

**ENVIRONMENT AND ECONOMY
 SCRUTINY COMMITTEE
 10 JULY 2018**

PRESENT: COUNCILLOR B M DOBSON (CHAIRMAN)

Councillors Mrs W Bowkett (Vice-Chairman), B Adams, Mrs A M Austin, G E Cullen, M A Griggs, C L Strange and Dr M E Thompson

Councillors: D McNally attended the meeting as observers

Officers in attendance:-

James Baty (Senior Project Officer (Economic Research)), Andy Gutherson (County Commissioner for Economy and Place), Phil Hughes (Strategic Planning Policy Manager), Tracy Johnson (Senior Scrutiny Officer), Vanessa Strange (Accessibility and Growth Manager), Rachel Wilson (Democratic Services Officer) and Simon Wright (Principal Officer (Regeneration))

11 APOLOGIES/REPLACEMENT MEMBERS

Apologies for absence were received from Councillors S R Kirk, R P H Reid and Mrs E J Sneath.

An apology for absence was also received from Councillor C J Davie, Executive Councillor for Economy and Place.

12 DECLARATIONS OF MEMBERS' INTERESTS

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

13 MINUTES OF THE PREVIOUS MEETING OF THE ENVIRONMENT AND ECONOMY SCRUTINY COMMITTEE HELD ON 22 MAY 2018

RESOLVED

That the minutes of the meeting held on 22 May 2018 be signed by the Chairman as a correct record.

14 ANNOUNCEMENTS BY THE CHAIRMAN, EXECUTIVE COUNCILLORS AND LEAD OFFICERS

The County Commissioner for Economy and Place advised the Committee that the North Sea Observatory had not opened as planned due to last minute building issues. It was noted that remediation works were being carried out and it was

expected to open late July 2018. Members were advised that reparation for these additional works would be sought from the contractor.

15 GREATER LINCOLNSHIRE LOCAL INDUSTRIAL STRATEGY

Consideration was given to a report which provided the Committee with a progress update on Greater Lincolnshire LEP's production of a Local Industrial Strategy (LIS). The Committee was last briefed on this at its meeting on 16 January 2018. The report presented explained that the government had asked all Local Enterprise Partnerships to produce a local industrial strategy, and set out the steps that the Greater Lincolnshire LEP had taken so far in producing that strategy. As a founding partner of the LEP it was recommended that the County Council played a strong role in supporting the LEP's production of the Local Industrial Strategy.

Members were guided through the report and 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:

- It was commented that since the Energy from Waste (EfW) facility at North Hykeham had been built, it had been producing masses of heat, enough to power nine factories, with 24/7 assured energy which could be provided at a subsidised rate. It was reported that there was a good engineering base in Lincoln, particularly with the opening of the Engineering School at the University, and it was suggested that there was a need to focus on Teal Park and encourage businesses which would use the energy and heat from the Energy from Waste facility. Disappointment that more businesses had not been attracted to this site was expressed.
- Members were advised that officers did have sites such as Teal Park in mind when considering concepts such as the SMART GRID and how businesses could start to self-sustain in relation to the production of energy.
- It was suggested that the heat and energy produced by the EfW should be a big positive for any business looking to relocate to Lincoln.
- It was noted in relation to potential energy solutions, this was more focused on rural energy solutions and Teal Park was in an urban area. It was suggested whether the emphasis should instead be on developing a localised energy solution, which would then make Teal Park a good option. It was noted that there were a number of interested parties, and the authority was still engaged in dialogue about the opportunities. There was also the potential to link to the Western Growth Corridor. Members were advised that options around the EfW were also more complex as it was likely the facility would need to be retrofitted.
- It was noted that future energy requirements for waste sites were being examined.
- It was important to ensure that a perception of Lincolnshire having a predominantly agricultural industry was not developed as there was a need to encourage and attract new businesses to relocate to the County.
- It was agreed that there was a need for a focus on future skills. However, it was commented that there was a still a section of the population who needed the motivation to get onto the skills ladder.

