COUNCILLORS AND LEAD OFFICERS

The Executive Councillor for Economy and Place welcomed the members of the Committee to the North Sea Observatory, at Chapel Point. It was commented that this was one of the best projects that the County Council had been involved in.

The Executive Councillor continued to work with the Executive Councillor for Adult Care, Health and Children's Services on skills and employment issues. He had previously highlighted the work the authority was doing with the Greater Lincolnshire LEP on raising young people's awareness of local career opportunities. There was a Careers and Enterprise Co-ordinator who worked with several schools in the County and it was reported that between the LEP and the County Council, the funding had been found to recruit an additional two Co-ordinators so that the whole of the county could be covered by this initiative.

The challenges of seasonal employment on the coast were highlighted, particularly how this made it difficult for employers to provide structured training for their staff. The County Council had been awarded £367,000 from the Coastal Communities Fund to tackle this problem. The Council would work with business, colleges and young people on this project.

It had been a busy time in terms of investment, as significant investment opportunities had been followed up, including a major food distributor who was seeking a well located site for a new business venture, as well as several enquiries about property which could be used as hotel accommodation.

The Executive Councillor reported that he had led the Team Lincolnshire presence at MIPIM, the international property conference, whilst the Executive Councillor for Adult Care, Health and Children's Services hosted the Council's annual business networking event at the Belton Horse Trials. He reported that his fellow Executive Councillors for Highways, Transport and IT and Culture and Emergency Services also hosted tables at this event. Just over 150 investors attended the Lincolnshire brunch at MIPIM, and almost 100 businesses attended the event at Belton. Officers were following up around 60 strong investment contacts made at the two events.

The 90-plus Team Lincolnshire members wanted to support the Council's efforts to promote government investment in Lincolnshire and that they wanted to collaborate with the Council on important issues like energy infrastructure, skills and water management.

The Leader of the Council had welcomed the governor of Hunan province, China to Lincolnshire. The Governor's visit had cemented the economic partnership that had been developed between the two regions and the governor had reported that he had been impressed by the positive welcome he had received from the Leader of the Council, as well as the Chairman and Vice-Chairman of the Council. A strong focus on a small number of priorities had been agreed. Hunan saw Lincolnshire as the gateway to the Midlands, therefore there would be a focus on technology within food manufacture and on advanced engineering, both of which were sectors that Lincolnshire excelled in, and Hunan considered as a priority. It was reported that Dynex had received a further substantial investment from their Hunan parent company.

Three major events for business had been held. Manufacturing and visitor economy conferences were held in late March and both were attended by roughly 100 businesses and focused on future technologies and promotional strategies, a popular event was held on 2 April for all of the county's tourism businesses to learn about Lincolnshire's heritage coast.

The Executive Councillor advised that in line with their manifesto commitment to support the agricultural sector during Brexit, a meeting of the Lincolnshire Forum for Agriculture and Horticulture was held with lead policy officers from the Department for the Environment, Food and Rural Affairs. The event had provided an opportunity to explain about Lincolnshire's priorities for the implementation of the government's food bill and had been attended by Councillors Dobson and Strange. Officers had met with the civil servant responsible for writing DEFRA's food strategy and had given him the opportunity to see how local authorities, the LEP, and private businesses were collaborating to achieve a strong future for the sector.

Members were provided with the opportunity to ask questions, and some of the points raised during discussion included the following:

- What steps were being taken to improve language skills for young people, considering the links with China? Translators for the visit came from the University of Lincoln and a relationship between BGU and China already existed. Work was taking place to help people to get accredited so that they could work as a translator.
- In China there was a strong push for children to be educated in English and Chinese companies always traded in English as it was recognised that English was the most important foreign language.
- Dynex made semi-conductors for high speed trains as well as for specialist items like the Large Hadron Collider. The recent investment by the parent company was funding work on battery storage.
- There was a lot of work going on in terms of battery storage particularly for vehicles as there a need to find a mechanism to store energy that was being created. The Chinese were moving more rapidly towards developing cleaner power than other areas of the world.
- The University of Lincoln was working with other areas of China, as well as Hunan.
- There was a need to find new forms of power and possibly for Lincolnshire to be able to deliver its own power. There was a huge amount of work taking place in this area.
- In the future, the country would be reliant on energy from renewables and battery storage was a big issue for electricity production. If collection of food waste was the route that the government would go down then processing of this waste produced methane which could be stored until needed and then used to produce electricity.

