
London Borough of Hackney
Skills, Economy and Growth Scrutiny Commission
Municipal Year 2019/20
Date of Meeting Monday, 6th January, 2020

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 MBE
Councillors in Attendance	Cllr Polly Billington (Vice-Chair), Cllr Richard Lufkin, Cllr Sam Pallis, Cllr Steve Race and Cllr Gilbert Smyth
Apologies:	
Officers In Attendance	Marcin Manikowski (Deputy Enforcement Manager), Andrew Munk (Head of Employment and Skills), Olga Vandenberg (Business Communications & Engagement Manager, Regeneration Delivery Team), Georgina Barretta (Policy Infrastructure Team Leader) and Suzanne Johnson (Head of Area Regeneration)
Other People in Attendance	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	1 member of the public
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Councillor Mete Coban MBE in the Chair

- 1 Apologies for Absence**
 - 1.1 No apologies for absence.
- 2 Urgent Items / Order of Business**
 - 2.1 No urgent items.
 - 2.2 Order of business is as per the agenda.
- 3 Declarations of Interest**
 - 3.1 There were no declarations of interest.

4 Minutes of Previous Meeting

- 4.1 The minutes of the previous meeting held on 16th September 2019 were approved.

RESOLVED	Minutes were approved.
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5 Cabinet Member Question Time – Employment, Skills and Human Resources

- 5.1 The Chair welcomed to the meeting Councillor Carole Williams, Cabinet Member for Employment, Skills and Human Resources from London Borough of Hackney.
- 5.2 The Cabinet Member provided a verbal update in response to the questions submitted in advance of the meeting. They were related to apprenticeship programme and post 18 skills and adult learning.
- 5.3 In response to Members questions about the council's apprenticeship programme. The main points from the response are outlined below.
- 5.3.1 The Council has a multi award winning apprenticeship programme, the programme is progressing very well and has won awards in 2018 and 2019 for the employment and skills team work in developing and managing the scheme.
- 5.3.2 In response to the breakdown of apprenticeships across the council. There are:
- 20 in Chief Executive
 - 55 in Finance and Corporate Resources
 - 65 in Neighbourhoods and Housing
 - 25 in Children, Adults and Community Health.
- 5.3.3 A dashboard is produced regularly that provides further detail on the above apprenticeships. The Cabinet Member offered to make this information available to the Commission if they wished to review each category in more detail.
- 5.3.4 The Council's corporate apprenticeship scheme is paid at least the London living wage (LLW) and compares well to other London boroughs. Only 37% of London Boroughs pay their corporate apprentices the LLW.
- 5.3.5 The council wants to continue its work on apprenticeships by working with local businesses across the borough to share best practice and drive up the quality of apprenticeships. The council has set up an apprenticeship network.
- 5.3.6 The criteria for membership of the network requires employers to sign up to paying, at least, the rate of the national minimum wage. The council also asks employers with social obligations e.g. with Section 106 obligations to join the network.
- 5.3.7 To date 30 organisations have signed up to the network and an additional 15 are going through the membership process.
- 5.4 In response to Members questions about post 18 skills and adult learning. The main points from the response are outlined below.

- 5.4.1 The Council's aim is to improve skills for all residents through adult learning.
- 5.4.2 The council is exploring the possibility of a pilot for paid work experience for over 50s, similar to the Hackney 100 and apprenticeship programme.
- 5.4.3 The council is currently redesigning adult skills and integrating adult learning service with employment and skills service. There are proposal to co-locate the 2 services.

5.5 Questions, Answers and Discussions

(i) Members made the following enquires:

- a) In relation to the network Members asked for more information about how it is used to support SMEs?
- b) What type of companies they signing up to the network?
- c) Asked for more information about the criteria to be part of network.
- d) Member pointed out the challenges facing SMEs in relation to operational costs and their ability to cover the cost of an apprentice. Members asked how the council can support them with apprenticeships
- e) Asked if the council could provide a demonstration of the impact of the network and the measure in place?

The Cabinet Member for Employment, Skills and Human Resources explained they have a range of businesses signed up to the network covering educational, performing arts and adult social care sectors.

In response to the measures they will look at the quality of employment, the number of business that join the network and the outcomes. E.g. number of apprenticeships etc. The Council is also aiming to have the organisations in the network using a dashboard. There are plans to include the outcomes of the network in the dashboard they currently produce for their internal monitoring. This would give the council a breakdown of the impact across the borough and information about the type of businesses, age range of hackney residents participating in addition to gender and ethnicity too. There are no measure for social class but they do look at disadvantaged groups e.g. NEETS.

A sample of business participating are:

- Hobbs – a 3D academy providing training to residents aged 18 - focused on architecture
- HSSMI – digital engineering company based at Loughborough University
- Aviva and Regal Homes.

(ii) Members enquired what percentage of apprenticeships result in permanent roles?

The Cabinet Member for Employment, Skills and Human Resources and Head of Employment and Skills confirmed approximately 77% of the Council's apprentice's transition into a job, a further apprenticeship or higher education.

