

London Borough of Hackney
Skills, Economy and Growth Scrutiny Commission
Municipal Year 2018/19
Date of Meeting Tuesday, 26th June, 2018

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

Chair	Councillor Mete Coban
Councillors in Attendance	Cllr Polly Billington and Cllr Sam Pallis
Apologies:	Cllr Sade Etti, Cllr Richard Lufkin and Cllr Steve Race
Officers In Attendance	Paul Horobin (Head of Corporate Programmes), Andrew Munk (Head of Employment and Skills), Eleanor Millington (Business Relationships Programme Manager) and Suzanne Johnson (Head of Economic Regeneration)
Other People in Attendance	
Members of the Public	
Officer Contact:	Tracey Anderson ☎ 020 8356 3312 ✉ tracey.anderson@hackney.gov.uk

Councillor Mete Coban in the Chair

1 Election of Chair and Vice Chair

- 1.1 Following the nomination and seconding of Cllr Coban as Chair. Cllr Coban was duly elected Chair of the Working in Hackney Scrutiny Commission.
- 1.2 Following the nomination and seconding of Cllr Lufkin as Vice-Chair. Cllr Lufkin was duly elected Vice-Chair of the Working in Hackney Scrutiny Commission.

2 Apologies for Absence

- 2.1 Apologies for absence from Cllr Lufkin and Cllr Etti.

3 Urgent Items / Order of Business

3.1 There was no urgent items and the discussion was as set out in the agenda.

4 Declarations of Interest

4.1 There was no declarations of interest.

5 Minutes of Previous Meeting

5.1 The minutes of the previous meeting held on 5th February 2018 was agreed.

RESOLVED	Minutes were approved.
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6 Economic Community Development Board

6.1 The Chair welcomed to the meeting Paul Horobin, Head of Corporate Programmes from London Borough of Hackney.

6.2 The Head of Corporate Programmes presented information about the Economic and Community Development Board established in November 2016. The main points of the presentation were:

- Approximately 2 years ago the Council recognised that its existing approach to economic development was not sufficiently addressing the issue of local residents and businesses feeling “left behind” by the economic growth happening in the Borough.
- It recognised that the Council needed to be both better aligned and more inclusive in its approach to economic development and that it needed to be using a wider range of levers to shape and influence economic development.
- Economic development should have the community at the heart of the approach. So the Council has adopted an “economic and community development” approach which has the needs of the community at its core.
- It identified three core strands of its work that, whilst inter-related, would be the key areas of focus - ensuring access for residents to employment and opportunities, improving business relationships and supporting business success, and ensuring that economic development is place-based.
- The ECD Board is chaired by the Mayor and involves the relevant Cabinet Members.
- The work outlined for each strand reflects the starting point now.

6.3 Employment and opportunities

- The Council has co-ordinated its response to the apprenticeship levy and digital account with schools.
- A Hackney Apprenticeship Network is being established to support local opportunities.

- Hackney 100 has been launched to schools and colleges and local businesses, with 120 young people completing the programme and about 2000 engaged with it.
- The Council now employs around 100 apprentices. The Council is evaluating a pilot pre-apprenticeship scheme and developing its own supported employment scheme.
- Ways into Work has been re-branded as Hackney Works, its digital service is now operational including the Employer Engagement Team and the new Supported Employment Service, and it has embedded a new set of metrics that focus on quality and journey tracking.
- A Benefit Cap Adviser has been appointed across Benefits and Employment and Skills.
- Preparations are being made across careers advice and adult learning for the implementation of skills devolution in 2020.
- The growth of precarious and poor quality work is being assessed prior to designing responses. Trying to reach groups and consider how those in precarious work can be supported.

