

London Borough of Hackney  
Working in Hackney Scrutiny Commission  
Municipal Year 2017/18  
Date of Meeting Thursday, 14th December, 2017

Minutes of the proceedings of  
the Working in Hackney  
Scrutiny Commission held at  
Hackney Town Hall, Mare  
Street, London E8 1EA

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<b>Chair</b>	<b>Councillor Anna-Joy Rickard</b>
<b>Councillors in Attendance</b>	<b>Cllr Patrick Moule, Cllr Deniz Oguzkanli, Cllr M Can Ozsen and Cllr Nick Sharman</b>
<b>Apologies:</b>	<b>Cllr Clare Potter</b>
<b>Officers In Attendance</b>	<b>Paul Horobin (Head of Corporate Programmes) and Andrew Munk (Head of Employment and Skills)</b>
<b>Other People in Attendance</b>	<b>Councillor Guy Nicholson (Cabinet Member for Planning, Business and Investment) and Councillor Carole Williams (Cabinet Member for Employment, Skills and Human Resources)</b>
<b>Members of the Public</b>	
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## Councillor Anna-Joy Rickard in the Chair

- 1 Apologies for Absence**
  - 1.1 Apologies for absence from Cllr Potter.
  
- 2 Urgent Items / Order of Business**
  - 2.1 None.
  
- 3 Declarations of Interest**
  - 3.1 None.

#### 4 Minutes of Previous Meeting

4.1 Minutes of the meeting held on 18<sup>th</sup> September 2017 were agreed.

<b>RESOLVED</b>	Minutes were approved.
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#### 5 Cabinet Member Question Time - Employment Skills and Human Resources

- 5.1 The Chair welcomed to the meeting Cllr Carole Williams, Cabinet Member for Employment, Skills and Human Resources from London Borough of Hackney. Also in attendance for the discussion was Andrew Munk, Head of Employment and Skills and Paul Horobin, Head of Corporate Programmes, Corporate Strategy.
- 5.2 The Cabinet Member for Employment, Skills and Human Resources was asked to attend the meeting to answer the following questions submitted in advance:
1. Jobs strategy and the assessment of success.
  2. Evaluation, measures and identification of success
  3. Key commitments and deliverables by May 2018.
- 5.3 The Cabinet Member highlighted that this is first time the Hackney Executive has appointed a Cabinet Member for Employment, Skills and Human Resources. Highlighting this is the first cabinet question time session focused on employment and skills. Demonstrating this is an area of work that is important to the Council.
- 5.4 Over the past 12 months the Cabinet Member has focused on monitoring the performance and delivery of the Mayoral commitments.
- 5.5 The Council has been expanding ways into work to ensure job and businesses provide good work for local people.
- 5.6 Establishing a local corporate apprenticeship scheme across the council and delivering Hackney 100. The Hackney 100 is a relaunch of a programme previously run by the Council.
- 5.7 The Council continues to work with government and employers to become an accredited Timewise council. The timewise accreditation is in relation to employment within the council. This means the Council has to demonstrate it is a good employer.
- 5.8 The Council become an accredited London living wage employer. This has an external focus but looks at whether the Council is a good employer and how it is building relationships with other businesses in the borough to become good employers.
- 5.9 To recap as a minimum over the last 12 months the Cabinet Member has been reviewing the delivery on these commitments to ensure the Council is delivering to the timelines stipulated.

