



To be submitted to the Council at its meeting on 14<sup>th</sup> March 2024

**SPECIAL MEETING  
ECONOMY SCRUTINY PANEL  
19<sup>th</sup> December 2023 at 6.30pm**

**Present:**

Councillor Freeston (in the Chair)  
Councillors Cairns, Holland, Hudson, Sandford, Wilson and Wheatley.

**Officers in attendance:**

- Anne Campbell (Scrutiny Advisor)
- Paul Evans (Assistant Director Infrastructure, Housing, Highways and Transport)
- Damien Jaines-White (Assistant Director Regeneration)
- Maggie Johnson (Head of Economy and Funding)
- Simon Jones (Assistant Director Law and Governance)
- Ian King (Equans – Space Planner)
- Michelle Lalor (Head of Communications and Customer)
- Guy Lonsdale (Deputy Section 151 Officer)
- Claire Thompson (Strategic Lead -Insights NEL)
- Paul Thorpe (Equans – Operations Director)

**Also in attendance:**

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

There were four members of the public present.

**SPE.41 APOLOGIES FOR ABSENCE**

There were no apologies for absence received for this meeting.

## **SPE.42      DECLARATIONS OF INTEREST**

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

## **SPE.43      QUARTER 2 COUNCIL PLAN RESOURCES AND FINANCIAL MONITORING REPORT**

The panel considered a report from the Portfolio Holder for Environment and Transport on the above

Please note this report will be considered by Cabinet at its meeting to be held on 20 December 2023 and is submitted to this panel for pre-decision scrutiny and comment.

Members raised the following issues:

Regarding fluctuations in budget variance Mr Lonsdale explained that the report was a 'snapshot' with influences and impacts changing quickly, for example, inflation, insurance, energy costs, interest rates, debt finance costs, business rate appeals and the financial settlement. There was a constant refresh of estimates and forecasts.

Concerning the £8m depletion in reserves and whether this would worsen, Mr Lonsdale confirmed that reserves had reduced significantly in response to challenges. An important element of the next round of budget preparations was to contribute to reserves. Quarter 3's report would likely see improvements in this position. Pressed by the Chair around addressing these issues. Mr Lonsdale explained that the organisation had a 'structural deficit'. NELC continues to see an increase in council tax base and the number of properties. The financial settlement from government was received yesterday and the new homes bonus had improved. However, he stressed that the demands around social care must be managed. It remained the council's strategy to further grow the tax base.

Regarding a project management skills gap in the authority. Mr Lonsdale advised that the council had invested in capacity, and this was starting to show results. The council's current capital programme was the largest for many years and this was a challenging environment.

Mr Lonsdale advised that new homes bonus was a government funding stream. A funding formula (recently cut back by central government) to reward local authorities for building new homes. It was a relatively small fund which amounted to £0.7m for the period 2023/24 which would be paid in 2024/25

Questioned about reserves, Mr Lonsdale described the different types of reserves and how the authority balanced its level of risk with adequate reserves. He explained the council needed to reduce spending to become sustainable. He referred again to the aforementioned 'structural deficit'. Mr Lonsdale went on to emphasise the need to invest in reserves to manage risk, stressing that all movements, investments and borrowing was normal. The treasury management strategy contained all relevant details and was regularly scrutinised by the Audit and Governance Committee.

Referring to financial and performance RAG (red/amber/green) ratings and a perceived variability. It was agreed that a written response would be provided to members before the next scheduled meeting.

In response to questions about sale of buildings and land, Mr Lonsdale advised that approximately £2m of sales had been achieved to date taking into account those close to completion. It was anticipated that the target of £9m would be achieved taking into account the recent sale of Pioneer Business Park. Mr Lonsdale confirmed that planned sales at South Humber Industrial Investment Project (SHIIP) had relieved the pressure from this target.

Regarding additional funding for Corporation Bridge, the Portfolio Holder for Environment and Transport advised that the £300,000 funding was part of the Town's Fund allocation which included a lighting system to Corporation Road Bridge and other schemes.

