



To be submitted to the Council at its meeting on 17th September 2020

ECONOMY SCRUTINY PANEL

30 June 2020 at 6.30 p.m.

Present:

Councillor Furneaux (in the Chair)

Councillors Barfield, Cairns, Freeston (substitute for Callison), Harness, Hasthorpe, Sheridan and Wilson

Officers in attendance:

- David Baker (Commercial and Property Data Manager - Engie)
- Anne Campbell (Scrutiny and Committee Advisor)
- Pauline Cooke (Planning and Building Control, Business Improvement Manager – Engie)
- Simon Jones (Chief Legal and Monitoring Officer)
- Ian King (Spatial Planning Manager - Engie)
- Guy Lonsdale (Deputy Section 151 Officer)
- Mark Nearney (Assistant Director Housing and Interim Assistant Director Highways, Transport and Planning)
- Philip Quinn (Performance Analyst - Engie)
- Dave Tipple (Relationship Manager)
- Clive Tritton (Interim Director Economy and Growth)
- Jacqui Wells (Head of Housing - Engie)
- Paul Windley (Democratic and Scrutiny Team Manager)

Also in attendance:

- Councillor Fenty (Portfolio Holder for Regeneration, Skills and Housing)
- Councillor Jackson (Leader of the Council and with overall Cabinet responsibility for the Town Deal)
- Councillor S Swinburn (Portfolio Holder for Environment and Transport)

SPE.1 APOLOGIES FOR ABSENCE

Apologies for absence from this meeting were received from Councillor Callison.

SPE.2 DECLARATIONS OF INTEREST

There were no declarations of interest received in respect of any item on the agenda for this meeting.

SPE.3 QUESTION TIME

There were no questions from members of the public for this meeting.

SPE.4 MINUTES

RESOLVED – That the minutes of the Economy Scrutiny Panel meeting held on 10th March 2020 be agreed as an accurate record.

SPE.5 TRACKING THE RECOMMENDATIONS OF THE SCRUTINY PANEL

The panel received a report from the Statutory Scrutiny Officer tracking the recommendations previously made by this scrutiny panel, which was updated for reference at this meeting.

RESOLVED – That the report be noted.

SPE.6 FORWARD PLAN

The panel received the published Forward Plan and members were asked to identify any items for examination by this Panel via the pre-decision call-in procedure.

RESOLVED – That the Forward Plan be noted.

SPE.7 EMPTY PROPERTY STRATEGY 2020/2024

The panel received a report from the Portfolio Holder for Regeneration, Skills and Housing presenting the above strategy and action plan. Mr Nearney described how the report focused on finding solutions to bring empty residential and commercial property back into use. It brought together work to provide homeless accommodation and improve housing standards. The strategy also described how the council would prioritise potential enforcement cases and how it would work with property owners.

Members welcomed the report and raised the following issues:

Regarding enforcement powers relating to housing matters; Ms Wells advised that the authority had a range of enforcement options to seek to improve empty properties including compulsory purchase or enforced sale. Working closely with the council tax team, the strategy could enable a nuisance empty property with council tax arrears to be subject

to an enforced sale which would ultimately bring the property back into use.

In response to questions about unreported empty homes, Ms Wells acknowledged that there was a financial disincentive to register homes as empty; notwithstanding the 100% council tax charge. Owners were instead registering empty properties as single occupancy which incurred a 75% council tax charge. However, when such fraud was detected this was reported to the council tax team for action to be taken. Penalties and charges were subject to Government legislation. Financial consequences were incremental and back dated to the date at which the property became empty.

Regarding the heatmap showing relative density of empty homes in North East Lincolnshire (NEL), Mr Nearney committed to provide numerical information in a more detailed format for panel members.

