



## ECONOMIC SCRUTINY COMMITTEE 9 JUNE 2015

### **PRESENT: COUNCILLOR A BRIDGES (CHAIRMAN)**

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

Councillors: C J Davie and S M Tweedale attended the meeting as observers

Officers in attendance:-

James Baty (Senior Project Officer), Andrea Brown (Democratic Services Officer), Justin Brown (Commissioner for Economic Growth), Andy Gutherson (County Commissioner for Economy and Place), Tracy Johnson (Scrutiny Officer), Cathy Jones (Housing Adviser - GLLEP), Karen Seal (Performance Officer) and Dave Simpson (Technical and Development Finance Manager)

### 1 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Councillor N I Jackson submitted apologies for the meeting.

Councillor R A Renshaw attended as a Replacement Member for Councillor Jackson.

### 2 DECLARATIONS OF COUNCILLORS' INTERESTS

There were no declarations of Councillors' interests.

### 3 MINUTES OF THE MEETING OF THE ECONOMIC SCRUTINY COMMITTEE HELD ON 14 APRIL 2015

Minute number 61 (Lincoln Cathedral's Role in the City's Continued Growth) – it was reported that, since the last meeting, the Cathedral's Heritage Lottery Bid had been successful.

RESOLVED

That the minutes of the Economic Scrutiny Committee meeting held on 14 April 2015 be confirmed and signed by the Chairman as a correct record.

### 4 ANNOUNCEMENTS

Councillor C J Davie was invited to update the Committee on recent events within the County.

## 2

### **ECONOMIC SCRUTINY COMMITTEE**

**9 JUNE 2015**

Councillor Davie confirmed that Lincoln Castle had hosted a very successful official reopening and gave credit to Lincolnshire, the team behind the Castle and, in particular, the Tourism Development Team (Mary Powell, Lydia Rusling, Jessica Marshall and Amanda Davey) who had led with fantastic passion and commitment.

It was reported that visitors to the Castle had reached 67k since 1<sup>st</sup> April 2015, bringing in revenue of £507k. The projected forecast in the business plan was £950k. Copies of the Magna Party weekend programme were available for Members. As a result of the Castle success, information had been received that most of the hotels in Lincoln were solidly booked every weekend over the summer which gave encouragement that the project was working as a regenerator of the city. It was stressed that this should be promoted for the county as a whole and not the city alone.

HSBC had announced job losses of 8k in the United Kingdom. It was also reported that there would be branch closures of Natwest within Lincolnshire which were of particular concern as they may prove to be the last branch in many towns. Councillor Davie would be meeting with Anna Soubry MP so would ensure this issue was discussed at length. He went on to confirm that all MP's in Lincolnshire were committed to working together for Lincolnshire and work was ongoing behind the scenes with both banks.

The Lincoln Castle Shuttle had been quiet in the first month but figures had more than doubled in May with numbers continuing to increase and an anticipation that this would continue due to forthcoming major events.

It was noted that a number of properties in historic Lincoln were not being used to the full potential, e.g. The Judges Lodgings. It was agreed that the Uphill area of Lincoln could be made a global attraction, with The Lawn becoming part of that vision. The Cathedral bid would also complete that. Future consideration would also be given to archives in order to assist in making Lincoln a leading world class city.

The Chairman thanked Councillor Davie for the updates.

## 5 GOVERNMENT CONSULTATION ON THE REVIEW OF BUSINESS RATES

The Chairman advised the Committee that due to a conflicting appointment of officers, he had agreed to take Item 6 (Government Consultation on the Review of Business Rates) first.

Consideration was given to a report of the Executive Director for Environment and Economy which provided information about the Government consultation on a review of the operation of business rates and asked if there should be changes to the methodology for calculating business rates and to the amount of business rate income that was devolved to local authorities.

Dave Simpson, Technical and Development Finance Manager, introduced the report and explained the background of Business Rates in order to provide an understanding of the reasoning behind the report.

