
London Borough of Hackney
Skills, Economy and Growth Scrutiny Commission
Municipal Year 2022/23
Date of Meeting Monday 6 February 2023

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

Chair	Councillor Clare Potter
Councillors in Attendance	Cllr Steve Race, Cllr Gilbert Smyth, Cllr Jon Narcross, Cllr Fliss Premru and Cllr Jessica Webb
Apologies:	Cllr Polly Billington, Cllr Anna Lynch and Cllr Joe Walker
Officers In Attendance	Stephen Haynes (Strategic Director- Economy, Regeneration and New Homes) and Michael Toyer (Economic Development Manager)
Other People in Attendance	Councillor Guy Nicholson (Deputy Mayor for housing supply, planning, culture and inclusive economy)
Members of the Public	
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Councillor Clare Potter in the Chair

1 Apologies for Absence

- 1.1 Apologies for absence from Cllr Billington and Cllr Lynch.
- 1.2 Officer apologies from Aled Richards.
- 1.3 Apologies for lateness from Cllr Race.

2 Urgent Items / Order of Business

- 2.1 Following the absence of the Chair the Vice Chair (Cllr Potter) was in the Chair for the meeting.
- 2.2 The order of the business was as per the agenda.

3 Declarations of Interest

3.1 No declaration of interest.

4 Cabinet Question Time

4.1 The Chair outlined the areas the Cabinet Member was asked to cover in this cabinet question time session. The areas were as follows:

- Encouraging community wealth building business models
- Creating a Green and Circular Economy
- Ensuring local businesses are supported (facilitation or signposting) to meet the Council's objectives for these two policy areas.

4.2 The Chair welcomed to the meeting Cllr Guy Nicholson, Deputy Mayor and Cabinet Member for Delivery, Inclusive Economy & Regeneration; Stephen Haynes, Strategic Director Economy, Regeneration and New Homes and Michael Toyer, Economic Development Manager from London Borough of Hackney (LBH).

4.3 The Chair commenced the item by explaining a key element of the scrutiny function is to hold the Mayor and Cabinet to account in public.

4.4 The Chair informed the Commission the Deputy Mayor for delivery, inclusive economy & regeneration was asked to provide information in relation to the areas outlined in point 4.1.

4.5 The Deputy Mayor and Cabinet Member for Delivery, Inclusive Economy & Regeneration informed the commission that his portfolio remit no longer included culture. His portfolio no longer covered culture this was now the remit of another Member in the Cabinet.

4.6 The Deputy Mayor for Delivery, Inclusive Economy & Regeneration commenced his presentation and made the main points outlined below.

4.6.1 In relation to encouraging community wealth building business models the Council had spent time developing a coherent definition of the different business models that can deliver community wealth building.

4.6.2 The models range from Cooperative business models through to the Commercial Shareholder business model. The primary difference between the first and last type of business model is how the income generated is treated.

4.6.3 The intention behind having community wealth business models is to keep as much of the wealth within Hackney's economy. For consumers and producers within the economy to create a circular economy. This would feed into creating a green and circular economy.

4.6.4 After the cooperative model is the traditional social enterprise model, the ownership of the business is part of the community (a type of social shareholding of a business). These models do generate a profit, but the aim is to circulate the profit within a community / local market.

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- 4.6.5 The half-way house is a smaller commercial business (these are in Hackney's economy). They do not have shareholders but may have 1 or 2 investors who tend to be either the business proprietor, family members, friend or an acquaintance, rather than a third-party investor. These companies can have a clear social ethos when doing business. The Council will consider their role within the environment and their impact on the environment.
- 4.6.6 The impact of community wealth building is not just about net zero but local employment, local skills development, apprenticeships, internships etc.
- 4.6.7 The Council views elements like the London living wage as a key ingredient to community wealth building. Alone it is not community wealth building but as an ingredient it can make a good contribution to community wealth building.
- 4.6.8 So far, a good proportion of smaller businesses in the borough (there is large number in Hackney) have signed up to the LLW and are making a contribution.
- 4.6.9 Therefore, for community wealth building there will be different constituents involved in many different business models (excluding the sector and size of the business or business operation mode).
- 4.6.10 In terms of how local businesses are supported. The council has a £2.5 Million investment package that is focused and targeted to provide business support. This support has comprised of getting businesses together to facilitate their business development. Engaging business experts to talk about business practice and direction of travel for businesses.
- 4.6.11 The sessions have been very successful and analysis work from this engagement is currently being carried out and an evaluation report is expected to be ready in March 2023.
- 4.6.12 The Council campaigned for more discretion on how to spend the grant money from central Government and this has been agreed. This enabled the Council to use the new funding in a more targeted way that will be relevant to the local environment. However, going forward the Council will not have access to this funding. The £2.5 million was the last allocation from the discretionary grants program for businesses, at the end of the covid period.
- 4.6.13 The funding ceased last year and has been replaced by a generic fund which is managed by the Greater London Authority (GLA). This funding will not be delegated down. Although the council can express its views about how the funding should be spent, but this needs to be considered within the London context and is not Hackney specific.
- 4.6.14 The new funding allocated to the Council is £400,000 which is significantly smaller than the previous grant to the Council. This is Government's replacement to the European funding that they were previously receiving.
- 4.6.15 The £400,000 is not a big funding pot and has to align with the Mayor of London and GLA's objectives (£30 million package). This requires aligning to what the Government is investing in through the Enterprise Partnership for business support.