6.4 Business

- The Council has recognised they have not made it easy for businesses to interact with them. The Council is improving how businesses can interact with them online (the “Landing Pad”) - by surveying local businesses and developing a prototype landing page on its business domain with linked sub-pages - it is now implementing the improved online information offer.
- The Council has not had a full offer of support to local businesses and they are in the process of developing this. The Council wants to support local businesses to start up and grow and is scoping the most effective offer for businesses (the “Launch Pad”).
- Indexing businesses in the borough is difficult due to the premises information and information about the businesses being held in various sources. The Council has developed an index of local businesses that combines data from various sources to help services engage better with those businesses.
- The council is looking at commercialisation and running commercialisation workshops with regulatory services to explore the development of paid-for services to improve business compliance. This could help boost the core services offered by reinvestment.
- The Council has been advocating on behalf of local businesses to national government on the impact of business rates increases, whilst also promoting the local relief scheme.
- Local businesses are being supported through the provision of affordable workspace, and by improving local digital connectivity and building international partnerships. This is broader than just business and includes improving wireless connectivity to our markets to enable digital activity.
- The Council is defining what social value it wants from local businesses. This is a 2 way relationship and not just be about us asking what we want businesses to be like and their contribution to the environment and community.
- The Council has had long term relationships with Oslo and Texas Austin.

6.5 Place based economic development

- The different scales of “place” have been identified and the governance and delivery arrangements are being adapted to reflect this.
- Hackney is part of City’s economy and the sub regional partnership Central London Forward. At the national, regional and sub-regional level, the Council has been advocating for a strategic response to the economic development challenges facing the Borough - it commented at length on the Government’s Industrial Strategy Green Paper and has worked collaboratively with Central London Forward to identify and highlight the structural barriers to business success within the sub-region.
- Identified three area-based growth corridors to be the focus for economic development activity - the A10 corridor, “middle” Hackney, and the Upper Lea Valley - and each now has its own delivery groups and area plan.
- The original delivery group has primarily focussed on local economic development work to support neighbourhoods that have missed out on the benefits of economic growth and, after rigorous mapping and analysis to identify priority areas, it is ready to initiate locally-led development.
- A key areas is Hoxton West. This area has different benefits reflected by community groups.

6.6 Currently

- Developing a longer-term strategy (2018-22) that builds on the existing approach. This is in development and will be distributed for public consultation and formal approval.
- The strategy is supported by an action plan for the priority deliverables up to March 2020 (this will be refreshed and extended during the life-time of the strategy).
- The strategy and action plan incorporate the Mayoral manifesto commitments relating to economic development and provides a framework for their delivery.
- The delivery of the strategy will be measured and monitored through a suite of performance measures, covering key outputs, milestones and performance indicators.

6.7 **Question, Answers and Discussion**

(i) **Members enquired if Hackney was connected to other global cities particularly having a Mayoral structure?**

The Head of Corporate Programmes advised the Council is currently reviewing all its partnerships and considering their value. They are starting with Oslo because it is currently an active relationship.

Officers have found through this exercise they have identified more twinning arrangement than anticipated and these are being reviewed to assess if they are aligned with the vision and aims of the strategy and; what Hackney Council want to learn and develop. This review is assessing and reviewing who they are in contact with.

(ii) **As a follow up to the response Members enquired if the Council has a decision matrix?**

The Officer advised this is currently being developed with the Cabinet Members.

7 Economic Regeneration

7.1 The Chair welcomed to the meeting Suzanne Johnson, Head of Economic Regeneration from London Borough of Hackney.

7.2 The Head of Economic Regeneration presented information about the work her service area covers. The Head of Regeneration outlined the following substantive points:

7.2.1 Successful regeneration

- Successful economic regeneration represents people and places.
- Captures and maximises the benefits of growth and development from a really early stage to deliver improvements for people and places. E.g. public realm improvements.
- Having sustainable regeneration and inclusive growth. This means one size does not fit all as each area may have a different need.
- Having an agreed vision for a place – focused on that area - and delivering on that using various channels and delivery routes.
- Taking opportunities – the council does not own all the land so they have to be ready when planning application come in to seize the opportunity to align it with the vision for that place.
- Place management, new and high quality jobs, training and learning opportunities, new businesses and workspace, transport and infrastructure improvements, more attractive town centres, improved green spaces, arts and culture.
- Building relationships and collaborating in long term partnerships to deliver change. Working across the council with other service areas as well as partners outside.

7.2.2 We also heard about some of the areas the economic regeneration team are working on:

- Working with TfL at a strategic level for transport improvements.
- Thinking about how to bring shops and shopping areas back in use for the local community.
- Using Section 106 to help secure public spaces
- Working to bring back in use underutilised buildings as affordable work space e.g. Hackney Baths.

