

Skills, Economy and Growth Scrutiny Commission

All Members of the Skills, Economy and Growth Scrutiny Commission are requested to attend the meeting of the Commission to be held as follows:

Monday, 17th June, 2019

7.00 pm

Room 102, Hackney Town Hall, Mare Street, London E8 1EA

Tim Shields

Chief Executive, London Borough of Hackney

Contact:

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Members: Cllr Mete Coban, Cllr Polly Billington, Cllr Richard Lufkin, Cllr Sam Pallis, Cllr Steve Race and Cllr Gilbert Smyth

Agenda

ALL MEETINGS ARE OPEN TO THE PUBLIC

- 1 Election of Chair and Vice Chair**
- 2 Apologies for Absence**
- 3 Urgent Items / Order of Business**
- 4 Declarations of Interest**
- 5 Minutes of Previous Meeting** (Pages 1 - 18)
- 6 Update on Inclusive Economy Strategy** (Pages 19 - 24)
- 7 Skills, Economy and Growth Scrutiny Commission 2019/20 Work Programme** (Pages 25 - 40)
- 8 Any Other Business**

Access and Information

Getting to the Town Hall

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Further Information about the Commission

If you would like any more information about the Scrutiny Commission, including the membership details, meeting dates and previous reviews, please visit the website or use this QR Code (accessible via phone or tablet 'app')

<http://www.hackney.gov.uk/individual-scrutiny-commissions-governance-and-resources.htm>



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<p>Skills Economy and Growth Scrutiny Commission</p> <p>17th June 2019</p> <p>Minutes of the previous meeting and Matters Arising</p>	<p>Item No</p> <p>5</p>
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OUTLINE

Attached are the draft minutes for the meeting on 17th April 2019.

ACTION

The Commission is requested to agree the minutes and note any matters arising.

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**London Borough of Hackney
Skills, Economy and Growth Scrutiny Commission
Municipal Year 2018/19
Date of Meeting Wednesday, 17th April, 2019**

Minutes of the proceedings of
the Skills, Economy and
Growth Scrutiny Commission
held at
Hackney Town Hall, Mare
Street, London E8 1EA

Chair	Councillor Mete Coban
Councillors in Attendance	Cllr Polly Billington, Cllr Sam Pallis and Cllr Steve Race
Apologies:	Cllr Richard Lufkin and Cllr Gilbert Smyth
Officers In Attendance	Stephen Haynes (Director – Strategy, Policy and Economic Development) and Olga Vandenberg (Business Communications & Engagement Manager, Regeneration Delivery Team)
Other People in Attendance	Councillor Margaret Gordon, Councillor Aron Klein, Councillor Guy Nicholson (Cabinet Member for Planning, Business and Investment) and Councillor Carole Williams (Cabinet Member for Employment, Skills and Human Resources)
Members of the Public	
Officer Contact:	Tracey Anderson ☎ 020 8356 3312 ✉ tracey.anderson@hackney.gov.uk

Councillor Mete Coban in the Chair

1 Apologies for Absence

- 1.1 Apologies for absence from Cllr Smyth, Cllr Lufkin and Cllr Rennison.
- 1.2 Apologies for lateness from Cllr Williams

2 Urgent Items / Order of Business

- 2.1 There was no urgent items and changes to the order of business.

3 Declarations of Interest

3.1 There was no declarations of interest.

4 Minutes of Previous Meeting

4.1 The minutes of the previous meeting held on 10th December 2018 were approved.

RESOLVED	Minutes were approved.
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5 Executive Response for Future World of Work and Skills in Hackney Scrutiny Review

- 5.1 The Chair welcomed to the meeting Councillor Guy Nicholson, Cabinet Member for Planning, Business and Investment, Stephen Haynes, Director Strategy, Policy and Economic Development, Cllr Carole Williams, Cabinet Member for Employment, Skills and Human Resources and Olga Vanderberg, Communications and Engagement Manager from London Borough of Hackney.
- 5.2 The Chair opened this item by explaining that the Skills, Economy and Growth Scrutiny Commission (formally known as the Working in Hackney Scrutiny Commission) conducted a review to look at the changing labour market and skills system needed for the future world of work and skills in the next 5-10 years.
- 5.3 The Cabinet Member for Planning, Business and Investment outlined the main points in response to the recommendations related to his portfolio.
- 5.3.1 Recommendation 3 refers to business engagement tools. The response covers support for businesses in the borough including those who are self-employed. This is in the process of being rolled out over the next 6 -12 months when different aspects of the portal come online. The Cabinet Member explained this has taken longer to implement than anticipated because there are a number of different service areas involved and they needed to develop a common language throughout the platform. The aim for this platform is to make it easier for those who wish to connect to services and to access services catering to business need. In addition there is the work the communications and engagement manager has been leading on which is reviewing the 'Invest in Hackney' website. This provides more immediate access to third party advice.
- 5.3.2 Recommendation 6 refers to affordable rents and how the local plan and Section 106 agreements can be used to bring forward the supply of spaces. The Cabinet Member explained the response is quite detailed but in summary the Borough's Local Plan (LP33) is quite an interventionist portfolio of policies around work space including rent controls and setting an affordable threshold. The Cabinet Member highlighted that commercial rents in the south of the borough are higher than the north of the borough. In the south of the borough affordable rents are set at a maximum of 40% of the market value and in the north of the borough it is set to 60%. It was pointed out this covers new developments only and cannot be implemented retrospectively to other commercial properties. However freeholders and landlords could voluntarily

adopt this policy to apply to their properties. There is no way of retrospectively enforcing these new thresholds. In addition there is the Council's Approved Workspace Providers List and this continues to be updated and is expanding. There are different providers coming forward to be included on that list.

- 5.3.3 Recommendation 7b refers to the Section 106 aspect of this recommendation and how effective the council is on making sure they deliver on Section 106 contracts. The Cabinet Member explained this response is from the planning department perspective and related to its effectiveness in monitoring and delivering on Section 106 agreements. It was highlighted under Section 106 agreements and protocols, 514 Hackney residents started in jobs and 60 residents started in apprenticeships. Further information about employment would need to be provided by the Cabinet Members for Employment, Skills and Human Resources.

- 5.3.4 Recommendation 8 refers to planning and area regeneration work. Some of this work is achieved through mixed use and some through advocacy and informal negotiation between the Area Regeneration Team (on the frontline) and developers. Alternatively this can be through the planning system. This is a planning policy that guides and directs the mix of uses in a development.

The Council's Local Plan (LP33) is extensive around the mixes of uses and sensitive to the different economies around the borough. The council is trying to make sure it has a suite of planning policies that can shape and adapt to different environments.

