



ENVIRONMENT AND ECONOMY SCRUTINY COMMITTEE 30 OCTOBER 2018

PRESENT: COUNCILLOR B M DOBSON (CHAIRMAN)

Councillors Mrs W Bowkett (Vice-Chairman), Mrs A M Austin, G E Cullen, M A Griggs, C Matthews, R P H Reid, S P Roe, Mrs E J Sneath, C L Strange and Dr M E Thompson

Councillors C J Davie (Executive Councillor for Economy and Place) was also in attendance.

Officers in attendance:-

Justin Brown (Commissioner for Economic Growth), Cheryl Hall (Democratic Services Officer), David Hickman (Growth & Environment Commissioner), Cathy Jones (Policy Manager, Greater Lincolnshire LEP), Lindsay Hill Pritchard (Principal Commissioning Officer (Accountable Body)), Daniel Steel (Scrutiny Officer) and Vanessa Strange (Accessibility and Growth Manager).

32 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received from Councillor B Adams.

It was noted that the Chief Executive had reported that having received a notice under Regulation 13 of the Local Government (Committees and Political Groups) Regulations 1990, he had appointed Councillor S P Roe as a replacement member of the Committee in place of B Adams, for this meeting only.

33 DECLARATIONS OF MEMBERS' INTEREST

Councillor Mrs W Bowkett advised that with respect to *Agenda Item 5 – The Agriculture Bill* she had an interest in County Farms.

34 MINUTES OF THE MEETING HELD ON 18 SEPTEMBER 2018

RESOLVED

That the minutes of the meeting held on 18 September 2018 be signed by the Chairman as a correct record, subject to *providence* being amended to *provenance* on the top of page 11 of the agenda pack.

**ENVIRONMENT AND ECONOMY SCRUTINY COMMITTEE
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AND CHIEF OFFICERS**

The Executive Councillor for Economy and Place advised that he was sad to report the news that Fogarty in Boston would be subject to insolvency proceedings, which would result in a loss of circa 200 jobs. The Committee recognised that Fogarty was an important part of Boston's history. The Councillors' and officers' thoughts were with the staff and their families, and it was advised that the Council would work with Boston Borough Council, Jobcentre Plus and other partners to support those affected.

The Chancellor of the Exchequer's budget had set out significant ways in which Government would help businesses, in particular high street retailers. It was noted that as with all budgets, the detailed announcements would follow in the forthcoming weeks. The Executive Councillor was particularly interested to see how the £1.6bn of funding allocated to industrial strategies and technology would be allocated.

The Executive Councillor had previously briefed members on the Greater Lincolnshire Local Enterprise Partnership's (GLLEP) World of Work website, which had continued to be very popular and was used by teachers to help them to plan lessons on careers. The Executive Councillor was pleased to report that by working with the GLLEP and the national Careers and Enterprise Company, the Council now hosted an officer whose job was to be a link between employers and schools so that lessons on careers could be more effective.

The Executive Councillor was delighted to report that the North Sea Observatory had been shortlisted for a Design Award through the prestigious Architects Journal. A meeting of the Committee would be held at the Observatory in the spring of 2019.

Lincolnshire had hosted a very successful visit from one of USA's top travel bloggers with excellent coverage of Lincoln and the rest of the County. It was also highlighted that the Council's Tourism Manager would be representing Lincolnshire on the Mayflower 400 stand at the annual World Travel Market exhibition in London.

Team Lincolnshire continued to grow, with circa 80 paying members now in place. A promotional event had recently been held as part of the MIPIM UK exhibition in London. A further Team Lincolnshire event would be arranged in late November 2018 focusing on investment opportunities from the West Midlands.

The Executive Councillor had signed a formal sister region agreement with Hunan in China in early October 2018. The officer team would hold monthly video conferencing meetings with officials in Hunan to progress opportunities that had been discussed during the visit. A 'Trading with China' seminar had recently been held and a student from south Lincolnshire would be spending six months on an internship in Changsha to help to give a presence in that region.

The Executive Councillor was pleased to report that the Council had helped a major food business in the south of the county to retain and grow its footprint in the County, protecting hundreds of jobs.