- Reference was made to a number of applications approved in Boston for energy production and storage facilities along the riverside, and it was queried whether there was a way that these could be linked with the factories based along there, many of which operated 24/7. Members were advised that these had been brought together under the NSIP (Nationally Significant Infrastructure Projects) programme, and the County Council would be consulted as a stakeholder, but would only be able to respond and react to the developer's proposals. The issue of maximising heat outputs was one which was being scoped by the Planning Team, but was difficult for a local authority to shape.
- In terms of future skills needs, concerns were raised regarding whether there was too much focus on young people going to university and not enough around opportunities for apprenticeships. It was acknowledged that there was a very complex skills challenge in Lincolnshire, which was not just about recognising high level skills. There was also a need to think about what skills would be needed in 10, 20 and 30 years' time, as well as skills for the current workforce. There was a need to work out what businesses future plans may be and what they may need in the future. Work was taking place with the university and other stakeholders. There was also work to do around place making in order to attract new businesses to Lincolnshire.
- Members were advised that the LIS was not a strategy to be read in isolation, and was to run alongside documents such as the SEP (Strategic Economic Plan). It was suggested that the SEP should be seen as the "business as usual" document, but the LIS would set out the ambitions for all different sectors and would set out what made Lincolnshire stand out from other areas. It was hoped that investment in these areas would drive Lincolnshire forward.
- It was commented that the hand picking of crops was one area of skills which needed to be looked at, as this was currently mainly a migrant workforce but this could be reduced or lost in the future. It was suggested that in order for agricultural industries to survive these processes would either need to be automated or the physical demands made more attractive.
- It was noted that if industries were struggling for a workforce, then they would find a way to automate. There was some technology already in place, but there was a need to think 20 or 30 years ahead. There was a need for businesses to think about innovation, and this was the kind of thing that the LIS hoped to address.
- In terms of food production and the development of robotics, it was queried whether it was hoped that this would create its own industry. There would be a need to ensure that innovation was located in Lincolnshire so it could support the sector.
- It was suggested that there was a need to challenge the mis-conception that production line work was low skilled, as much of it involved operating machinery. It was acknowledged that there was more that could be done to show the line of progression that was available, as well as the different paths such as robotics or management.
- Concerns were raised that although Lincolnshire was moving forward at a great pace, the county was still lagging behind. It was queried whether the

authority could work to move forward with the five areas of focus outlined in paragraph 10 of the report.

- It was requested that this came back to the Committee in the future to follow up on some of the points highlighted.
- It was noted that the authority was slightly constrained by the government's timing of this. However, there was a view that officers would like to take work on these activities as far as possible so that once the Industrial Strategies have been agreed progress could be made with as few delays as possible.

RESOLVED

That it would be beneficial for the Committee to focus on the activities identified in paragraph 10 of the report and a progress report be brought back to the Committee in October 2018.

16 EXPORTING IN LINCOLNSHIRE

Consideration was given to a report which provided members with an overview of the recent analysis into exporting data, released by HM Revenue & Customs (HMRC) recently.

It was noted that despite the importance of exporting to the economy, it had proved difficult to measure locally in the past. However, in 2017 HMRC released new data on exporting at English Growth Hub level, a geography which typically aligned with Local Enterprise Partnership (LEP) boundaries. This data provided some new local insight into values, destinations and make up of exports.

It was noted that the total value of goods and services exported originating from Greater Lincolnshire businesses in 2015 was £2.9bn. This equated to £6,797 per job on average, which was below the UK average of £9,403 but was above other areas of the UK which had a similar economic make up to Lincolnshire.

Members were provided with an 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:

- It was clarified that D2N2 referred to Derbyshire, Derby, Nottingham and Nottinghamshire.
- It was queried why the values of exports from the D2N2 area was greater, and whether it was the infrastructure or density of population that was a factor in this.
- In terms of machinery that was exported, it was queried how many of the components or materials used in the manufacturing process would have been imported, and how much was being made from 'our own' resources. It was acknowledged that this was an important factor to consider, but the data did not currently provide this information.
- It was noted that exports were less than imports both locally and nationally.