- 5.10 In reference to the indicators of success there are a range of indicators that the council is using. It was highlighted for the corporate apprenticeship programme the council is using a dashboard that looks at the total number of apprentices; apprentices for 2017/18; total number of starts in 2017/18; total number of apprentices leaving the programme and the number who completed the qualifications and progressed into jobs within the council. In addition the council has reviewed the number of application they processed for the corporate programme. This programme was extremely popular.
- 5.11 There was the relaunch of the Hackney 100 programme. The commitment was to recruit 100 in advance of 2017/18. They currently have 57 confirmed placements with external organisations and 17 within the council.
- 5.12 In 2018/19 the Council will launch an employment programme. This is aimed at increasing access to apprenticeships in Hackney for 16-24 year olds with barriers to employment. The criteria for the measure of success will be the number of young people with special educational needs, care leavers and young people who are Not in education, employment or training (NEETs) as well as the number of participants that progress into employment on completion of the scheme; with a particular focus on council apprenticeships.
- 5.13 In relation to opportunity hub they have a suite of indicators that include a range measures like participants progression pathways, equalities monitoring, looking at those economically active and those economically inactive both out of work and in work but on low income, under 25s, care leavers, a disability or health conditions, gender and over 50s.
- 5.14 In relation to the manifesto commitments for the portfolio area the Cabinet Member is prioritising the following by May 2018:
- Full reaccreditation as a Timewise employer this year. Already received accreditation as a Timewise employer in November 2016.
  - Full reaccreditation as a London Living Wage Council. Already accredited as a London Living Wage Council.
  - Will be continuing to focus on expanding the ways into work and promoting and securing apprenticeships.
  - Delivering the Opportunity Hub on the Gascoyne 2 estate.
  - The creations of a local pre-employment scheme and apprenticeship network.
- 5.15 **Questions Answers and Discussion**
- (i) **Members commented the responses outlined strong delivery of initiatives and outputs but what they wanted was further information on the overall strategic intention and key problems the council is trying to address with the strategy?**
- (ii) **Members commented in their view there needs to be a focus on ensuring young people in Hackney have access and the skills to move into the range of opportunities opening up in the borough. From Members work at Hackney Wick they noticed 2 barriers**
- a) **The sense of horizons for young people and what they want to do. Members commented the Council should be in a strong position now because of the excellent school results being achieved in Hackney and**

what they have to offer. However the sense is young people still have restricted horizon.

b) In relation to employers Member commented there is a certain amount of goodwill and a willingness from employers to be more open but there has not been a significant difference in their recruitment practices / processes to provide young people with the information about how to get to that position or the job / role. Members wanted to know the Council's strategy and approach to dealing with this and the outcomes they expect to see?

- (iii) Members also commented on the gap between people who have fallen out of the employment market by a significant margin and despite the outreach efforts still are a long way from the job market. How do we build the ladder from the people who are so far from the labour market to build their confidence and skills to access employment?

Members summarised the 2 key issues are:

- long term unemployed particularly among older people
- How the council will be measuring the outcomes as opposed to the outputs outlined in the initial response?

In response the Cabinet Member for Employment, Skills and HR and the officers present advised the questions related to the changing skills requirements. The labour market is changing rapidly. The Council's Economic and Community Development Board has been discussing what its priorities will be in relation to this and how they will deliver them in the short to medium term. They are concerned about impact of the changes and what it will mean for Hackney's residents. Currently the trend is a growing number of highly skilled and highly paid jobs – these jobs are in Hackney too - and also a growing service sector. The Council is continually considering what this means for Hackney in terms of long term inequalities and how are they are going to change or drive this. The Council also considers what this means for the protected characteristic groups.

The officer explained one of the interesting points outlined at the WiH event by the external speakers was the debate that opened up - but this debate was not conclusive – about whether skills shape the job opportunities or if the jobs opportunities have to be responded to by the skills. Therefore if the Council upskills the local workforce to a level 3 or level 4 the job opportunities opening up will cater to those skills and that would indicate that the jobs created tend to reflect the workforce abilities. Alternatively it could be that there is a gap in jobs at indicated at the moment. The officer advised there does not seem to be a conclusive view on this and that makes it very difficult from a strategic stand point to know what actions will work. Nevertheless there is still a need to focus on getting people skilled up from a level 1 & level 2 up to level 3 & level 4.

In terms of the long terms issues particularly for the older cohort the evidence is showing the older cohort in the borough tend to have some of the weaker skill sets. They will require some significant work around skills development and in some ways they find it harder to access development opportunities. However, the Council is starting to understand there is some core skills they need to be promoting e.g. digital skills across the piece.

