
**London Borough of Hackney
Skills, Economy and Growth Scrutiny Commission
Municipal Year 2023/24
Date of Meeting Wednesday 13 December 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 Polly Billington
Councillors in Attendance	Cllr Clare Potter (Vice-Chair), Cllr Fliss Premru, Cllr Jessica Webb, Cllr Joe Walker and Cllr Penny Wrouth
Apologies:	Cllr Gilbert Smyth and Cllr Jon Narcross
Officers In Attendance	Suzanne Johnson (Strategic Head - Regeneration and Economic Development), Robert Offord (Area Regeneration Manager) and Michael Toyer (Economic Development Manager)
Other People in Attendance	Councillor Guy Nicholson (Deputy Mayor & Cabinet Member for Delivery, Inclusive Economy & Regeneration) and Councillor Christopher Kennedy (Cabinet Member for Health, Adult Social Care, Voluntary Sector and Culture)
Members of the Public	
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Councillor Polly Billington in the Chair

1 Apologies for Absence

- 1.1 Member apologies for absence from Cllr Narcross and Cllr Smyth.
- 1.2 Member apologies for lateness from Cllr Walker and Cllr Nicholson.
- 1.3 Councillors virtually in attendance were Cllr Kennedy and Cllr Nicholson.

2 Urgent Items / Order of Business

- 2.1 There were no urgent items, and the order of business was as laid out in the agenda.

3 Declarations of Interest

3.1 There were no declaration of interest from the Commission membership.

4 Levelling Up Funding (19:05 - 20:05)

4.1 The Chair introduced the item and explained that the Levelling Up funding (LUF) was announced in November 2020 as part of the 2020 Spending Review. The Government's funding for this work has totalled £4.8 billion.

4.2 Levelling up' is a government-wide approach to reduce geographical inequality in a broad range of economic and social measures across the UK.

4.3 The purpose of this funding is to invest in "local infrastructure that has a visible impact on people and their communities and to support economic recovery."

4.4 The first two funding rounds focused on three investment themes – transport, town centres, high street regeneration and cultural investment. The areas funded were determined by an index that ranked local authorities.

4.5 Following the 2 rounds of funding 834 bids were submitted, of which 216 were successful. 156 of the awards were made to local authorities in England, with a value of £3 billion (78% of the total funding). The funding awards made to Scotland, Wales and Northern Ireland across the two rounds totalled £798 million.

4.6 Local authorities were eligible to submit at least one bid, up to a value of £20 million. In round 2 Hackney successfully secured a bid for just over £19 million for renovating public spaces in Hackney Central. The town hall square, new creative workspace and Hackney Central Library.

4.7 The Commission asked for information about the Council's plans and spending for the £19 million funding / investment in Hackney Central (HC).

4.8 The information covered:

1. Hackney Central regeneration
2. Community engagement, identified challenges and priorities in Hackney Central
3. The LUF program (aims, outputs and outcomes)
4. Community involvement in the LUF program and LUF project delivery.

4.9 The Chair welcomed to the meeting Suzanne Johnson, Assistant Director - Regeneration and Economic Development and Robert Offord, Area Regeneration Manager from London Borough of Hackney (LBH).

4.10 The discussion item commenced with a presentation from the Area Regeneration Manager from LBH. The presentation covered:

- Wider regeneration in Hackney Central

- Community Engagement process – challenges and priorities identified
- LUF program aims, outputs and outcomes
- Community involvement in the LUF program and project delivery.

4.11 The main points from the presentation were outlined as follows.

- 4.11.1 The officer explained that Hackney Central had been identified as a regeneration area by the Council (in its local Plan) and by the Greater London Authority (GLA).
- 4.11.2 In 2020 Hackney Central was elevated to a Major Town Centre status recognizing its role in the borough as providing services to residents and the opportunity for wider growth.
- 4.11.3 In line with the council's approach to regeneration the aim, by Area Regeneration and Economic Development, is to deliver the wider corporate strategies relevant to the service area.
- 4.11.4 Detailed work at the town centre information level was undertaken to understand how the corporate strategies related to the circumstances and needs of Hackney's residents. This work fed into the development of the Hackney Central Town Centre Strategy that was adopted earlier in 2023.
- 4.11.5 The strategy represents the views of the community and other partners and helped to secure the Levelling Up funding.
- 4.11.6 Various engagements sessions have been carried out with residents. The first method of engagement was the Hackney Central Conversation. This led to subsequent pieces of work and included the borough wide libraries consultation.
- 4.11.7 Area Regeneration has continued to engage with residents via the Community Panel that was formed. They are engaged the Community Panel about bespoke projects and engagement plans.
- 4.11.8 The Hackney Central Conversation was a wide ranging conversation with residents. The Council's engagement with residents started in 2019 with no preconceived ideas and was aimed at understanding the challenges and issues that local residents identified as affecting their quality of life. This conversation evolved to consider the opportunities to address these challenges.
- 4.11.9 The engagement methods used varied from 121 conversations to drop in public events to maximize involvement. This acknowledged that people may want to engage in different ways.
- 4.11.10 The HC conversation touched on a range of themes, for example like transport covering moving around in HC or the negative impact of transport (wider issues of transport).