In response to questions about empty homes, Mr Evans confirmed that reducing the number of empty homes remained a priority. Progress was being made, although it was sometimes difficult to enforce. Mr Lonsdale added that the council tax premium on empty homes was changing from 24 months to 12 months which should help to bring more empty homes back into use.

The following matters were taken away for a written response:

- Reprofitting of spending for heritage assets at risk.
- Flexible use of capital receipts.
- Planned highways programme slippages.
- Numbers of prosecutions on fly-tipping.

RESOLVED – That the report and members' comments be noted.

## **SPE.44 LOCAL PLAN REVIEW – DRAFT PLAN WITH OPTIONS**

The panel considered a report from the Portfolio Holder for Environment and Transport on the above. The panel noted this report would be considered by Cabinet at its meeting to be held on 20 December 2023 and was submitted to this panel for pre-decision scrutiny and comment. Mr Jaines-White advised that this report provided information on the review of the North East Lincolnshire Local Plan. This draft plan with options marked the first formal statutory consultation stage in the preparation process and provided an opportunity to review potential options to be taken forward in the updated local plan.

At the request of the Chair, Mr King shared the methodology of the review, including the role of consultants, issues to address, elements to change and key issues of housing, economic development and employment.

Ms Thompson described the engagement strategy and process. The council had over 5000 individuals on its consultation list, plus 500 organisations. All of whom would be contacted directly. Engagement would also be achieved via service users, social media, press, drop-in sessions, focus groups with young people and colleges. Engagement sources would be tracked to identify any gaps with a view to targeted action. Mr King explained that anonymous responses could not be recorded and it was acknowledged that this may deter some people. However, the portal for public comment was now more user friendly. Mr Jaines-White added that whilst the statutory period of consultation for a local plan was six weeks, the NELC consultation period was a full 8 weeks starting 15 January 2024. This would include two formal sessions where scrutiny (elected) members could engage with the process.

Members raised the following issues:-

Mr King responded to a concern from a member, he stressed that rural communities were included in the draft local plan along with urban and estuary areas.

Whilst officers were able to explain the difference in two statements and figures regarding housing requirements, this was not explicit in the draft plan. A member felt this clarification should be included in the plan.

The local plan should include a comprehensive glossary of all technical terms and acronyms used therein.

Officers were sympathetic to members' concerns about the number of affordable homes being developed. Mr King explained that increasing the numbers was a major challenge that could not be met through planning policy alone. The biggest issue being that of viability. The council continued to work with local

affordable housing providers. Other factors making the viability test harder still; included revised building regulations, 50% rise in construction costs since the start of the pandemic, changes to drainage requirements, stark increases in developers' costs, and biodiversity net gain,

In response to concerns about consultation questions and how accessible the consultation document was to the general public, Mr King advised that the wording and questions were consistent with national policy and must stand up to inspection at the appropriate stage in the process. Mr Jaines-White acknowledged members' fears and highlighted the opportunity for laypersons to submit questions on the draft plan. He also reassured members that plans were in place to provide an appropriate introduction and help with any jargon and technical terms which needed to be used in the draft plan.

In response to member's question about reducing the risk of loss, death or injury due to transport accidents or crime Mr Thorpe advised that this information was linked to the Local Transport Plan and was benchmarked with similar local authorities

It was proposed by Councillor Wilson, seconded by Councillor Hudson and carried unanimously.

#### RECOMMENDED TO CABINET

- (1) That, within the legal framework, the technical terms and phrases within the public consultation document be made more accessible and user friendly.
- (2) That the recommendations to cabinet within the report now submitted be supported, namely;
  - i. Approves the publication of the Draft Plan with options set out in appendix A.
  - ii. Delegates authority to the Executive Director for Place and Resources in consultation with the Portfolio Holder for Environment and Transport to commence the requisite consultation exercise.

#### **SPE.45 CALL-IN – REFURBISHMENT OF CORPORATION ROAD BRIDGE GRIMSBY**

The panel considered a formal request from members to call-in the above decision of Cabinet.