7.2.3 The officer highlighted the work the economic regeneration service area covers:

- New focus on area regeneration and the team has been renamed the Economic Regeneration Team.
- Responsible for setting the strategic direction and objectives for the delivery of regeneration across the borough
- To inform the delivery of place shaping and regeneration
- Lead partnership working from teams across the Council
- Incorporating the work and make sure it links to: Community Strategy, Local Plan, A Place for Everyone (among others)

- Three regeneration areas and officer steering groups – A10 (Stoke Newington), Upper Lee Valley (Clapton, Stamford Hill to Hackney Wick), Middle Hackney (Dalston). There are 3 area regeneration managers who are responsible co-ordinating all the work and knowing about all that is happening in that area.
- Co-ordinating delivery across service areas and with partners and stakeholders.

7.2.4 Current areas of work

- Gathering economics and physical area characteristics and profiles
- Establishing the Governance and programme –holding quarterly steering groups
- Collating a list of projects by area so they can identify what is missing
- Looking at what the council is tracking.
- Looking at the outputs and outcomes, setting up a clear vision of what they want to see and achieve and the results they wish to see
- Delivery on existing projects and affordable workspace.

7.2.5 Next steps

- Establishing a clear vision and associated delivery plan for different places and the economics of the area
- Carrying out engagement and external communications – clear and simple about that they want to achieve
- Secure external funding where required
- Delivering and monitoring what the council is doing and tracking the achievements
- Inclusive growth and regeneration, benefits for people and places. Knowing what people want and what will make a difference to the place and to the residents. This includes building up good relationships with partners.

7.3 Question, Answers and Discussion

(i) **Members enquired what proportion of regeneration projects take place through Section 106?**

The Head of Economic Regeneration explained does not currently hold that information. However a Section 106 is specific to the development but there can be some flexibility. It was highlighted that streetscene deliver a number of their public realm improvements schemes through this funding.

It was highlighted that there will be another opportunity coming up with the introduction of the Community Infrastructure Levy. This is another planning charge on development that is not specific to the site. There is a neighbourhood and councils are still getting to grips with using it. The officer pointed out there are other external funding pots available to bid for, for specific projects.

(ii) **Members enquired how the Community Infrastructure Levy was applied.**

The Head of Economic Regeneration explained it would be a legal agreement that basically requires the Section 106 funding to be made available to enable the site development to continue.

- (iii) **Members enquired if it was assessed on a case by case basis and not necessarily related to the exact vicinity?**

The Head of Economic Regeneration confirmed this is correct and there may be occasions when this was the case.

- (iv) **Members enquired if Hoxton West would feed into the placed based economic regeneration?**

The Head of Economic Regeneration confirmed it will feed into the A10 area plans and is part of the officer steering group. Currently they are considering what the approach will be.

- (v) **Members referred to sustainability and sustainable regeneration and made the following enquires. Members enquired:**

- a) **about the Council's definition of this and asked if it included climate change, risk, mitigation and adaptation?**
- b) **in terms of economic regeneration Members pointed out as much as we need to do regeneration that incorporates what people want now we need to protect long term against risk. How is the Council building this into its infrastructure, design of place and the economic opportunities created?**
- c) **is there any economic metric?**
- d) **how does the council factor in financial risk thinking about the points above?**

The Head of Economic Regeneration advised it is important to look at this in terms design when looking at open space and working with developers when they are bring forward sites. The Council will include it in all their plans and the officer was of the view Hackney is considering this in their planning framework and that it is being covered in the London Plan. The officer advised she will take this away and look at the planning framework as the economic strategy is designed.

The Head of Corporate Programmes advised they have been talking to Oslo about the circular economy and when the council starts setting its values for partnerships the council will be thinking about how they can embed that more in Hackney.

8 Employment and Skills

8.1 The Chair welcomed to the meeting Andrew Munk, Head of Employment and Skills from London Borough of Hackney.

8.2 The Head of Employment and Skills commenced the presentation and outlined the following key points:

- In Hackney the trend is the same as nationally that unemployment is reducing. The reduction in unemployment applies to people on job seekers allowance and does not count inactive residents. This trend does not mean people have been moving into high paid roles.
- Since 2010 the number of residents in Hackney earning below the London Living Wage (LLW) has almost doubled.