- 4.11.11 Following the Council's initial consultation conversation, engagement with residents in HC has continued, evolved and expanded to include discussions about possible solutions too.
- 4.11.12 The officer explained that the town centre strategy reflects the intelligence gathered from the conversations with residents. The council has also captured and shared the learning from the process.
- 4.11.13 The council worked with community groups and attended the events they held.
- 4.11.14 Insight from the Hackney Library consultation fed into the Levelling Up bid and this is why Hackney Central Library is included in the plans.
- 4.11.15 The Community Panel (a representations of HC community) was set up following the Hackney Conversation. It is the space where the Council tests and trial engagement methodology and techniques before implementation.
- 4.11.16 Slide 7 provides a summary of the key issues identified as part of the conversation. The issues picked up were outlined on slides 7 and 8. These have been the focus and featured in the Levelling Up bid.
- 4.11.17 11 out of the 13 areas will be delivered / improved as a result of the levelling up funding investment. There are 2 areas that will not be addressed by this funding but the Council is considering other ways to address them.
- 4.11.18 Data from the engagement with residents informed the strategy that was adopted by Cabinet in 2023.
- 4.11.19 The Hackney Central Strategy covers a 10-year period and has a mission based approach outlining the collective change the council (in partnership with residents) wants to see in the town centre.
- 4.11.20 The HC Strategy sets out 5 broad missions they want to achieve for Hackney Central. This also details a series of projects that were instigated prior to the Levelling Up funding being secured.
- 4.11.21 The projects were set up to apply for discrete funding pots that the council anticipated smaller pots of funding would be available.
- 4.11.22 The funding bid submission focused on the regeneration and cultural aspects rather than transport.
- 4.11.23 The scheme will be a £21-million-pound capital investment scheme. Just over £19 million will be provided by the Department of Levelling Up, Homes and Communities. The remaining £2 million will come from public and private match funding.
- 4.11.24 The funding is all capital and time limited to spend.
- 4.11.25 The three themes the Levelling Up investment is structured around are:
- Green and resilient Hackney Central (c £14m)
 - Characterful Hackney Central (c £6m)

- Hackney Central Wellbeing (c£1m).

- 4.11.26 Slide 12 detailed what sections of the locality they would be investing in.
- 4.11.27 The significant investment in Green infrastructure was about greening Hackney Central street and making it resilient to climate change and the negative impacts. In addition to improving air quality and road safety.
- 4.11.28 There is a planned significant investment into the Town Hall square (identified by the council and residents in the town centre consultation process).
- 4.11.29 Planned is significant investment into Hackney Central Library to improve digital access to lower the barriers to inclusion and supplement services.
- 4.11.30 Slide 13 listed the specific outputs the council has committed to deliver and the wider outcomes.
- 4.11.31 The bidding process was supported by the Theory of Change process. This sets out how the outputs and outcomes will deliver the long term change they want to achieve with the town centre strategy and evaluation of the impact they hope to achieve.
- 4.11.32 The council plans to continue to engage residents in the successful Levelling Up project. This is based on a series of principles and objectives set out on slide 15.
- 4.11.33 Key is respecting the knowledge and input from people and to build on the existing relationships and connections they have with residents. Lowering the barriers to engagement for residents who want to be involved in the conversation and help shape the schemes. Also to target unheard voices.
- 4.11.34 The Council is continuously learning and reflecting on the impact from their engagement techniques. The aim is to improve all the time they engage with the community.
- 4.11.35 The council is taking a series of actions to raise awareness of the levelling up fund.
- 4.11.36 Outlined on slide 17 was the number of different ways residents will be involved. Each project will have a high level bespoke engagement plan mapping out stakeholders against the appropriate technique and methodology.
- 4.11.37 Slide 18 outlines a structure of the projects.
- 4.12 **Questions Answers and Discussion**
- (i) **Members asked the officer to clarify if the Levelling Up Fund was covering just regeneration and cultural aspects but not transport? Members pointed out that it might be hard for people to understand this when there is reference to the green corridor. Members asked how the council was separating culture and transport if it included the green corridor?**

The Area Regeneration Manager from LBH explained the Government accepted bids for transport schemes if they focused on transport infrastructure such as new bridges, new rail infrastructure etc. A transport bid required a different business case and had an alternative sign off route because it was part funded by another department. The officer pointed out that a transport bid was heavily transport infrastructure based.