The Council has also introduced an Article 4 Direction. This is an order made by a local planning authority to remove certain permitted development rights in all, or part of, its area. This has been applied in Hackney to the Government's permitted development right for commercial properties. This permitted development right allowed the owner of a retail space to convert it to a residential property without the need for planning permission. The Council's Article 4 Direction means developers need to request for planning permission if you want to change the use as described above. Prior to having the Article 4 Direction implemented, approximately 300 properties were converted under this allowance. The Cabinet Member explained none of the properties converted were affordable or subject to affordable requirements. It was also highlighted these conversions are not planned and do not factor into the public services infrastructure planning process for population growth. The council has put this in place as a barrier to unplanned growth.

- 5.3.5 Recommendation 9 and 9b refers to the recommendations about EU, EU 27, Brexit and the UK. The Cabinet Member explained the council is making sure the estimated 41,000 EU 27 citizens living in Hackney have access to advice. Equally any staff employed by the Council have access to the same advice about their status and citizenship giving them guidance, support and information.

In relation to business support the growth hub will be hosting 3 seminars directly aimed at the smaller business community in the borough. The seminar / workshops would be covering topics like duty and exports. However, in the current climate the information is evolving and the impact on businesses is uncertain. But in the meantime the Council is trying to ensure they have relationships in place so they can sign post appropriately. The Communications and Engagement Manager secured the attendance of EU 27 to provide a workshop to residents around immigration status which advised residents of the steps to take. The Cabinet Member pointed out the Council

had planned to cover the application fee for British citizenship but the Government has since announced they will cover the cost.

- 5.3.6 Recommendation 11 refers to supporting the needs of social enterprises in the borough and a social enterprise lead economy. The Cabinet Member explained the council has a strong partnership with Hackney Corporative Development (HCD). HCD and the Council run a social enterprise network in the borough. The Cabinet Member pointed out the borough is recognised as a social enterprise cluster. There is an annual general meeting scheduled in November 2019.
- 5.3.7 Recommendation 12 refers to support for SMEs and makes reference to apprenticeships. The Cabinet Member explained he could only comment on support to SMEs but pointed out the services are joined up for SMEs and apprenticeships. It was explained that the challenge was not relationships building but having the resources to maintain relationships built with smaller and large businesses in the borough. The council is progressing with the menu of opportunities for businesses to showcase what they could offer and what the council would like businesses to invest in. This work becomes more challenging with a growing economy. Therefore this work is about being practical and creating manageable relationships.
- 5.4 The Cabinet Member for Employment, Skills and Human Resources advised her response was as laid out in the report and proceeded to questions.

5.5 Questions, Answers and Discussions

(i) **Members asked if the Council has a social enterprise champion and a business champion.**

The Cabinet Member for Planning, Business and Investment confirmed they do not.

The Director Strategy, Policy and Economic Development informed the Commission he was responsible for social enterprise and worked closely with the Communications and Engagement Manager and encouraged the Commission to have a dialogue with him.

(ii) **Members asked how the Council was assessing the effectiveness of its work against the ambitions set out in the terms of reference for the review by the Commission.**

The Cabinet Member for Planning, Business and Investment informed the Commission the Council is planning to implement the recommendations from this review. In some areas like the landing pad and launch pad they are making progress. However it will be approximately 2 years before they go live with the different portals. The Council is keeping the conversation going with businesses but see this as an evolutionary process. This work also identified a miss match within the organisation (with some service areas using different types of language) and this is being resolved at the same time.

The Cabinet Member for Planning, Business and Investment welcomed the Commissions challenge to the Council in this area. But highlighted it would take 2-3 years before they could meet all the recommendations. The TOR provides that challenge to them in progressing. It is not finished yet but the council is making good progress.

(iii) **Members enquired about the Council's vision for success following their activities in managing the external drivers. What would be the impact in**

Hackney in the next 3 years? E.g. what would be the material difference as a result of the Council's involvement in this area?

The Cabinet Member for Planning, Business and Investment advised there are 2 elements one is the relationships with businesses. Having conversations with businesses and businesses understanding the council's needs and vice versa.

The other aspect would be the physical space commercially. Curating a market for different businesses at different points in their business development. Having different price points for different users e.g. makers and office space users. An example of this is Hackney Wick and Fish Island.

These 2 elements would be a symbol of success for the council. Creating an environment of opportunity and demonstrating the council has provided a platform to enable this.

The challenge for Hackney is what happens when a business succeeds and starts to grow and needs more space. E.g. grows from 5 people to 50 people. One of the challenges around policy and urban landscape is how to create that space that will enable businesses to grow without closing off the opportunities for start-ups who need affordable workspace. The Council is trying to encourage policy officers to create policy that can be adapted as the landscape changes.

- (iv) **A Member made the following enquires:**
- a) **In reference to PIAs and POAs. Members asked why there a difference between Shoreditch and the rest of the borough with Shoreditch at 40% and the north of the borough at 60%?**
 - b) **In reference to the 10% as affordable, is this percentage laid out in legislation? Member enquired who decided that figure and is there an opportunity to increase the percentage?**
 - c) **In terms of the POA and PIAs what proportion goes to local Hackney businesses who wish to access affordable industrial or office space? What is the Council doing to ensure local business have access to the opportunity to take up these spaces? Members commented this could a key indicator for the council to demonstrate success. Highlighting this was a key issue raised when the commission held their business engagement event with the BMAE business community.**
- (v) **Members pointed out the Council often communicates at strategic level about the opportunities but this information differs the experience of local businesses. Members' highlighted businesses are not finding it easy to access opportunities like affordable work space.**
- (vi) **In relation to soft outcomes Members enquired if the council has a metric for measuring soft achievements like relationship management? If not, how is the Council developing a metric for this? Members commented this would be a very valuable aspect in terms of benchmarking and making the distinction between the work and Hackney.**
- (vii) **Members enquired if the Council is concerned about the type of businesses operating in the borough in reference to managing a balanced economy. Members enquired about the council's measures for this in relation to the scrutiny review and if this information is feeding into a wider strategic approach to provide a vision for a balanced economy.**

- (viii) **Members highlighted in Hoxton Ward they have seen a significant number of new businesses move into the Ward like Amazon and Aviva. Members asked if the Council could advised how many local residents have been employed by the new businesses moving into the borough? Members queried if the larger employers in the south of borough feel a part of Hackney's economy? Members queried if the council is having conversations with these types of employers and what the council is doing to provide a stretch to these types of businesses to support the local economy.**

The Cabinet Member for Planning, Business and Investment provided a response to the questions about business relationships. The Cabinet Member informed the Commission Amazon had hosted an event reaching out to the wider business community? They have also carried out other activities like offering their space. This activity is helping to build relationships and integrating them into the economy. The Council's role is enabling and making sure businesses are meeting, trading and can trade.

The Business Forums are proving successful in bringing businesses together in different locations. Other businesses are willing to host too. The forums are becoming more frequent and gaining traction. Although there is a desire to increase the forums there is a limitation in terms of resources and organisational capacity.