(iii) Members enquired about the strategic purpose of the network asking if its aim was to support the most enthusiastic and committed employers in the borough or to have as many employers as possible join the network. Therefore would success be that all employers join or success for the network is having the most advanced and ambitious employers.

The Cabinet Member for Employment, Skills and Human Resources explained it was not for the most advanced and ambitious. The Council's aim is to work with a range of businesses. The council would like to have a network with a diverse range of businesses across sectors and not just the high tech high skilled sector. The Cabinet Member pointed out they have a number of apprentices in a range of sectors e.g. council and construction.

The Council would like to drive up employment practices and standards across a number of sectors including construction. The Cabinet Member wants a criteria that is about the percentage of apprentices across the borough. Making sure the measures demonstrate the outcomes for Hackney as opposed to just sheer numbers.

- (iv) Members enquired of the Council was still defining the outcomes and if it would include how to improve the quality of apprenticeships.**

The Cabinet Member for Employment, Skills and Human Resources confirmed they were still defining the outcomes and explained this would be part of the work for the Inclusive Economy Strategy.

- (v) In terms of developing the quality for the network Members enquired what activity was being conducted as part of the network that establishes what works and what does not.**

The Cabinet Member for Employment, Skills and Human Resources advised this work was in the process of being completed. It will be part of their assessment work. Highlighting the network launched last year. After a period of operation they would reflect to assess what has been achieved in the first year and what they would like to change to make improvements on the outcomes achieved for future years.

From the discussion Members summarised their understanding of a successful network as one that:

1. Has a diversity of employers across different sectors
2. That the criteria is about their ambition to deliver apprenticeships for the Hackney work force.
3. The network will aim to improve the quality of apprenticeships and the outcomes rather than just the number of apprenticeships.

The Cabinet Member for Employment, Skills and Human Resources agreed.

- (vi) Members enquired if all the companies signed up to the network are Hackney based or based outside the borough boundaries?**

The Cabinet Member for Employment, Skills and Human Resources confirmed yes and no. The Cabinet Member explained they have companies like Aviva which has a site in the borough but is not a Hackney specific business.

- (vii) For clarity Members asked if the companies signing up to the network were doing so because they have a presence in Hackney.**

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The Cabinet Member for Employment, Skills and Human Resources responded to some extent.

The Head of Employment and Skills pointed out having a presence helps and enables the council to have some leverage on the company but it was not a specific criteria to join the network. It was highlighted the council is currently in conversations with business in East Bank in Newham to encourage them to sign up to the network too.

- (viii) Members referred to the borough boundaries in Hoxton East and Shoreditch Ward and referenced that it has areas of deprivation, some higher levels of unemployment but closely located to an area of significant employment opportunities. Members pointed out there is a large number of companies in that borough and a small number of borough residents. Members enquired if the council worked with other boroughs like the City of London to connect their apprenticeship programme and network with organisations in that borough too?**

The Cabinet Member for Employment, Skills and Human Resources explained the challenge is that some of the corporate businesses have their own apprenticeship programmes. However the Cabinet Member did not exclude there may be opportunities to explore partnering with the council and offering apprenticeships through the council's network to Hackney residents.

The Cabinet Member pointed out that Tech City and digital Shoreditch has grown across the borough to different locations and there is a large number of high end businesses they can work with elsewhere in the borough.

- (ix) Members referred to the comments about construction and highlighted the borough has a large volume of construction projects currently in the borough; some of which are managed by the council and others have come through the council's planning system. Members commented there seems to be disparity between the number of companies that participate and how they meet targets for apprenticeships or work experience. Members enquired how the council was evaluating how effective the council is in monitoring construction projects, in terms of the quality of employment they are offering, particularly for the projects the council has huge engagement with.**
- (x) In reference to the Cabinet Members points of wanting to "drive up employment practices and standards across a number of sectors including construction". Members asked for her views on this and the role the council would have in achieving this?**
- (xi) Members referred to the London wide work by the Deputy Mayor of London about the good work standards and asked if the council had signed up to this?**

The Head of Employment and Skills confirmed the Council has signed up to the good work standard through HR. The officer also pointed out the criteria for the apprenticeships network is aligned with the London wide good work standard and hold them to a higher standard than the Greater London Authority (GLA).

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The Cabinet Member for Employment, Skills and Human Resources advised there is more work for the council to do to look at how they can drive up standards across the workforce and not just apprenticeships. Particularly in the changing labour market and the changing economy. The council needs to use the Inclusive Economy Strategy to change employment outcomes for people and ensure they do not have large numbers of Hackney residents in low pay, low skilled or low standard work. But rather that local residents are able to share in the wealth of the borough.

The Head of Employment and Skills informed the Commission where they have Section 106 obligations the council has leverage. They will apply the criteria of the apprenticeship network to those agreements, explaining the organisation will be required by planning to report on local labour and apprenticeships on a regular basis. This is recorded in a dashboard each quarter. As at June – September 2019 there were 42 new apprenticeship starts across 14 different businesses in construction. As a result of the apprenticeship network these apprenticeships are of a set standard. The council uses Section 106 to apply the apprenticeship network standards where possible which is more than other London boroughs do currently.

(xii) Members enquired about the process or action taken during and after the project if it is known a project will not meet its targets?