- 4.6.16 The business support program that officers have delivered for the Council to the business community has been well received and successful in making connections with the small business community. This has been valuable across the local economy.
- 4.6.17 The work by the new Economic Development Team led by the Economic Development Manager is now focusing on community wealth building business model and what the next steps should be, linked to wider economic development. The Council is also looking at how they can encourage the larger corporations to connect with the community wealth building objectives too.
- 4.6.18 There is also a big piece of work on partnership building between the different layers in Hackney's economy.
- 4.6.19 Cllr Williams the Cabinet Member for Employment, human resources and Equalities is involved in the skills and apprenticeship work, and this has a close link to the green and circular economy objectives.
- 4.6.20 The Deputy Mayor for Delivery, Inclusive Economy & Regeneration recently attending an event hosted by a big national house building contractor who is building new homes for Hackney. This event covered apprenticeships, internships, and employment opportunities. They were engaging with residents about job opportunities. Conversations were about retrofitting and where they explained about transitioning from a Gas engineer to an Electrical and Mechanical engineering. The aim of the discussion was to prepare individuals for the transition which is currently happening.
- 4.6.21 The movement is beginning to occur within the retrofitting sector. The Council's new homes being built have started this process and will not have any gas appliances installed.
- 4.6.22 The Government is keen that they focus on area-based schemes, and this works well for Hackney. Aligning to their commitment to retrofit council homes. Conversations have focused on neighbourhoods in around Chatsworth Road involving an estate. Considering an area based green circular economy involving multiple tenure types, public institutions, and commercial businesses. Resident who are tenants of the council or private sector. An area-based proposition is being shaped.
- 4.6.23 The Government has released six billion pounds and submission will be sent to the Government. This is enabling local government to take the lead on delivering locally tailored and designed initiatives.
- 4.6.24 At a local level for the circular economy there are some dynamics at play involving small business and start-ups looking at recycling, up cycling and reuse to turn this into commercialized business models.
- 4.6.25 The Strategic Director Economy, Regeneration and New Homes added it is important to remember that to make a real impact in this space it is about the intersections between the place, employment, and skills and how they leverage this.

- 4.6.26 In relation to building new homes (particularly social rent) they are cognizant of these links in that space.
- 4.6.27 There is a positive tension between the need to support large businesses. Therefore, they need to have that link and relationship in place. But critically the small businesses in the borough will play an important role too.
- 4.6.28 Part of the estimated £400,000 funding from the GLA will go into resilience because the resilience of small businesses needs to be considered regularly. Although this is a small amount of funding, their wider aspirations to support small businesses continues to be brought into sharp focus by the current events.
- 4.6.29 The Economic Development Manager added in relation to the funding Hackney received £440,000 directly but the funding pot is £30 million. £13 million is open bids across London covering various themes. Suppliers can place bids for the funding. The Economic Development Manager has been spending a lot of time over the last couple of months engaging with potential suppliers and neighbouring boroughs to be apart of regional bids. The aim is to get Hackney's priorities across to influence the bids as much as possible. Currently they do not have knowledge about the outcomes from this work.
- 4.6.30 The plan is to link the Council's assigned pot as much as possible to the outcomes of the London wide allocations to suppliers to direct as much of the funding as possible towards the borough to support businesses.

4.7 Questions, Answers and Discussion

- (i) **Members highlighted a big aspect of community wealth building is progressive procurement which is linked to the Council's Sustainable Procurement Strategy. Members asked how the council has been helping to harness the power of the public pound to ensure the money circulating locally is helping to regenerate areas of the borough. Members also asked if the Council was finding money to regenerate areas?**
- (ii) **Members referred to the work carried out to identify anchor institutions - for the public the Member explained an anchor institution is an organization that is tied to its location and cannot easily move e.g., universities, colleges, theaters, local hospital etc. and they buy in services - and asked if the Council had identified anchor institutions in relation to progressive procurement? Members queried if the sustainable procurements strategy was complete or if it needed more work?**

In response the Deputy Mayor and Cabinet Member for Delivery, Inclusive Economy & Regeneration agreed there is a link to council led procurement and community wealth building. Highlighting it was linked to the ability to use public funding to unlock a service that serves the community. In addition to the council pump priming the local economy with funds to stimulate activity in the local market.