Councillor Holland described the rationale for the call-in being; for scrutiny to be assured that project management had been carried out to a satisfactory standard, for scrutiny to be assured that the forecast project delays were reasonable in the given circumstances, to enable scrutiny to obtain answers as to why

the causes of delays were 'unforeseen', for scrutiny to be assured that the contracting and procurement process had been carried out fairly and in line with standard public sector practice, to garner public confidence in the competent delivery of major projects, for scrutiny to understand such items of additional funding being sought such as 'compensation events agreed to date but not implemented', for scrutiny to assess whether the statutory requirement to provide good value for money is evident and finally to be assured that Principle F of the Local Code of Corporate Governance within the Constitution: 'Managing risks and performance through robust internal control and strong public financial management' was being complied with. Councillor Holland called for a scrutiny panel investigation via a working group or select committee to be established to review the adequacy of management of this project to date. Furthermore, to make recommendations as required for the tendering, procurement and management of future projects of similar economic and reputational impact as a policy development.

Prompted by the Chair Mr Evans suggested that information on the governance of projects be forwarded to members for further information. He stated that the authority, contractor and project board had all learned from this experience.

The Portfolio Holder for Environment and Transport acknowledged Cllr Holland's professionalism and assured him that he had challenged many of the issues raised on a weekly basis. He too was frustrated with the situation as it stood but he was confident, following many meetings with the Leader of the Council and the contractors, that the present circumstances were unforeseen. He had taken advice, listened to officers and experts and was in contact with businesses in the area. A project management team was in place. Lessons had been learned.

It was proposed by Councillor Hudson and seconded by Councillor Sandford that the call-in be rejected and that cabinet's decision be released for implementation. This was carried (in favour - four, against - one, abstentions – two)

It was proposed by Councillor Hudson, seconded by Councillor Sandford and carried (in favour – six, abstention – one) that information on the governance of projects be forwarded to members of the panel for further information.

RESOLVED –

(1) That cabinet's decision be released for implementation.

(2) That information on the governance of projects be forwarded to the panel for further information.

It was agreed that other items on the agenda be withdrawn as not now required.

There being no further business, the Chair declared the meeting closed at 8.26 p.m.





To be submitted to the Council at its meeting on 14<sup>th</sup> March 2024

## **ECONOMY SCRUTINY PANEL 9<sup>th</sup> JANUARY 2024 at 6.30pm**

### **Present:**

Councillor Freeston (in the Chair)  
Councillors Brasted (substitute for Sandford), Holland, Hudson, Wilson and Wheatley.

### **Officers in attendance:**

- David Baker (Contract Business Manager Equans)
- Anne Campbell (Scrutiny Advisor)
- Jonathan Ford (Senior Transport Officer – Equans)
- Damien Jaines-White (Assistant Director Regeneration)
- Maggie Johnson (Head of Economy and Funding)
- Simon Jones (Assistant Director Law and Governance)
- Guy Lonsdale (Deputy Section 151 Officer)
- Jo Robinson (Assistant Director Policy Strategy and Resources)
- Paul Thorpe (Operations Director, Equans)

### **Also in attendance:**

- Councillor S Swinburn (Portfolio Holder for Environment and Transport)

Councillors Henderson, Shutt and K Swinburn

There was one member of the public present.

### **SPE.48 APOLOGIES FOR ABSENCE**

Apologies for absence from this meeting were received from Councillors Cairns, Sandford and Smith.

Apologies for absence were also received from Councillors Jackson and Harness

### **SPE.49 DECLARATIONS OF INTEREST**

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

## **SPE.50 MINUTES**

RESOLVED – That the minutes of the meetings of the Economy Scrutiny Panel held on the 7<sup>th</sup> November 2023 and 28<sup>th</sup> November 2023 be agreed as a correct record.

## **SPE.51 QUESTION TIME**

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

## **SPE.52 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.53 NORTH EAST LINCOLNSHIRE CONCESSIONARY FARES SCHEME**

The panel received a report from the Portfolio Holder for Environment and Transport on the above seeking approval of the concessionary fares scheme from 1 April 2024.