The Head of Employment and Skills advised the target is 'at least one full framework apprentice for every £2 Million of construction contract value. Or the equivalent number if a shared apprenticeship model is offered'. If they do not meet this target Planning can issue a fixed fee as a fine. However the Council aims to have a constructive relationship and generally will seek to have discussion prior to that stage. If the view is they cannot take on the number of apprentices because of the nature of the scheme, they will consider if they can do some work experience placements or alternative employment. When an agreement is made an employment and skills work plan is set up. The officer pointed out a scheme like the Britannia development is providing a range of different outcomes not just jobs and apprenticeships.

(xiii) Members commented it would be useful to see the targets and outputs per project, the action taken and the reasons given for not meeting the targets.

The Head of Employment and Skills also advised that they also push for non-construction apprenticeships too like head office roles. A challenge they face with construction apprenticeships is the time frame for apprenticeships. An apprenticeship training framework is often a minimum of 12 months – 18 months. Sometimes the build project can be less e.g. 16 weeks / 20 weeks. In these cases it's difficult so what they try to do is move apprentices across different schemes. But this is not always possible. The council is looking at moving across boroughs too.

(xiv) Members asked what the council would like to see from national Government to help them to enhance the work they have achieved with the apprenticeship scheme.

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The Cabinet Member for Employment, Skills and Human Resources advised the biggest ask would be to have more flexibility with the levy and how it can be used. Hackney uses the levy within the boundaries of the law but in terms of delivering apprenticeships across the borough with partner organisations and businesses, they could do more of this with more flexibility in the scheme.

(xv) Members enquired what this flexibility would entail.

The Cabinet Member for Employment, Skills and Human Resources advised it would entail being able to use the levy in different ways and being able to share apprenticeships. Having the ability to deliver more part time flexible apprenticeships. The council is managing to do it for their scheme but not all businesses can make this provision.

(xvi) Members enquired if companies could donate or spend their apprenticeship levy vouchers with the council?

The Head of Employment and Skills informed the Commission the apprenticeship levy could not be used to pay an apprentice's salary. For SMEs this was a big barrier. Companies can transfer up to 25% of their levy. The council is currently helping to support companies to transfer the levy through the network. Locally some larger organisations (including the council) transfer money to smaller companies (SMEs). The officer explained the ability to make the transfer to another company is not a simple process so the council is providing support to enable this locally.

In discussions Members commented the complexity of the process is limiting the ability of other companies to do this and the council too. Members highlighted that Hackney borough would benefit from that type flexibility in the scheme to help support SMEs that would like to offer apprenticeships.

In discussions Members commended the journey of the council in relation to establishing the corporate apprenticeship programme, reflecting the Cabinet member has taken it from the scrutiny review through to implementation by Cabinet.

(xvii) Members enquired about the scope to share with other neighbouring boroughs the information about how Hackney has established a successful apprenticeship programme and its best practice.

The Cabinet Member for Employment, Skills and Human Resources thanked Members for the recognition of the journey. In terms of sharing the experiences of Hackney the Cabinet Members informed the Commission she is a member of, a number of, London wide boards that meets quarterly. At these meetings they discuss the apprenticeship programmes. They also share their experiences, data and the breakdown of information collated.

From the London wide discussions the Cabinet Member has observed that when the apprenticeships programmes sits within HR in an organisation it has not necessarily made same level of progress like the Hackney scheme. The Cabinet Member pointed out in Hackney they have a dedicated employment and skills team that manages the apprenticeship programme and looks after

the apprentices. They are key to driving up the standards and making it an award winning scheme.

The Cabinet Member pointed out having it sit within a dedicated team is extremely important and having corporate and political oversight makes a difference to achievements with the scheme.

(xviii) Members made the following enquires:

- a) How closely do you work with the national apprenticeship body?**
- b) In relation to supporting apprentices. If an apprentice is unsure of what apprenticeship to apply for what guidance and advice is offered in regards to training and work or the type of apprenticeship to go for.**
- c) How many disability confident employers are part of the network and how many people with a learning disability or disabled are support through the programme?**
- d) What support is offered at application stage to apprentices when they apply?**
- e) What mental health support is available to apprentices?**

The Cabinet Member for Employment, Skills and Human Resources advised at application stage the employment and skills team give pre application support and they hold open days – they have held an apprenticeship fair. There is an assessment day where the team will talk through the roles that exist, what apprenticeships are available and what might suit the individual - taking into consideration their skills, experience and their interests. The Cabinet Member pointed out it is not uncommon for a person to come with one apprenticeship in mind but ending up with another apply for a more suitable apprenticeship and it has worked better for them.

In regards to the disability confident employers. The council is a disability confident employer. This is not a criteria for membership to the network. Therefore they would not turn away an employer if they were not disability confident employers.

(xix) Members enquired if the criteria included a set list of standards or was this bespoke to each employer?

The Head of Employment and Skills confirmed there is a list of standards.

The Cabinet Members offered to share the list of standards with the Commission.