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The Executive Councillor reminded the Committee that he had previously briefed councillors on the Government's local enterprise partnership review. The Council continued to make the case for a GLLEP, potentially with Rutland as an additional partner as this would strengthen economic coherence. Ministers appeared to be determined that overlapping local enterprise partnerships should be avoided, no matter what the local economic case might be. It was highlighted that the south bank of the Humber looked to Lincolnshire for food production and for visitor economy, but looked to the north bank of the Humber for energy production.

It was reported that there had been a positive uptake at the Kirton Distribution Park in Boston.

36 THE AGRICULTURE BILL

Consideration was given to a report which provided the Committee with an update on the Agriculture Bill.

The Committee was advised that following the publication of the Health and Harmony Command Paper in February 2018 and the subsequent consultation period, the Agriculture Bill had been published on 12 September 2018.

The Agriculture Bill should be considered in the context of the 25 Year Environment Plan; the National Industrial Strategy; and the development of a Local Industrial Strategy. The Bill had passed its second reading in the House of Commons and had now moved to the Committee stage.

Lincolnshire County Council had responded to Defra's consultation on the Health and Harmony Command paper, by working with key stakeholders across Lincolnshire, as well as elected members through the Brexit Working Group and the scrutiny committee.

The report contained detailed information on the Bill, including information on its proposed changes to subsidy payments; the new *Environmental Land Management System*; research and development; transition period; delinking; and how the Government would strengthen transparency in the supply chain to assist farmers in getting a better deal in the market place.

An action plan considering impacts of the Bill for Lincolnshire and potential areas of activity for Lincolnshire County Council would be presented to the Committee at its meeting on 27 November 2018.

It was suggested that the action plan focused on: the role of the Council in giving advice to the farming community; County Farms – how the Council might support its tenants; exploring the opportunities for Lincolnshire farmers in seeking provenance for their foods; and the changing employment needs in agriculture.

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The Committee was provided with an opportunity to ask questions, where the following points were noted: -

- The current Basic Payment Scheme and higher level environmental schemes 'Direct Payments' would be phased out by 2027. In the future, public money would be linked to 'public good', such as better air and water quality, improved soil health, higher animal welfare standards, public access to the countryside and measures to reduce flooding;
- It was clarified that the production of food was not classed as a public good. It was highlighted that this had created significant comment by the sector and many sector organisations had been campaigning for the Bill to explicitly support domestic agriculture to ensure food security and stability of food supply;
- Further to the above point, it was highlighted that there was a need to invest in flood protection, as this helped safeguard food production;
- Concerns were raised by the Committee in relation to the Government's proposal to cease Direct Payments, as this could have a detrimental effect on farmers in Lincolnshire. It was commented that a significant number of farmers had indicated that the payments were the difference between a profit and a loss;
- It was suggested that there was a need for the County Council to consider supporting the farming industry in becoming resilient for the future;
- The Council's County Farms were discussed and it was highlighted that the Council owned 22,000 acres of farming land. The ways in which the Council supported County Farmers were discussed. It was suggested that an officer from the Council's Property Team attended a future meeting of the Committee to discuss County Farms;
- It was clarified that the monies that had currently been allocated for agricultural subsidy would be ring-fenced for the lifetime of the current Parliament only;
- The current payment system would be used for 2019 and 2020. An agricultural transition period would then follow between 2021 and 2027, as Direct Payments were gradually phased out and new schemes commence. All farmers would see a reduction in their payments at the start of the transition period;
- The idea of generating churn, enabling succession planning and enticing new entrants, was a theme of the Command Paper. It was highlighted that there were a number of young people keen to take on County Farm tenancies. It was commented that those young people would require support from the County Council; and
- It was commented that technology had significantly changed the farming industry. Furthermore, consumers now expected cheaply priced food but focus should rather be on quality and paying the right price for good quality food.

RESOLVED

- (1) That the content of the report be noted.
- (2) That support be given to the development of an action plan in partnership with stakeholders, which will outline Lincolnshire County Council's activities in relation to the Agriculture Bill and be presented to the meeting of the Committee on 27 November 2018.

37 AGRI-FOOD SECTOR PLAN

Consideration was given to a report which provided an update on the progress of the Agri-food Sector Plan.