The Cabinet Member highlighted the Council's Sustainable Procurement Strategy is scheduled for a review. The Cabinet Member suggested the

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scrutiny commission might wish to speak to the Cabinet Member with that portfolio responsibility to understand the timetable and progress for the review.

The Cabinet Member advised it is about recognizing the range of potential suppliers and then encouraging other anchor institutions like the NHS to follow the same route. This would be a significant piece of work and would rely on the strengthening the partnership. The council's strategic plan helps to link to sustainable procurement and create partnerships to make it happen. The Cabinet Member pointed out Cllr Pallis is the Member champion for this area reporting to the Mayor of Hackney and other Cabinet Members. Part of his work will be looking at the sustainable procurement strategy in relation to community wealth building specifically around cooperative business models and social enterprises.

The Economic Development Manager agreed the time is right for this work because the sustainable procurement strategy is being reviewed.

The officer explained the procurement and local benefits rules are set by the strategy but to progress further the council will need to understand the procurement pipeline and conduct a local market analysis. A local market analysis helps to understand if there are the local organisations to compete for the procurement. The officer highlighted that even if favorable terms were created in the procurement assessment process they might fall over from the scale of the contract so it was important to assess the risks.

The officer advised the way to shift the dial on procurement would be through the work combining the following teams: economic development, procurement and commissioning. For example, with adult social care there is a pipeline of contracts covering 3–5-year cycles. As these are relatively large, they could create some traction in the local market. However, this would require identifying the opportunity and businesses. Following this there needs to be business support packages wrapped around the businesses to support them to be ready to compete for the contracts. This process could take 1 year - 2 years. The example cited above was to give Members an idea of the process needed to bring businesses to a place that would influence anchor institutions by evidencing their work. This could also help to influence the private sector with their supply chains too.

The Strategic Director Economy, Regeneration and New Homes added there has been a lot of work and discussion to identify how to move this forward. The challenge for London and London boroughs is that they work on a particular geography. This contrasted with area like Preston (the Preston Model) which as a Unitary Authority have responsibilities across the health, local government, fire and police sector. Whereas in London they have a different set up, so the health sector's geography is slightly different to that of local councils. Therefore, getting traction would be slightly more complicated, however there is a willingness to do this, but this was paused due to covid.

The Director highlighted that prior to covid discussions were quite intense. They have now recommenced. The Director informed the Commission he is currently participating in these discussions. But this needs more traction to move the agenda forward. The Director highlighted there is a willingness among the public sector partners to do this. The Director informed although it

was about identifying the areas where they can make progress, there was also a role for the voluntary and community sector too. Highlighting that frontline organizations need a voice in this sphere too. The Director offered to return to the Commission to update on anchor institution.

- (iii) **Members asked when the analysis of the market and organisations will be carried out. Members asked if it would identify potential gaps in the market too and how they can provide opportunities within those gaps for the community?**

In response the Economic Development Manager confirmed this assessment will aim to identify the gaps. The officer explained the champion Member Cllr Pallis has indicated he wishes to explore setting up Cooperatives where there is a market gap.

- (iv) **Members referred to the business environment and Low Traffic Neighbourhoods (LTNs) and asked if the council had assessed the impact of LTNs on local businesses. The Member acknowledged LTNs were not part of this Cabinet Member's portfolio but wanted to know if the council had carried out any analysis. The Members cited as an example that on occasions when in a vehicle driving through Dalston, you used to be able to park and stop to buy an item in a shop. It was noticed that this was more difficult due to the traffic, the area being very busy making it more and finding it was impossible to stop like before. Members were enquiring if LTNs were having an impact on local businesses because passing consumers were unable to stop due to the traffic, unable to park etc. and if there were reports of lost trade. The enquiry was related to understanding if businesses were thriving or if they had been impacted by LTNs.**

In response the Deputy Mayor and Cabinet Member for Delivery, Inclusive Economy & Regeneration explained he did not have the evidence or analysis and suggested the Commission asked Cllr Coban the Cabinet Member with that portfolio for a response.

ACTION	Overview and Scrutiny Officer to request for an update from Cllr Coban on the analysis of LTNs and the impact on local businesses.
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The Cabinet Member highlighted that Hackney was in a unique and fortuitous position with the 15-minute neighbourhood in Hackney. It is assessed that this was one of the factors that helped Hackney to be more resilient and maintain local businesses through covid lockdowns etc. It was the 15-minute neighbourhood that transitioned to the 15-minute city.