Regarding Lincolnshire Housing Partnership (LHP) properties for sale in the West Marsh ward, Mr Nearney advised that this issue had been raised with the local social housing provider but wholesale property sales continued with private developers. The authority hoped to be able to facilitate sales with community and voluntary sectors who looked to longer term housing solutions for people in need, such as the Young Men's Christian Association (YMCA) or Women's Aid; which would be preferable to LHP disposing of properties to speculative property developers. Ms Wells added that the authority had had some success in this regard, enabling a community organisation in the East Marsh ward to acquire properties and also acting as a mediator for a charity to purchase property from LHP. The council could support this approach in a number of ways; as a mediator, a facilitator and/or a financial contributor to enable a sale and renovations to be completed, subject to good governance and conditions being in place to secure the long-term use of the property. The authority continued to work towards better and more sustainable solutions for bringing empty homes back into use including, in the future, the potential to develop council owned social housing for vulnerable people.

In response to questions about the impact of COVID-19 on property improvements, Mr Nearney confirmed that the council continued to work closely with landlords to ensure the pandemic's impact was minimised in terms of bringing empty homes back into use. His team worked equally hard ensuring that unscrupulous owners / landlords were not failing in their responsibilities.

Regarding improving the street scene, environment and aspirations of areas with high numbers of empty and/derelict homes, Mr Nearney acknowledged that the empty homes strategy did not address these matters but he committed to keep those issues in mind when considering future plans and initiatives.

In response to question about some 200 properties which had been empty for over 5 years, Ms Wells advised that the most troublesome of these properties were subject to current enforcement activity. A number of properties were flats over shops which were not available for residential use as they were being used as storage. These properties were not causing a nuisance to the community and they were 'in use'.

It was proposed by Councillor Hasthorpe, seconded by Councillor Harness and carried upon a show of hands that the report and its recommendations be released to Cabinet.

RESOLVED – That the panel's comments and report be noted.

SPE.8 LOCAL PLAN REVIEW

The panel received a report from the Portfolio Holder for Environment and Transport providing the background to a decision by Cabinet to approve the commencement of a review of North East Lincolnshire's Local Plan. Mr King presented the report to members.

Members welcomed the review and raised the following issues.

- Regarding the impact of climate change, current economic uncertainty, the impact of COVID-19 and a possible change in people's housing needs and preferences. Members felt it would be timely to look at flexible housing provision which supported home working. It was also felt that development of town centre/urban sites should be prioritised over those in surrounding villages.
- A member questioned the timing of the review, particularly in view of COVID-19. Mr King advised that it would be prudent to undertake the review now. This was due to the Council being required to demonstrate that it had land available to meet a five year land supply. If this was not addressed, the council would not be in a position, going forward, to determine or control speculative planning applications on developments it deemed unsuitable or unsustainable. Whilst COVID-19 would have a significant effect on the borough, this should be taken into account in the local plan. This did not stop the authority having ambitious plans for future growth.
- Members acknowledged that the formula for housing need had changed, reducing the number of new builds required in the plan. However, this would have a negative effect on income for the Council and a corresponding impact on future financial planning. Mr King confirmed the Government had implemented a standard methodology. Evidence showed that this number was now lower than achieved completions over the past years. This would result in the council pitching its new build position based on decline, which conflicted with the Council's economic strategy which was founded on economic growth. He reminded members that the Greater Grimsby Town Deal and the South Humber Inward

Investment Programme (SHIP) both continued to attract major investors.

- Responding to questions about what had changed in NEL over approximately two years requiring a wholesale review of the local plan, Mr King explained that the Government had changed its criteria for determining which development sites were deliverable, effectively reducing the number of available sites in NEL. Also, the numbers of new builds had, albeit slightly, lagged behind what was required; and this shortfall must be taken into account.
- Members wanted to see cross party engagement with elected members, possibly via working groups to ensure timely scrutiny and influence. Mr Tritton reminded the panel that the report started a lengthy process which would involve scrutiny at pre-decision stages. Mr King confirmed that the process would take approximately one year from the initial scope, first consultation, preparation of a draft plan, further consultation, submission, final consultation and then to the Secretary of State. The timeframe with key milestones would be provided to the panel outside of this meeting.