One key issue that was highlighted at the event was the hollowing out in the economy and how the high paid jobs seem to be supported by low paid jobs in

Thursday, 14th December, 2017

the service sector - that seems to be the trend for London's economy. One of the key challenges for Hackney Council will be how they can get people to achieve some level of economic success in the London labour market if they are not at the high end labour market. This is a London wide problem rather than a local problem.

- (iv) **Members commented Hackney is attracting employers with high level jobs and the schools are now producing young people who are capable and have the qualifications for these jobs. The challenge as Members see it is that employers tend to use their traditional recruitment patterns. Members enquired what the Council is doing to get the schools and employers to consider Hackney residents. Are we measuring the opportunities Hackney residents are getting?**
- (v) **Members acknowledge the Council's work and programmes are being measured but queried if the Council has a sense of whether Hackney residents are getting jobs. Can we measure if Hackney people are getting the jobs?**

In response the Commission was informed one of the difficulties is the level of data available from ONS. In terms of relating people to location and work there is not this level of data. Generally the Council would be better advised to help people to get jobs in the London wide economy because there is a breath of job opportunities in the different sectors. A growing sector is tourism. One of the benefits that come out of promoting schemes like Hackney 100 and apprenticeships is that it opens employers' eyes to the capabilities of local people and opens doors for people to go into those work places. The difficulty will be measuring the change.

- (vi) **Members asked the following:**
- a) **What are the growing industries?**
  - b) **If the Council has knowledge of the future opportunities?**
  - c) **The percentage of unemployment for Hackney?**

In response The Cabinet Member for Employment, Skills and HR informed:

- Economically active as a percentage of the total population in Hackney is 54.7%
- Unemployed is 3.9%
- Total working population is 197,000.

In response to the growing industries there is some knowledge about growth sectors such as STEAM but the challenge is when analysing the trend data you are looking at categories - used at a national level - and increasing seeing jobs that are not necessarily representative of the categories used; therefore not giving a true reflection of the jobs available.

The national definition for example for legal not only includes lawyers but people who work in the legal profession. These broad categories also pick up a range of jobs in the creative industries that are thriving in the borough's economy. In essence it picks up a broad range of jobs operating in one category. The local economy in Hackney is not just growing in STEM but also has a thriving STEAM sector too - more art led employers. That means locally we not only need

Thursday, 14th December, 2017

science led educational providers but also around the arts too. Therefore needing vocational skills in both spheres as well as academic qualifications.

The officers highlighted when they looked at the creative category and started to drill down on the categories. They noted the largest growth was hairdressing and second was betting shops. If the Council was to direct people into a creative job they need to be aware of the types of job they are directing people towards because the category can be misleading. This provides difficulty in following the trends. What the Council has noticed is they have categories that are becoming meaningless as jobs evolve.

The challenge for inequalities is across both sectors with winners and losers of STEM and STEAM with gender and ethnicity gaps. Some of the businesses are not diverse and as we see from the global picture this is not going to be easy to resolve. The challenge for the Council is how they work with these employers and improve their diversity whilst also opening up opportunities for Hackney residents. The Cabinet Member agreed many of these employers look to their own networks and people within their sphere. This is a national and international issue.

- (vii) Members referred to the aging population and the growing health care sector as a result. Members enquired if the Council has any knowledge and statistics that highlights the number of people needed for the growing sectors e.g. health care, childcare etc?**

In response the Cabinet Member for Employment, Skills and HR and the officers explained it was difficult to predict what was going to happen in the labour market and identify where those jobs will be to match that to the skills agenda. The other factor was Brexit and how this will impact on the labour market too. It is becoming extremely difficult to predict. This was the reason for the gap between what is on offer at school and university compare to what businesses want and require. There is always a bit of a skills gap.

- (viii) Members asked for some examples of good practice where councils are leading the way in job brokerage and facilitating local employers which results in job opportunities for local people excluding the planning process and the Council's supply chain?**

In response the officer advised the overarching strategy aim for jobs is:

- a) Quality of jobs
- b) Engaging employers.