ACTION	Cabinet Member for Employment, Skills and Human Resources to send to the Commission the list of standards for the apprenticeship network membership.
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The Head of Employment and Skills advised they have a supported internship for people with a disability. This is currently in partnership with the Homerton

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NHS Foundation Trust University Hospital. The aspiration is to grow this programme in line with the inclusive economy strategy aims.

The officer pointed out where the Council has social value leverage they will ask employers if they can accommodate work placements for a person with a disability.

The Cabinet Member for Employment, Skills and Human Resources confirmed the council does not work closely with national scheme.

The Head of Employment and Skills informed the Commission the manager has provided training to the Civil Service on how to operate an apprenticeship programme.

The Cabinet Member Employment, Skills and Human Resources advised they offer general mental health support to all staff through HR policies. Mental health support was not covered by one specific policy through various HR policies.

The dedicate apprenticeship team within employment and skills provide pastoral support and works closely with the apprentices.

(xx) Members enquired if the pastoral support was assigned throughout the time of the apprenticeship.

The Head of Employment and Skills advised there is training support given to managers hosting an apprentice in addition to the pastoral support to apprentices.

(xxi) Members enquired what proportion of apprentices have an Education Health Plan (EHP) or are on the SEND register within the current scheme.

The Cabinet Member for Employment, Skills and Human Resources confirmed the council does have a supported internship for residents who have a learning disability.

The employment and skills team is working closely with the HLT SEND team to consider where an internship might be suitable for some people. They also consider where the funding support attached to the plan might be used to support an internship.

The Head of Employment and Skills informed the Commission they currently have 8 people employed by the Council and the Homerton Hospital. The vision is for the numbers doing the internship to grow. The employment and skills team is in the process of recruiting a member of staff to work with the SEND team to visit schools to talk to parents and young people about the pathways into supported internships.

(xxii) Members enquired how the council envisaged building up capacity for this scheme going forward and if they had expected outcomes in mind?

The Head of Employment and Skills informed the Commission the aim is to have as many people as possible aged 16-25 with a plan to consider

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employment and to move into an internship. This would involve a culture shift and change in mind set from seeing SEND young people aged 25 plus slip out of support. This would also require more supported internship placements. To establish this programme the council has led by example and is talking to business. Through the inclusive economy strategy work they will be seeking to influence and navigate business to think about how they can host supported internships.

The Cabinet Member for Employment, Skills and Human Resources pointed out it was important that the Council's workforce is representative and this was a key step towards achieving this. This work was about improving the employment experience for the proportion of the workforce within the borough who have a disability.

(xxiii) Members referred to the success of network and enquired about the council's framework for measuring success or a timeline for evaluation? Members also enquired if the evaluation would be carried out externally or was it an internal process?

The Cabinet Member for Employment, Skills and Human Resources advised they are having conversation to consider the best methods for evaluation. Currently there is no further detail to report.

The Head of Employment and Skills informed this would also form part of the work for the inclusive economy strategy.

Members commented it was important to establish what will be measured from the outset and what the Council expects to achieve in year 1, year 2 and year 3.

(xxiv) Members asked for further information about the work experience pilot for residents aged 50 and over?

The Cabinet Member for Employment, Skills and Human Resources informed the Commission they wish to deliver a training programme that is similar to the Hackney 100 programme and delivers against 2 of the Council's manifesto commitments.

The Council has discussed having 2 cohorts. One cohort will include ESOL learners and residents over 50 years of age (launching in the next few months). The council is looking at tailoring the provision delivered by adult community learning services. The second cohort will be 16-24 year olds (launching later this year - September).

(xxv) Members enquired how many people would be in a cohort.

The Cabinet Member for Employment, Skills and Human Resources confirmed they are planning to have 8-12 people in a cohort.

(xxvi) Members asked for further information about the drivers for the integration of the adult learning and employment and skills services.

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The Cabinet Member for Employment, Skills and Human Resources informed Members some of the drivers are linked to the changes in the adult education budget, changes within labour market, changes in the welfare system and political priorities. The Council's aspiration is to consolidate services to deliver the employment outcomes they envisage in the 2018 manifesto commitments.

The outcomes will be the delivery of employment opportunities and having a pathway from adult education courses to the employment skills discussed.

(xxvii) Members enquired if the Council was making a saving from the integration and if it was making savings would they be reinvested in adult education.

The Cabinet Member for Employment, Skills and Human Resources confirmed there will be savings from the integration but this was not the driver for the change. The Cabinet Member confirmed savings would be reinvested in adult education services.

(xxviii) Members asked why the integrated approach for the 2 services was considered the best option to achieve the outcomes.

The Cabinet Member for Employment, Skills and Human Resources advised there was some duplication between the 2 teams. The employment and skills team has grown since the first set of mayoral manifesto commitments in 2016. The council does need to think more about how the 2 services work together. There is regular liaison between the 2 teams. The council wants to be clearer about adult education outcomes and have a pathway for adult learners to move into the employment opportunities.

The Head of Employment and Skills added that another driver was the division of the adult education budget by the GLA. The GLA was moving towards a more outcomes based approach. The officer highlighted whilst the funding remains constant they are looking at a range of outcomes which includes some of the traditional outcomes and more measurable outcomes like employment. This is one of the reasons why several councils have looked at this type of integration as an option. Hackney Senior Management Team considered a range of options from having separate services to a deeper level of integration than they are pursuing now. The officer pointed out the curriculum team would remain untouched in adult learning and will continue to have a separate management structure.