- People are moving into entry level entry jobs they are not moving into graduate jobs.
- The number of people on health related benefits has flat lined over the last 10 years despite various government interventions.

8.3 Key areas of work

8.3.1 High quality employment opportunities

- Focus on high quality employment opportunities with personalised employment support and job quality. Department of Works and Pensions (DWP) does not provide this type of support.
- Relevant training, volunteering, work placements and apprenticeships are key stepping stones.
- There is also the need for the council to build quality relationships with businesses.
- London Living Wage and future career progression are important measures.

8.3.2 Supporting residents with health conditions and disabilities

- Established a new outcomes focused supported employment service.
- The public sector leading by example in creating opportunities.
- The generic approach to employment support does not work with this cohort.
- Integrated working between Council/NHS/VCS is required to deliver on this agenda. This will need strong partnership working with other public sector partners to assist in this area of work.

8.3.3 Addressing underemployment

- Promoting service to wider cohort including graduates and low wage employees.
- Most people in poverty are those in work but underpaid. Previously the service focused on getting people into work. The service is opening up to people in work.
- Thinking about how this links to skills and devolution of skills
- Building relationships with key employers to broker a range of opportunities
- Strengthening the relationship with Adult Learning to upskill residents.

8.4 Hackney's employment and skills service covers 4 areas.

8.4.1 Hackney Works - This service is delivered from 3 hubs across the borough. They are strategically placed in locations across the borough in areas of high deprivation with high levels of opportunity: Hoxton, Woodberry Downs and temporarily located in Lee House but this hub will be moving to Gascoyne Estate. The service offer includes:

- Access to a personal advisor and action planning support
- CV development
- Training
- Help with job search/job applications
- Apprenticeships, pre-screen events & ring fenced opportunities
- Work placements & links to volunteering opportunities
- Information about benefits & tax credits
- Signposting to wider support
- In Work Support.

Hackney Works is not a statutory service. The Council does not have the powers to sanction people so the service is different from DWP. Intentionally it is located away from the council's statutory services.

8.4.2 Supported employment - The supported employment services has specialised personal advisors who are trained to work with people with health problems. Supporting people into paid employment as quickly as possible.

1. Competitive Employment - Discussions about vacancies begin as early as the first appointment. Suitable vacancies discussed and volunteering opportunities too.
2. Client preference - Job matching is based on client choice and preference linking what they want to do and are able to do in a positive way.
3. Unlimited In Work Support – Hackney Works recognize getting a job is the start of the process. In-work support is provided for as long as needed.
4. Zero Exclusion- Open to anyone with a health condition (diagnosed or self-diagnosed) and self-referrals accepted too. Hackney Works moved to accepting self-referrals from 1st September 2017.
5. Employer Engagement Officer within the team. Employer engagement involves approaching employers for recruitment opportunities based upon client preference.
6. Welfare Benefits Counselling - All clients referred to the Council's benefit advisers for better off calculations.

The service was part of adult services it was a day service with some elements of training; since acquiring the service Hackney Works refocused the service on what people can do and moving them into employment. The important thing is their journey into employment and tracking that rigorously. Over the last 6-9 months some of this cohort has move into employment. This service is smaller than Hackney Works.

Hackney works are having conversations with employers about how they can take on a person with a learning disability and physical disability. In the next 6-12 months they will focus on what the public sector can do more in this area too e.g. internships.

Making sure the hubs are co-located with services e.g. children centre.

8.4.3 Employment pathways - This service helps people move into jobs. This is providing the stepping stone into a job. The objective is to create pathways to successful careers for young Hackney residents.

Key areas of work:

- Managing the Council's Corporate Apprenticeship Programme – this has been a key area of focus across the council. Increased from 38 to over 140 apprenticeships across Council. A key change is the type of apprenticeships and what an apprenticeship looks like in hackney. Previously apprenticeships were predominately in the trade sector. Now they have apprenticeships across several business in the council, covering various levels. All the council's apprenticeships pay the LLW.
- Delivering innovative work placement programmes including Hackney 100 and the pre-apprenticeship programme. With apprenticeships paying the

LLW this means they are quite competitive. Therefore people who are further away from the job market are missing out. In response the council created the pre-apprenticeship programme. This is to bridge the gap. The Hackney 100 programme is aimed at the disadvantaged groups e.g. leaving care and special educational needs.