In response to the question about metrics, a metric for business relationships and how the council is measuring social or fiscal impact. The Commission was informed these conversations take place within the business network. There are standard metrics like the measure in relation to the number of businesses attending the business forums; however it was acknowledged the standard metrics do not provide the information the Commission was seeking in relation to quantifying the social value of local businesses.

The Director Strategy, Policy and Economic Development added it was about how the council supports businesses so they can invest locally in the economy from a financial and social capital prospective and how the council can leverage opportunities in addition to regeneration work. The scrutiny commission review and the Council's work on the strategy is aiming to address this interaction.

The officer acknowledged they need to think differently about how they develop metrics. There are some crude measures for employment in place that they need to move away from. It was pointed out that some of the traditional ways to measure employment and work are changing. The officer informed the Commission there has been some good work about metrics done by UCL in Hackney Wick. UCL have been talking to residents in Hackney Wick about their views and perception in relation to job, businesses etc. This has taken a more nuanced approach to metrics which the council will be reviewing and considering how they can use this approach to developing metrics.

Nationally the UK has the lowest record of unemployment currently the majority of jobs are at a lower level. This indicated the market depression is still happening.

In reference to how the Commission's review fed into the strategic work of the council. It was highlighted that the new inclusive economy strategy will be addressing some of the points raised in the scrutiny review. Points like how they integrate adult learning with employment and skills; how to connect

residents to local labour and how the council is preparing residents for future skills; are being addressed in the council's new approach. Although the recommendation talks about metrics; it is not a straight forward task to move away from the crude metrics they are used to. But acknowledge they need to do this. The officer welcomed working with the Commission to help develop the metrics.

In response to the question about how the planning policy team for the Local Plan arrived at the decision for 60% and 40% in relation to the rental value for the different markets in the borough. The Cabinet Member for Planning, Business and Investment informed the Commission the policy team have evidence to support this decisions because it needed to stand up to any legal challenge. The evidence is rooted in viability and value.

A survey of employment land in the borough looked at viability in terms of new development and the values as a result of that. This identified 2 distinct markets. This showed that the rent levels were very different in the north of the borough to the south of the borough.

In the north of the borough there is still a supply of light industrial space and the Local Plan (LP33) aims to protect this space. The south of the borough is more generically termed as office. Although there are a number of different types of activities in the office spaces. It is often used as creative industry. Although it is not classified as light industrial space. There is more value and viability in the land at the south of the borough.

The challenge with the affordable work space rate is around the land value and for businesses the viability of their business to occupy the space even with the discount. This relies on a continual programme of review. The council is currently periodically reviewing this every 3-4 years.

The 10% allocation of affordable workspaces by developers is a voluntary agreement based on viability. The Council is having conversations about increasing the 10% contribution. Developers are seeing the advantage of having affordable work space within their developments because they get local businesses and new talent using the spaces. The Council highlighted there is a need to convince the wider economy about the value of affordable workspace.

In terms of the measurements and access to this information by local businesses this is more challenging and will rely on advocacy work and the strength of their relationships with businesses. This will also require better dissemination of this information to local businesses. E.g. through the use of the business forums / networks to clarify who to talk to and who to contact. The Council needs to make sure the business network reaches more and more Hackney businesses.

Alternatively the advocacy with local work space providers would be to encourage them to promote and market their spaces to local businesses. So that local businesses and entrepreneurs are aware there is a supply of work space becoming vacant. The council need need to develop communications and awareness about the portals they can access to get this information.

The Council acknowledged the comments made by the Commission about the experiences of small local business owners in relation to getting access to this information and advised this was one of the biggest areas of challenge for the Council.

- (ix) **Members referred to recommendation 4 the self-employment union and referenced the exploratory work being carried out. Members asked about the timeline, criteria and any learning from the trail in Waltham Forest.**

The Director Strategy, Policy and Economic Development explained the initial response explains what they plan to do. Currently they are working through the parameters of what they can do. However this recommendation is challenging and the Council needs to think about the role of the organisation and what they can practically do to support and promote this. This type of recommendation sits within the menu of opportunities they would like to see in terms of social value from an organisational point of view.

It was explained there have been conversations around the new economy and what they could do within the new economy. There are different models that could be trailed. The Cabinet Member for Employment, Skills and Human Resources added she has been in conversation with an independent trade union and she was arranging a meeting date. The Cabinet Member advised as an organisation they support the right of workers to be supported by unions. Although it was pointed out the Council does not have any powers in this area. As a Council they can only indicate to trade unions they would like to work with them. Members were informed implementation of this recommendation is currently being explored with the same union as Waltham Forest and this includes discussion about work space.

- (x) **Members asked the Cabinet Member how she was measuring the responses to the recommendation in the report in terms of their effectiveness to meet the terms of reference of the review. Members also asked for the Cabinet Member's view on the success of the actions the administration has taken in relation to work and skills.**

The Cabinet Member for Employment, Skills and Human Resources referred to the comments made in relation to recommendation 4 and noted although there has been limited work on this recommendation. There has been progress on some of the other recommendations related to work. They have a programme of work showing what they plan to achieve and the timescale for completion. The Cabinet Member pointed out all the recommendations will not be achieved in year 1 but they have made progress particularly on the recommendations related to employment. For example they have the Hackney 100 programme, a wider work experience programme and have further developed their apprenticeship scheme by opening up the opportunities for older residents in the borough.

- (xi) **Members queried how the Cabinet Member would assess the effectiveness of the administrations work in relation to the Commission's review, the recommendations made and what success would look like in this area? Member pointed out it was easier to identify measureable actions and outputs than outcomes. Members wanted to understand the impact of this work.**

The Cabinet Member for Employment, Skills and Human Resources advised in relation to metrics for apprenticeships, they could count the number of apprentices; but to assess the quality of apprenticeships on the individual; the wealth of the borough and their sense of inclusion in the borough, would take a longer period of time to measure that impact.

(xii) Members enquired if the Council has plans to measure this impact?

The Cabinet Member for Employment, Skills and Human Resources advised they have matrices particularly for the Hackney 100 and the council's apprenticeship programme but these are evolving. However there is room for progress and there will be other things they will need to measure. Once the Council has developed the inclusive economy strategy there will be further work carried out on the metrics.

(xiii) Members made the following comments and enquires:

a) Members referred to recommendation 7 and enquired about the mechanism in place to monitor and check the social value commitments by local businesses to the council.

b) Members referred to the Colville estate phase 2 project and pointed out the targets in this programme. The labour target was 30% and achieved 33%, the apprenticeships target was 15% and achieved 9% and the work experience target was 38% and achieved 31%. Members asked if these targets are not met for areas of work where the council has influence and is involved in the development. How the council get contractors to deliver more in this area of work where the council is spending?

c) Members queried if these projects form part of the council's strategy?

d) Members asked if the labour data provided is live data.

e) Members enquired if the Council talked to contactors during the life of the project about the delivery of targets agreed?

f) Members asked if senior officers review the projects to consider what they could have done better and what did not work well.