(xxix) Members suggested the Cabinet Member returns at a future date to give an update on the integration and how they have managed to maintain the long term ambitions of employability alongside the value of adult learning.

The Cabinet Member for Employment, Skills and Human Resources agreed to return with a further update.

The Chair commended the work of the Cabinet Member and the council teams in relation to the development of an award winning apprenticeship programme and adult learning services.

The Cabinet Member for Employment, Skills and Human Resources placed on record her thanks to all the employment and skills staff for their work.

6 Cabinet Member Question Time - Planning, Culture and Inclusive Economy

- 6.1 The Chair welcomed to the meeting Councillor Guy Nicholson, Cabinet Member for Planning, Culture and Inclusive Economy from London Borough of Hackney.
- 6.2 The Cabinet Member provided written responses to the questions submitted in advance of the meeting. They were related to Community Infrastructure Levy and Hackney Walk. The reports in the agenda were taken as read and the discussion moved to questions and answer.
- 6.3 In reference to Hackney Walk the main points highlighted were:
- 6.3.1 The commercial ownership has changed and was transferred to Inguia Capital Group (ICG). Originally commercial ownership was with Hackney Walk. This was transferred it to Lab Tech who have recently transferred it to Inguia Capital Group (ICG).
- 6.3.2 Officers explained in terms of ownership Network Rail hold the freehold. The commercial assets were passed to a company called The Arch Company last year to manage. Arch Co commenced a 150 year lease from network rail last year.
- 6.3.3 Hackney Walk purchased a 25 year lease in 2016.
- 6.3.4 The Arch Company is a new company that manages network rail's assets. Approximately 5000 arches.
- 6.3.5 The Hackney Walk lease for 25 years was passed to Lab tech who have now passed the ownership to ICG.
- 6.3.6 The Council is proposing to meet with the new lease owners in the coming days. In addition it was noted the Council's Head of Economic Regeneration has regular meetings with The Arch Company and Network Rail.
- 6.3.7 The officer pointed out the current planning permissions for the Morning Lane arches have a fashion use clause. There means the current use is only permitted for fashion use. The council would like to see this changed and was working with the previous owners to include in their plans for the site obtaining a change in use to mixed use.
- 6.3.8 The Council supports changing the use to mixed use.
- 6.3.9 The Council was expecting Lab tech to put in a planning application for change of use. The Council will discuss the plans for the site with the new commercial owners.
- 6.3.10 The council is not considering acquiring the lease or properties.
- 6.4 **Questions, Discussion and Answers**
- (i) **Members referred to point 8 on page 30 of the report which highlights that the funding pot would have 2 elements - borough wide and ward level. Members made the following enquires:**
- a) **How the fund would be allocated for the 2 elements and if it would be an equal distribution per ward?**

b) For the borough wide how will this be calculated in relation to the ward?

c) Will it be 50% ward element and 50% borough wide?

The Cabinet Member for Planning, Culture and Inclusive Economy advised in regards to the Neighbourhood CiL the detail about the distribution of the funds is still being developed.

The Cabinet Member pointed out the Commission could be involved in providing their thoughts to inform officer discussions in shaping the Neighbourhood CiL allocations in terms of a) what it can look like, b) how its monitored and the focus for its use to the community.

The Cabinet Member referred to the Hackney a Place for Everyone (HAPE) consultation which highlighted Hackney has an inclusive community. One of the assets supporting this inclusivity and helping to build relationships in the community is a number of major cultural events in the borough e.g. Hackney Carnival.

The Cabinet Member highlighted the event has grown over the years and this year the numbers were quite significant. The challenge for the Council now, is to look for other investors into the Hackney Carnival. The last event was planned with the MET because the event classification has been moved up to being one of the leading cultural events for London. This reclassification means elements of the policing costs fall to the MET through the GLA MET police funding. However it was noted, as the event gets bigger it needs more resources in all aspects from the organising stage through to the management of the day e.g. volunteers, participation programme etc.

This is starting to raise questions like the frequency of the event. The Cabinet Member pointed out the council could choose to have a rotation like the Glastonbury event which has 3 years on and 1 year rest. These conversations will help shape the future event and the future allocation of resources. From there the council can consider what level of CiL resources could be used as a contribution towards the event. The Cabinet Member assured the Commission not all the funding resource would be spent on the carnival.

The Cabinet Member pointed out there are legalities on how they can deploy the funds and stipulations on what they can spend the funding on. Therefore it will be important to link the investment back through to the inclusive economy strategy and other relevant policies. The other aspect is to ensure the commissioning framework recognises the aim which is to bring people together.

As the borough changes - new developments come on stream, new neighbourhoods are formed or evolve and new members join the community. The council can consolidate and broker relationships between the existing and new communities, through the Neighbourhood CiL investment, the Inclusive Economy Strategy and Cultural Strategy.

Therefore it should be noted that the Neighbourhood CiL covers different areas of spend to that of other forms of investment like the Section 106, which covers employment, training and skills as outlined by the Cabinet Member for Employment, Skills and Human Resources.