- The council is maximizing the opportunity presented by the Apprenticeship Levy – the tax on employers to do more in relation to apprenticeships. A key area of work is to support businesses to develop in this area. The Council is leading by example to influence.
- Engagement with schools and colleges to provide insight and opportunities related to careers with major local employers.

8.4.4 Employer engagement - Employer engagement to ensure long term strategic relationships with businesses. Businesses of all sizes like corporate firms Amazon and Here East and small innovative SMEs. Hackney Council is currently identifying what works for these businesses and the Council's employment and skills service.

- Developing and maintaining strong strategic relationships with businesses across growth sectors in Hackney and beyond.
- Businesses / partners identified for the first phase of this strategic partnership are:
 - Here East;
 - Fashion Hub
 - Stansted Airport.
- Ensuring Council's 'social value' leverage e.g. via s106; procurement; property assets is maximised to achieve employment and skills outcomes.
- Developing tailored Employment & Skills Plans across strategic business partnerships – to provide range of opportunities for residents. Having a firm plan in place to let employers know what we want to do with them.

The Hackney Works team is providing leadership so that employers can understand what we are doing about employment & skills and quality jobs in the borough. Some of this work will be using levers like s106 and areas of shared interests like skills, access and working with the Council. For skills the council proposes to share what it is doing so they can understand the council's plans. Connecting people from disadvantaged backgrounds to the growth sectors and to support SMEs to work with the Council on this agenda. Giving the organisations an understanding of the direction of travel for the council and what it is aiming to achieve.

8.4.5 The Chair commented in his discussion with businesses they have commended the council's work in this area.

8.5 Question, Answers and Discussion

- (i) **Members referred to the statement “the number of residents in Hackney earning below the LLW has almost doubled” and enquired what proportion of the workforce this represented?**

The Head of Employment and Skills advised he would report back with this information to the Commission.

ACTION	The Head of Employment and Skills to report back on the proportion of the workforce this represents.
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(ii) **Members enquired if the apprenticeship levy goes direct to the business?**

The Head of Employment and Skills explained the business gets a tax on their payroll bill. The fund can only be drawn down to spend on training for apprenticeships (apprenticeship providers) not apprenticeship salaries.

From September they can start giving 10% away to aid businesses. The Council is currently developing its strategy in this area. This could help SMEs who want to do more with apprenticeships but do not have the resources.

(iii) **Members enquired if the council has an understanding of the apprenticeship need in the borough. Is there a requirement on the Council to measure this?**

The Head of Employment and Skills explained Hackney's approach is to create an apprenticeship network to provide leadership and influence what a good apprenticeship looks like – pay, support, training provider etc. The Council's work in this area is of influence.

(iv) **Members made the following enquires:**

- a) **In reference to the economic impact of poor mental health and the pathways of support for people into sustained employment. Does the Council have a strategy that looks at this and over 50s?**
- b) **There is a need to build greater resilience in the workforce because people will have to work longer and may not be able to afford a pension. What is the council doing in the area of workforce resilience?**

The Head of Employment and Skills advised the statistics for Hackney show that 50% of people on welfare benefits have a mental health condition. This involves strong partnership working.

The new supported employment approach is providing unlimited in-work support and has a smaller caseload. The anticipation is people in this cohort may have a relapse and the job coach support is aimed at supporting them through this. This is one of the main reason why they have low targets. From September they plan to have a job coach located on site to monitor how people are doing.

This also links to the health supported employment work and the council is looking to join up with the health services work in this area to create one approach for Hackney.

In relation to the over 50s the Council has been looking at this cohort and employment but they recognise there is more work to do for them particularly in the area of insecure employment.

The Head of Corporate Programmes informed the Commission when looking at the 'asks' from local business one of the strands identified was working with Public Health in the council having access to information about how they look after the mental health of their workers. This is about the range of pathways and offers of support. A key objective for Public Health is promoting how to support good mental health for their workforce and how they work with employers.