This is expected to work well with LTNs taking into consideration the proximity to businesses. The challenge within this may be for supply chains and the logistics (movement of goods from A-B). There is parallel work to look at the last mile delivery etc.

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Following conversations with local business associations like Stoke Newington Church Street the council has found that following the pedestrianization of locations like the Narrow Way (not an LTN); which transformed a narrow street with narrow pavements to a pedestrian thoroughfare. This helped businesses to recognize that trade was better, and their turnover increased as a result. The Cabinet Member reported the LTN in Church Street was having the same effect. This is the opposite to the concerns that were being raised. This has resulted in discussions about having a street market on a part of Church Street.

It was pointed out that Dalston is thriving and Hackney Central as a destination is thriving and that these locations are surrounded by LTNs. The view at the time was that this was a bit radical, but this is beginning to embed. There may be further conversations about how this can be refined so they can make sure they are not impacting on residents' daily lives in a negative way and that they are enabling the movement of trade and commerce to continue.

- (v) **Members commended the council for being successful with its bid for a leveling up grant. Members asked how the aspirations for community wealth building and the green and circular economy featured in the leveling up bid?**

In response the Deputy Mayor and Cabinet Member for Delivery, Inclusive Economy & Regeneration explained the leveling up bid was focused on Hackney Central with an award of just over £19 million. This covered several themes around Hackney Central and were all focused on the environment and consumer / resident covering street scene and enhancing and improving the public realm in and around the town center. This aims to improve cultural, community resources and opportunities within the town center. Centering around cultural and social activities but also including healthy eating lifestyles and creating a healthy town center for the people living and working around it. Into this comes economic development covering footfall and ensuring that it becomes a destination of choice for residents and people out of borough. Primarily using the public transport network.

This does not cover direct business support however all these factors involve local businesses and investing into the market space that businesses are operating in, within the town center. However, businesses have been involved in the preparation of the initial submission and endorsed the submission whilst very much still being a part of the process. Going forward they will be looking at ways in which spend will be delivered into the town center environment and its community.

From the shared prosperity fund there are 2 distinct pots of funding the Hackney award (£440,000) and the GLA allocation (£30 million). It is the shared prosperity fund that is covering the business support proposition and the leveling up fund is covering the wider brief.

The larger pot is not there for business support like the previous £2.5 million discretionary grant spend which covered business support activity.

The aim for the leveling up funding would be to take Hackney Central's economy to a higher level. It is proving to be a destination of choice for a

growing number of customers and consumers and not just for people working in the public sector (the council being a major employer in the town center) but also the visitor economy.

The Strategic Director Economy, Regeneration and New Homes added in relation to the question about the community wealth building definition via google or ChatGPT it talks about community resilience being a core pillar of community wealth building. One of the 3 key priorities of the leveling up bid was about improving wellbeing and resilience in Hackney Central to support markets and bringing empty spaces and shops back into use. By increasing footfall it has a number of benefits not only for the local economy but also improving community safety.

- (vi) **Members referred to the London Living Wage (LLW) employers and the importance of businesses paying the LLW. Members asked if there has been a change in the number of businesses paying the LLW in the difficult economic climate. Members also asked how the Council can support businesses who want to continue to pay the LLW even if it is becoming a little more difficult for them or businesses that may be deprioritizing this amongst other rising costs.**

In response the Deputy Mayor and Cabinet Member for Delivery, Inclusive Economy & Regeneration informed that in Hackney's economy the community of smaller businesses have signed up to paying the LLW voluntarily. The council has not seen a decline or withdrawal by businesses from the scheme. Currently businesses are continuing to pay. This is a testament to Hackney's culture and this being seen as an important ethos.

The Cabinet Member highlighted that the large organization referenced earlier at the host event is a company that operates across the M25 operating in and outside of London. From their perspective this is important piece of social value not just for company but also for staff in receipt of LLW and those starting their careers in that sector.

The Council continues to encourage and promote the LLW and it has no intention to cease. It has been the smaller businesses that have signed up. It is not just about the larger businesses but the intent and delivering of that intent.

The Economic Development Manager added the shift between 2021-2022 was a 36% increase. This is emblematic and created a total of 205 accredited businesses. It was noted that there are many organisations across the borough paying the London living wage but not accredited. The accreditation is good to have as proxy. The 36% increase in that year is positive. They have not had businesses inform them they are struggling to pay the LLW but that they are struggling with all costs. Many businesses are of the view they have to pay the LLW now (hospitality) because of labour competition due to labour shortages and their belief in it.

- (vii) **Members referred to the accreditation scheme and asked about the fair tax mark. Members explained it is the gold standard for responsible tax conduct when operating a business and there is also an accreditation.**

Members asked if the Council was aware of this and encouraging businesses to sign up to the fair tax mark like they do for the LLW?