The Cabinet Member for Employment, Skills and Human Resources advised the local labour returns are reported to the council but agreed this is an area of work the council needed to make some improvements.

The Council recognises they have not delivered apprenticeships at the rate they would like but there were some challenges with how to deliver the scheme and previously they were not always local people. However with the Council's new scheme they can lead by example and will focus on developing the apprenticeship network to increase their work with partners and business across the borough. This will be the next phase of work for officers.

(xiv) Following on from the Cabinet Member points above. Members asked what this phase of work would entail and what the council wanted to achieve with the network.

The Cabinet Member for Employment, Skills and Human Resources informed Members the apprenticeship network was launched last month with the aim of sharing best practice with partners in the network. This would include how to support apprentices so they can progress through their period of study and work experience. The Cabinet Member pointed out the pastoral support provided by the Council for their corporate apprenticeship scheme has been successful and their view is other employers can learn from this. It was highlighted that the council has used all its apprenticeship levy and is currently working with business across the borough to enable them to achieve the same outcomes.

Members were informed the Council pays the London living wage for its apprenticeship scheme but recognises not all business can afford to pay the London living wage. For a business to join the network they must pay the national minimum wage as a starting point.

The Director Strategy, Policy and Economic Development advised they recognise there is more work in this space. There will be a resource introduced to work across the employment and skills and regeneration function to address some of the points Members have raised in their questions. There are plans to work more closely with contractors and developers in the delivery of Section 106 agreements.

The wider points is about strategic relationships and as an organisation they are strengthening their working relationships and better aligning the following work areas: regeneration, area regeneration, employment and skills and business support to mirror the strategic approach that will be taken by the strategy.

From the work of the strategy the council will be looking to achieve longer term outcomes and would hope to see things like the employment and skills disadvantages that exist within the borough, alleviated. The challenge is how the council creates a metric for this. Officers are aware there needs to be an outcome focus and not just outputs. The officer advised they will come back to the Commission once the strategy is developed for further input.

- (xv) **Members referred to the apprenticeship levy and commented the apprenticeship levy reform has not delivered as well as the Government expected and businesses are not spending their apprenticeship levy voucher, as many view this as an extra tax. Members enquired if the Council was aware of the impact of the apprenticeship levy reform and if this has impacted on the council's ability to deliver their programme?**
- (xvi) **Members also enquired if the council will be providing the government with information about how they used their apprenticeship levy voucher or what could be improved?**

The Cabinet Member for Employment, Skills and Human Resources informed the Commission the Council provided information to the recent APPG meeting on apprenticeships. The Council is due to discuss these points with them with the aim of the information feeding into the Government's changes around policies and the delivery of the apprenticeship programme.

- (xvii) **Members referred to the large organisations in the borough and asked how they would be scored in terms of their participation in skills and employment locally since they set up in the borough?**

The Cabinet Member for Employment, Skills and Human Resources explained there are businesses engaged and working well with the council. These businesses are keen to work with the council on their apprenticeship programme, host Hackney 100 programme placements, have open days and training days and participate in other activities around the employment and skills agenda.

The Cabinet Member advised she would like to see more big and medium size businesses engaged in the Hackney 100 programme. The council's desire is to have a wider range of business – small, medium, large, public and private sector – participating in the programme.

(xviii) Members referred to recommendation 12 (a) point 2 and made the following enquires:

- a) What was the rationale for the figure of 10% to give to SMEs from its levy?**
- b) Members asked if this is a new commitment in light of the Commission's review and how many SMEs in Hackney are providing apprenticeships?**
- c) Does the council have specific outcomes they would like to see in relation to SMEs accessing that pot of funding?**

The Director Strategy, Policy and Economic Development explained Hackney is only 1 of 2 boroughs in London that has spent its allocated apprenticeship voucher and in relation to the transfer of funds the wants to transfer the surplus to SMEs.

In respect of what they would like to do more of. Organisationally the desire is to encourage big organisations locally to do the same with their apprenticeship levy surplus because there is no benefit in retaining it. The officer pointed out the surplus has enabled SMEs to bring in digital apprentices.

In response to the decision to transfer 10% of the apprenticeship levy to SMEs. This was government guidance.

(xix) Members enquired if the council is concerned about the type of jobs residents have access to and if its skills strategy was aimed at meeting the immediate demand for skills?

(xx) Members also referred to the longer term and enquired about the future trends and the interventions to ensure Hackney has a balanced economy in terms of skills and jobs.

The Cabinet Member for Employment, Skills and Human Resources informed the Commission these points are continually discussed. The council is reviewing the changes across various sectors and how this is impacting on a person's ability to remain living in Central London. It is piece of work the Cabinet Member has asked officers to look at so the council can understand and identify the inequalities gap across various sectors. This will inform the council's decisions about its long term skills strategy for the borough.

(xxi) Members enquired if the council's work was aimed at meeting the needs of the businesses operating or setting up in Hackney or will it include a strategy to adopt policies that would encourage other sectors to develop in the borough, with the overall aim of building greater long term resilience not just for skills but the wider economy?

The Cabinet Member for Employment, Skills and Human Resources explained this should not be about meeting immediate business need although that work needs to be carried out as part of the inclusive economy strategy. They need to acquire the evidence base to make decisions. The aim is to meet the long term needs of residents so they can have a sustainable future.

6 Roundtable Discussion and Business Conference for Scrutiny Commission Review

- 6.1 The Chair introduced this item. In attendance for this discussion was Cllr Carole Williams, Cabinet Member for Employment, Skills and Human Resources, Stephen Haynes, Director Strategy, Policy and Economic Development and Olga Vanderberg, Communications and Engagement Manager.
- 6.2 The Commission held a roundtable discussion with relevant stakeholders to brainstorm about solutions and barriers to creating an inclusive economy on the 18th March 2019.
- 6.3 Members reflected on the points raised at this the stakeholder discussion. In the discussion the following points were noted:
- a) Businesses contributing to the roundtable discussion identified very specific business needs and immediate anxieties. Members discussed the Council having a role in supporting SMEs with the space to do the strategic thinking for them and in co-production with them. To enable them to constructively contribute to the longer term thinking.
 - b) There was concern about skills for them and their staff. This identified issues with the capacity of their existing staff in relation to new skills and how the skills would change. They were anxious about where they would get access to training over time.
 - c) Businesses needed to be validated and receive recognition from the Council for their social value work. The council needs to find a way of recognising this and championing it.
- 6.4 In reference to the request for comments about the proposed areas for the business conference discussion. The Director Strategy, Policy and Economic Development suggested for discussion point 2 it was amended to talk about business success and health for SMEs instead of just business growth. The officer explained it would be key to understand how the council could support businesses to stay healthy which is as important as growth.
- 6.5 Members suggested the council should do some mapping of the demand among SMEs for affordable workspace and from this information create a mechanism to assess need. Members' highlighted affordable workspace is a recurring theme when we talk to businesses. This could be a way to harness the work around affordable workspace and incentivise organisations to contribute to social value work.
- 6.6 Member suggested looking at the different modes of ownership to promote other ways of running a business. Affordable workspace could be used as a lever alongside sustainable infrastructure to promote other modes of ownership. Although Members did acknowledge this may be intangible to and difficult to quantify.
- 6.7 The proposed topics of discussion for the business conference were noted to be:
- 1. How can local businesses (Sole traders, SMEs and big corporate businesses) be involved in shaping an inclusive economy?