The Leader of the Council agreed that the authority must be ambitious for the area. However, members must also acknowledge that without a review there was a danger that we could be in a position where we would be unable to protect rural areas from unsuitable speculative developments. His view was that the number of new homes in the previous local plan was overambitious. If calculations now showed we could bring that number down, this would protect rural areas around the borough and help to influence development in the town centre and urban areas where regeneration was needed. He wanted to reassure the panel that the intention was not to downgrade the area but to be clearer about how the council's ambition for the borough translated in terms of housing provision. Mr King added that the authority must have a range of sites available or it could risk losing major developments to neighbouring authorities.

Councillor Fenty, Portfolio Holder for Regeneration, Skills and Housing, reminded the panel that the local plan was not just about housing numbers but encompassed many other aspirations for the area including carbon reduction and energy efficiency. The council's commitments, recently agreed, around climate change must be incorporated into the local plan and subsequently into the planning system

The Chair confirmed that the panel would look forward to being kept up to date and involved in the review of the local plan.

RESOLVED – That the report be noted.

SPE.9 PROVISIONAL OUTTURN REPORT

The panel received a report from the Director of Resources and Governance providing key information regarding the Council's provisional financial outturn for 2019/20. The panel noted this report was

considered by Cabinet at its meetings on 10th June 2020 and was referred to all scrutiny panels. Mr Lonsdale highlighted key elements of the report within the terms of reference of this panel and invited questions from members.

Members raised the following issues:

In response to question from a member, Mr Lonsdale explained that in terms of 'payback', capital programme works and investments had direct and indirect benefits, some of these were more tangible than others. As an example, he offered SHIP which had a payback forecast of 12 years, subject to the rate of development and the density of the development. Other projects may save the Council money and/or enable additional housing growth bringing in extra council tax. An example of this would be the investment in the Council's playing pitch strategy, releasing land for housing development.

Regarding £22m revenue spend in the economy and growth area. Mr Lonsdale advised that the revenue spend covered a range of activities and statutory duties. Examples would be the function and operating costs around planning, highways, enforcement and housing. There were more discretionary elements such as a relatively small economy and growth team. The team worked behind the scenes bidding for and securing Government and other grant funding sources to support regeneration of the borough, an example would be the soon to be considered £25m future high street funding submission. Mr Tritton stressed that the £22m revenue budget, whilst under the heading of economy and growth, was not limited to servicing or delivering the capital programme.

In response to questions around the impact of COVID-19 and other overspends impacting on economy and growth budget envelopes, Mr Lonsdale acknowledged that there would be a negative impact on other Council spend due to the finite resources available to the authority. COVID-19 would undoubtedly have a significant impact on Council's across the country. Government had granted £9.6m to this council to cover a range of pressures; predominantly in adult and children's social care. There had been a reduction in income from fees and charges, for example, planning applications and car parks. There were also delays to savings and efficiency programmes built into the current budget. Council teams had been diverted to other duties, an example of this would be the regeneration and growth team switching responsibilities to support the Government's discretionary business grants. In summary, the additional funding would go a long way to support the council this year. Longer term, into 2021, the authority was working with other councils in Lincolnshire and the Yorkshire and Humber area plus the Ministry of Housing, Communities and Local Government. The aim was to share experiences and challenges and work together to protect vital local services.

RESOLVED – That the report be noted.

SPE.10 REGENERATION PARTNERSHIP PERFORMANCE REPORT 2020 QUARTER 1

The panel received a report from the Interim Director of Economy and Growth containing a summary of performance against key performance indicators. Mr Tritton reminded the panel of the background behind this regular report. Mr Tipple explained that during the period of the report, ENGIE had been heavily involved in the Council's response to COVID-19 and this would remain the case going forward. ENGIE colleagues were present at this meeting to respond to members. Hence, Mr Tipple invited questions from the panel.