In response the Economic Development Manager replied, the council does not currently have any plans in relation to the fair tax mark. This can be explored and considered for decision about promotion. In reference to the list of positive emblematic actions that businesses could be taking the council has a toolkit on the Hackney Business Network. However, this tool could be strengthened.

The officer pointed out some of the items listed are like a social charter for businesses and he would be interested in exploring putting something like this together linked to the strategic conversations with large corporations mentioned earlier. Having a social charter could be a way of saying to businesses these are the things that matter to the council and encourage them to align and work in partnership.

The Strategic Director Economy, Regeneration and New Homes added in reference to the fair tax mark this could be discussed. From his knowledge the companies that receive the mark go through a very rigorous independent tax assessment of their status and it is incumbent on those organisations to do that. Yes, the council would like their partners to be doing this, but it is incumbent on the business.

The Director advised in reference to how they are trying to embed the wider principles and objectives of the Mayor & Cabinet and the Council; they have the apprenticeship network and there are 173 employers within the network. The council is doing all that it can to ensure that the LLW and the social contract issued mentioned by the Economic Development Manager are embedded for the benefit of the network led. This is led by Cllr Williams and they are putting as much pressure as possible on the 173 enterprises in Hackney to align.

For the public, private and schools sectors their Section 106 social value contracts are in place to encourage and ensure the council is doing all it can. To date many people are open to this and with the right conversations and right relationships it is achievable. But they should be pragmatic with their expectations which are quite high.

- (viii) **Members commented that Dame Meg Hiller MP had mentioned these discussions and the tax mark.**

In response the Strategic Director Economy, Regeneration and New Homes confirmed Dame Meg Hiller MP has been instrumental in discussions with the government and businesses on behalf of the Council.

- (ix) **Members referred to the discussion about the social charter, engaging businesses and acknowledged the work around the LLW. Members asked if businesses (gig economy in particular) could be encouraged to employ and move away from precarious contracts as much as possible to give staff access to sick pay and trade union recognition.**

In response the Strategic Director Economy, Regeneration and New Homes confirmed they can do this. The Director highlighted that in their Section 106

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agreements this was not just about the LLW but included a high benchmark for local employment in different sectors and training was encouraged. There are stipulations in contracts that can add challenges to this, but the wider social contract of the council aims to do as much as it can across the economy. The Council will target the largest areas of impact based on what they know from their insight on the economy, young people, and older people in terms of work.

The Deputy Mayor and Cabinet Member for Delivery, Inclusive Economy & Regeneration referred to the business tool kit which was developed pre-pandemic and the current administration. The Cabinet Member advised it is time for this to evolve to move forward the elements described for a social charter; to be more socially sensitive and relevant to community wealth building and economic development. This is for the benefit of the employer and the employee. The Cabinet Member pointed out this may be the right time to transition the tool kit into a charter.

- (x) **Members referred to the GLA report Re-London about the circular economy, green skills and jobs. Members highlighted that it makes reference to the potential of 515k jobs in the circular economy. This is not just the obvious jobs in waste etc. but the supply chain jobs too. Members asked what this means for Hackney and in relation to resources and how it will relate to the work by the GLA?**
- (xi) **Members also pointed out that it has been reported that £2 billion (UK wide) was sent back to the Government for underspend on apprenticeships last year. Members enquired how the Council maximizes their apprenticeship levy particularly regarding circular economy and skills.**

In response the Economic Development Manager explained there are 2 dynamics. The London level reports are useful to highlight job opportunities for residents. This is because residents work outside of the borough too. The employment and skills team are looking at this information and considering what this means for Hackney. They will be looking at the roles and opportunities and thinking about the skills, experience and dynamics within the whole system to link into the Council's provision to help our residents get on the pathway and transition through.

The officer pointed out there are a lot of reports on job and skills opportunities and all of these jobs and skills will be within some type of business. However, there is less information about this aspect. The Executive's Green Skills and Circular Economy Commission was set up to get a baseline for Hackney's green economy and circular economy (a subset of the green economy) to given an understanding of the landscape. Officers will be comparing this to the experimental data they hold to consider if there are any clustering dynamics or specific sectors e.g., creatives / makers, textiles element etc. Once this has been validated, they will do some quantitative work to interview businesses to find out why they have located in Hackney and what their future looks like. After this they can adapt what they do for business support, consider the spaces and buildings then pull this altogether. This is expected to reveal the answer about what this means for Hackney's Economy.

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The officer informed following the grant work in Hackney Central a report was produced by the PRB consultancy company. This is based on engagement with approximately 30 businesses about circular economy activity. This is a start, but they need to know more.