Whilst this bid does have some impact on transport the Levelling Up bid was focused on addressing the challenges, they face with their streets in the town centre and linking spaces. Therefore, more like a regeneration scheme breaking down barriers for people to get access to Hackney Downs travelling to and from school or in and around the town centre.

The Area Regeneration Manager from LBH pointed out that whilst the wider air quality and safety improvements were transport related, they would make improvements to the town centre too. The Government view this as a regeneration scheme not a transport scheme.

The Chair added that the Government does not consider it to be transport if it does not involve moving around with wheels. This is part of the problem and might be an important point to raise in relation to bids being categorized in a particular way; otherwise they are not valued.

- (ii) **Members referred to the £19 million covering a large geographical area (from Pembury circus, town hall square, Tesco's car park and Hackney Walk etc.) Members pointed out that although it is a large pot of funding it could be spent without seeing any significant change. Members suggested if the council wants to keep people engaged and enthusiastic with the project they will need to see some form of change as it progresses. Members asked what outcomes residents will see early on so they can feel like the investment is for them. Also Members wanted to know how this will be communicated.**

The Area Regeneration Manager from LBH explained the Levelling Up Fund project is made up of 7 sub projects and some will take a long time to resolve because they are addressing intrinsic problems in the town centre.

For longer term projects they hope to be raising awareness and generating excitement through their engagement and co-design.

Three out of the seven projects are bite size and can be implemented sooner. E.g. Marvin street, improvement to the car park and the interchange at Hackney Central train station. The projects that are within the Council's control will require fewer sign-offs from partners like TfL. However, the officer pointed out they must acknowledge that these projects will take some time to deliver in a busy town centre therefore sequencing and phasing will be critical.

- (iii) **Members asked for more information about how they are analysing value for money to ensure that all the projects will achieve the deliverables they outlined and how this is being evaluated in terms of value for money.**

In response the Area Regeneration Manager from LBH explained this was done upfront. Pointing out that the bidding process was exhaustive. The process assessed the different ways to measure the impact. The council will be measuring themselves against the criteria that was agreed at the beginning in the business plan. This business plan has been shared with the Government as part of the bidding process. In the program management they will be delivering against this plan. In addition to the project being on time and within budget. If this is achieved, they should hit the targets set in terms of the cost benefit analysis.

From evaluation of the earlier schemes the council is continuing to reflect on the impact, through sense checking and learning to help shape and improve long-term projects. The officer informed the Members that there is a feedback loop within the project itself to monitor risks, issues and overruns. This is so that the lessons learnt from the earlier projects can be implemented in the wider project scheme.

- (iv) Members followed up and commented that the Commission is aware of the increasing costs for regeneration projects due to inflation and asked if this is likely to have an impact on what can be achieved against the original plans?**

In response the Area Regeneration Manager from LBH replied they are aware of the impact this is having on projects, so they were able to factor this in as they complied with the bid. Highlighting that as part of the exhaustive bidding process they bench marked costs at that moment in time and forecasted inflation costs. Therefore, they have accounted for significant cost inflation across the life of the project. Should the costs exceed their predictions they will have to consider how to continue to deliver the outputs and outcomes they hope to achieve. However, currently the projects are within the estimated costings.

The Chair comments that with projects like housing they have been severely impacted by inflation and construction costs. The Chair challenged the perception that this project was likely to continue on time and within budget with no impact due to inflationary pressures. The Member commented that this would need to be robustly tested to make sure they can reassure residents. The Member also suggested the council should be practical, open and honest about the type of impacts they could encounter in terms of delivering on time and within budget with projects of this size or bigger. Members pointed out that in terms of housing this has not been the case and projects are being delayed and the numbers completed reducing. Therefore, the question the council may need to answer is why this project is special or different to other projects.

- (v) Members referred to page 13 in the agenda, the points about new creative and commercial workspace and ongoing discussions with the Community Panel. Members asked if the council was the council discussing affordability and a sliding scale of cost for new artists. Members pointed out that new artists were feeling challenged with some of the rates within the borough and wanted to find out if there was scope for this in relation to new workspace.**

(vi) Members also asked about the diversity makeup of the Community Panel used for engagement.

In response the Area Regeneration Manager from LBH replied there are a number of ways that they are supporting creative and commercial space in Hackney Central and that this is being done in partnership. The officer highlighted that there are significant vacancies in parts of the HC town centre and they are working with the land owners to reduce the barriers to bringing those site back onto the market.

Where they identify genuine public purpose and investment, consideration is given to improving access, safety and CCTV coverage to bring the sites back into use. In addition, they will be working with users and residents who do not use Hackney Central library to change it into a space where local business people can work and rent a space at affordable rates. A space to work from, meet with clients and access the internet. Some of this work is within their control and in other instances they are laying the ground work for other people to help bring those spaces into productive use.