The Agri-food Sector Plan had been produced by the Greater Lincolnshire Local Enterprise Partnership but had been shaped by discussion with industry and with the Scrutiny Committee.

It was highlighted that significant progress had been made by the sector. Agriculture and food production represented arguably the most important sector for the area with a farm to fork food chain totally 24% of the county's workforce and represented 21% of the local economy. The county grew 12% of the nation's food and processed 70% of the country's fish so the concentration of farming, food processing and related industries made Greater Lincolnshire significant on a national level as well as locally to the food chain.

In 2014, an Agri-food Sector Plan had been published to guide the development of the industry and the investments required to double the sector's economy by 2030. In 2017 the plan had been updated to reflect the need to respond to Brexit, address the pressure from the introduction of the National Living Wage, and to embrace the progress of new technology. The revised plan was attached as an appendix to the report.

The report provided detailed information as part of the report covering: science and innovation; investment, food enterprise zones; advocacy; trade, employment and automation; and automation, bids for funding.

The Committee was provided with an opportunity to ask questions, where the following points were noted: -

- The food chain was heavily reliant on migrant labour with over 25% of the food processing workforce currently EU migrants with some Lincolnshire businesses employing over 50% of their workforce from the EU in both food processing and distribution. The food sector would therefore be compelled to increase labour productivity and invest in automation. The Committee recognised that there may be a need to support any individuals who may be negatively affected by the introduction of automation. In response, it was advised that the introduction should ideally not result in a loss of jobs but employees could be upskilled to operate and maintain the equipment;

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- The agri-culture sector was of significant importance to the county and young people should be encouraged to enter the profession. It was suggested that this could be taken forward by the new officer role, as referred to in Minute 35;
- It was highlighted that the report recommended that the Executive Councillor for Economy and Place, in consultation with the Chairman of the Environment and Economy Scrutiny Committee, support and endorse any bids from partners for agri-food programmes, which were being led by the local enterprise partnership partners and which were seeking funding from central government. The Committee supported this recommendation and requested to receive details of any funding bids at future meetings of the Committee.

RESOLVED

- (1) That the current progress being made on the Greater Lincolnshire Local Enterprise Partnership's agri-food sector be noted.
- (2) That support be given to the recommendation for the Executive Councillor for Economy and Place, in consultation with the Chairman of the Environment and Economy Scrutiny Committee, to support and endorse any bids from partners for agri-food programmes, which are being led by the local enterprise partnership partners and which are seeking funding from central government.
- (3) That support be given to the recommendation that officers explore the potential opportunities for Lincolnshire's manufacturing businesses to increase the level of automated projects that they supply to the local food production sector.

38 LOCAL INDUSTRIAL STRATEGY (LIS)

Consideration was given to a report which updated the Committee on the development of a Local Industrial Strategy and provided an opportunity to comment upon and influence the emerging areas of focus.

It was highlighted that since the last update received by the Committee in July 2018, the Government had published the conclusions of its local enterprise partnership review, providing for reformed and stronger local enterprise partnerships with a single mission: to promote productivity by delivering local industrial strategies. A task and finish group of the Greater Lincolnshire Local Enterprise Partnership (GLLEP) Board of Directors had undertaken a review of its geography. The preferred model was for a Greater Lincolnshire Local Enterprise Partnership, including all eleven Lincolnshire and Rutland local authorities.

The Government had recently published the *Local Industrial Strategies Policy Prospectus*. Furthermore the GLLEP had commissioned a prospectus which would be published imminently. This would provide a framework to guide the development of a Local Industrial Strategy (LIS) for Greater Lincolnshire.

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The Government had asked local enterprise partnerships to produce industrial strategies which were directly relevant to their location, and which were focused on a small number of priorities rather than being a wide strategy for growth. Emerging areas of focus were detailed within the report, which covered the following areas: test bed area for rural energy solutions; food processing productivity; health and care innovation; parts and logistics, digitalisation and connectivity; and an inclusive visitor economy.