The Committee received a presentation from Deborah Campbell, Flood Risk Manager for Lincolnshire for the Environment Agency in relation to the Saltfleet to Gibraltar Point Coastal Management Strategy. Further information was provided in relation to the following areas:

- Lincolnshire History of Flooding
- Managing the Lincolnshire Coast
- HECAG SMP – High Level Plans
- Impacts of Coastal Process (1990's)
- Lincshore Beach Management
- Saltfleet to Gibraltar Point Strategy Study Area
- Costs Comparison – Cash Cost
- Sand on the beach – what we do now
- Coarser sand, shingle or pebbles
- Rock groynes plus sand on the beach – these would need to be spaced about 250m apart
- Rock groynes and fishtails plus sand on the beach – these were much bigger structures and would go 400-500m out to sea and could be spaced about 1km apart.
- Rock groynes, fishtails with different volumes of sand
- Rock groynes, fishtails with different frequencies of sand
- What influences the strategy
- Results from 2018 consultation
- What's next?
- Opportunities for additionality

Members were provided with the opportunity to ask questions to the officers present in relation to the information contained within the report and some of the points raised during discussion included the following:

- Flooding was one of the greatest risks for this area of the country and it was on the national register.
- In terms of the impact of flooding, concerns were raised regarding the formula for calculating the value of the static caravans as many were second homes for people who would live there several months of the year. Members were advised that there was very clear guidance regarding caravans and impacts were calculated based on the cost of moving the van to another site, which was calculated at £5,800 per van. There was also clear guidance in relation to properties and a more general outcome measure which started to build in risk to life and the number of brick built properties. There was also a more generic measure which included effects on commerce, tourism, agriculture and highways which did not provide such a good return on investment. It was noted that these rules were set by the Treasury.
- It was noted that a business case had been put forward by businesses on the Humber estuary that did not follow these rules and processes. There might be an opportunity to do something collectively as a partnership.
- It was commented that some members had taken part in a consultation 3-4 years ago regarding different options for protecting the coastline around Mablethorpe and it was queried if a decision had been made following this.
- It was noted that the east coast area was also at risk of fluvial flooding.

- The Shoreline Management Plan was a high level strategic plan for the coastline and ensured that nothing was done on one part of the coastline which would be detrimental to another.
- There would be a need to go to formal consultation regarding the options for managing coastal flood risk between Mablethorpe and Skegness and it was hoped that this would be able to start at the end of May after the local elections. Preferred options would then be identified. It was thought that there would be a step change to structures on the beach as residents were now more open to the idea of these types of beach defences. The preferred option would then be entered into the formal process to be approved. The question would then be put to government regarding funding and affordability.
- It was commented that whilst the beach nourishment might be affordable at the moment, in the long term this would become unaffordable. It was acknowledged that the various structures required a big up front cost to make them more sustainable in the future.
- It was queried whether there would be a chance to turn a risk into an opportunity as it was possible to store water, could there be a hydro-electric power station along the east coast.
- There would be a cut off point for when beach nourishment would no longer be sustainable. The difficulty was the need for up-front costs for the project. There was a need for the Lincolnshire Flood and Water Management Strategy Group to build a business case that the government would find difficult to refuse.

RESOLVED

That the presentation be noted.

79 LINCOLNSHIRE UTILITY STRATEGY NEXT STEPS

Consideration was given to a report on the next steps with the Lincolnshire Utility Strategy. It was reported that the County Council and the Greater Lincolnshire Local Enterprise Partnership had been working on a utility plan to tackle the lack of utility infrastructure compared to demand for some months.

The plan was now at final draft stage and members' views on its content and on linkages which might be made to the service in the Environment and Economy area were sought.