In relation to the question about diversity. The Community Panel was set up in 2021 and they reflect on the membership of the panel annually to ensure the membership and those who engage represents the wider Hackney Central community. Members of the panel are can also be representative of a group such as TRAs or have a specific interest. The council also relies on members taking information back to the community and bringing issues back from the community.

As part of another review of the Panel they also target specific community groups that were underrepresented on the Panel. The council worked with the Chinese Community Centre and Hackney Youth Parliament to identify seats. The council will continue to regularly review and reflect on the diversity representation.

(vii) Members commended the project and were pleased about the level of investment in Hackney Central. Members commented that although further engagement was planned in 2024 they wanted more information about the town hall square plans and vision. Members asked if there was feedback from any specific group, what the activity will look like and what officers would find useful from the scrutiny commission.

In response the Area Regeneration Manager from LBH replied in relation to the town hall square they have done some vision work but not a design of what would be possible. Currently they are making sure the project is feasible and that there are opportunities. The council also needs to identify costs to make sure they are appropriate including inflation costs. The town hall square is being stretched to include outside of Hackney Central Library and the Hackney Empire. The officer explained they had no planned ideas. The investment in Hackney Central was because of the feedback received from residents that it did not represent the diverse communities of Hackney Central. The Windrush sculptures had helped but there was a lot of feedback about it being underutilized. There are plans to explore and

understand how people might want to use the space. Feedback has also included information about crime and anti-social behaviour, leaving people reluctant to use the space. People have expressed changing their habits e.g. not waiting at the bus stop in the town hall square and only going to the Hackney Empire if they go with a friend to leave there at night. The officer explained that they are aware of the issues and the potential opportunities.

- (viii) Members commented that the area includes the Hackney arches / walk that was regenerated, using private funding and has become an eye sore. Members were pleased that this is in scope for the capital investment and asked if the council was knowledgeable about what the owners planned to do because residents would like to see this change.**

In response the Area Regeneration Manager from LBH advised this was one of the projects that was in partnership with the private sector to ensure there is a minimum level of service.

The officer confirmed the council will not be investing in the private assets but they will be investing in the public realm and supporting the space that people want to use in the town centre so that it is safe and secure for people to move around. This might mean investing in public infrastructure such as CCTV ensuring that access to the site is clean, safe and attractive.

The council is looking for the private sector to bring match funding to support the council in delivering the vision for the wider town centre.

The officer pointed out it will be optimal when the sites work together. The council is aware that some of the sites are locust for the type of behaviour they do not want to see in a town centre. But to leave these sites out would be a missed opportunity to bring them back into productive use.

- (ix) In a follow up question Members asked for clarification if this was the match funding from the private sector referenced earlier in the presentation. Members also asked if the £2 million was coming from the owners of that private land on Morning Lane.**

In response the Area Regeneration Manager from LBH explained that a proportion of this is coming from funding that has been secured from other public sources and another proportion from the private sector. This is accounting for work and investment that the private sector has already planned for the town centre. The council hopes it will include these sites but potentially include other areas too.

- (x) Members pointed out that the council has relied on the private sector to invest in Morning Lane before. Members asked what reassurances or contractual obligations have been put in place for the private sector to actually deliver. Taking into consideration the council is investing heavily in the public realm to help them.**

In response the Area Regeneration Manager from LBH confirmed they have been informed about the investment in Bohemia Place. This reflects the collective view from stakeholders to activate the space that has been

inactive for a long time. The officer acknowledged that there are some continuing issues with some proportions of the site but they are aware that the private owners are issuing planning applications to bring the sites back into active use. This should trigger investment into the town centre.

The Area Regeneration Manager advised that the council did not want to rely on the private sector because they are not in control of it and it would present a huge risk if the council committed to what the private sector could do.

The council has identified what they have already committed to doing. The improvements and investment will add value to the town centre. However, a proportion of the investment the council is making would have been made regardless of the private sector investing. This investment is to improve the wider town centre for access, safety and movement. Therefore, if the private owners invest in their assets then that will be a bonus.

- (xi) Members referred to some problematic areas in the town centre such as Hackney Walk and the Morning Lane car park. Members commented that their concern was that people will see the town hall square transformed and see nothing in the other areas and think that the council spent all the public money on the section in front of the town hall and nothing on the other areas which have been long standing problems. Members asked if there is a strategy to address this perception.**

In response the Area Regeneration Manager from LBH explained that the levelling up fund of one of a number of things the Regeneration and Economic Development service are doing in the town centre. The service is working with the private sector and other public sector partners on a series of projects and strategies that will be deployed across the town centre. There is wider work to bring about the change they would like to see and some of this is reliant on the private sector and the council working together. The officer pointed out that the council did not want to commit funding to a site that was outside of their control and where the private / public sector partners could change their mind. However, this does not mean that they would not continue to work with them. The projects that they are prioritizing and taking forward are equally as important as those spaces they continue to work on under other programs.

