

**ENVIRONMENT AND ECONOMY SCRUTINY
COMMITTEE
17 JANUARY 2023**

PRESENT: COUNCILLOR I D CARRINGTON (CHAIRMAN)

Councillors A J Baxter, M D Boles, I G Fleetwood, A G Hagues, Mrs J E Killey, G J Taylor, L Wootten and R Wootten

Councillors , attended the meeting as observers

Officers in attendance:-

Justin Brown (Assistant Director Growth), Kiara Chatziioannou (Scrutiny Officer), Nicole Hilton (Assistant Director - Communities), Mick King (Head of Economic Infrastructure), Keith Noyland (Head of Finance - Communities), Mike Reed (Interim Head of Waste), Vanessa Strange (Head of Infrastructure Investment) and Simon Wright (Principal Officer (Regeneration))

22 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received by Councillor M A Griggs and H Spratt.

23 DECLARATIONS OF MEMBERS' INTERESTS

There were no declarations of interest at this point in proceedings.

24 MINUTES OF THE PREVIOUS MEETING HELD ON 29 NOVEMBER 2022

RESOLVED

1. That the minutes of the previous meeting held on 29 November 2022 be confirmed and signed by the Chairman as a correct record

25 ANNOUNCEMENTS BY THE CHAIRMAN, EXECUTIVE COUNCILLORS AND LEAD OFFICERS

The Chairman welcomed Chris Yorston, Waste Operations and Infrastructure Manager, and Peter Lee, Contracts Management Officer – Waste, who were observing the meeting.

Membership for the Motorhomes and Campervans Working Group was currently being identified as commissioned by the Committee following the October 2022 meeting. The inaugural meeting was anticipated for the end of January 2023, and the outputs of this working group would be reported back to the Committee upon the completion of its remit. In addition, the Chairman requested an interim update at the next meeting from Justin Brown, Assistant Director for Growth, on the activities of the Theddlethorpe Geological Disposal Facility Working Group.

Councillor C Davie, Executive Councillor for Economic Development, Environment and Planning, made the following announcements.

- Businesses in Lincolnshire continued to innovate despite challenges around global supply chains, staffing, and the rising cost of energy.
- The Energy and Trade Intensive Industries (ETII) programme was announced by government which provided a sector-specific support programme for industries associated with higher energy usage. This was welcomed as energy concerns were commonly cited as a priority for businesses who contacted the Lincolnshire Growth Hub.
- District councils had been awarded £2.6 billion through the UK Shared Prosperity Fund; consequently, business support provided by the Growth Hub would be unfunded later this year.
- It was proposed that the Growth Hub would include geographic-based generalist advisers, thematic and sector-focused specialist advisers, events programme, and other promotional activities. A shared service model based on contributions from ten local authorities would fund this.
- The South Lincolnshire Food Enterprise Zone welcomed its first two business tenants in November who were occupying five offices, and an application was received from an innovative food manufacturer for two workshops. Additionally, the 27-acre phase II had reached Heads of Terms stage with a Buckinghamshire-based business having registered interest in one acre.
- Local demand had persisted for the Boston Road Industrial Estate expansion scheme in Horncastle, and developments were at outline demand stage.
- Lincolnshire was the lead authority for a regional pilot of the Local Electric Vehicle Infrastructure (LEVI) pilot scheme and potential locations for charging points were being reviewed.
- The Executive had ensured LCC was responding effectively to the unprecedented amount of Nationally Significant Infrastructure Projects (NSIPs) that were active in Lincolnshire.
- Members were urged to promote the Pub Diversification Programme to their constituents.
- The Lincolnshire Apprenticeship Champion Awards 2023 were being delivered in partnership with the Lincolnshire Public Sector Compact and the Greater Lincolnshire L.E.P. Applications would be accepted from January 2023, and the winners would be announced on 18 May 2023 at the Showroom in Lincoln. Members were informed that the entry deadline was midnight on Friday 10 March.

- The Executive Councillor for Economic Development, Environment and Planning agreed to contact Dan Clayton, the Sustainability Manager – Environment, to circulate additional information about projects supporting Lincolnshire businesses within the context of the cost-of-living crisis.