Taking this into consideration what has been highlighted is the need for an equitable distribution across the borough. The Cabinet Member pointed out if the CiL was spent based using its current criteria and based on generation areas (mainly from 2 Wards in the borough). This would not lead to an

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equitable distribution of investment across the borough. It was noted there are contributions from other wards in the borough but largely most of the contributions come from developments in the southern part of the borough.

It was also pointed out that the Woodberry Downs development was exempt due to then level of affordable housing and the community infrastructure portfolio. The level of investment in this scheme makes it exempt from Community Infrastructure Levy (CiL) contributions.

It was also highlighted that the areas covered by the London Legacy Development Corporation (LLDC) are also exempt from making a CiL contribution to the borough. The CiL generated in these areas currently goes to the LLDC's CiL funding pot not the borough's CiL funding pot.

- (ii) Members referred to the aim for the CiL to be aligned with community priorities. Members made the following comments and enquires:**
- a) Members commented there are a number of community groups in wards doing initiatives and looking for funding to supplement their work.**
 - b) Members referred to the officer group looking at priorities and asked about the resident engagement with this group to help shape the priorities?**
 - c) Members also asked about the resident engagement for ward level funding too?**
 - d) If the council proposed to have a minimum application amount or a staggered grant that local people could apply for?**
 - e) Asked how the Council was planning to work with local residents to support people to apply for the funding outside of VCS organisations? Making it available to a wider group of stakeholders.**

The Cabinet Member for Planning, Culture and Inclusive Economy advised the next 4 months will be spent shaping the Neighbourhood CiL allocation. The Cabinet Member welcomed contributions from the Commission to help shape the development of this work.

The Council is learning about allocation from the Shoreditch Art funds for the 2 Hoxton Wards. This sum of money was accumulated over the last 2 years (under Section 106 for public arts). The pot of funding is currently being managed by the area regeneration and cultural development team to connect the arts and cultural sectors in the 2 wards. Although there is a slightly different legal regime for Section 106 compared to Neighbourhood CiL. This will help all parties understand the required accounting, reporting and activities needed. This aims to redefine art in the context of it being a people led experience and not necessarily a piece of art work in the community. In this instance this is being led by arts organisations.

Notwithstanding this, it did not mean they would exclusively focus on a cultural investment fund from the Neighbourhood CiL. But that the Council was thinking about how they could create a small grants initiative that fulfils the criteria around bringing people together to address neighbourhood change at a local level and in a meaningful way; whilst still being accountable.

This will need to be monitored by the council but having a role for professional artists, arts organisations, cultural practitioners (some of which have networks) and also use this as an opportunity to create match funding - this can be time

not necessarily money- as a criteria to support residents. This will ensure there is an opportunity to help, compliment, assist and enhance projects.

The idea is that there is a small scale portfolio alongside a medium scale portfolio. That being said the larger scale events like the Hackney Carnival become a separate entity from a separate funding source.

The Cabinet Member pointed out there will be a criteria that will look at wards where there may be no applications. The council will then work with the community to bring in initiatives to help develop that activity or enable residents to put forward a programme.

The Chair asked the Cabinet Member to liaise with the Commission so they can contribute to the development of the process for the Neighbourhood CiL allocations over the next 4 months.

ACTION	The Cabinet Member for Planning, Culture and Inclusive Economy to liaise with the Commission about contributing to the development of the process for the Neighbourhood CiL allocation over the next 4 months.
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(iii) Members made the following enquires:

- a) Asked about the amount proposed for investment in cultural activities?**
- b) Asked how the council proposed to avoid easy / cosmetic investment that usually had limited impact and does not result in sustainable inclusive activity or can be quite costly to maintain?**
- c) Referred to the objective of bringing people together and asked if the council would be open to looking at other types of activities outside of specific cultural activities. Specifically if these activities could be considered as fulfilling the aim of bringing people together e.g. using communal gardens.**
- d) Referred to the fact that 80% of the funding pot will go on big infrastructure. Members asked about the criteria for the investment on big infrastructure work?**
- e) Taking into consideration the Council's ambition to be carbon neutral. Members asked what sustainability requirements the council applies to the CiL?**

The Cabinet Member for Planning, Culture and Inclusive Economy informed the Commission the total infrastructure bill for the borough is currently estimated to be about £1 billion. The CiL levy has raised £24 million locally, this indicates a big gap in the funding required to complete the physical infrastructure needs. Therefore the focus must be on delivering collective policies like zero carbon, reducing emissions as well as investment into wider public realm – like open parks and public spaces.

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In reference to the question about cosmetic investment. The Cabinet Member explained this was the reason why the Neighbourhood CiL was focused on people activity investment rather than the infrastructure activity.

The fund does not intend to create unsustainable schemes in a fiscal or physical sense. The Cabinet Member pointed out as long as there is development in the borough the pot will continue to increase. The plans for the funding pot are being developed in line with the timeline for this Council's administration - £3.5 million – at the end of this administration they expect the funding pot to be replenished.