2. Business success and supporting the local community. Highlighting the things councils, businesses and key stakeholders could do to support business success and the local community?
3. How can businesses and the Council support equality groups (disabled, older workers, young people and people in low pay, low skilled employment) to improve their skills and access better jobs opportunities during a time of economic growth?

6.8 In reference to the evidence sessions the Chair explained although the Commission did not carry out their own resident engagement sessions. They could draw on the resident engagement information from the council's resident engagement sessions. The Chair advised the Communication and Consultation teams had undertaken a number of engagement sessions with residents that cover similar topics and the Commission use this information to feed in residents' views into the review. Members want to review the resident information before using it.

6.9 The Communications and Engagement Manager outlined the communication plans for the promotion of the commission's business engagement conference. The conference promotion methods proposed were:

- In the news and events sections of Invest in Hackney website
- Several tweets per week from @hackneybusiness with retweets from @hacknycouncil
- It will feature in the next two editions of the Hackney Business Network newsletter
- Shared directly to all members of Hackney Business Network business forums
- Shared with all members of the Hackney Social Enterprise Partnership
- Shared with local workspace providers to pass on to their tenants.

6.10 As an incentive to attract businesses to attend. The conference would commence with an exhibition at the point of registration. This would provide businesses with access to 121 business advice and an opportunity for businesses to speak to front line business support services. The areas proposed to participate in the exhibition were:

- Area Regeneration
- Business Engagement
- Trading Standards
- Licensing
- Environmental Health
- Procurement
- Employment and Skills
- Business Rates.

6.11 The Cabinet Member for Employment, Skills and Human Resources suggested inviting the London Living Wage Foundation to the exhibition section of the conference. Advising they could provide employers with information about the London living wage.

ACTION	The Communications and Engagement Manager to invite the London Living Wage
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	Foundation to the SEG business engagement event on 9 th May 2019.
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- 6.12 In response to Members comments about the different modes of ownership. The Director Strategy, Policy and Economic Development informed the Commission the council has a lettings rate for VCS organisations. The council is also doing some work around their lettings policy where regeneration and property services are considering how they can make better use of the property that they own to local businesses.

RESOLVED	Members agreed discussion areas for business conference on 9 th May 2019.
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7 Draft Terms of Reference - Making the Economy Work for Hackney Review

- 7.1 The Chair introduced this item and referred to the draft terms of reference on pages 147-168 in the agenda.
- 7.2 The Terms of Reference outlines how the Commission will seek to complete this review, the questions it will aim to answer and the organisations it wants to hear from.
- 7.3 The attached terms of reference provides:
- Research and context to the review;
 - The planned aims and objectives;
 - The proposed work plan and activities to complete the review.
- 7.4 The Chair pointed out an amendment requested from the Head of Employment and Skills had been updated in the terms of reference tabled at the meeting. Paragraph 2.3.10 the text was updated to state: *'Through the introduction of a new digital service Hackney Works has embedded a new set of metrics into the design of the Council's employment support service that focuses strongly on quality and journey tracking'*.
- 7.5 Members requested to change all references in the terms of reference to *inclusive growth* to *inclusive economy* because the language being used by the council in relation to this topic area has changed.
- 7.6 The Chair pointed out the review would be in tandem with the Council's work on developing their Inclusive Economy Strategy. The Council and the SEG Commission would work in partnership to gather insight to support both pieces of work. The key focus of the SEG review would be to provide the public voice to help shape and develop the Council's Inclusive Economy Strategy.
- 7.7 Members suggested an additional question was inserted about modes of ownership under point 1.15 in the terms of reference. Members suggested inserting the following question. "What the impact will be on modes of ownership in relation to achieving a more inclusive economy."

- 7.8 Members agreed the terms of reference subject to the amendments noted in points 7.4, 7.5 and 7.7.

ACTION	1. The Terms of Reference was agreed subject to the requests noted and agreed in points 7.4, 7.5 and 7.7.
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8 Skills, Economy and Growth Scrutiny Commission 2018/19 Work Programme

- 8.1 The Chair asked the Commission to suggest items for the new commission work programme via email and advised the full list would be considered at the first meeting in June 2019.
- 8.2 The Chair informed the commission the suggestions carried over from last year would be the review of the new licencing policy.

ACTION	Overview and Scrutiny Officer to send remit to Commission. Members of the Commission to make suggestions for work programme for SEG meeting in June 2019.
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9 Any Other Business

- 9.1 None.

Duration of the meeting: 7.00 - 8.50 pm

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Skills, Economy and Growth Scrutiny Commission 17 th June 2019 Update on Inclusive Economy Strategy	Item No 6
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OUTLINE

Approximately 6 months ago the Council re-set its approach to economic development, to develop an Inclusive Economy Strategy that it was both joined-up and focussed on ensuring that the benefits of economic growth reach all of Hackney's communities.

This item is to provide the Commission with an update about the development of the strategy and timeline for consultation and implementation.

ACTION

The Commission is requested to note the presentation and ask questions.

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Inclusive Economy Strategy - Cover note

1. Introduction

Over the last few months, the Council has developed an Inclusive Economy Strategy. This will be shared as a public document for consultation from late June through to August. A final draft will then be produced which will incorporate consultation findings. We will also incorporate any findings from the Commission's Inclusive Growth Review that might be available by this point. The aim is to then take this to Cabinet for approval in September.

2. Overview of Strategy

The Strategy sets out a vision, followed by illustrations of how the Council leads by example to use its resources and levers to promote a more inclusive economy, for example through its own employment programmes and procurement strategy.

The Strategy also sets out the parameters and limitations around what change the Council alone can effect, identifying the multiple ways that we need to work with partners to shape the economy.

There is an explanation as to why this Strategy is needed, and the way we are responding to a growing recognition, nationally and globally that existing models of economic development which focus solely on economic growth and expect the benefits to trickle down to the wider community have not worked and have allowed inequality to increase. The Strategy also sets out how this flows from the work done to develop the Community Strategy and identifies the key strategies and plans which support the work.