- It was queried whether there was any information on 'invisible' exports such as services and knowledge, and members were advised that this was measured nationally, but not locally.
- It was commented that people exporting small goods could use the post office, those that exported large items would know the routes to export, but it was those people in the middle who were struggling. There was a need to get the message across about methods of exporting.
- It was commented that a lot of the information from HMRC did not relate to what the circumstances were in Lincolnshire, and it was queried whether this information could be provided to the members.
- It was suggested whether there could be a directory of services for exporting, as if a business had not handled exports before it would be a big task to undertake.
- Members were advised that the Business Lincolnshire website was also a source of information, and there was a possibility of peer to peer exercises that could be set up. There was a need to look at how a support network could be operated.
- It was suggested that a briefing paper be put together and circulated to the committee to provide further information regarding the Greater Lincolnshire LEP outputs data in the report.

RESOLVED

1. That the comments made be noted.
2. That a briefing paper be prepared and circulated to the Committee in relation to further information requested on the Greater Lincolnshire LWP outputs.

17 REVITALISING OUR HIGH STREETS

Consideration was given to a report which identified some of the trends which were taking place in the nation's high streets. It made specific reference to the work carried out by the Local Government Association into high streets. The report also recommended the establishment of a working group to explore the issue in greater detail.

Officers informed members of work which had taken place to transform the Marshall's Yard area of Gainsborough and also progress of the work being undertaken in the Cornhill area in Lincoln. It was also noted that the Local Government Association had recently produced a toolkit to help local authorities to understand the various steps that they could make in supporting high streets through this period of change. The toolkit showed that more responsibilities were at a district rather than county level, but it was considered to be a useful description of the issues which needed to be addressed.

Members were also advised that following the preparation of the report, a report known as the Grimsey Review was published which came up with a radical vision for town centres, with a retail core, but also planning for something more comprehensive in terms of becoming community hubs with activities around arts, health and the inclusion of social spaces for music, markets etc., in a similar way to continental

Europe. However, it was noted that UK high streets tended to be very linear, but it was something to be considered in terms of re-engineering town centres.

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:

- One member commented that they had recently visited Marshall's Yard in Gainborough and shared that it was wonderful place and it would be good to see a similar scheme in Skegness, or alternatively a number of smaller schemes.
- It was noted that a lot of the activities to do with high streets were not within the control of the county council. There were a number of factors which needed addressing including rents charged to high street shops, business rates and the cost of car parking.
- In terms of the Marshall's Yard development, it was commented that West Lindsey District Council had been very supportive of the proposals.
- It was suggested that all towns should be looked at, not just those that were working well.
- It was noted that accessibility was an issue, as using public transport to get into Lincoln sometimes could take a lot longer than driving.
- It was commented that the Marks & Spencer's Food Hall which had recently opened on Tritton Road in Lincoln was working well. It was suggested that this was because people could stock up on food without having to negotiate the town centre.
- It was commented that there was a danger of town centres becoming 'concrete jungles' such as the potential development at St Marks' in Lincoln, which was proposed to include student accommodation and a hotel.
- It was noted that market towns had a lot of factors in common such as many had very linear high streets and there would be major infrastructure changes needed to make it a more pleasant shopping experience.
- It was suggested whether there was a need for some of the shops on high streets to be converted back into houses. However, it was commented that changes such as these would need a lot of imagination and courage to get the process started. There was also a need to be realistic about issues like car parking. It was noted that when there used to be free parking, people going to work would use the free spaces preventing people from using them who were coming into the town centre to shop.
- There was a need to accept that shopping was changing, and people were looking for a different experience, which was why areas like York and Bicester were surviving.
- It was commented that Boston was one town which did not have a linear high street. It was also noted that the bulk of land in the town was owned by LCC highways. The authority engaged with Boston Borough Council on maximising the potential of open spaces.
- One member commented that they were unable to welcome any shopping centre in the centre of Sleaford or the proposed designer outlet village in Grantham as it would be detrimental to Grantham town centre. However, it was countered that the designer outlet village in Grantham would be a

different type of shopping experience and the 3.5million visitors it was expected to attract would have the experience of visiting Grantham. If only 10% of that number visited the town centre, that would benefit the town's economy. It was not anticipated that this outlet village would take footfall from Grantham town centre.