During discussion, the following points were noted:-

- Forecasts showed that Lincoln's growth was slower than other parts of the county. It was felt that this was likely to be because of the city's stronger dependency on the public sector (the figures covered the period of public sector final reductions);
- Government was clear that growth in the economy was key to the success of the country. Government was then offering areas the option of retaining business rates locally, but the benefits of doing this needed to be balanced against any risks;
- It was suggested that a response be tabled at the Economic Leads meeting to enable a full discussion with District Council colleagues prior to the submission date.

RESOLVED

1. That Lincolnshire County Council write with its comments on the review, following consultation with the District Councils; and
2. That the report be noted.

## 6 EMERGING GOVERNMENT PRIORITIES FOR THE ECONOMY

Justin Brown, Commissioner for Economic Growth, provided a verbal update on the new government's economic priorities. Government had announced their 100 business targets and a number were relevant to Economic Development, as noted below:-

1. Shift in language between growth and productivity. Government was talking about productivity being more important. Unemployment had remained relatively stable and growth supported as people took part-time jobs and limited pay rises;
2. Apprenticeship – the challenge remained of 200k jobs needing to be filled in coming years. There had been criticism in recent years that the focus had been on 25 year olds but apprenticeships were as useful to that age group in the same way they were to school leavers. Should the emphasis be on teenagers (16-19 year olds) then education for all of those apprenticeships should be a main focus;
3. Enterprise Bill – Anna Soubry MP was leading on this area with the Small Business Group. Government was looking to make the processes easier but wanted to be presented with solutions to problems rather than the problem alone;
4. Increases in Childcare and Housing had been announced – this was to improve the process for housing. In respect of Childcare, a lot more smaller providers were required in rural areas and an agreement about a suitable level of charge for that care. The aim was to ensure parents could work without having to stop due to the cost of childcare;

5. EU Referendum – it was thought that the Chamber of Commerce would be the area where this would be championed and described;
6. Cities and Devolution Bill – Government needed to find a slightly different level and areas of responsibility for their own economic development. It was felt that the Midlands Engine (East and West Midlands together) could be strong by looking at the links and where to position.

During discussion, the following points were noted:-

- Agreement to drive the economic agenda collectively was required and there was an ongoing need to reinforce the relationship between national government's activity and that of the local authorities;
- There was a strong agenda relating to apprenticeships and the link between school, colleges and employers but it was acknowledged that a lot of businesses were unable to get the right access at the right time. Academies were not under the control of the Local Authority and therefore it was difficult to guide them in this area. Councillor Davie confirmed that he would be writing to Nick Boles MP, Skills Minister, about this again;
- Negotiations have been held with the Skills Funding Agency (SFA) who had redirected £24m into a programme to increase the number of apprenticeships in Lincolnshire and to assist young people into the workplace whilst support employers. It was hoped that this would tackle the structural difficulties of apprenticeship;
- George Osborne had committed, in writing, that Lincoln was to be part of the Great Northern Powerhouse and so there was a unique opportunity for the county but it was stressed that there was a need to be proactive and take the future vision to Government with a readymade case for success.

#### RESOLVED

That the update be noted and the suggested priorities considered further.

#### 7 OUTCOMES FROM GREATER LINCOLNSHIRE EMPLOYER SURVEY

Consideration was given to a report of the Executive Director for Environment and Economy which provided the findings from the large scale employer survey conducted by BMG Research on behalf of Lincolnshire County Council, Great Lincolnshire Local Enterprise Partnership (GLLEP) and the Lincolnshire and Rutland Employer Skills Board.