The Strategy presents three intersecting priorities in three separate sections. Each section provides contextual analysis, a summary of what we are already doing to support priorities and our future plans. The priorities are:

1. Support local neighbourhoods and town centres to thrive and to be inclusive, resilient places
2. Champion local business and social enterprise in Hackney and protect and maximise the delivery of affordable workspace in the borough
3. Connect residents to high quality support and opportunities to learn new skills, get good quality work and to make progress in work over their career

3. Development of Strategy

The Strategy has been developed through:

- A synthesis of the evidence around economy and employment and of existing business and resident insight;

- Extensive engagement with different departments in the Council to reflect their current work, and identify opportunities for stretch;
- Participating in two stakeholder workshops arranged by the Skills, Economy and Growth Scrutiny Commission as part of their Inclusive Growth Review

4. Challenge and feedback so far

In exploring what we can do to shape an inclusive economy, we are aware of some key challenges, and have reflected these in the strategy.

- Housing costs here are very high and in work poverty is a growing concern as wages, particularly for low earners have failed to keep pace with costs of living.
- London's economy is hollowing out, there are fewer mid level jobs today and there has been a rise in more insecure forms of employment.
- Local Businesses are concerned about recent rises in local business rates, the increasing unaffordability of workspace in our borough and the challenges of trading on the high street.
- Poverty and inequality is still too high in and some local neighbourhoods remain amongst the most deprived in the country.

The fact that we have these challenges, in a borough that has experienced economic growth and seen reductions in unemployment demonstrates that traditional models of economic development do not improve prosperity for everyone. But it also sharply sets out the scale of the challenge for us and partners, in shaping an economy that is inclusive of all communities, including those who are furthest from the labour market and those who face key inequalities or disadvantages (including people with special educational needs or looked after children)

5. Development of new metrics

There is no agreed national framework for measuring Inclusive Economic Growth. At a local level, we will co-develop a set of measures that help us understand the wider range of factors and dynamics in an inclusive economy. This will also help us better evaluate the impact we are having through our own work and if we are taking the right actions, moving us beyond a narrower set of traditional measures. The nationally published indices of deprivation provide us with a set of multi-dimensional measures and a picture of deprivation in Hackney, relative to other places in England. However it does not give us the nuanced picture that we would need to understand if we are making the impact needed.

We have already begun to look at better ways of measuring changes in our local economy, working with colleagues at University College London's Institute of Global Prosperity and others on their London Prosperity Board. UCL have developed a new [Local Prosperity Index](#) which aims to give a more rounded picture of a local economy that goes beyond measuring numbers of jobs, business growth and GDP. We will

develop a set of measures that reflect the multi-dimensional nature of an inclusive economy which could include:

- Quality of life, resilient neighbourhoods, community belonging and inclusion and voice and influence
- Housing security and affordability
- Health and wellbeing
- Jobs and income, Economic productivity, Thriving local businesses and social enterprises
- Education and skills
- Environmental and physical infrastructure improvements

6. Consultation and engagement objectives

There has been considerable engagement around similar issues in recent years, through Hackney a Place for Everyone, the Single Equality Scheme and through engagement in local areas, such as the Council led Dalston Conversation and the community led Hackney Wick Through Young Eyes, as well as engagement with specific communities (e.g. young black men, vulnerable migrants). We have also participated in the engaged undertaken through the Commission's Inclusive Growth Review. We have reflected this rich insight and data in the consultation draft of the Strategy.

We now want to add value and complement engagement which has already taken place. Our objectives are therefore to:

- a. Test the way we have framed or described our approach and the language we have used
- b. Explore whether people feel that the future commitments we highlight will provide the "stretch" required to help achieve an Inclusive Economy in Hackney
- c. Ensure that more disenfranchised voices among residents and businesses are heard and inform the strategy
- d. Secure commitment to shared objectives and delivery from partners and stakeholders including businesses
- e. Start conversations about how we measure the impact of the work planned using new metrics.

Methods:

1. Online survey - consultation
2. Citizen's panel focus groups
3. Sharing with businesses
4. Sharing with stakeholders
5. Listening to voices that tend to be marginalised in conversations about place and planning - by tapping into wider engagement events planned e.g. to develop the Poverty Reduction Strategy, the Older People's Strategy, Young Futures

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<p>Skills Economy and Growth Scrutiny Commission</p> <p>17th June 2019</p> <p>New Work Programme for 2019/20</p>	<p>Item No</p> <p style="font-size: 2em; text-align: center;">7</p>
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Outline

New Work Programme 2019/20

The Commission is asked to consider and make suggestions for the work programme for the new municipal year. Outlined below is the remit of the Commission and attached is information about the criteria to use when deciding if a topic suggestion should be a review or one-off items discussion.

Skills, Economy and Growth	
High level remit as per constitution	Prosperity of the borough and development, in particular economic development, employment and large scale planning and transport infrastructure schemes.
Statutory functions:	None.
Services falling into remit	<p><u>Public Realm</u></p> <ul style="list-style-type: none"> • Full responsibility for licensing and planning for: <ul style="list-style-type: none"> ✓ Residents ✓ Businesses and; ✓ Economy • Transport infrastructure and large scale schemes. • Libraries element of Public Realm <p><u>Employment and Skills</u></p> <ul style="list-style-type: none"> • Employment, skills and training opportunities • Hackney Works • Apprenticeships • Adult learning element of Education and Schools. <p><u>Regeneration and Partnerships</u></p> <ul style="list-style-type: none"> • Supporting Town Centres • Supporting Businesses • Voluntary and community sector.
Standing items (assuming full carry over from previous	<ul style="list-style-type: none"> • Question Time sessions with Cabinet Members for: <ul style="list-style-type: none"> ➢ Employment, skills and human resources ➢ Planning, business and investment

	Skills, Economy and Growth
Commissions). Once a year unless stated otherwise:	➤ Deputy Mayor and Cabinet member for health, social care, transport and parks.

The Commission is asked to agree the scrutiny review and discussion items to be included in the Skills, Economy and Growth work programme for 2019/20.

Action

The Commission is asked to agree the new work programme for 2019/20.