Generally the £3.5 million Neighbourhood CiL is there to commission people led activity. Some will be used to fund the Hackney Carnival although it will not be the primary focus of the fund.

The challenge for the council with this work is to consider how to take development, mentoring and enabling and turn that into some form of sustainable platform going forward. Rather than it just being a great onetime event for the community.

The Cabinet Member pointed out 2 Hoxton Wards have a funding pot for cultural work. Having this is enabling the criteria to be tested. The learning from this journey should help to identify what an organisation should do to create a lasting legacy with the community.

- (iv) Members commented the council has been accumulating the Neighbourhood CiL since 2015 and now the funding pot has been established. Members asked how will it be spent and why had it taken so long to identify how it will be spent?**

The Cabinet Member for Planning, Culture and Inclusive Economy informed the Commission the legislation about the Neighbourhood CiL focuses on why the levy should be claimed from developers and new developments but it is vague about what happens after the pot has been accumulated.

The Cabinet Member explained there was no policy framework in place to support the spend criteria. This is in place so there is now a basis to invest that money. This should enable there to be a more equal distribution across the borough.

- (v) Member referred to the transparency and political oversight of the fund. Members pointed out that Hoxton East and Shoreditch have benefited from CiL investment but it was not very clear the investment would come from a CiL contribution. Members asked how the Cabinet Member had worked to include political oversight in the development of the structures and frameworks and in the investment decisions of the CiL.**
- (vi) Members pointed out local ward councillors would be a good sources of information or could help support the decision making to ensure the right investment decisions are made.**

In response to the first question the Cabinet Member for Planning, Culture and Inclusive Economy agreed. He highlighted that the Mayor concurs with the points made by Members and has also questioned the political oversight in decisions made. The Cabinet Member pointed out the legal oversight is in place the Council is meeting its legal duties in relation to this fund.

The Cabinet Member welcomed the desire for political oversight on spend and would reinforced the message from the Commission. The Cabinet Member

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understood the desire from Members to be clear about why project B is getting Section 106 or CiL funding in comparison to project C.

The Cabinet Member agreed this was currently missing in the process and will be addressed in the next 3-4 months.

The Cabinet Member pointed out there is a very clear corporate structure and currently the political oversight is in the form of retrospective reporting on spend in the Capital OFP report sent to the Cabinet meeting.

- (vii) Members asked if the Inclusive Economy Strategy would act as the framework or a driver for the Neighbourhood CiL, CiL and Section 106 allocations.**

The Cabinet Member for Planning, Culture and Inclusive Economy confirmed this was for the Neighbourhood CiL. Although the strategy will also cover Section 106 and CiL.

- (viii) Members referred to the list on page 31 in the agenda referencing 2010 regulations. Members pointed out this list did not mention any of the sustainability points they have discussed in the meeting. Members highlighted although the funding pot for Neighbourhood CiL is small having greening activity for pocket parks around the borough could still be extremely useful.**

The Cabinet Member for Planning, Culture and Inclusive Economy clarified if they was creating pocket parks this would be an infrastructure activity and fall under CiL investment. The Cabinet Member clarified if it was to fund resident led activity in the pocket park this would be Neighbourhood CiL. To build a pocket park would be classified as an infrastructure project.

- (ix) For clarification Members asked if there was a project / activity that was about maintaining an infrastructure through resident activity would this be Neighbourhood CiL.**

The Cabinet Member for Planning, Culture and Inclusive Economy advised it could be Neighbourhood CiL or something of that nature.

6.5 Hackney Walk Questions, Discussion and Answers

- (x) In discussions Members pointed out the previous businesses based in Hackney Walk Morning Lane sold products that were out of the price range of local residents. Members urged the council when thinking about future plans to have conversations with the new commercial owners about having businesses that the local community can relate to and will find accessible. Members enquired if the council would be having conversations with the new owners about this?**

The Head of Area Regeneration confirmed they are having these conversations with the new owners. The regeneration team agrees having the right mix of businesses for the local community was really important. Although in the planning application process this was not in scope or within the role of the planning team, it would be a key objective for the regeneration team.

The regeneration team proposes to work with the planning team to have conversations about requiring some form of letting strategy from the new owners linked to the planning application. This could require a submission to the regeneration team to satisfy the letting strategy condition.

- (xi) Members asked for clarification in relation to the properties being discussed and referenced as Hackney Walk.**

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The Head of Area Regeneration confirmed the properties referenced in the report as Hackney Walk related to the Nike store building, all the arches and the other book end building opposite the Nike building.

- (xii) Members pointed out that retail is under huge transformation and needs to consider different uses. Members asked if the council had an idea when the new commercial owners would put forward new proposals.**

The Cabinet Member for Planning, Culture and Inclusive Economy referred to the arches in Boenheim Place and pointed out this was still managed by Hackney Walk (Dukeminister). Although it has higher occupancy levels it still requires a subsidy to keep it active. The Cabinet Member pointed out this is being subsidised by the current commercial owners not the council. However Boenheim Place is providing a very different environment to Hackney Walk in Morning Lane and equally giving people a different experience too.

The Cabinet Member acknowledged although it was a short distance between the 2 places it appears to have been difficult to fill the units and create the experiences that encourages people to want to work and shop, socialise there.