The discussions the Council is having with employers is about a range of different jobs not just entry level jobs. The conversation with employers' centres around, paid work placement, apprenticeships, progress routes through the organisation, working with schools to prepare young people with the skills for the future. The Commission was informed the team has been restructured to enable that strategic relationship development. They are having these conversations with Amazon and Here East.

The complexity with this approach means it does not provide quick wins for jobs and does not enable the Council to immediately demonstrate the number of jobs

Thursday, 14th December, 2017

they are getting in those organisations. This approach is more strategic outcomes focused.

Following a full resourced employer engagement team a key focus for 2018 will be the creation of sector based networks one focused on construction, creative & digital, hospitality and retail. A big part of this work will be co-designing thus the Council giving employers their input into what it thinks apprenticeships should look like in the tech sector and offering support to navigate the apprenticeship levy. The Council has strong influence because it has created tech apprenticeships for the Council. It was highlighted there are other boroughs that will focus on numbers but these are targeting low level jobs. Hackney is not taking this approach.

The Cabinet Member pointed out it is not just about entry level jobs but relates back to the Mayoral commitment following concerns raised about young people returning to Hackney and not finding employment. There are many issues surrounding access to the labour market so the Council is refocusing its approach and the action taken.

**As a follow up Members enquired about the number of staff in the team working in this area, taking into consideration the number of small businesses in the borough, and enquired about methods the team will use to facilitate job brokerage.**

In response the Commission was informed there will be a senior programme manager to lead the team, supported by 2 employment officers, in addition there are other officers within the team leading on areas like work placements. Overall there will be approximately 5 people working on relationship building.

It was pointed out the Economic Regeneration Team also cover some aspects of this work.

In response to the methods used, there are numerous methods and these will involve using the full range of the Council's leverage and networks e.g. Landing Pad. There will be a number of approaches taken but principally this is centre around using the Council's leverage and networks.

The Cabinet Member advised the Council has discussed collating numbers but have recognised if they want to work with people furthest from the job market this will take more time and resources. Therefore they may not produce the numbers considered to illustrate success. There is a balance to be struck.

- (ix) **Members asked for some indications of outcomes per pound invested and how the data will be collate if is not readily available? We need to reassure residents the money being spent is good value. The example was give of the spend on the Olympics being unable to demonstrate the benefits to Hackney residents but rather being translated in house and land values. Currently the Council does not provide this benefit information.**

In response officers advised devolution is an opportunity to get that challenge and figures for Hackney for example the new devolved Health programme will provide some accountability to local authorities. They will be able to ask those questions to provide the challenge Members are asking about.

The Chair pointed out Members hear about the various programmes and the strategy but the Members advised there needed to be a clear message delivered to the public that explained the strategy being delivered.

## **6 Cabinet Member Question Time - Planning, Business and Investment**

- 6.1 The Chair welcomed to the meeting Cllr Nicholson, Cabinet Member for Planning, Business and Investment from London Borough of Hackney. Also in attendance for the discussion was Paul Horobin, Head of Corporate Programmes.
- 6.2 The Cabinet Member for Planning, Business and Investment was asked to attend the meeting to answer the following questions submitted in advance:
1. Economic strategy and balance of job types
  2. Benefits of large corporate organisations moving into the borough and managing reputational risk.
  3. Evaluation, measures and identification of success
  4. Key commitments and deliverables by May 2018.
- 6.3 The Cabinet Member reminded the Commission the arrival of a new Mayor reset the agenda for the Executive. In his role he has been setting the foundations for the new priorities so that after the local elections in May 2018 the Executive appointed can hit the ground running with established policies.
- 6.4 In response to job types there is an element of reacting to the external changes that materialise in the economy by using policy to react. There is an element of this in economic development and across planning too. In terms of work and work spaces The Council's current reaction to the economy is currently out to consultation (The Local Plan). Elements of that consultation include proposals to protect light industrial work space to the north of the borough. To ensure there is no further erosion of industrial space in the borough.
- 6.5 In terms of work space the Council is currently considering bring forward affordable work space change. This predominantly focuses on the south of the borough.
- 6.6 Currently Hackney is the most progressive borough bringing a supply of affordable workspace through new developments. Currently developments work on the principle of 80% of market value. However when you apply this to areas like Shoreditch it does not provide what would be considered an affordable rent. Therefore the Council proposes in the Local Plan to implement 40% of market value. Bring forth a supply of affordable work spaces through new developments. This was cited as an example of the policy intervention the council has the ability to implement. Notwithstanding the intention to make this provision available to small businesses the Council cannot determine the sectors who will move into those workspaces. This will be dependent on relationship management and building good relations with the business community. This is key to the delivery of the Mayor's objectives.