Members were provided with an opportunity to ask questions, where the following points were noted: -

- The Committee strongly supported the continuation of the GLLEP, including all ten greater Lincolnshire authorities and Rutland;
- The importance of the workforces for the food processing and health and care sectors was discussed by the Committee. Although there were key benefits for the introduction of new technologies in these sectors, the importance of personal contact should be borne in mind;
- There was a need for young people to be encouraged to enter the food processing and health and care sectors to develop careers. The Council should play a part in promoting the importance of these sectors. It was highlighted that it was difficult for young people to access training courses for these sectors along the east coast without significant travel required. The Committee was advised that consideration was being given to the development of a training programme to be carried out along the east coast over winter months, when there was a seasonal drop in activity; and
- The importance of Greater Lincolnshire's ports on local and regional economies was highlighted. Furthermore, it was highlighted that the port of Boston was of interest to Midlands Connect. Sutton Bridge would also form part of any discussions with Midlands Connect;

RESOLVED

- (1) That the progress made towards the development of a Local Industrial Strategy, including the publication of significant Government reports be noted.
- (2) That the emerging areas of focus, as detailed in the report, be supported.

39 **GREATER LINCOLNSHIRE LOCAL ENTERPRISE PARTNERSHIP - ACCOUNTABLE BODY PROGRESS REPORT**

Consideration was given to a report which provided an update from the Accountable Body on the progress of the Single Local Growth Fund operated on behalf of the Greater Lincolnshire Local Enterprise Partnership.

The reported focused on the 17/18 Year End; Quarter One 2018/19 dashboard and programme progress; update on Governance; and the Role of the Accountable Body.

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It was highlighted that the Accountable Body team had continued to provide a robust environment in which the LEP operated and the single local growth fund projects were in the main progressing well into delivery.

The Committee was invited to consider whether it wished to scrutinise progress with the accountable body more regularly and how this could be achieved.

The Accountable Body team continued to work with the LEP to ensure that projects progress to contractual agreements in order to support the delivery of strategic priorities.

Members were provided with an opportunity to ask questions, where the following points were noted: -

- The performance dashboard, as detailed at Appendix B to the report, was four months behind the current reporting period. This was a government set reporting period, although the latest guidance issued had shortened the period of reporting;
- The Committee was advised that individual project managers were required to report on project milestones and provide full financial information on a quarterly basis. Regular monitoring visits were also scheduled to report on progress;
- It was noted that some large projects had experienced unavoidable delays through judicial reviews, public enquiries and statutory agency requirements and as a result, the outputs achieved to date were lower than what would have normally be expected by this point in the reporting cycle;
- Page 36 of the agenda pack provided a list of the Directors of the GLLEP. It was noted that the role of a director was unpaid and undertaken on a voluntary basis. A number of the directors were the lead officer for individual sub-boards. It was requested that in future the list of directors in the report also included what organisation they represented. It was noted that Councillor C J Davie was appointed by the County Council onto the GLLEP and Richard Wills had been replaced by Keith Ireland, Chief Executive;
- The importance of the GLLEP remaining private sector led, with local authority support was discussed;
- It was requested that the Project RAG (Red, Amber and Green) ratings on the Growth Deal Dashboard at Appendix B to the report, also provided a summary of performance for those projects that had been rated as red or amber. Furthermore, it was requested that the next scheduled progress report to the Committee be project focused;
- It was recognised that the GLLEP had a successful record in terms of bidding for funding and was in the top quartile for obtaining funding;
- The Committee thanked all those members and officers involved in the GLLEP, as it was an excellent example of partnership working.

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RESOLVED

- (1) That the current progress being made on the Growth Deal Programme for Greater Lincolnshire be noted.
- (2) That for the next scheduled Accountable Body Progress Report to the Committee be project focused.

40 **ENVIRONMENT AND ECONOMY SCRUTINY COMMITTEE WORK PROGRAMME**

Consideration was given to a report which enabled the Committee to consider and 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 highlighted that the meeting of the Committee scheduled for 27 November 2018 would be held at the Aura Business Centre, Wainfleet Road, Industrial Estate, Skegness.

The meeting of the Committee scheduled for 9 April 2019 would be held at the North Sea Observatory, Chapel St Leonards.

RESOLVED

That the work programme, as presented, be noted.

The meeting closed at 12.20 pm.

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