



To be submitted to the Council at its meeting on 16th March 2023

ECONOMY SCRUTINY PANEL 10th January 2023 at 6.30pm

Present:

Councillor Freeston (in the Chair)
Councillors Callison, Dawkins, Reynolds, Smith, Wheatley and Wilson.

Officers in attendance:

- David Baker (Contract Business Manager, Equans)
- Carolina Borgstrom (Director of Economy, Environment and Infrastructure)
- Anne Campbell (Scrutiny Advisor)
- Richard Dowson (Head of Project Management)
- Wendy Fisher (Estate and Business Development Manager)
- Damien Jaines-White (Assistant Director Regeneration)
- Simon Jones (Assistant Director Law and Governance)
- Guy Lonsdale (Deputy Section 151 Officer)
- Mark Nearney (Assistant Director for Housing, Highways and Infrastructure)
- Paul Thorpe (Operations Director, Equans)
- Jacqui Wells (Head of Housing Strategy)

If Liz Marsden is there, in public seats, but doesn't speak – should I add her?

Also in attendance:

- Councillor Jackson (Leader of the Council and Portfolio Holder Economy, Net Zero, Skills and Housing)
- Councillor Harness (Portfolio Holder Finance, Resources and Assets)
- Councillor S Swinburn (Portfolio Holder for Environment and Transport)
- Councillor Holland
- Councillor Shutt

There were no members of the press or public present.

SPE.46 APOLOGIES FOR ABSENCE

No apologies for absence from this meeting were received.

SPE.47 DECLARATIONS OF INTEREST

- Councillor Dawkins declared a pecuniary interest in SPE.51(iii) as his spouse is employed by Equans.

SPE.48 MINUTES

RESOLVED – That the minutes of the meetings of the Economy Scrutiny Panel held on the 8th November 2022 be agreed as a correct record.

SPE.49 QUESTION TIME

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

SPE.50 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.51 PERFORMANCE MONITORING REPORTS : JUNE – SEPTEMBER 2022

The performance monitoring reports were not published in time to meet the statutory deadlines for this panel's scheduled meeting held on 8th November 2022. However, reports were sent to members in November including an invitation to submit written questions or comments with a commitment for written responses. Members were also invited to contact the Chair should they consider a special meeting of the panel was needed to receive these items. No questions, comments or requests were received

RESOLVED – That the report be noted.

SPE.51i FINANCIAL MONITORING REPORT 2022/23 - QUARTER 2

The panel received a report from the Portfolio Holder for Finance, Resources and Assets providing key information and analysis of the Council's position and performance for the first quarter of the 2022/23 financial year.

Please note this report was considered by Cabinet at its meeting on 16th November 2022 and was referred to all scrutiny panels to consider matters within their terms of reference.

Regarding potential cuts and projects not progressing as a result of the current overspend. Mr Lonsdale highlighted the mitigating actions outlined within the report submitted. In addition to immediate actions to bring spending down, it was inevitable that the council would draw down from its reserves; the detail of this would be included in the quarter three report which was due to be referred to all scrutiny panels in February 2023. And which this panel would formally consider at its next scheduled meeting to be held 28th February 2023. Decisions about specific reserves and resources had not yet been made. The Portfolio Holder for Finance, Resources and Assets confirmed that the report now before members was superseded, hence why it was circulated in November for questions and comment. The quarter three report would be submitted in a timely manner to all scrutiny panels and would provide the detail members were seeking.

Regarding income shortfalls in reduced planning applications and from reduced tenant occupancy within the councils commercial estate. Ms Fisher advised that market conditions were leading to the losses. Overall income targets were achieving well. The commercial estates manager and the team were looking at rent reviews and working with commercial representatives. Through advertising and other methods the council were actively seeking additional tenants however this remained a very challenging environment.

Regarding “open for culture” Mr Jaines-White advised that the increasing construction costs had affected one scheme only being unable to proceed. He anticipated that North East Lincolnshire was priority placed and could reasonably expect further opportunities for funding.

Mr Lonsdale responded to questions about the recent pay award and confirmed that the national pay award had caused a strain and indeed was £2.7m more than the authority had budgeted for.

In response to questions about energy costs and increasing interest rates., Mr Lonsdale advised that the authority’s energy costs were subject to a fixed term contract until 2024. However, there were areas of concern such as the leisure estate and the Council’s general energy costs. Increasing interest rates would require a draw down on reserves and it may be necessary to look at the capital programme and the potential for re-profiling or reprioritising. This detail would be included in the quarter three reports. He reassured members that each and every capital scheme had progressed through a rigorous business case approval process. Accordingly, if conditions changed then the business case would be reviewed. This was standard practice.