In relation to the employment statistics for Morning Lane the Council has noted that out of the 160 employments roles 44 are Hackney residents. The Cabinet Member credited the joint working of the employment and skills and regeneration teams in building the relationships to enable this achievement.

- (xiii) Members commented that the council has made some contribution towards the refurbishment of Hackney Walk. Members referred to The Arch Company plans to develop a tenant charter and that it would cover all the properties under its stewardship (5000 plus). Members pointed out it might not work for some areas and referenced a consultation about this by the company last April. Members asked if the council had participated in the consultation and if the Council has seen the tenant charter to consider if it fits well with Hackney.**

The Cabinet Member for Planning, Culture and Inclusive Economy confirmed the Council did make a Section 106 contribution of £135k towards the investment. The Cabinet Member pointed out Hackney Walk and the Mayor of London Regeneration fund invested over £16 million.

The Cabinet Member confirmed excluding Hackney Walk the borough has other arches that fall under The Arch Company which the tenant's charter would apply to. For these arches the Council's regeneration team have been working with The Arch Company to ensure the charter is more sensitive to the local economy.

The Cabinet Members also pointed out there are other arches in the borough run by TfL too. TfL are managing their own commercial property portfolio and have expressed a desire to be a more considerate commercial landlord.

- (xiv) Members asked with hindsight of the last 9 years. Is there anything the Council should have done differently in relation to Hackney Walk?**

The Cabinet Member for Planning, Culture and Inclusive Economy explained the investment package into Hackney Central was quite extensive. This also included investment in the Narrow Way prior to the pedestrianised walk way. In addition to that over 30 business undertook direct investment, getting support with retail advice into improving their business marketing strategy and shop front improvements. There was also public realm investment in and around

Hackney Central. The package provided some good investment and positive outcomes from that original investment.

The fact that Morning Lane is an element of that investment that is struggling has been frustrating. Although this is a challenge. From the Council's prospective they have an effective regeneration team that is working to change this.

The Chair asked for the Cabinet Member to provide feedback following the meeting with the new owners of Morning Lane Hackney Walk.

ACTION	The Cabinet Member for Planning, Culture and Inclusive Economy to provide feedback on the outcome of the discussions with the new commercial owners for Hackney Walk Morning Lane.
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- (xv) **For clarification Members asked if the 5.3 million from the GLA was all spent and part of the £16 million spend package referenced.**

The Cabinet Member for Planning, Culture and Inclusive Economy confirmed the GLA funding was all spent and was part of the £16 million investment into Hackney Walk.

7 Making the Local Economy Work for Hackney - Recommendation Discussion

- 7.1 The Chair informed the Commission the scrutiny review report was in draft and that he would circulate the draft report on email to start the Commission's sign-off process.
- 7.2 Members talked about including political oversight as a recommendation in their review report. The Commission will consider making a recommendation about political oversight in relation to the inclusive economy strategy work in their scrutiny review report.

8 Skills, Economy and Growth Scrutiny Commission 2019/20 Work Programme

- 8.1 The Commission discussed the following in relation to the work programme.
- 8.2 Changes to SEG meeting dates. The remaining 2 meetings have been changed to the following dates.
- **Tuesday 25th February 2020**
 - Move April meeting to March. This has been changed to **Wednesday 25th March 2020**. This date does fall into Purdah by 2 days.
- 8.2.1 The Chair informed the Commission the February meeting will be an introductory session to the topic of Just Transition which will be the Commission's new review. The Chair explained this session will provide

information about the topic (as outlined below) and help the Commission to define the scope of the review.

- Understand the topic area
- Any best practice
- What research has been undertaken
- What the Unions think about the topic.

8.2.2 The Commission discussed and agreed the guests to invite for this session. Members suggested having experts, locally focused groups and the Council come and speak on this topic at the meeting in February. Members suggested inviting the Hackney ZEN project.

8.2.3 Members highlighted when they commence the review they want to find SMEs and local SMEs (if possible) who are innovative in the area of sustainability to participate in the review.

8.2.4 The Chair asked Members to send through any further suggestions on email to the overview and scrutiny officer.

Members agreed.

8.3 In regards to the Cabinet Member question time discussion under item 6 and the offer for the Commission to participate in the development of political oversight for the CiL. Members wanted to follow this up as an action for the Commission. Members discussed suggesting a working group is set up over the next 3-4 months to feed into the officer's work on political oversight.

8.3.1 Members wanted to ensure the allocation of CiL and Neighbourhood CiL has a criteria that is clear and transparent, the application process is communicated to all residents and that it is not only allocated by officers there is councillor involvement too.

8.3.2 Members discussed and agreed to write to the Cabinet Member for Planning, Culture and Inclusive Economy to ask him to confirm the role local councillors or the Skills, Economy and Growth Commission the development period over the next 3-4 months.

ACTION	The Chair to write to the Cabinet Member for Planning, Culture and Inclusive Economy to confirm the role of councillors or the Commission in exploring how the political oversight is shaped.
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9 Any Other Business

9.1 None.

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Duration of the meeting: 7.00 - 9.15 pm