The Levelling Up Fund is a time limited program with a specific focus which Hackney Council worked with to fit their needs. This is one of the tools being used to improve the town centre.

- (xii) Members commented that they are aware of how they define the issues related to levelling such as social economic issues. Members asked how confident the council was that this would address the issues in terms of bridging the gap and tackling inequalities. Members also asked if they were confident the project will reflect the voice of residents that the council heard from in the process of engagement to drive the authentic levelling up for Hackney's communities.**

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In response the Area Regeneration Manager from LBH explained they have a large volume of data that sits alongside the valuable engagement contributions from residents. There is also empirical evidence that supported why Hackney Central was identified as a priority for regeneration and was factored into the way they finalised the bid.

The specific areas focused on is due to the information they have received from residents about the impact on their lives. E.g. the disproportionate impact of health inequality on the residents (particularly amongst the elder population in Hackney Central). For example, the impact of isolation and mental health.

The investment in Hackney Central library is to target and break down the barriers people experience using the space. Providing people with the skills either digital or analogue to connect to the services available for them.

The same relates to the negative impacts of air quality on residents and the health impacts associated with poor air. This is the rationale for focusing that aspect of improvement on Pembury and Amhurst Road.

In addition to limiting crime and antisocial behaviour because this has been having a debilitating effect on people's lives and how they use the town centre and the services on offer.

The officer reiterated that the Levelling Up Fund is targeting some of the areas but is not the only project they are using to address some of the impacts and negative life experiences.

- (xiii) Members referred to the information they heard about the outcomes, measures and upfront work. Members highlighted that there is still a lot of shaping to be done and engagement next year. Members asked how the scrutiny commission could add value to the remaining work.**

In response the Deputy Mayor and Cabinet Member for delivery, inclusive economy & regeneration replied they will need to ensure they have the right governance and oversight (audit and reporting) in place. The Commission would add credibility to their reporting in addition to reporting to Government too. The Council wants to ensure that Hackney is seen as a delivery agent regardless of any changes to central government in the next 1-2 years. Having scrutiny as one of the important mechanisms in the program management and accountability will ensure that everything in relations to delivery happens. There is an important governance role for scrutiny and this would be valuable.

The Chair added that there are 3 measures that scrutiny will use in their oversight work and that is:

- 1) Value for money
- 2) Meeting the expectations, ambitions and aspirations of the community via the community engagement strategy
- 3) Measuring against the headline outcomes and outputs.

- (xiv) Members referred to the output of creating 1600 square meters of creative and commercial workspace but pointed out this, in their view,**

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did not represent an outcome. An outcome would be increased economic activity. The Member also highlighted that this point related to the digital inclusion investment in Hackney Central Library. Members pointed out that they noted the increased number of cultural events but were unsure how the investment linked to the outcomes. The Members asked for more measurable outcomes related to the investment in digital inclusion.

In response the Deputy Mayor and Cabinet Member for delivery, inclusive economy & regeneration from LBH replied in terms of the space and the points about outcomes that was a good point to raise. The main objective was for a thriving town centre but the officer could provide more detail about this.

In response to the question about digital inclusion investment, the Cabinet Member for health, adult social care, voluntary sector and culture replied the library service recently heard about how digital inclusion can help people with visual and hearing impairments to access the space in libraries making them more accessible. In the consultation the feedback people wanted more digital tools available and more support for businesses. Hackney Central Library has started working with women, who are sole traders, running their own business to provide them with groups where they can meet, share ideas and information. They also have presentations from people who can help them make their businesses more digitally functional. The women also have access to the equipment in the library.

- (xv) Members referred to the last time the council received a large pot of funding (following the riots) and pointed out this was spent on the Hackney Walk project. Members queried if for that project, the council was overly reliant on a private partner to deliver. Members asked what lessons have been learnt from this project that will be applied to this new investment. Members also asked for the headline lessons learnt.**

In response the Deputy Mayor and Cabinet Member for delivery, inclusive economy & regeneration from LBH replied, the principle lessons they took away from that experience was to ensure the private sector contributed to public sector investment. Currently there is one private sector partner that has not been responsive to match funding.

In relation to the public investment in Hackney Walk this achieved the outputs and outcomes it set out to achieve in the first few year pre covid and lockdowns. The council has learnt to be confident knowing that public funding is a catalyst for greater value and investment. The council should be brave and bold in the way it sets out joint ventures and how to respond to partners who are engaging. The Cabinet Member stated if the partners do not contribute to the investment it will not progress.