- It was suggested that there was a need to collectively lobby to have rents reduced in the smaller towns.
- It was commented that the opening of Marks & Spencer's in Skegness had improved foot fall within the town.
- In relation to bringing entertainment into town centres, it was thought this would be a good idea, however, the costs of closing a road, and the need to submit the requests for road closures in advance tended to prove prohibitive to these types of activities.
- The Committee was supportive of the suggestion to form a working group to look at these issues further and a number of members volunteered to be part of the working group. It was noted that all suggestions would be put to the Group Leaders who would appoint members to the working group.

RESOLVED

1. That the creation of a time limited working group to identify the ways that LCC as an upper tier authority could support high street vitality be approved.
2. That a report be presented to a future meeting of the Committee which set out the outcomes from the working group and recommendations to be considered by the Executive Councillor for Economy and Place to improve high street vitality.
3. That Councillors B Adams, Mrs W Bowkett, G E Cullen and B M Dobson be put forward for appointment to the Working Group.

18 ECONOMY QUARTER 4 PERFORMANCE MEASURES (1 JANUARY TO 31 MARCH 2018)

Consideration was given to a report which provided the Committee with information on performance against the economy indicators included as part of the Council's Business Plan. It also provided some economic context to why the services delivered in support of those indicators were relevant. It was noted that the four indicators were met in 2017/18.

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:

- It was commented that house building rates had fallen again, and at district level, planning consent would be given but the building would never take place. It was highlighted that one issue was that utilities were not in sync with the districts. It was queried whether there was any pressure that could be applied. It was noted that the provision of utilities was one issue in some areas with low house building rates, and work was underway to try and address this.

- It was noted that the utility companies worked to a different regime than local authorities, but work was being taken forward by the LEP, and it was also an issue that the government and MP's were aware of.
- It was noted that housing would be a big issue in the future and would be included in the Joint Strategic Needs Assessment (JSNA).
- It was highlighted that there had been a 12% reduction in manufacturing jobs, and it was noted that a lot of jobs would have been lost in Grimsby due to reductions in the fish processing industry. It was confirmed with these jobs would have been within the agri-food sector. It was commented that it would be interesting to see what was in the next set of data when it was released later in the year, as the data available was retrospective. The Committee requested further information on changes in employment in relation to manufacturing to see if there was any particular area of manufacturing affected and whether it had changed since 2016. It was requested that this information be included in the Quarter 1 performance report due in September 2018.
- In terms of housing, it was acknowledged that the county council could not affect it, for example, in terms of affordability. But it was suggested that the one thing which the authority could have an effect on was on the amounts asked for under S106. It was thought there was planning permission for about 2,500 houses which were outstanding. It was noted that a review of the planning system was being carried out.
- In terms of S106, they were legitimate requests, as if housing developments were being built, then health, schools and highways infrastructure would be needed. It was also noted that lots of smaller schemes could have a cumulative effect.
- It was suggested whether the LEP could be asked to look into whether there was any correlation between wage growth, building rates and house prices.
- It was queried whether where there were issues with developers obtaining planning permission and then not building the houses, could the authority buy back the land at a reduced rate if the houses were not built within a set time period.

RESOLVED

1. That the comments made in relation to the performance information presented be noted.
2. That further information on manufacturing be included in the Quarter 1 performance report due in September 2018.

19 ENVIRONMENT QUARTER 4 PERFORMANCE MEASURES (1 JANUARY TO 31 MARCH 2018)

Consideration was given to a report which described progress against the indicators in the council business plan. It showed members that one indicator had been fully met, and that there had been measured progress against three indicators but two indicators had not been met.