26 REVENUE AND CAPITAL BUDGET PROPOSALS 2023/24

The Committee received a report by Keith Noyland, Strategic Finance Lead – Place, Fire & Rescue, on the budget proposals for the next financial year 2023-24, and specifically the budget implications for the Council's Environment and Economy Services. It was reported that:

- The Executive had approved the budget proposals for consultation on 4 January 2023.
- The Revenue Budget for waste management had projected savings of £735,000 which was partly attributed to the success of the twin-stream rollout across a number of districts in Lincolnshire.
- The re-procurement of contracts for household waste recycling centres (HWRCs) resulted in a forecast cost pressure of £456,000, however this was not expected to create an immediate increase in the waste services budget requirement as it could be funded from higher income levels currently being achieved elsewhere in the service.
- The Capital Programme was supplemented by funding from the Development Fund Initiative earmarked reserve, and capacity was increased to include £3.4 million for drainage investigation and repair work approved in previous budgets.
- The budget proposals had been publicised on 'Let's Talk Lincolnshire' which provided an opportunity to the public to comment on its contents. A business consultation was scheduled for 27 January 20-23 to facilitate further feedback.
- Proposals would be finalised by the Executive on 7 February in preparation for Council on 17 February 2023.

During consideration of the report, it was noted that:

- Members considered the potential financial impact on the district councils involved in the twin-stream recycling scheme, and the Head of Waste clarified that LCC financed the scheme and supported districts with delivering the project. LCC previously had offered to share initial financial risks and costs with district councils, although this was rejected. It was also noted that additional funds raised by the scheme would facilitate school visits by the performance team to raise recycling awareness.
- The budget allocated to fast broadband had increased from £2 million to £5.5 million. The increase was funded by BT in 2012 when LCC opted into a performance bonus, and the subsequent success of the programme led to 96% broadband coverage in Lincolnshire. BT had allocated the funds raised to further provision of the service and speed increases. LCC was consulting with the government on the logistics of

ENVIRONMENT AND ECONOMY SCRUTINY COMMITTEE
17 JANUARY 2023

increased funding, and the Assistant Director for Growth assured that further information would be circulated to the Committee in due course.

RESOVLED

1. That the Committee supports the budget proposals
2. That comments be passed on to the Executive ahead of their consideration of this item on 7 February

27 RE-PROCUREMENT OF THE HOUSEHOLD WASTE RECYCLING CENTRES (HWRCs)
MANAGEMENT AND OPERATION CONTRACTS

Mike Reed, Head of Waste, delivered a report on the re-procurement of the Household Waste Recycling Centres (HWRCs) Management & Operations Contract. The decision was to be considered by the Executive Councillor for Waste and Trading Standards between 23-27 January 2023. It was reported that:

- Re-procurement of the contract was considered essential as HWRCs were a cost-effective, environmentally sustainable method of processing waste materials.
- Historically, contracts were procured from external providers; ten out of 11 LCC HWRCs were operated privately.
- Both quality and price bids had been returned from five bidders. Therefore, it was proposed that the ten LCC-owned HWRC were awarded to two contractors that LCC maintained a good working relationship with and was done so by April 2023 to ensure re-procurement did not negatively impact recycling rates or service delivery.
- The projected cost of re-procurement would be £456,000 higher per annum than the current contract, however this was expected given inflation and current rates were provided six years ago; this additional cost pressure was accounted for through the Waste Service budget.

During consideration of the report, it was noted that:

- The Chairman encouraged Members to visit a HWRC where possible in order to facilitate a better understanding of the specific challenges faced by staff, issues around environmental sustainability and to better prevent anti-social behaviour and fly tipping.
- One of the preferred bidders currently held the contract and operated in Skegness and Louth and was considered a reputable partner.
- It was assured re-procurement would not negatively impact service provision; the two days HWRC were shut per week would further aide a seamless handover.
- The Committee considered whether the new contract could include triggers for processes for consistently below-target sites, and the Head of Waste expressed that it was not the HWRC, rather supply chain issues with the final outlet that were responsible for sites falling below recycling targets. Nonetheless, it was assured that

LCC was adequately prepared, and that the public were informed when disruptions to the service were anticipated.