The Committee was provided with the opportunity to ask questions to the officers present in relation to the information contained within the report and some of the points raised during discussion included the following:

- Energy was one of the major challenges for Lincolnshire. However, it should be remembered that the cost of renewables was falling and the subsidies would be coming to an end. £23.15bn in subsidies was currently paid out and in future it was likely that there would be a cap of £7.6bn per year. It was noted that green energy was not cheap.
- It was noted that there were two massive projects taking place in the local area, and it was queried whether they were future proofed.

- The costs of replacing and renewing wind turbines had not been properly thought through, as they were taller and community support was now needed for on shore wind farms. There was a need to embrace a longer term view.
- There was a need to look at how energy was used and to reduce energy wastage. The way that houses were built was antiquated and there was a need to move towards more modern methods of building. There had been a suggestion to stop having buildings with gas fired boilers as gas storage was reducing.
- A viewpoint was still to be formulated in relation to the future use of electricity and a longer term view on energy was required. This was more difficult in Lincolnshire as there were two different electricity operators with different constraints. There was also a need to be able to think about whether the requirements for electricity could be managed as the county was currently not using the full capacity of the network. There was a need to consider whether the county wanted national infrastructure to provide all of Lincolnshire's energy or was there potential for the county to produce some of its own energy and therefore become more resilient.
- A business model for the use of direct current was being developed.
- An update on progress should be brought back to the meeting, particularly around the outcomes of the SMARTLincs project and it was expected that this would be September time.
- Who was responsible for ensuring energy provision, and whether the county council should develop an energy company?
- There was a need for the Committee to identify a member to join the proposed Energy Expert Panel and it was suggested that this should be the Chairman or Vice-Chairman.
- What was the role of nuclear energy at the moment? Members were advised that this could not be discounted as it was clean energy. Nothing could be ruled out, there would be a need to see what was available and what would be best for the area and then take a view on it.

RESOLVED

1. That the emerging content of the utility strategy and the next steps summarised in the report be noted.
2. That the Chairman or Vice Chairman of the Committee join the proposed Energy Expert Panel and undertake a liaison role between the Scrutiny Committee and the Panel.

80 BUSINESS CENTRES AND ECONOMIC DEVELOPMENT PORTFOLIO PROGRESS REPORT AND OCCUPANCY LEVELS

Consideration was given to a report which provided a summary of information to members regarding the Council's portfolio of Business Centres and Industrial Units including occupancy levels and letting activity.

The report also described the corporate priorities that governed the management of the portfolio, set out recent successes and listed the priorities for the portfolio in the forthcoming year.

Members were provided with the opportunity to ask questions to the officers present in relation to the information contained within the report and some of the points raised during discussion included the following:

- The Chairman reported that a previous meeting of the Committee had been held at the Aura Business Centre in Skegness.
- Reasonable checks were taken before renting space to a business. However, the leases were 'easy out' as longer term leases could put some smaller businesses off. There were 120 offices and 70 industrial units within the portfolio.
- Appendix A to the report was very useful. However, concerns were expressed that almost a quarter of the units in one particular property were empty and it was queried why this was and whether the units were not offering the right package. The Regeneration Team was always open to reconsidering the space available in order to minimise any voids in occupancy. However, members were advised that some voids were good as this would enable the authority to help tenants or prospective tenants in an emergency.
- There was a need for more units on the Riverside Industrial estate in Boston, but members were pleased to see that there were plans to extend the Kirton Industrial park.
- Had the Team encountered situations where they had to advise businesses they were getting too big and needed to move on? There was a strong argument in some cases to do this, but it was a very sensitive issue. The authority did not want to be perceived as getting in the way of a successful business, but the Team could help a business to find grow-on space.
- There was a need to have business centres for new businesses to incubate and grow and also to help them to progress. There was a need to have a strategy to retain those businesses within Lincolnshire that the business centres had helped to incubate.

RESOLVED

1. That the comments made in relation to the Council's portfolio of Business Centres and Industrial Units contained in the report be noted.
2. That the Head of Economic Development be tasked with reviewing the policy rules and procedures for how to support/retain businesses in Lincolnshire where they grow beyond the size intended for the Business centres, etc.