The Cabinet Member pointed out that this does not resolve the issues of a private estate having community safety issues and this is a serious dilemma. The Cabinet Member acknowledged although the Police can respond this is usually a reaction to an event rather than a proactive action. The Cabinet Member added that not all organisations in the private sector work like this but when it does happen it is about the council being bold and

saying no. Currently they are struggling to get one private sector partner to come to the table even though there is value for them too. The Cabinet Member highlighted that the private sector is concerned about making a commitment even if the investment would benefit their asset as well as the wider town centre.

In essence it is about the council being clear that if they want to collaborate in a constructive way they need to make a contribution.

(xvi) In a follow up Members asked if the project would be jeopardized if the private sector failed to commit. Would the council pull out of investing?

In response the Deputy Mayor and Cabinet Member for delivery, inclusive economy & regeneration from LBH replied regeneration is about collaboration, negotiation and joint venture. There is room for negotiation to find a common position of consensus. Currently the council is able to invest £19 million into the town centre and this is a position of strength. Therefore, partners must come to add value. The hope is this will lead to a productive and positive conclusion when the investment is carried out and it will lead to a successful partnership.

The Chair closed this item with the closing remarks that it was important that the Council did not repeat past mistakes and that the lessons learnt from Morning Lane / Hackney Walk are applied.

5 UK Share Prosperity Funding (20:05 - 20:50)

5.1 This item covered:

1. Background to the UK Shared Prosperity Fund
2. LB Hackney allocations for each theme
3. What LBH will deliver:
 - a. Supporting Local Businesses
 - b. Communities and Place
4. Approach to the Business Support Programme
5. London-wide UK SPF funding plans.

5.2 The Chair asked Michael Toyer, Economic Development Manager from LBH to commence his presentation. The Economic Development Manager recapped on the information in the presentation and advised that his update would focus on the information about supporting local businesses and the approach to the business support programme.

5.3 The Economic Development Manager from LBH commenced his presentation and made the following main points.

5.3.1 The officer recapped on the background to the funding. Highlighting that £185 million was given to the GLA from the Government to cover the period 2022-2025. The fund became available from 2023 so there will be approximately 18-20 months of delivery.

- 5.3.2 This funding is significantly lower than it was previously under the European funding arrangements. Under the previous funding on average London received £90 million a year.
- 5.3.3 In consultation with Central London Forward, London Councils and other sub regional partnerships the GLA decided to allocate £78 million to London Boroughs. A sum of £30 million was held back for the GLA to deliver and commission programs themselves.
- 5.3.4 In Hackney across the 3 themes the allocation is as follows:
supporting local businesses (£441k);
communities & place (£1.36m);
People and skills (£870k) received a direct allocation of 1.8 million.
The spend for each theme in brackets.
- 5.3.5 Subject to the agreement, it is anticipated that some of the people and skills funding will go to sub regional partnerships and some to the council.
- 5.3.6 The council is hoping to address some of the local issues by applying for the London wide £30 million funding pot.
- 5.3.7 The officer pointed out that although applications can be from a single borough or large provider; The guidance encouraged consortiums, groups of boroughs or larger providers to deliver on a pan London basis or sub regional basis.
- 5.3.8 LB Hackney engaged in 3 groups discussions and 2 of them were successful. The unsuccessful bid was in partnership with Islington Council, and this was focused on supporting co-operatives and social businesses.
- 5.3.9 The bid was written by an organisation in Islington that supports co-operatives. The officer's observation is that they might have been less experienced at writing bids than the two other organisations that were successful.
- 5.3.10 In relation to the two successful bids, one was an existing partnership group of boroughs supported by a consultancy team. The other was related to legacy activity at the Olympic Park by an organisation called SHIFT that focuses on innovation in and around the park. The idea is that the Park and adjacent communities will trial innovative approaches to address some of the challenges in society - transition to net zero, public health and getting around a city.
- 5.3.11 The officer pointed out the council supported these bids but they do not control them. The Council is part of the assessment panels and will help with outreach.
- 5.3.12 There are 29 other programs and from this total there are 20 that Hackney businesses could bid for.
- 5.3.13 Slide 22 outlined the series of outputs and outcomes in the manual that the GLA investment was aligned to. The council's pitch for funding related to the 5 themes outlined on the slide.

The council will have the standard business support and will target hospitality and creative arts through outreach.

The third work stream is the specific start up advice and training for socially focused businesses. These businesses could be a start-up with a social focus like a social business that might trade. The council is willing to be flexible with this definition if the organisation's business is located within the borough i.e. not just their headquarters in the borough.

The work stream on pump priming and capacity will be from some of the local provider consortiums.

The fourth work stream is about transitioning to net zero. This program will be giving general advice.