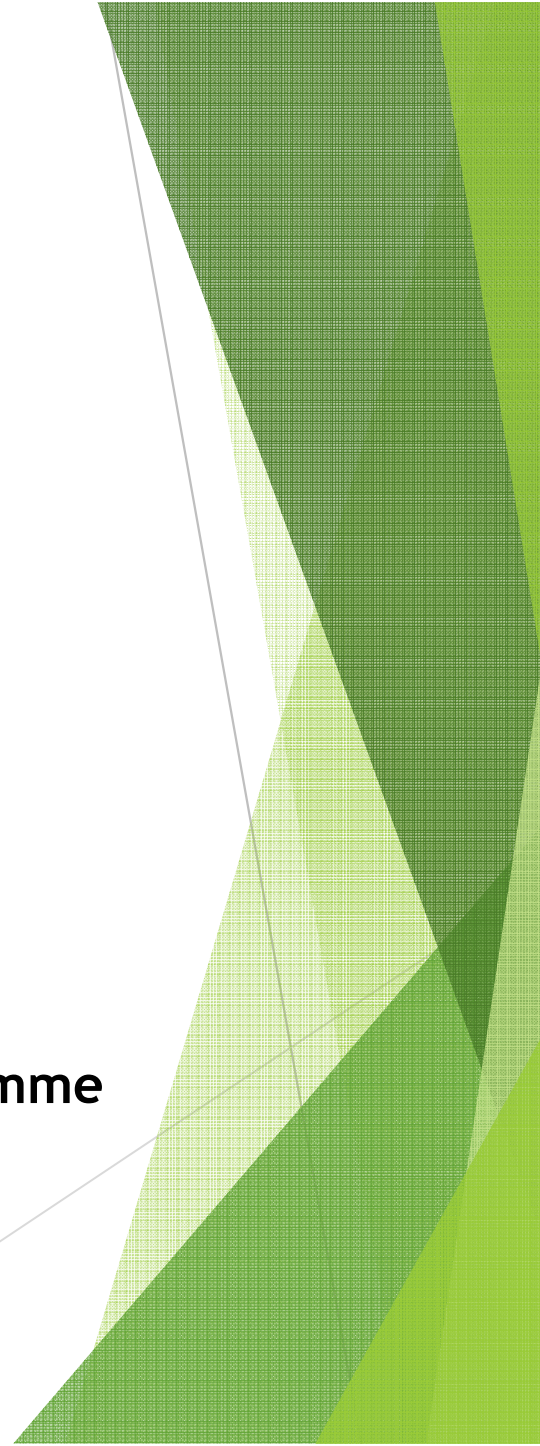
Skills, Economy and Growth Scrutiny Commission

Work Programme Development 2019/20



Development of the work programme for 2019/20

- ▶ Reflection on the work programme for 2018/19
- ▶ What is the role of scrutiny?
- ▶ How can scrutiny add value?
- ▶ What is effective scrutiny?
- ▶ Prioritising items for inclusion within the work programme
- ▶ Timeframe for development



Reflections on 2018/19 work programme

What items have worked well?

What items didn't work so well?

Does the format or structure in the way items are taken work well?

- ▶ **Review**
 - ▶ *Making the Local Economy Work for Hackney* (A review looking at inclusive economy)
- ▶ **One-off items**
 - ▶ Council's work in relation to employment, economic and community development and economic regeneration
 - ▶ Barriers to engagement for BMAE business owners and the support they require
 - ▶ Economic regeneration support to local businesses
 - ▶ Voluntary and community sector strategy - consultation
 - ▶ Gambling policy 2019-2022 - consultation
 - ▶ Transport infrastructure - capacity of the railway stations in the borough and the proposed changes to bus routes in the borough.
 - ▶ Hackney Council's Inclusive economy strategy
- ▶ **Cabinet Member Question Time**
 - ▶ Cllr Williams and Cllr Nicholson

Role of Overview & Scrutiny

- **Overview** - Holds decision makers (e.g. Cabinet Members and Senior Officers) to account.
- **Policy development and review** - help to improve or develop new services and policies
- **Performance management** - e.g. reviews performance, budget monitoring, value for money, quality.
- **Scrutinise external agencies** e.g. Police, Health Services, Fire Service, Housing Associations.
- **Public engagement and involvement** - represents views of the public and helps maintain public confidence in decision making.

How does scrutiny add value?

- ▶ **Provides assurance to decision making**
 - ▶ Public and open challenge
- ▶ **Bring stakeholders together to look at issues**
 - ▶ Statutory agencies, voluntary sector and community
 - ▶ Collaborative approach and solutions
- ▶ **Public engagement and involvement**
 - ▶ Seek to involve service users, residents and the local community
 - ▶ Meetings are public
- ▶ **Enhances democratic accountability and involvement**
 - ▶ Open, public and transparent assessment gives confidence to community

What is effective scrutiny?

Approach.....

- ▶ **Cross party approach** - non-party political, consensus approach
- ▶ **Evidence based** - research
- ▶ **Practical and constructive**
- ▶ **Inclusive** - working with partners and the local community
- ▶ **Relevant and timely**
- ▶ **Flexible format** - opportunity to innovate

Skills....

- ▶ **Prioritising** - picking the right topics/issues
- ▶ **Questioning** - obtaining the right information
- ▶ **Consensus building** - working across party
- ▶ **Partnership working** - building relationships
- ▶ **Influencing** - “selling” scrutiny

Prioritising items for the work programme - key questions

- ▶ Is this issue aligned to corporate priorities of the Council and its partners?
- ▶ Does this issue resonate with the Commission, other non-executive Councillors and the wider local community?
- ▶ How can value be added to this issue through scrutiny?
- ▶ Is this issue being looked at elsewhere - will scrutiny compliment/ duplicate that?
- ▶ Is it timely?

Timeframe

Date	Purpose
17th April	SEG Commission – initial discussion
21-31st May	Write to key stakeholders for suggestions
May-June	Meeting with Cabinet Members and senior officers to discuss work program
June 17th	SEG Commission - agrees work programme
July 18th	Scrutiny Panel – work programme confirmation

Identification, prioritisation and selection of topics for in-depth scrutiny review and work programme items

Identification

- Topics suggested through consultation with Commission members and other Non-Executive Members
- Topics arising from national legislation or other policy requirements
- Topics suggested from local residents and community groups (e.g. resident surveys)
- Issues suggested by Cabinet Members & Senior Officers within the Council
- Topics that have arisen from issues which have been covered by local or national media?
- Topics arising from local strategy or policy developments?