- 6.7 In relation to further investment this is investment outside the planning system (the section 106 obligation) into the wider community on a regular basis. In some instances this could be investment into a new school or it could be financing internships through a sponsorship process. But increasingly there is pressure on public finances to deliver on infrastructure like for example new stations. This puts a greater need on the development of relationships with businesses so that capital can be raised within the borough.
- 6.8 There is a role for the council to deliver on those relationships this is not just political but through the corporate side of the council too. Some of this work involves officers having a dialogue and engagement with businesses as outlined earlier in the previous CQT discussion. It is also about repositioning the council as a provider of services in its relationship with local businesses irrespective of size and sector. This can mean going out to broker a relationship between the council and local businesses so that businesses will want to invest in the council and the wider community.
- 6.9 The Council needs to consider what it is offering local businesses especially within the context of delivery of regulatory services. Regulatory services vary from refuse collection through to environmental services (trading services). The Council wants to create a single point of contact for local businesses by talking to business about the delivery of services just as they do with residents. This work will go some way towards supporting the development of relationships with the business community and the council. Moving relationships into a positive space will enable that message to spread quickly. Hopefully this will make it easier for Council officers to then approach businesses about the bigger strategic discussions like placements, apprenticeships etc.
- 6.10 In relation to the concerns raised about Amazon it is incumbent on the council to find out what is going on. The Council is aware of the media reports and notes they are not completely accurate. The Council has taken the stance of visiting premises to learn more about how it operates rather than taking second hand reports as completely factual. This spotlights the importance of relationship development and relationship management. The Council will clearly outline the practices it expects businesses to exhibit.
- 6.11 The Council should not just fixate on Amazon but also consider all the other international businesses that are increasingly becoming based in the borough and think about what they all should be offering and investing into the council and the wider community.
- 6.12 There is a lot of work to be completed for delivery of the Mayoral commitments not just up to May 2018 but beyond too.
- 6.13 The Council is restructuring and employing a new head of service to help drive this agenda forward. Having a head of service will help to provide that leadership to support the other strands of work such as the economic development, internationalism, the Landing Pad and the Launch Pad. Some of these areas of work will be delivered before and after May 2018.
- 6.14 **Questions, Answers and Discussion**
- (i) **Members agreed with the statement that the council should take things as they find it and not what is reported in the media.**

- (ii) Members cautioned the council against developing a ‘special’ relationship with Amazon. Members urged the Council to be careful not to allow any big employer to treat their employees badly. Members referred to the Council’s statutory powers and suggested they should be used where necessarily and queried if the Council could use its statutory powers to ensure no poor employee practices by businesses? However they did not want the Council to be seen as a threat to local businesses.**
- (iii) Members enquired if big companies moving into the Borough could be made to fulfil their social responsibility under a Section 106 agreement through planning.**

In response to the points above the Cabinet Member for Planning, Business and Investment advised the Executive would not ignore bad practice. The Council’s Executive needs to communicate a crystal clear message about what it expects from employers as well as leading by example. This could be through being a LLW employer, access to opportunities and progressing in the work place. This communications should go out to all businesses in the borough irrespective of their size or sector. Unfortunately the council cannot force employers to comply but through relationship building and management – this is why relationship building is so important –have those conversation with employers.

It was confirmed section 106 does get used when a business put forward a development. If for example Amazon did apply to build a large building the council can apply the section 106 agreement but this agreement has no authority to demand their workforce is paid the London Living Wage. However, it does cover job output, access to employment, initiatives of the scheme and the resources to implement the build.