Members raised the following issues:

Regarding flood risk, a member highlighted that flooding had occurred on Humberston Fitties but was not mentioned in the report. Mr Nearney explained that the council was speaking to the Environment Agency regarding coastal flooding and reassured the panel that this incident had not been forgotten and he committed to speak to the member in due course.

Mr Tritton further advised that from the very outset of the Council's response to COVID-19 pandemic, the ENGIE partnership had undertaken a 'Herculean' task across the past few months in supporting businesses and residents and ensuring highways and transport were responding to changing needs. The response to support the council over the past months had been excellent and very welcome.

In response to questions from the Chair, Ms Cooke and Ms Wells confirmed that ward walks referred to in the report were in the East Marsh and West Marsh wards. Areas covered included Elsenham Road, Newhaven Terrace, Lord Street and Gilbey Road.

RESOLVED – That the report be noted.

SPE.11 REGENERATION PARTNERSHIP IMPROVEMENT ACTION PLAN

The panel received a report from the Interim Director of Economy and Growth describing progress against the approved improvement action plan. Mr Tipple reiterated comments about the impact of COVID-19 and its effect on the improvement plan. The plan used the RAG rating system, which is a management method widely used to rate the status of projects. It was based on traffic lights using red, amber and green to signify different ratings. He could report that of the 87 actions in the plan; 47 were complete, 27 were showing green; that is on track to be completed. Twelve were amber indicating they were 'at risk' or slipping in terms of completion. Just one remained red and this referred to a

consultation process which could not be commenced due to the pandemic.

RESOLVED – That the report be noted.

SPE.12 TRACKING THE RECOMMENDATIONS OF ECONOMY SCRUTINY PANEL

The panel received a report from the Director for Communities tracking the recommendations of the Economy Scrutiny Panel.

RESOLVED – That the report be noted.

SPE.13 ECONOMY SCRUTINY PANEL DRAFT WORK PROGRAMME 2020/221

The panel considered its work programme for the ensuing municipal year 2020/21. Invited to prioritise and suggest items, members raised the following issues.

Regarding the Greater Grimsby Town Deal (GGTD), Mr Tritton committed to report to the panel at its special meeting in August on phases one and two of GGTD. He added the GGTD had now ceased but in its place was the Stronger Towns Fund, for which he confirmed a further submission from this council for funding was imminent. The Future High Street funding was a separate bid and it was this that the panel would be looking at, at a special meeting to be held on 7th July 2020.

Members commented that they would want to see the panel's involvement in the Local Plan review scheduled into the work programme to reflect earlier discussions from this meeting.

The Chair questioned whether six monthly outcomes progress reporting was feasible given the council's changes in priorities due to the COVID-19 pandemic.

Mr Tritton noted that the panel would need to be involved in a review of the economic strategy but that this work had paused in order for services to be able to respond to issues relating to COVID-19. However, COVID-19 would further impose massive changes to the economy of the area, which in turn would influence the evidence base and baseline position from which the economic strategy would be developed. Changes to the nature of the labour market and demands for skills were fundamentally changed since scrutiny members considered the local economic assessment and the draft economic strategy in the last year. The current, post-COVID, labour market was further complicated in that the Government's furlough scheme did not allow the actual labour market to be accurately reflected. It could be very different when the scheme ended. He reassured the panel that when the time was right, this would

be developed and scrutiny would, as previously, be actively involved in the development of the economic strategy.

RESOLVED – That the panel's comments be noted and the Economy Scrutiny Panel's work programme be approved.

SPE.14 QUESTIONS TO PORTFOLIO HOLDER

There were no questions for the portfolio holder at this meeting.

SPE.15 CALLING IN OF DECISIONS

There were no formal requests from Members of this panel to call in decisions taken at recent meetings of Cabinet.

There being no further business, the Chair declared the meeting closed at 8.00 p.m.