The leader drew members attention to page five of the report and reiterated the council was progressing with a programme of capital investment to support delivery of the council plan and drive financial sustainability through economic and housing growth. However due to current economic and financial uncertainty, the programme was being re-profiled and re-prioritised to mitigate against rising interest rates. A full detailed review of the capital programme was being undertaken in order

to achieve savings going forward and address the impact of increased borrowing costs.

RESOLVED – That the report be received

SPE.51ii COUNCIL PLAN PERFORMANCE REPORT 2022/23 – QUARTER 2

The panel received a report from the Leader of the Council providing oversight of performance against the council plan for the second quarter of the 2022/23 financial year.

Please note this report was considered by Cabinet at its meeting on 16th November 2022 and was referred to all scrutiny panels to consider matters within their terms of reference.

RESOLVED – That the report be noted.

COUNCILLOR DAWKINS LEFT THE ROOM

SPE.51iii REGENERATION PARTNERSHIP PERFORMANCE REPORT – QUARTER 3

The panel considered a report from Equans containing a summary of performance against key performance indicators

Regarding 3.1.6; demand responsive transport. A member was concerned that a number of potential passengers were having difficulty making bookings. This was irrespective of the time of contact or whether contact was made by phone or on-line. Mr Nearney committed to investigate and respond accordingly. The Portfolio Holder for Environment and Transport added that the new contract for this service included new scheduling software so he was eager to ensure that the public had easy access to the service.

RESOLVED – That the report be received.

COUNCILLOR DAWKINS RETURNED TO THE ROOM.

SPE.52 NORTH EAST LINCOLNSHIRE BUS NETWORK REVIEW

The panel considered a report from the Portfolio Holder for Environment and Transport on a bus network review. The review would demonstrate that network planning had taken place. Members noted item SPE.60 contained exempt information in relation to this item. Reports would be considered by Cabinet at its meeting to be held on 18th January 2023 and were brought to this panel for pre-decision scrutiny and comment.

Members raised the following issues:

Regarding minimum fare of £2; the panel thought that this minimum fare of £2 was too high; making short bus journeys expensive. People were more likely to use their cars to nip to their local shop rather than use a bus. Mr Ford advised that Bus Services Improvement Plan (BSIP) funding could not be used for fares and bus fares were set by Stagecoach. The Portfolio Holder for Environment and Transport confirmed that that regular meetings were held with Stagecoach and such issues were raised regularly; he would relay the panel's concerns to Stagecoach. Further debate of this and other exempt items would be deferred until after the exclusion of press and public.

RESOLVED – That the report be noted.

For further recommendations refer to SPE.60 below.

SPE.53 EMPTY HOMES - UPDATE

The panel considered a requested briefing note providing an update, from the Assistant Director for Housing, Highways and Infrastructure on the above.

Members raised the following issues:

In response to a question from the Chair regarding the number of empty properties brought back into use, Mr Nearney advised that the current target of 40 was contracted into arrangements with Equans. This was to be reviewed imminently. Mr Thorpe further remarked that following a service review in 2014, the number of resources were reduced, and the annual target was reduced to reflect the available resource.

Regarding the New Homes Bonus Scheme (NHBS) and the possibility of using funding to divert back into reducing long term empty properties. Mr Nearney confirmed this was being explored but emphasised that not all empty properties returned to use would qualify, he estimated around 30. He verified the authority was involved in conversations and negotiations in this regard. This grant is secured each year and received automatically by the authority based on information provided in regular returns to government. The Chair committed to consider an update on this matter when setting the agenda for upcoming meetings.

RESOLVED –

(1) That the report be noted

(2) That further updates on empty homes be considered in discussions on future agendas and the work programme of the Economy Scrutiny Panel.

SPE.54 FRESHNEY PLACE MARKET HALL

The panel considered a report from the Executive Director Environment, Economy & Resources. This topic is an element of the panel's work

programme and the report provided a requested update on the current operation and latest plans regarding the future of Top Town Market.

Members raised the following issues:

In response to questions, Mr Thorpe advised that the reducing number of market stalls and footfall was a national trend with sixteen thousand stallholders leaving markets across the UK. In NEL methods to minimise the downturn included events and promotions to attract footfall, especially young people. These were detailed in the report now submitted. Officers worked with national associations and local traders to learn and apply best practice. It was sometimes difficult, despite using multiple methods, to engage with stall holders and traders. He added that the Future High Street Funding brought confidence in future plans.