81 RECOMMENDATIONS FROM THE HIGH STREET REVITALISATION WORKING GROUP

Consideration was given to a report which updated the Committee on the recommendations made by the High Street Vitality Working Group. The recommendations identified ways that the County Council could support businesses and others in the transition that was happening to high streets. The recommendations agreed by the working group were as follows:

1. Each member of the Working Group volunteered to make a presentation to a District Council about the findings of the working group.
2. The Working Group recommended that each District Council in Lincolnshire should be encouraged to recognise the importance of a clean, green and accessible environment in all high streets.
3. The Working Group recommended that the County Council, working with the LEP and Business growth Hub, should create a support programme what helped businesses to understand the future, the changing patterns of consumers, and how to react accordingly.
4. The Working Group recommended that the County Council, working with local planning authorities, especially during the revisions to local plans, champions a way in which each town in Lincolnshire could complement not compete with its neighbours.
5. The Working Group recommends that the County Council work with towns to help them find a way that young people (perhaps on a secondment or placement) could lead social media campaigns to encourage visitors and residents to use their market town more.

Members were provided with the opportunity to ask questions to the officers present in relation to the information contained within the report and some of the points raised during discussion included the following:

- Recommendation 4 was an interesting statement.
- Did healthy market go hand in hand with a healthy high street? In some cases markets were being negatively impacted by different ways of working such as car boot sales. Members were advised that in the Terms of Reference it stated that the working group would not be looking at markets, but on this occasion would be concerned only with the built environment – retail, housing and leisure.
- It had concentrated on bringing high streets into a different level and how they could thrive without having large shops. It was suggested that some of the buildings on high streets could become residential.
- There were a lot of empty shops on the high street which were owned by large property funds. It was suggested whether the county council/district council could increase rates for empty shops to discourage people from keeping them empty.
- The working group had heard from some expert witnesses including the Managing Director of Banks Long and co, who was the lead agent for the redevelopment of the Cornhill in Lincoln.
- Residential accommodation on the high street was expected to become more common and there would be regular social events taking place. People would be living, working and socialising on the High Street, and so some people would no longer need a car and would instead use public transport.
- Had the working group examined pedestrianisation and what the benefits were to a town. It was noted that there was a need to look at each place individually as this may not work in every area. It would need to be part of a package of measures.
- Each place needed to have its own dialogue about what would work for it.

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- There was a need to look at harmonisation between the County Council and the planning officers.
- There was no reference to the use of wireless networks as an attraction for people to visit the high street. However, it was noted that this may have been a key factor in attracting people to the high street 10-15 years ago, but with the role out of 4G, it was thought that town owned wi-fi would become redundant.

RESOLVED

1. That the Environment and Economy Scrutiny Committee endorse the recommendations to the Executive Councillor for Economy and Place.
2. That the Head of Economic Development be tasked with sharing the outcomes of the Environment and Economy Scrutiny Committee with members of the High Street Vitality Working Group.

82 ENVIRONMENT AND ECONOMIC SCRUTINY COMMITTEE WORK PROGRAMME

Consideration was given to a report which enabled the Committee to comment on the content of its work programme for the coming year to ensure that scrutiny activity was focused where it could be of greatest benefit.

It was queried whether any work had been done in relation to air pollution in Lincolnshire and it was noted that this would be covered by Highways, as the county council was able to test alongside certain roads.

RESOLVED

That the work programme, as set out in the report, be noted.

83 CONSIDERATION OF EXEMPT INFORMATION

RESOLVED

That, in accordance with Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that if they were present there could be disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

84 SKEGNESS BUSINESS PARK

The Committee received a report which provided members with the opportunity to consider an exempt report in relation to Skegness Business Park. It was noted that this report was due to be considered by the Executive Councillor for Economy and Place between 15 and 29 April. The views of the Environment and Economy Scrutiny Committee would be reported to the Executive Councillor as part of the consideration of this item.

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Officers answered a number of questions from the Committee in relation to Skegness Business Park.

RESOLVED

1. That the Committee supported the recommendations to the Executive Councillor as set out in the report.
2. That the comments made by the Committee be passed to the Executive Councillor.

The meeting closed at 12.30 pm