James Baty, Senior Project Officer, introduced the report and gave a presentation to the Committee. The following points were highlighted during the presentation:-

1. The survey had been commissioned to act as a baseline survey to measure the impact of LEP activity in the future and had been conducted during April and May 2014;
2. There had been 1515 respondents in the Greater Lincolnshire area with approximately 1100 from Lincolnshire county;

3. The survey covered Great Lincolnshire as a place, markets and trading, performance, growth and innovation, finance and investment, recruitment and skills and environment;
4. 92% of businesses based in Lincolnshire were started in Lincolnshire (agri food and visitor economy), 69% had been trading in the county for over 10 years and 72% of employers viewed Lincolnshire as a place their business could grow;
5. Positive views of businesses on Lincolnshire as a place to do business included stronger communities, a wide range of housing and access to suppliers. Those not so positive included the transport infrastructure, profile of the county in terms of attracting people in to work and the support for business growth;
6. The cost of premises/rents/business rates, in Great Lincolnshire, received an average score of 6.3 on a scale of 1 to 10 (1 being poor and 10 being good);

The presentation concluded by summarising the findings of the report. The survey had indicated that Lincolnshire's strength of community, strong supply chains and resilient traditional industries had made the county a place most businesses felt they could grow in 2015, although the transport infrastructure and the image of the county remained an issue for many businesses. It was thought that future research would help monitor the situation and the impact of the GLLEP growth deal.

The Chairman thanked Mr Baty for his presentation and invited the Committee to ask questions.

During discussion, the following points were noted:-

- Those who lived within Lincolnshire had a favourable view of the area as opposed to those who lived in other counties. However, their view was that they didn't see Lincolnshire as a growth area;
- National recognition had been given to the importance of Immingham for import and export. The Spalding freight head was also mentioned although it had, to date, had little input from the local member. It was explained that private companies were in a position to move this forward without public sector involvement and funding and this was the case with the freight head in Spalding. Justin Brown, Enterprise Commissioner, agreed to provide more detail to Members;
- Renewable energy was an emerging sector as described by the LEP. Businesses such as BGB Engineering in Grantham provide services to low carbon sectors across the world and there were a number of similar companies in the county and they were knowledge based businesses with the knowledge being sold as much as the product itself. It was suggested that a tour of BGB Engineering may be of benefit to members;
- Tidal and flood risk were highlighted during the survey although this was not specified between rivers and sea. Businesses needed the confidence that their business would not be affected by the environment so European Funding was being used to help businesses grow and also avoid flood risk. House builders were also being assisted to mitigate against flood risk.

**6**  
**ECONOMIC SCRUTINY COMMITTEE**  
**9 JUNE 2015**

The information gathered during the survey was used as a driver for what businesses need and how to take the county forward.

RESOLVED

That the report be noted.

**8**     APPOINTMENT OF LOOKED AFTER CHILDREN/CARE LEAVER REPRESENTATIVE

Consideration was given to a report from Richard Wills, Director responsible for Democratic Services, which invited the Committee to appoint a Looked After Children/Care Leaver Representative for the Committee following approval of the Corporate Parenting Strategy.

Tracy Johnson, Scrutiny Officer, introduced the report and requested a volunteer.

The Vice Chairman, Councillor C Pain, proposed Councillor Mrs J Brockway to represent the Committee. This was seconded by Councillor G J Ellis and unanimously agreed by the Committee.

RESOLVED

That Councillor Mrs J Brockway be the Looked After Children/Care Leaver representative for the Economic Scrutiny Committee.

**9**     THEME PERFORMANCE: QUARTER 4 2014/15

Consideration was given to a report from the Executive Director for Environment and Economy which discussed the conditions in the local economy and the performance of Lincolnshire County Council economic regeneration schemes.

Justin Brown, Commissioner for Economic Growth, introduced the report by drawing the Committee's attention to page 39, Customer Satisfaction and explaining that this was largely brought together using the number of complaints and compliments received by the Customer Service Centre. The service provided was not direct but commissioning which meant that the number of complaints and compliments received was extremely small and gave little indication to the performance of the section. It was suggested that the Committee, with officers, could spend some time to ascertain who the "customers" were in order to refine how consideration of customer feedback was done.

RESOLVED

1. That the good progress of the department against its 2014/2015 targets be noted;
2. That the Government's economic priorities be considered;
3. That a customer satisfaction report be presented to Committee on 8 September 2015.