The Cabinet Members suggested the Commission could outline in its report the Council has a set of values for business operation.

- (iv) Members commented they were not hearing a clear set of ideas outlining where the council was going? Members queried if represented a hole where the economic strategy should be?**
- (v) Members referred to the previous industrial strategy for London and more recently Manchester City Council performing an in-depth economic analysis of various sectors operating nationally and internationally in the city and used this as a map to guide their interventions.**
- (vi) Members suggested the council should seek to use all its powers for planning, employment support etc. to bring about change. A recent report about the planning service in Hackney, reported to the Audit Committee, implied it was a reactive service. Members were pleased to hear that the planning service would be pushing back on industrial space. What the council should move towards now is saying what it wants to see in that industrial space.**

In response to the comments and queries above the Cabinet Member for Planning, Business and Investment advised they recognise there is large number of activities, but if the silos are threaded together they will have more influence;

whether that is curating the economy or through developments and considering access.

The information described sit in one place within the council and that is the Economic Community Development Board (ECDB). This Board is where the Council officers – from all relevant departments - and the Executive Members come together to consider the points Members have just outlined. He agreed with the points expressed about what the strategy might or should articulate and commented the Commission's views would be helpful to officers in shaping the strategy. The Cabinet Member explained the strategy work is currently in progress and they are trying to get the parts together to shape the content. He recommended the Commission feeds into the current strategy development work. The Cabinet Member explained he has been trying to get all the areas ready and pointed out the information to date is very high level - at a regional and sub-regional level.

The Head of Corporate Programmes explained the challenge is twofold a) to get coherence across the council, to make sure they have a consistent approach for all the economic activity work and that it's in a coherent direction. The currently challenge with the strategy work, is the strategy has elements of certainty and uncertainty that underpin it. The Council has an understanding of the best jobs and sectors they would like for their residents and has the ability to point its self in that direction. The Council is beginning to understand what sectors are likely to decrease and what to avoid. The issue is having knowledge about the rest of the economy and understanding what will happen in the whole economy to establish where they should direct their focus. The Council has an idea of some growth sectors (e.g. healthcare sector) with growing opportunities but the difficulty is the uncertainty across the economy. And looking at the various academic reports they are unable to give a clear message either. The Council is not operating in an environment that can indicate the routes to success.

The Cabinet Member explained over the past 12 months the Council has moved from quantifiable outputs and is now talking about qualitative outputs. These then need to be put into the system to deliver. He disagreed with the view that the Olympics legacy is all about land values for Hackney.

The quantitative outputs from the Olympics in its totality, exceeded the objectives set out in 2003 and delivered for Hackney more than any other place in the UK. The outputs ranged from railway station (1 billion pound investment into new stations) through to jobs and older people being active. He commented it was interesting how the individual outputs have been lost and it was now being translated into land values. Although he agreed it may be more helpful to be able to quantifying something to explain benefits.

- (vii) Members referred to the 1 billion investment in railway and commented this has supported economic development in the borough over the last few years, however, this now seems to be creating a series of bottle necks to employment growth. Taking into consideration the proposals for development at Morning Lane and that Hackney Downs and Hackney Central stations have both seen significant growth in terms of interchange by almost 3 million people a year. Noting also that smaller station like Clapton have also seen an increase in use with almost 1.8 million people using the station a year but it has no disabled access. When you consider this**

Thursday, 14th December, 2017

**information in the context of the Council's Local Plan and proposals for a new Town Centre this raises some concerns. Members asked what work is being undertaken with TfL to support the economic growth from this investment and how the council is lobbying about these concerns.**

In response the Commission was informed the policy view lobby for the investment was all done based on the expectation that further investment would happen is as soon as the stations became connected. The Council expected 2 things:

- a) That the station infrastructure would grow and expand and increase its capacity
- b) That developments start to happen around the stations.