In relation to Hackney Wick and Fish Island there has been activity around the creative enterprise zones because a cluster appears to be emerging. When they have the information from these businesses, they will have a better understanding of the employment and skills dynamic.

The Strategic Director Economy, Regeneration and New Homes advised in relation to the apprenticeship levy there are currently intensive discussions about how to ensure the Council uses all its surplus levy. The Director pointed out there are stipulations about how the levy funding can be spent. Internally the council is considering how they can use this to upskill staff through continuous development qualifications (CDQs) particularly around areas they know that are emerging. Covering skills gaps and where they know there will be a gap in the future. An example of this would be the green economy. The key objective with this would be to ensure they are training new and existing staff for the new economy areas. The Director informed he would be happy to come back to give an update at a future meeting.

The Deputy Mayor and Cabinet Member for Delivery, Inclusive Economy & Regeneration concluded by pointing out the Economic Development Manager was leading on this work to create an evidence base which will be a guide in terms of matching the regional context to the Hackney context. This report is expected by the end of the financial year.

- (xii) **Members referred to a previous report where the council was engaging with businesses to help define and shape community wealth building and circular economy. Members asked if the evaluation report linked to this report. Members also asked how businesses have been engaged, the types of businesses that have engaged and their location in Hackney etc.**

In response the Economic Development Manager explained the draft report is specific to Hackney Central. This report was produced following crowd funding activity. Several businesses applied for a grant and received a grant linked to circular economy activity. The council added a small research study to this, and a draft report was produced.

The Council has commissioned a borough wide business survey (referenced at the SEG meeting in Dec 22). This should provide some high-level quantitative data that includes information about whether a business is trading in the green economy and if they have net zero commitments.

In terms of the Economic Development Team's engagement with businesses they held two general business engagement sessions before Christmas and one last week. Further work is planned through February and March. These are a series of workshops with businesses. This will primarily focus on findings about their trading, plans for the future and what support they need. The sessions are for 1 hour session to maximise the number of businesses that engage.

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There may be further work by the Environment Team to look at the circular economy. They have been engaging through their networks. The findings for their work were not known by the officer. This is a parallel workstream. This will come together as they start to formalize delivery for the climate action plan. The consultation closed recently, and the results are being analyzed.

(xiii) **Members asked for confirmation of when the reports will be ready.**

The Economic Development Manager confirmed the evaluation report for the grants program will be ready in March. The evidence base work for the green economy base line will be ready in March too. The borough wide business survey is also scheduled for March 2023.

(xiv) **Members commented in relation to the circular economy, low carbon future and climate action plan designing out waste was a critical element of the circular economy. Re-London advocates for 5 London business models. Members queried what the council was doing in relation to this type of work? Members pointed out the business models include using stuff wisely, using stuff again, making things well, renting, not buying and sharing. Members asked if the council is doing work that relates to these particular business models with businesses in the experimental area mentioned?**

In response the Economic Development Manager informed the Hackney Central Work was not on the circular economy pilot. The work in Hackney Wick was on the creative enterprise zones. But they will be covering different aspects of the ReLondon five models. In terms of Hackney's approach and the ReLondon agenda this will be explored more in the Green Skills and Circular Economy Commission set up. This is an emergent area and they need to gather more evidence and engage with ReLondon more to increase their intelligence and knowledge. This can then be embedded in the climate action plan.

The Deputy Mayor and Cabinet Member for Delivery, Inclusive Economy & Regeneration added from the Administration's perspective the Economic Development Manager's work will help to provide definitions and understandings that can be used more widely. This will also help to give the council a better understanding from a planning and policy perspective too. Currently there are several businesses who claim to be in the circular economy but are all doing different things to varying levels. Everything is evolving and in transition.

The Strategic Director Economy, Regeneration and New Homes added examples of what they are doing in the interfaced with residents - good libraries, swaps, zero waste hubs and the furniture reuse scheme in the borough. The council can apply the ReLondon five pillars to ensure they are working this through.

The Economic Development Manager added there is an organization facilitating the resident facing elements as highlighted by the Director. The economic opportunities will be through behaviour change (resident or business) but this is emergent.

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The Strategic Director Economy, Regeneration and New Homes added the council is providing grants and support to the organisations helping them to do this work e.g., Batch Works is one where they are developing a very localized circular services model around reusable plastic. It is not just about how they are working and supporting residents but also how, for circular economy and community wealth building, they are leveraging all the opportunities available to support businesses too.

(xv) **Members asked about further work in relation to the council adopting cooperative models and enabling cooperative businesses.**

In response the Deputy Mayor and Cabinet Member for Delivery, Inclusive Economy & Regeneration explained they are trying to establish some of this through the engagement about the procurement strategy. This is to try to identify where there may be market failure or market shortfall in terms of supply. This is in the context of the council forming cooperatives to try to fill the gaps. The Cabinet Member pointed out this work is in the very early stages.