It was noted that the two indicators which had not been met related to the Joint Municipal Waste Management Strategy, which was out of date, but was in the process of being fully revised. It was expected that the new strategy would be signed off by the Lincolnshire Waste Partnership at its meeting in September. It would then come back to this Committee in due course.

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:

- It was commented that work was underway to try and get all authorities in Lincolnshire to collect the same materials for recycling, but it was thought that it would be difficult to get all districts to agree a joint approach.
- One member commented that they felt very strongly about what should go in the waste bin. There was a need to educate the public and be consistent with what can be collected. Members were advised that progress was being made and it was hoped that work by the Lincolnshire Waste Partnership would give people confidence.
- It was noted that there was a lot of non-recyclable material going into the recycling stream, but also there was a lot of recyclable material which was being put into the residual waste bins.
- There was agreement that the message needed to be simplified, and how the districts wanted to collect it would be up to them.

RESOLVED

That the comments made in relation to the performance information presented be noted.

20 ENVIRONMENT AND ECONOMY SCRUTINY COMMITTEE WORK PROGRAMME

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

Members were advised that there were no amendments to the report, and the next meeting was due to be held on 18 September 2018.

Members were also advised that it was expected that the Joint Municipal Waste Management Strategy would come to this Committee on 13 October 2018.

RESOLVED

That the work programme as set out in Appendix A to the report be noted.

21 VERGE BIOMASS PROJECT

It was reported that in 2017 Lincolnshire County Council attracted funding from the Greater Lincolnshire Local Enterprise Partnership (GLLEP) to progress the Verge Biomass project. This money was matched by private sector funding to design and build specialist equipment to cut and harvest verge side cuttings to be used in anaerobic digesters (AD) to create energy. This work created national interest and so the authority hosted an event at Riseholme College to showcase the work done so far. The report provided members with an overview of the progress to date and were also advised of the opportunity to see the machine in action following the meeting.

Members were advised that the successful bidder to build the machine was a Lincolnshire firm. With the first trial, there was a lot of analysis carried out with Leeds University in terms of calorific value etc. and research showed that verge cuttings were a like for like replacement for maize, which was important in terms of future food security. This would also start to give a cost to the material harvested.

It was also noted that systems such as AD could provide wireless connection opportunities for electricity going forward.

It was acknowledged that there were limitations with where it would be safe to cut, which would still need to be worked out. However, the amount of partnership working which had gone into this project was emphasised to the Committee. Work with the private sector had also taken place to deliver this project.

Members were advised that currently the biggest challenge was the Environment Agency as dispensation had been received for this trial, but there was still uncertainty around whether individual permits for each AD plant would be required. Detailed conversations were taking place regarding flexibility on this matter going forward.

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

- It was queried what happened to the plastic which would be collected with the verge cuttings, and it was noted that there was an element of this which could be coped with, but it was noted that this was not particularly a problem on B roads, but was more of a problem around junctions. It was noted that in those areas with major litter problems, the grass may not be collected.
- It was noted that some of the machines used on the continent did have the capacity to collect waste plastic in verges. However, it was noted that whether the plastic was collected as well would depend on whether the facility the verge cuttings was taken to could cope with the rubbish as well.
- It was suggested whether it would be worth talking to the Horncastle MP. Members were unhappy that further implementation of this project could be delayed due to permits from the Environment Agency needing to be purchased which could affect the financial viability of this material.
- It was noted that this project would turn grass cuttings into a profitable product. AD plants were currently using a mix of products, and a certain amount would

be stored for use as feed stock through winter. There was also the potential for a much longer cutting window. It was noted that there was no reason that the number of cuts could not be increased if it was economically viable.

- In terms of the Environment Agency, an exemption had been granted for the previous work on this project. But there were still discussions to be had regarding how the verge cuttings would be classified.
- It was noted that any parish council could approach the County Council for additional cuts, and it was confirmed that there were a number of arrangements with parish councils in place.

RESOLVED

That the content of the report be noted and that the direction of the project be supported by the Committee.

The meeting closed at 12.35 pm