- Fly-tipping was cited as a significant frustration for residents, and the Head of Waste agreed that it was a substantial blight on the environment of Lincolnshire. A correlation was identified between (a lack of) access to HWRCs and fly-tipping; resultantly District Councils offered a supplementary service to support waste collection for residents with no vehicles. Assurance was provided that if District Council's wished to expand services to further prevent fly-tipping, LCC would offer support.
- Conversely, some Members suggested that it was the view of some North Kesteven officers that fly-tipping was not driven by access to HWRCs, but rather a cultural shift of attitudes. It was noted that illegitimate recycling collection services were advertising on social media and charging residents, but were fly-tipping the collected waste, although it was assured that LCC as the waste collection authority would prosecute where possible. The Head of Waste acknowledged that North Kesteven had an instrumental role in founding the Environmental Crime Partnership and agreed he would invite the group to the Committee to explore initiatives to further prevent fly-tipping. It was clarified that all residents had a duty of care to ensure their material was disposed of legitimately to prevent prosecution
- Questions were raised surrounding incentivising new contractors through re-procurement to improve recycling rates, and the Head of Waste assured that performance indicators had been built into the new contract. Although, it was clarified that LCC would not hold contractors wholly accountable for decreased recycling rates as officers could not control what waste the public presented.
- Members requested a visit to a recycling depot to improve public awareness on what materials could be recycled, and the Head of Waste assured officers would welcome a visit.

RESOLVED

That the Committee endorses the report and its recommendations

That's the comments noted be shared with the Executive Councillor for Waste and Trading Standards ahead of the decision as set out in the report

28 ECONOMIC INFRASTRUCTURE DEVELOPMENT LAND SALES STRATEGY

The Committee received a report from Simon Wright, Regeneration and Portfolio Manager, on the updated Economic Infrastructure Development Land Sales Strategy. Emma McCudden-Woodcock, the Regeneration Team Leader, was also in attendance for this item. It was reported that:

- The initial Strategy was formulated in 2019 and it now reflected an ongoing commitment to follow best practice in the context of the changing nature of LCC's portfolio.

Three principles underpinned the Strategy:

- Firstly, it tried to balance LCC's economic growth by prioritising commercial development land whilst balancing against the need to optimise capital receipts, whilst adhering to Best Consideration as outlined in the Local Government Act 1972.
- Secondly, the Strategy did not interfere with the property market, but rather facilitated and supported businesses where market conditions required it.
- Thirdly, LCC acted in a commercially astute way which envisioned the long-term aim of preventing land becoming land-banked in order to see immediate benefit to the local economy once it had been sold.

During consideration of the report, it was noted that:

- The Chairman highlighted Local Authorities as a significant driving force in the pursuit of sustainable economic growth, and the strategy emphasized the need for LCCs portfolio to be flexible, evolutionary, and responsive.
- It was considered by the Committee whether LCC would expand its role within the Strategy relative to the market, however it was highlighted that LCC specifically avoided market interference/competition to minimise potential risk. Expanding the role of LCC would be challenging as there were inherited sites within Lincolnshire; although local land prices were low, construction rates were high which potentially created a barrier for the private sector bringing a business case forward to LCC.

RESOLVED

That the Committee comments on the extent of which the various principles of the Development Land Sales Strategy will allow the Council to effectively manage, market, and sell the assets and meet the twin objectives of supporting the growth of the local economy and optimizing capital receipt income

That the comments made by the Committee are taken under consideration by the Officers responsible for finalising the strategy.

29 ENVIRONMENT AND ECONOMY SCRUTINY COMMITTEE WORK PROGRAMME

The Committee was referred to the work programme, which was set out on pages 61-66 of the agenda pack. Kiara Chatziioannou, the designated Scrutiny Officer for this Committee, informed Members of the contents of the agenda for the upcoming February meeting. Following discussion in the meeting, the broadband programme interim verbal update had been added to the work programme and was expected to be on the agenda for the July meeting.

RESOLVED:

1. That the proposed work programme be approved, subject to the addition above.

The meeting closed at 11.20 am