The Cabinet Member advised the champion Member is involved in conversations with the Cabinet Members whose portfolios cover these areas.

In terms of the wider aspect around the development of cooperative business models in the local economy this is about promoting the business model. It was explained that the Mayor of Hackney's ambition is for the Council to join the Cooperative Business Network. This has happened and is forward looking.

The Cabinet Member highlighted that Hackney's Energy Company is considering a transition and they are exploring if Hackney's housing company could become a cooperative business model. These are ideas being explored and they are in the very early stages of discussions. The Cabinet Member suggested the Commission may wish to revisit this in the new municipal year.

Currently it is too early to identify the right models. It was highlighted there may be some areas where a cooperative business model will not be appropriate, or a different type of social enterprise model would be appropriate.

The Strategic Director Economy, Regeneration and New Homes added the council is part of the cooperative council's innovation network too and the link to community wealth building will be interesting, relevant and helpful.

(xvi) **Members asked if there are examples from other boroughs within London that they can learn from or are all the councils at a similar stage in developing these ideas?**

In response the Economic Development Manager from LBH informed Hackney has engaged with colleagues in Islington who have cooperate Islington. This is a coalition of cooperative support organisations (not a cooperative development agency) who they have engaged with and Islington council too. There is learning from the cooperative model, but it has not reached a conclusion. The officer explained their covid support grant was used to invest in it but it has not gained enough traction to create a development agency.

The officer advised he engages with Hackney's cooperative development but there are not many cooperatives in the borough. In Hackney there is a long list of registered cooperatives but they are not active. Hackney has a number of social enterprises and KICK organisations (it is estimated to be 500- 600). The Council is working with partners organisations in Islington on a regional UK SPF bid. Notwithstanding even if it was unsuccessful it was a useful exercise and helped to develop working relationships within the wider landscape.

The Strategic Director Economy, Regeneration and New Homes added there is an interesting dynamic in relation to insourcing (bringing services in house) which needs to be considered corporately within the organisation. The council will need to make sure that there is still the space for social enterprises, cooperatives or small businesses to be part of that economic ecosystem. They are not mutually exclusive but something they will need to work through as a political organisation.

- (xvii) **Members referred to the term circular economy and commented that generally communities struggle to understand its definition.**
- (xviii) **Members highlighted that there is no dedicate web page about the circular economy on the council's website. Members were pleased about the number of initiatives, programs, consultations, engagements etc. but were of the view this should be available on the website to inform residents. Members pointed out it would be good to have the information on the website. Members were of the view that in the community there was a sense of distress that their efforts in relation to climate change were not making a difference. Having this information available would give people an understanding (peace of mind) that all their efforts are not in vain.**

In response the Deputy Mayor and Cabinet Member for Delivery, Inclusive Economy & Regeneration explained the Hackney Business Network was one of the channels used to engage with the business community.

The Strategic Director Economy, Regeneration and New Homes agreed that if a cursory google search was performed information about all the work does not appear. The Director advised he would talk to his colleagues to make sure that all the work they were doing was visible. The Director would also talk to the Website Team and colleagues in the Communications Team too.

The Economic Development Manager added in reference to the consultation with business their approach was to use the Hackney Business Network. In regard to the engaging the community and building knowledge at a community level this needs a definition and shared language. It was pointed out that most of the public would not associate or understand the terms being used in the discussion now. The officer welcomed Members views on the language to use when communicating with the residents or representatives of the community. Once this is defined the council could present the information in the right format and with the right content.

The Deputy Mayor and Cabinet Member for Delivery, Inclusive Economy & Regeneration added that they are currently trying to agree the definition before

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they start a wider communication with residents and businesses. This was currently in progress and should start unfolding over the spring and summer. Once the definition was confirmed the council could be more outward focused and provide more information on the council website.

- (xix) **Members referred to the estimated 500k jobs London wide and asked if there should be a commitment in areas like training?**
- (xx) **Members also commented that thinking about the waste and the cost-of-living crisis the council could do educational work about recycling to reduce the level of waste going to the waste authority.**

In response the Deputy Mayor and Cabinet Member for Delivery, Inclusive Economy & Regeneration explained the reuse, recycle and upcycling message is being promoted across the economy to residents and local businesses. The Cabinet Member highlighted the message is getting across. The Cabinet Member pointed out the examples given earlier in the discussion by the Director demonstrated some of the activities involving reuse and recycling services to residents. The Cabinet Member informed the Commission they are starting to get some statistics on areas like the library of things. Nevertheless there is still more to do and would he agreed there is scope to take the message wider and further.

The Cabinet Member also pointed out that colleagues in the Environmental Services were looking at the circular economy and could provide more information on their work. The Cabinet Member suggested the Commission may wish to look at all the different strands of work at a future scrutiny meeting.