In response to questions Mr Thorpe advised that the frequency of the review (annually) allowed the fare structure to react to the post-covid market. The authority worked closely with Stagecoach and this approach best suited their current circumstances. Costs for next year were not yet known.

Regarding bus passenger numbers, Mr Ford explained that whilst numbers were increasing, they remained around 72% of pre-covid numbers which was in line with the national situation. Increasing bus passenger numbers would reduce costs to the authority. Members were concerned that despite qualifying for free / concessionary fares some people were choosing not to use bus services. The results of a consultation (expected end January 2024) should give a clearer picture around why people were choosing not to use public transport. It was agreed that the results of the survey plus information and analysis about concessionary fares and usage against bus routes would be reported to the panel.

RESOLVED –

(1) That the recommendations to cabinet contained within the report now submitted be supported

(2) That survey results and usage analysis be reported to the panel at a future date to be agreed.

## **SPE.54 SOUTH HUMBER INDUSTRIAL INVESTMENT PROGRAMME (SHIIP)**

The panel received a requested briefing note from the Assistant Director Regeneration on the above. Mr Jaines-White highlighted key elements within the note and invited questions from the panel.

Members raised the following issues:

- In response to a question from the chair Mr Jaines-White confirmed that no further disposals or acquisitions were required.
- Mr Jaines-White confirmed that matters about the use of land at Moody Lane would be the concern of Associated British Ports (ABP) and Humber Freeport.
- The business rate income for the last financial year, from identified sites (referred to on page 7), was £292,000
- Regarding the success of SHIIP, Mr Jaines-White reminded the panel that the prime outcome of the project was to unlock land on the Humber Bank for industrial investment and improve employment in the area. This had been achieved via a complex land assembly exercise, award winning ecological mitigation sites, and completion of the link road. He acknowledged that past estimates for business rates income had been very high, and current forecasts considerably more conservative. However, he was confident that the project was a success. Mr Lonsdale explained that in the worst-case scenario, anticipated business rates would outweigh investment made into the site to date. Across the whole 7-year (2016) SHIIP project, the authority had realised a relatively modest sum in terms of corporate borrowing to deliver the mitigation sites, Pioneer Business Park and the link road. Mr Jaines-White confirmed that the authority had received additional money from ABP to store vehicles on a percentage of the site acquired.

RESOLVED – That the briefing paper be noted.

## **SPE.55 REGENERATION PARTNERSHIP PERFORMANCE REPORT - QUARTER 3**

The panel received a report from EQUANS containing a summary of performance against key performance indicators July – September. Mr Thorpe invited question from the panel.

Members sought clarification on matters relating to empty homes targets, empty homes (including enforcement on overgrown gardens), the impact of empty homes on communities, improved

ways of tackling empty homes and support for neighbours, the impact of prolonged probate applications on empty homes, new homes bonus, improving data relating to empty homes, council tax liability and premiums, top town market occupancy, delivery of the disabled facilities grant,

Mr Thorpe committed to seek responses in writing to questions about;

- Services to examine houses in multiple occupation (HIMO), especially the policy to licence premises occupied by four or less persons and to confirm if the local authority has the powers to introduce the need for licences.
- HT4A&B - Performance information about killed and seriously injured (KSI), that is, presenting information in numbers rather than percentages plus historical information about the baseline
- HT8b1 'percentage of maintenance carried out as identified by survey' and if the 55% for 2022/23 was the total annual result.
- Section 5.1.1 Confirm what the number of social (affordable) housing units included in the total net housing completions.

RESOLVED –

(1) That the report be noted

(2) That a response in writing be provided where indicated.

## **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.

RESOLVED – That the tracking report be noted and SPE.29 be removed from future tracking reports.

## **SPE.57 QUESTIONS TO PORTFOLIO HOLDER**

There were no members' questions to the Portfolio Holder.

## **SPE.58 CALL-IN OF DECISIONS**

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

There being no further business, the Chair declared the meeting closed at 7.28 p.m..