The last work stream related to the communities and place projects is helping small businesses to reduce their energy bills in response to the cost crisis. This is a very specific audit of their operations and premises by a technician who talks them through changes and then makes recommendations. E.g. replacing slightly older machines, light bulbs etc.

5.3.14 The officer explained that hope is businesses will come together, receive support, engage and form networks (like they did during the grant funding during covid).

5.3.15 Slide 23 outlines the monitoring outputs from the council to the GLA and from the GLA to the council.

5.3.16 The officer highlighted on slide 24 the allocation of £910k for capital in relation to the communities and place element. Pointing out that initially the allocation looks large but in comparison to the Levelling Up Fund discussed earlier £910k for capital is quite small.

5.3.17 Slide 25 outlines some specific projects under communities and place element. The officer pointed out that the project for Dalston streets and spaces program (Gillet and Dalston Square) would cover basic public realm improvements. Then some of the revenue element will be used to activate the space.

The last 2 projects in the table are linked to revenue activity cultivating cultural activity involving engagement and outreach.

5.3.18 Slide 26 outlined the communities and place outputs and outcomes. The officer explained that these are not about public realm being created or improved but about outdoor access being better quality. The officer pointed out these metrics have been inherited.

5.3.19 The council was allocated £441 from the UK SPF and added some additional funding to the council's local business support programs.

5.3.20 The officer pointed out that during the covid recovery period (over 18 months). In c of £2.5 million funding was received. This enabled the council

to allocate a significant amount in grants to businesses to pump prime wider economic activity.

- 5.3.21 The officer explained that the pots of funding now are too small to run an equitable program to the one during covid. Highlighting that the pot for environmental improvements was likely to only cover light bulbs not machinery.
- 5.3.22 There is a partnership with a £90k pot with Tower Hamlets to cover Hackney Wick Fish Island creative enterprise zone.
- 5.3.23 They are running three cycles of business support with local partners (and lead partner Alia) and this will build on the learning from each cycle. Particularly on outreach.
- 5.3.24 The officer pointed out that having the consortium approach was different and will bring some challenges. The issues, constraints, opportunities, and risks are outlined on slides 28 and 29.
- 5.3.25 The officer informed the commission that the partner organization Alia had engaged a separate learning partner, and the council is waiting to see the evaluation framework for the program delivery to understand the learning and development for delivery organisations.

5.4 **Questions, Answers and Discussion**

- (i) **Members queried if there was some revenue implication for the investment. Members asked how much of this is revenue allocation and what is the expectation of how this will be maintained after the funding pot period has ceased.**

In response to the question the Economic Development Manager from LBH clarified that in terms of the timing the program ends on the 31st March. The expectation is that a new round of SPF funding will commence from 1st April 2025 (This was a post Brexit promise to replace the European funding). However, with the pending General election there is uncertainty about the plans by the national government. Currently they must assume that there will be some form of program in the future although there is no certainty about the form of this will take.

In response to revenue verses capital costs. For the business support element, it is all revenue even for the purchase of small items. This is because for accountancy purposes the capital threshold is approximately £3000 and is likely to be classified as disposable revenue.

The officer highlighted that for the communities and place element the allocation was approximately £900k for capital and approximately £400k for revenue.

- (ii) **Members raised concern about capital investment that have revenue implications. Citing as an example having a capital investment planting 30 trees. However, this would have revenue implications because they would require ongoing maintenance to survive. Members asked if the council had factored in revenue implications for**

the capital investment? Members highlighted that they are concerned with value for money and whether the council is clear about its revenue implications for some of the investments.

In response to the question the Economic Development Manager from LBH confirmed yes, they are factored in revenue implications. The officer explained that the Fairchilds Garden Project is delivering most of them and that this is small contribution that is part of a larger project. The officer pointed out that the revenue implications are part of the larger project.

The officer pointed out for the Gillett Square investment they already have revenue allocated to the maintenance of the square. Highlighting that this site already has street furniture so replacing it with new furniture will not add or create revenue costs.

- (iii) **Members reference the work stream outputs for pump priming and capacity building for local organisations (independent businesses). Members pointed out that they are keen to see the development and growth of co-operatives and social enterprise businesses rooted in communities. Members referred to the stakeholder engagement carried out and asked about the council's engagement with Hackney Co-operative Development (HCD) and how the partnership is being developed with the objective of growing the sector.**

In response to the question the Economic Development Manager from LBH confirmed they always planned to include local delivery organisations. This would be a grant funding agreement rather than a contract. So, it was not a procurement process but an open process.

The officer explained that prior to the grant allocation they held meetings with Hackney Co-operative Development, Social Founders Network (who worked mainly with charities and some social enterprises) and East End Trade Guild (who work with independent traders. These organisations do a lot of social support work with communities - they are not shareholder driven businesses. The council tried to get HCVS involved in delivery (the council is aware that their focus is on the voluntary and community sector) but they did not feel it was the right time but have assisted with outreach.