- (xxi) **Members referred to the idea of a community bank. The Member explained this would be a bank based on the mutual model that is owned and run for the benefit of its members rather than the maximization of profits for shareholders. Although Members did acknowledge they recognized that banking facilities are closing at a rapid pace. Members commented a bank like this would facilitate local investment and enhance community wealth building by recirculating it before spend on loans and preventing capital drain. Members acknowledged this idea was not going so well in Preston but that a similar bank was being set up in Wales. Members commented the value of community banks should be explored within our society (Hackney and across London).**

In response the Deputy Mayor and Cabinet Member for Delivery, Inclusive Economy & Regeneration advised the bank in Preston relied on a local businessman (the Bank of Dave) who went on to achieve the accreditation and open a community bank. The Cabinet Member acknowledged this was compelling evidence. However finding a partners to invest that level of capital to establish a similar model would be a good objective.

The Cabinet Member also pointed out the council would not be in a position to become a banker for the community. The Cabinet Members advised they could explore this with the local Credit Union.

The Strategic Director Economy, Regeneration and New Homes added there are theoretical advantages of a community bank such as personalized

services, local focus, supporting local businesses etc. But there might also be challenges like limited services, limited branch locations and lack of technology. Therefore, a balance between the wider objective will need to be found. The Director agreed with the Cabinet Member's comment that this is probably not an activity for the council to do but the aspiration is an area to explore and could be embedded in their thinking about what they are trying to achieve with local businesses.

(xxii) **Members pointed out there was learning from Germany that could be picked up. Members suggested this could be a broader conversation that starts in Hackney but moved out across London. It needs organisations like the council to support these conversations.**

(xxiii) **Members referred to the Green Skills and Circular Economy Commission and asked for information about the membership of the commission, the number of times they have met, its remit and the plans for the Commission.**

In response the Deputy Mayor and Cabinet Member for Delivery, Inclusive Economy & Regeneration explained this is a manifesto commitment that has not been set up yet.

The Strategic Director Economy, Regeneration and New Homes added conversations were initiated today about the Commission with the Head of Employment, Skills and Adult Learning and proposals are being explored.

(xxiv) **Members asked if it was anticipated this would be up and running soon?**

In response the Strategic Director Economy, Regeneration and New Homes confirmed it would.

The Chair closed the item with the following comments. This area is quite a complex area and will be a big shift. The Commission acknowledged the council was in the exploratory stage of work and reviewing a number of ideas.

The Commission looked forward to further updates and the suggestions for the work program were noted.

The Chair thanked the Cabinet Member and officers for their attendance.

5 Minutes of Previous Meeting

5.1 The Chair referred to the draft minutes on pages 9-36 in the agenda of the meeting held on 21st November 2022 and asked Members to agree the minutes.

Members agreed the minutes.

5.2 Members also thanked the Overview and Scrutiny officer for an comprehensive and valuable set of minutes.

RESOLVED	The minutes were approved.
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6 Skills, Economy and Growth Scrutiny Commission 2022/23 Work Programme

- 6.1 The Chair referred to the work program on pages 37-50 of the agenda.
- 6.2 The Chair referred to the next meeting on 8th March 2023 and informed the Commission the Cabinet Question Time session (CQT) would focus the new green deal. The area on climate change would move to the new municipal year and will be in July 2023 meeting date. The date will be confirmed once when the new council calendar is finalised.
- 6.3 Members pointed out taking into consideration the council's announcement to extend LTNS in the borough, could information about the economic impact of LTNs on local businesses to be included in the update from Cllr Coban when he attends the scrutiny commission meeting on 8th March 2023.

The Chair agreed to add this request to the CQT.

ACTION	Overview and Scrutiny Officer to send the request in point 6.3 to Cllr Coban for his CQT.
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- 6.4 In relation to the work program the following updates were provided.
 - Re London Research report on circular economy jobs and skills for London - (requested by Cllr Premru). The Chair advised they will have a further discussion offline to consider where this fits into the current work program of if this should be a stand alone item on a future agenda.
 - In terms of the voluntary community sector item on HCVS (requested by Cllr Walker). This is proposed to be a substantive item. This will be for the new municipal year in June or July.

Cllr Turbet Delof asked if the voluntary sector item could include speaking directly to voluntary sector organisations via a site visit or speaking to front line services in the meeting.

The Chair agreed and advised this would be noted.

- The sustainability and licensing item (requested by Cllr Smyth) and the request for information about how to use our powers in licensing to drive SME behaviours. This is proposed for the new municipal year in either June or July).

7 Any Other Business

7.1 None.

Duration of the meeting: 7.00 - 8.45 pm