10     IMPACT OF TRANSPORTATION ON MAXIMISING ECONOMIC GROWTH (ITMEG) SCRUTINY REVIEW - SIX MONTHLY UPDATE INCLUDING STRATEGY OUTCOMES

Consideration was given to a report from the Executive Director for Environment and Economy which provided an update on the action plan on the role of transport on economic growth within the County and made further suggestions on the way in which the key issues raised through the report could be progressed.

Andy Gutherson, County Commissioner for Economy and Place, introduced the report and gave a short presentation on the Lincolnshire Local Planning Tool. A Summary of Methodology for the Upper Tier Model was also circulated to the Committee. The Lincolnshire Local Planning Tool was being developed to demonstrate, strategically, the combined impact of planned growth across the county on Lincolnshire's highway network. The tool would be an aid to decision-making and would support the identification of development impacts and locations where further, more detailed, analysis was required. The tool would also feed into detailed traffic models for specific settlements within Lincolnshire.

The tool would inform the plan-making process, demonstrating the combined impact of proposals from four Local Plans and provide robust evidence that infrastructure could support planned growth whilst identifying 'hotspots' of network stress where intervention may be needed.

During discussion, the following points were noted:-

- The tool had only been written for one month and had been produced in recognition of the issues faced in the future. The tool would provide the confidence that there was room for growth but also acknowledged that further detailed work and investigation would be required before a decision could be made. The information presented was up to date and fit for purpose, however.

RESOLVED

That the progress being made against the action plan be noted.

11     PEER GROUP REVIEW: OPEN FOR GROWTH

Consideration was given to a report from the Executive Director for Environment and Economy which provided the findings of the Peer Review undertaken by the Local Government Association (LGA) and Planning Advisory Service (PAS).

Andy Gutherson, County Commissioner for Economy and Place, introduced the report and referred members to the final report entitled *Investment (open for growth) Peer Challenge – Lincolnshire Councils 19-23 January 2015* at Appendix A.

During discussion, the following points were noted:-

- Although the report makes particular reference to the transport and infrastructure of the county as major issues, the reported documented information taken during the interview process. The reported endorsed these views and gave further evidence to present to MPs to encourage joint working to improve the infrastructure;
- It was noted that the Scrutiny Review Group was due to report back to the County Council meeting in September 2015 and one of the recommendations from the review could be that this Committee was widened in membership, like the Flood and Drainage Management Committee, to look at the GLLEP and could also include North Lincolnshire and North East Lincolnshire councils.

**RESOLVED**

1. That the findings of the Peer Review be noted;
2. That the feedback on key issues as impacted on Lincolnshire County Council be considered;
3. That the views of the Committee on the opportunity for Countywide scrutiny of growth be provided;
4. That further updates on the work be received at future meetings.

**12 UNLOCKING RURAL HOUSING - SCHEME JUSTIFICATION**

Consideration was given to a report from the Executive Director for Environment and Economy which provided scheme justification for the Unlocking Rural Housing Fund, which would increase and accelerate delivery of housing and address priorities identified in the Strategic Economic Plan (SEP).

Cathy Jones, Housing Adviser to the GLLEP, introduced the report and advised that the scheme would unlock some 370 affordable housing units and £46.5m investment in local communities, thereby supporting local construction jobs.

There were no questions from the Committee in respect of the report.

**RESOLVED**

1. That the scheme justification be approved;
2. That the implementation of the Unlocking Rural Housing Fund, working with local housing associations and Housing Authorities and using Growth Deal grant funding, be supported.

**13 ECONOMIC SCRUTINY COMMITTEE WORK PROGRAMME 2015**

Consideration was given to a report which provided the Committee with the opportunity to consider its work programme for the coming year.

There were no reported amendments to the Work Programme and it was confirmed that only four reports were listed for the next meeting, scheduled for 21<sup>st</sup> July 2015.



RESOLVED

That the Work Programme, as set out in the report, be approved.

The meeting closed at 1.04 pm

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