The Chair commended the marketing and promotions outlined within the report and noted the 10% uptake on new stall holders following the incentive scheme, he queried how this compared with other, similar, out-of-area market halls. Mr Thorpe confirmed that occupancy plateaued at 49% over the summer and the authority was now seeing an increase in enquiries with occupancy likely to also increase. Ms Fisher confirmed that the fluctuations in occupancy and footfall were in line with the national picture and other similar towns.

Regarding reduction of rents for existing stall holders and/or free rents, to increase occupancy. Ms Fisher explained that the market hall was part of the council's commercial estate and brought an income into the revenue budget. The authority was legally bound to present a balanced budget and any shortfall or reduction in income must be offset. She stressed that, along with all other retail business, market traders were badly affected during the pandemic. Grants were available during this time and were claimed by market traders. The grants were awarded to assist with rents, salaries and other ongoing costs. Market hall rents had not been increased for some time. A new market hall, as proposed in the future high streets project, would give an opportunity, working with existing traders and experts, to ensure the market hall was the right size. Mr Thorpe added that expert advice was sought and the authority was counselled against free rents with concessions being in line with recommendations from the market traders association. Despite concessions for new stall holders interest remained low.

Members were concerned that not all current stall holders would be able to continue trading and be able to take advantage of the new market hall.

Ms Fisher described an additional initiative to help traders 'in genuine hardship'. Traders were to submit their accounts for examination before an award was made. In the event, two traders submitted accounts but inspection deemed them not eligible for an award.

Members commented on a number of initiatives which may encourage footfall, for example, free parking and pop-up stalls. Mr Thorpe confirmed

that these approaches had been considered previously. Further comments about and comparison with large outdoor 'destination' markets prompted Mr Dowson to assure the panel that all options were being explored and the most viable would be brought back.

In closing the Chair left officers with the comments and considerations of the panel and asked that options for the new market hall be brought back at an appropriate time with the possibility of a working group to consider any complex and/or detailed policy matters.

RESOLVED –

- (1) That the report be noted
- (2) That, as arrangements for the new market hall progress, a report be brought back to this panel to allow consideration and comment on detailed proposals. Date to be agreed.

SPE.55 GYPSY AND TRAVELLER NEGOTIATED STOPPING AGREEMENTS

The panel considered a briefing note from the Head of Estates and Business Development on the above.

It was proposed by Councillor Callison, seconded by Councillor Dawkins and agreed upon a unanimous show of hands;

RESOLVED – That the Executive Director of Environment, Economy and Resources in consultation with the Portfolio Holder for Finance Resources and Assets report back to this panel at its September 2023 scheduled meeting.

SPE.56 TRACKING THE RECOMMENDATIONS OF SCRUTINY

The panel received a report from the Statutory Scrutiny Officer (Assistant Chief Executive) tracking the recommendations of the Economy Scrutiny Panel.

At SPE.37 Local Plan Review, the panel asked that this remains in the tracking report to act as a prompt. Ms Campbell committed to obtain an update on the process for inclusion in the tracking report to be received at the next scheduled meeting in February, 2023.

RESOLVED –

- (1) That the report be noted.
- (2) That item at SPE.39, regarding empty homes, be removed as completed.

SPE.57 QUESTIONS TO PORTFOLIO HOLDER

There were no members' questions to the Portfolio Holder.

SPE.58 CALLING-IN OF DECISIONS

There were no formal requests from members to call in decisions taken at recent meetings.

SPE.59 EXCLUSION OF PRESS AND PUBLIC

RESOLVED – That the press and public be requested to leave on the grounds that discussion of the following business was likely to disclose exempt information within paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

SPE.60 BUS NETWORK REVIEW – APPENDICES A AND B

The panel received closed appendices from the Portfolio Holder for Environment, SPE.52 refers. Mr Thorpe made clear that the report did not propose reductions in service, rather it quantified the resources required to retain specific routes. He reiterated that Bus Service Improvement Partnership (BSIP) funding could not be used to subsidise fares only to improve and maintain bus services, except for demand lead bus services.

It was proposed by Councillor Dawkins, seconded by Councillor Lindley and unanimously agreed that the panel hold a workshop (working group?) to explore options and recommendations for potential improvements to bus services in North East Lincolnshire.

It was proposed by the Chair, seconded by Councillor Dawkins and unanimously agreed that the recommendations to cabinet as detailed in the report now submitted and referencing option 2 be supported.

RESOLVED –

- (1) That the appendices be received
- (2) That recommendations to cabinet as detailed in the report now submitted be supported.
- (3) That the Economy Scrutiny Panel hold a workshop to explore options and recommendations for potential improvements to bus services in North East Lincolnshire.

There being no further business, the Chair declared the meeting closed at 8.16 p.m.