(v) **Members enquired who could make referrals to the pre-apprenticeship programme.**

The Head of Employment and Skills advised for the pilot stage it was ring fenced to people in certain service areas of the council e.g. virtual schools, care leavers and children services. Following the pilot they need to explore if this will be opened up to a wider cohort and how the referral system will work.

9 Introduction to Working in Hackney

- 9.1 The Chair introduced this items and explained the report provides information about the legal background to overview and scrutiny and role of the Working in Hackney Scrutiny Commission.
- 9.2 The remit of the scrutiny commission is outlined in the report on pages 21-25 including the Commission's work in 2017/18.
- 9.3 The Chair pointed out in its first year the WiH Commission focused on business and employment and conducted a review looking at the future world of work and skills in Hackney. The reports is currently going through the sign-off process. The report will be presented to the Commission for final sign off in September 2018.
- 9.4 The Chair presented 2 proposals for agreement.
- 9.5 The Chair proposed a name change for the Commission from Working in Hackney to *Skills, Economy and Growth*. The Chair explained the name change better reflected the remit of the commission.
- 9.6 The Chair proposed changes to the remit of the Commission. The proposed change is to move full responsibility for planning and licensing from LiH to WiH. The Chair explained currently the Commission has strategic responsibility for planning and licensing related to businesses and the economy. The change will mean WiH will have full responsibility for licensing and planning from the following prospective:
- Residents
 - Businesses and;
 - Economy.
- 9.7 The Chair asked the Commission to agree the proposed changes?

Members agreed.

- 9.8 The Chair informed the Commission the name change would be presented to Full Council on 18th July 2018 for approval.

10 Working in Hackney Scrutiny Commission 2018/19 Work Programme

- 10.1 The Chair introduced this item and referred Members to the list of proposed topics and the work programme decision making criteria in the agenda on pages 27-37.
- 10.2 The Chair proposed the Commission conducts a scrutiny review looking at how Hackney's communities can harness the growth opportunities of new industries on their door step. The Chair proposed the 2 suggestion below are merged to make one scrutiny review.
- A detailed analysis – both quantitative and qualitative – of barriers facing residents from various equalities groups (age, gender, class, disabilities) to access opportunities in Tech City
 - An exploration of best practice from elsewhere – in London and nationally/internationally – around how best to connect areas of high economic growth and new emerging job sectors, with areas of high deprivation.
- 10.2.1 The Chair highlighted the review will explore best practice from elsewhere in London, nationally and internationally with a focus on understanding the barriers that equality groups have in accessing economic growth opportunities.
- 10.2.2 The aim of the review is to identify at how to connect areas of high deprivation with economic growth and emerging job sectors with the local community.
- 10.2.3 The review will include 1 or 2 case studies looking at specific growth sectors and the local area e.g. Tech City and Hoxton.
- 10.3 Members discussed the suggestions from the work programme list, proposal for a review and standing items. Members agreed the following:
- 10.3.1 To include the standing items in the work programme.
- 10.3.2 Members agreed the scrutiny review topic subject to a refined remit following desktop research.
- 10.3.3 Members agreed to include the transport related discussion items and hold a transport themed session e.g. transport and connectivity.
- 10.3.4 Members agreed to do a Brexit themed session. Although the suggestion is framed as employment and skills Members suggested broadening the session to look at workforce shortages and work place rights including the following:
- The cost of living and ability to fill key public sector roles post Brexit.
 - How the uncertainty of Brexit can be used to encourage businesses to invest more in local adult training and education for Hackney's young residents, to overcome the concerned about the loss of European workforce.
 - The opportunities to encourage larger businesses to do more in terms of training and development with underrepresented communities.

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- How people will be protected in the work place post Brexit - employment rights and how people can be supported.
- Linked to workers' rights and speak to employers and trade unions covering precarious work and self-employment.

Members agreed to hold this session post the Brexit withdrawal Bill.

10.3.5 Members agreed to include the Gambling Policy Consultation.

10.3.6 Member agreed to refer the sustainable procurement discussion item to the Scrutiny Panel for their work programme discussion. Members agreed to ask the SP to consider include in this discussion sustainable community wealth and ethical procurement. Members suggested as part of this discussion the SP looks at the Preston procurement model and inequalities.

11 Any Other Business

11.1 None.

Duration of the meeting: 7.00 - 8.50 pm