The only place where that investment has happened since the operation of the new station is Hackney Wick. Stations like Hackney Downs and Clapton have not seen the significant change they expected. He agreed with the concerns outlined by Members and acknowledged some stations were managing the increase whereas others in the borough were not fit for purpose particularly in the peak hours. These stations were becoming hazardous to use and a problem. The Council is aware and continues to lobby and politically support the requirement for investment. All of these will need a Hackney Wick solution but this solution required investment from the council to get the changes implemented. Currently there is no clarity on when this will happen.

In the meantime the Council is in talks about Crossrail 2. This will provide a station under Dalston and that will have a profound affect on Dalston especially at street level including the impact on public realm and public realm capacity as a result of the increase in footfall.

## **7 Recap of the Working in Hackney Event - Future World of Work and Skills**

- 7.1 The Working in Hackney (WiH) Scrutiny Commission held an information session on 29<sup>th</sup> November 2017 with 4 external speakers from IPPR, Fabian Society, Resolution Foundation and Central London Forward. The event was open to stakeholders, residents, the business community and council officers.
- 7.2 The Chair opened the discussion and outlined the key findings from the event. The speakers covered the major trends on the future world of work and skills and outlined how this might impact Hackney.
- 7.3 At the meeting the Commission recapped on the key points they took away and the key themes relevant to Hackney. The Commission was provided with assistance in identifying the specific trends that relate to Hackney and noted that some of these aligned to national trends.
- 7.4 Following this event 5 areas the Commission has identified they wish to explore in the review are:
  - Self-Employment – There has been a rise in self-employment and in Hackney 1-5 are self-employed, this is higher than London and UK average. This covers a wide range of things from high skilled to low skilled, portfolio working,

part-time and full time working. The Commission is interested in looking at what the Council could be doing to support people who are self-employed. This relates to the Council's relationships building and management work with businesses. They also noted examples of interesting models of support for this cohort.

- Polarisation of jobs between high and low skilled – Looking at what comes first, the jobs disappearing or the ability to shape what happens. The Commission heard about an interesting example in Manchester where they identified that human contact was still desired. Despite the changes with automation in retail jobs they realised other jobs were starting to materialise because of the desire for human interaction. They achieved this through the creation of markets. Fostering opportunities for face to face retail.
- Automation – Connected to automation the Chair has come across a predication by Future Advocacy who has stated 20,000 jobs are at risk in Hackney. The Chair will explore this prediction with the organisation.
- Housing and land values – the Commission learned Hackney's ratio of earning to rent is  $\frac{3}{4}$  of the average person's earnings. The Commission wishes to explore the impact of this on local employment. Interestingly the Commission noted that housing and land values is likely to be a trend that will not move or change significantly. This led them to consider the importance of affordable work space.
- The potential of local employers – using the Council's influence to leverage that potential. Hackney does have a range of employers and it needs to encourage the use of the apprenticeship levy and employee training to those that need to be up skilled. This topic was also linked to schools.
- Brexit Impact – a number of statistics showing the impact on sectors that relate to Hackney such as construction, hospitality and retail. For example over 50% of employees in construction are not from the UK. The Commission wishes to explore the predictions for sectors that are key to Hackney's economy.

7.5 This discussion also highlighted that skills runs through all of the areas and the Commission wishes to consider what the design and skills offer should be for those areas.

7.6 Members commented that it was easy to get bogged down with analysing past data concerning the number of jobs, people employed and making some future predictions. In their view what was needed was an understanding of the key sectors in the local economy and how they will operate in the future. To be able to answer questions about Brexit the Council will need to identify its key sectors, how they will operate and their dependencies.

7.7 Members commented they also wanted to understand how the outcomes will be measured so they can demonstrate to the people of Hackney how they are benefiting. The danger is there will continue to be new opportunities and growth but no benefits because the same exclusions still exist.

7.8 Members suggested following:

- a) The focus for the short and medium term should be on what the borough has to offer to make it more attractive for people to come into the borough and spend.