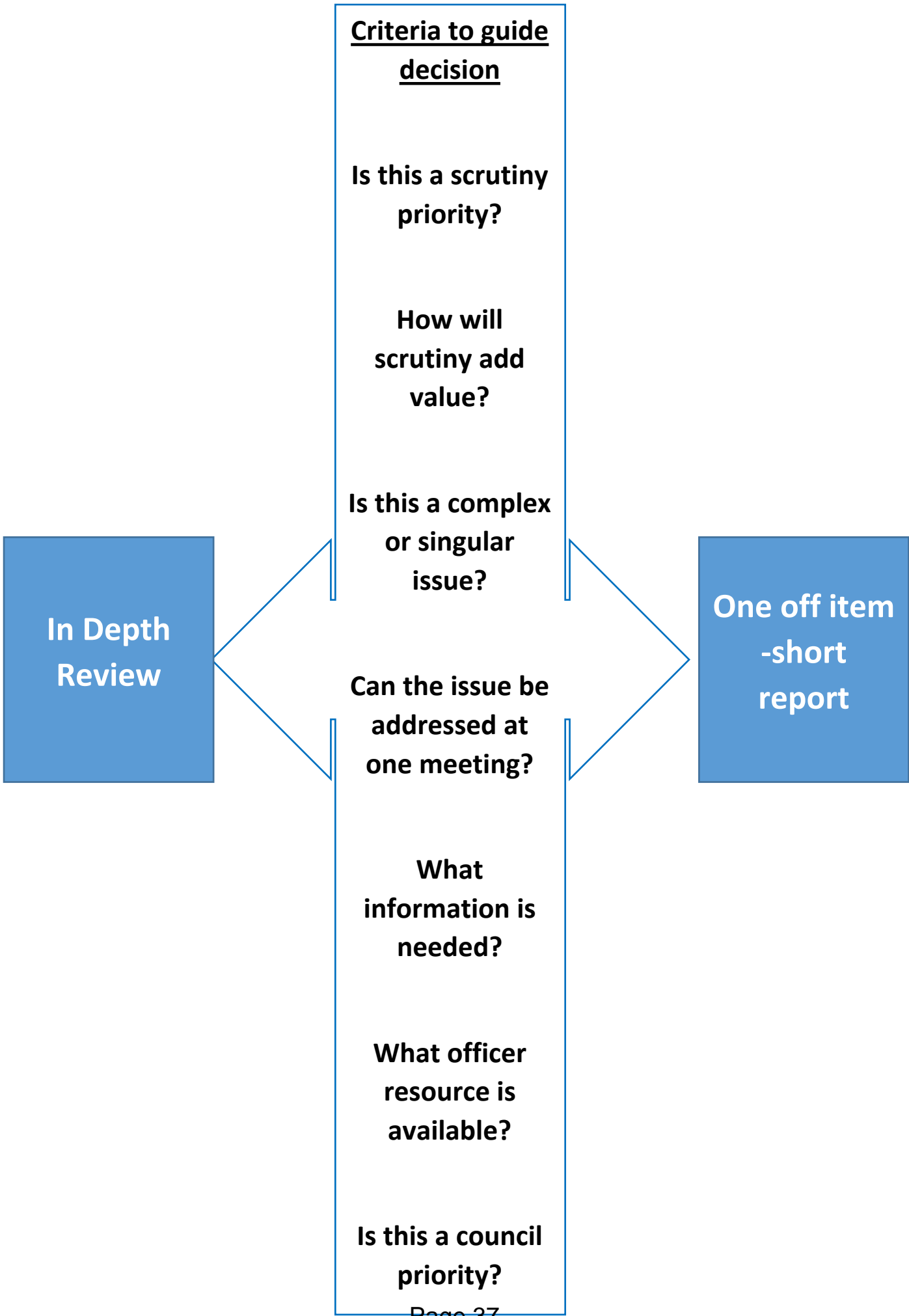
Prioritisation

- Is the review topic a borough wide issue and important to the local community?
- Does the topic relate to a poor or underperforming service?
- Does this topic give rise to numerous / serious complaints?
- Has this topic been flagged by an inspection or audit or other assessment report e.g. Ofsted, CQC, Audit Office?
- Would this topic benefit from in depth review or better served by a one-off item (e.g. update, short investigation)?
- Is this topic cross-cutting, relevant to more than one Commission?

Selection

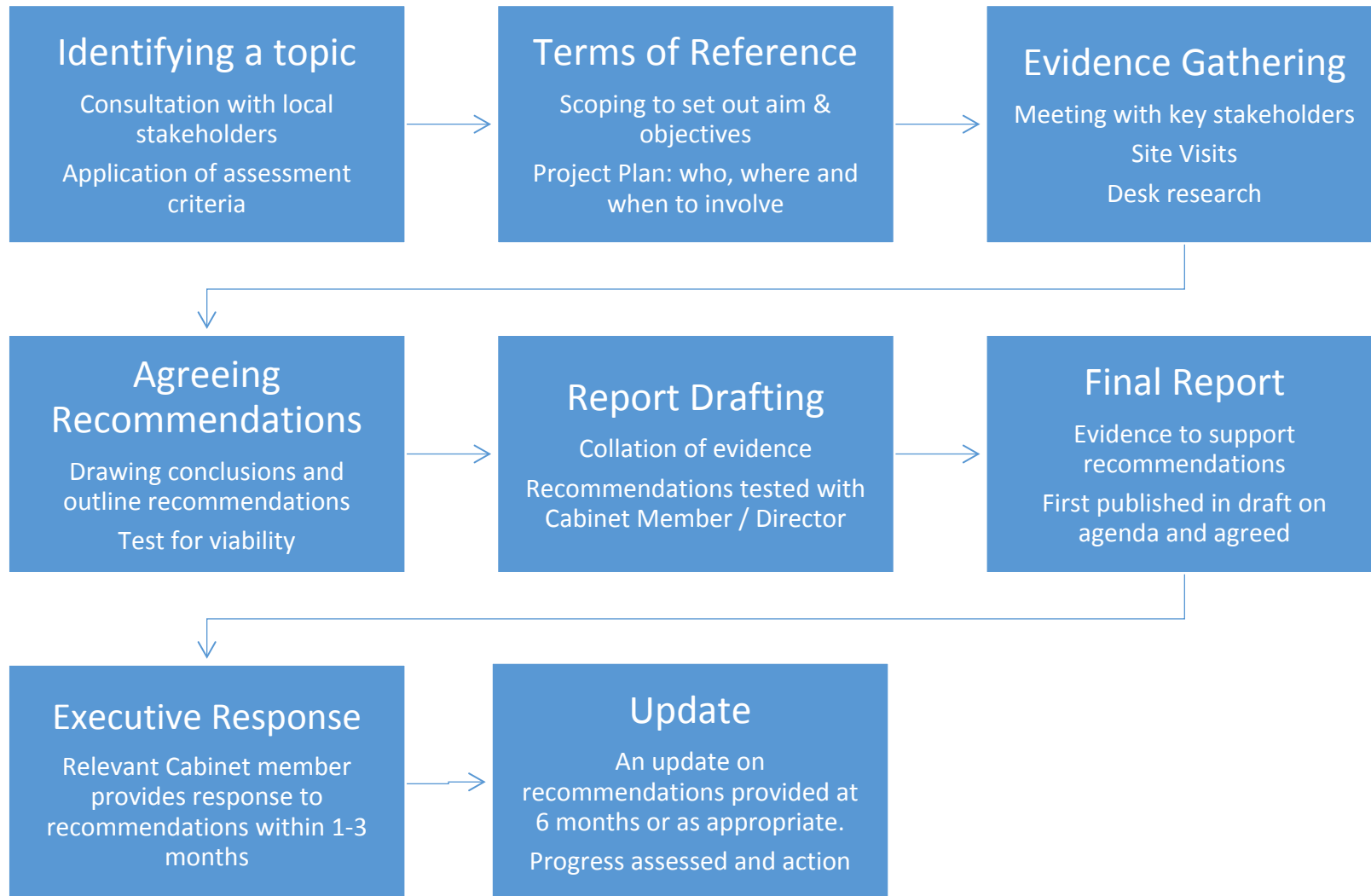
- Does the topic support priorities identified within the Council's Corporate Plan?
- Will the topic add value and deliver practical outcomes for local residents?
- Is this review feasible; is the topic adequately focused, can it be undertaken within a suitable timeframe and with the current resource available?

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Lifecycle of a Review



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