- b) As the Council identifies the infrastructure needs locally, it should highlight the number of jobs for each growth sector for example the number of teachers or care workers required.
  - c) Look at how they can encourage local businesses to investment their profit in the borough?
  - d) If big businesses are using the low cost space ensure they can give back to the local community.
- 7.9 The Head of Employment and Skills informed the Commission the Council's Policy Team is getting stronger in the area of demonstrating outputs. There is work on the Pembury Estate and Young Black Men Project and a theory of change in place showing where the council wants to be and what this will feel like for the different communities who live in that space. These are long term pieces of work.
- 7.10 The officer advised for the Gascoyne 2 estate project the Council will be doing similar work to the projects outlined above. Officers are learning from the approaches being taken so they can understand how people are benefiting from the support services. They wish to understand how after 5-10 years what it feels like to live on the estate and not just counting the number of jobs residents acquire or the numbers through the door.
- 7.11 For self-employment the Commission was asked if they will be including people wanting to set up their own business. It was pointed out that within this group were people who have developed an idea or product which has grossed them a big income. This group of young people have a desire to invest that income in an area that has an element of social capitalism and opportunities to invest into the community. The Cabinet Member for Planning, Business and Investment suggested the review harnesses entrepreneurship - social capitalism by young people in entrepreneurship.
- 7.12 There should also include sole trader start-ups in the review.
- 7.13 The Head of Corporate Programmes pointed out the Council submitted a response to the Government's consultation on the industrial strategy and highlighted the proposed strategy did not sufficiently recognise the environment and environment sustainability. The other area lacking was quality work. Highlighting what is good quality work and how it should be promoted. It was noted that quality work was not just about pay but the capacity to upskill through your work to enable progression. The officer also commented the Council should review what they said the priorities were and see what this means for the Council now.
- 7.14 Members commented there is a gap in the council's knowledge about the work of self-employed people. Members recognise there is little council officers can do about this particularly as they are sole traders and there is not a description about their work or trade. In relation to up skilling if the council has a better understanding of its self-employed they would be able to play a more active role in support to the self-employed to get access to opportunities to upskill. Members were of the view it would be beneficial to get more of an understanding of what sole traders are doing for their business.
- 7.16 **Questions, Answers and Discussion**
- (i) **Members asked how they could contribute to the Council's strategy work.**

The Chair advised the Commission has an update session with the ECDB in February 2018.

The Cabinet Member for Planning, Business and Investment suggested the ECDB update scheduled for the next WiH meeting should take the form of a workshop style session to enable Members of the Commission to feed in their views to the strategy development.

Members asked for information to be provided in advance to help them contribute to this session.

<b>ACTION</b>	ECDB update scheduled for the next WiH meeting should take the form of a workshop style session.
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## 8 Working in Hackney Scrutiny Commission 2017/18 Work Programme

- 8.1 Members talked about doing a visit to Here East to look at the new ways of working and their approach to workspace rental.
- 8.2 Members talked about having a focus group with the self employed.
- 8.3 Members talked about conducting site visits for this review in January 2018. Members commented on exploring the following as site visits.
- A visit to Here East to explore the diversity of employer and job roles. To look at a work place that is growing and operating new ways of working. To see new sectors, their new ways of working and informal networks.
  - Meet with group of self-employed workers
  - Meet with a group of workers from different employment backgrounds.

Members talked about not being limited to Here East but also looking at businesses in other parts of the borough e.g. the north of the borough that serves the Orthodox Jewish Community and capturing the use of business space in these parts of the borough. To consider how the Council should capture the use of business space for future.

The Chair asked Members to bring the knowledge of their ward to feed into the review and site visits.

**Members agreed to do 2 site visits 1) to visit an employment space (Here East) and 2) a focus group with workers.**

<b>ACTION</b>	Overview and Scrutiny Officer to organise 2 site visits as requested above.
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**Thursday, 14th December, 2017**

Members also commented on exploring the benefits to Hackney when big businesses move into the borough bringing in their workers and using their cheap business space.

Members also commented on exploring the issue of sub-contracting – looking at how big businesses use little businesses.

**9 Any Other Business**

9.1 None.

**Duration of the meeting:** 7.00 - 9.15 pm