The council facilitated a session with all these organisations and introduced them to Alia to talk about the opportunity.

The officer also pointed out that this was not the only funding opportunity to support them. Other funding opportunities are likely to require engaging with a wider provider.

The council's open event had 28 attendees. Following this a consortium with Alia was formed. The organisations referred to earlier in the presentation will be the delivery organisations. The officer pointed out that in some instances their capacity is quite low and that there may be capacity challenges but they are aware of this.

The officer explained that the East end Trade Guild is largely a campaigning organization and does a small proportion of business support and

mentoring. Whereas Social Founders is more about mentors and matching. So in the consortium is an experienced social founder and a fairly new social founder. The council is hoping to see more networking.

HCD has focused a lot on affordable workspace provision (specifically, getting Bradbury Works up and running). The officer pointed out that HCD have not delivered revenue business support for a while. So, the council is encouraging them to learn more about delivery again to return to this.

All these organisations are part of the consortium. The officer acknowledged that there is some risk because they all have a different angle. But this is why they have implemented the wrap around learning framework. The council is of the view that this will give a better reach into the business community for sign-ups.

- (iv) **Members commented that the funding provided post Brexit is significantly lower than the European funding. Members reflected on a previous presentation about outreach and engagement. Members asked if the change was because it is more prescriptive in terms of where the money can be allocated or was the change due to the funding pot being smaller to invest in outreach to target effectively.**

In response to the question the Economic Development Manager from LBH confirmed it related to all the points made in the question. The officer agreed that it was more prescriptive and there was less funding. However, this funding was for business support. There were grants running alongside for engagement.

In terms of engagement, they have good data from the recent business survey. This survey informed them about the challenges businesses are facing and what they want. This main request is grant funding which the council does not have but they can signpost.

The officer highlighted that traditionally Economic Development does not engage with communities and community groups about business support like a regeneration program. This is because they have different target audiences.

The council has an associated piece of work looking at the right ecosystem to support the formation of more social businesses. Their findings show that co-operative businesses come from within communities and take a long time to set up. It is quite a bureaucratic process. This also requires trust and involves quite a few people. There are three rounds of learning so this may be applied in round three.

- (v) **Members referred to the information provided earlier about co-operatives and highlighted that the officer referred to a small grant to help business decarbonize. But the grant would be a one off. Members also referenced the point about wider help to support businesses to understand how to decarbonize and improve. Members asked for more information about this.**

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In response the Economic Development Manager from LBH advised that under the last round of grant funding, Alia set up an agreed business program. This was a multi-day course totalling 18 hours. It was designed to help businesses to think through their business model, trading and emissions (in the supply chain and direct). They found there was a very low uptake of this course. Therefore, if the council did something similar it would be light touch engagement to help businesses understand. This support would be different to a technical audit.

The council hopes this will give them a gateway into businesses to get them to engage with the wider net zero agenda. The council is hoping to get some local interest so they can sign post local businesses to other London programs or a technical audit. The officer highlighted that a fast-food takeaway shop and a clothing retailer would think about the challenge differently and both would need or take different approaches.

- (vi) Members referred to the learning from previous business support programs and asked what the learning has been.**
- (vii) Members also asked the Cabinet Members in attendance to highlight what manifesto commitments were met by the activities funded through the Shared Prosperity Fund. The Chair advised that the Commission would be sending in a written request for an answer to this question for the Levelling Up Fund.**

In response to the question the Economic Development Manager from LBH replied that the learning from the previous programs is not to be too prescriptive in setting out the in-depth design and delivery of a business support program or a grant program. This is because you need flexibility. The officer pointed out that even over a short period of 18 months the needs of an individual business can change. This is why they set this up as a grant funding agreement and not a contract, to emphasize that the outputs and approach are important and to let the delivery organisations come to them with their ideas. This happened in the last program but it was not planned. This time it is planned and built in.

Another learning from the grant funding program was that through grant funding the council had encouraged use of local suppliers and producers to create a circular investment. The data showed that for every £1 invested the return was £3. Creating what is termed as the local multiplier effect.

Another learning was being very clear about the target and outreach.

The officer pointed out from the first round of funding they needed to review the outputs because this started late (all the boroughs did) whilst the funding agreements were put in place.

The council is encouraging the providers to think more about their outreach. This will include some street walking along the high street to go into businesses who are not digitally literate. The officer informed the Commission that previously they relied on digital communications but they are including on the ground outreach too.

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In response the Deputy Mayor and Cabinet Member for delivery, inclusive economy & regeneration referred to page 27 (Chapter 7) of the 2022 manifesto booklet. He advised that this outlined many of the areas mentioned by the Economic Development Manager earlier.

The Cabinet Member explained that the Executive recently concluded that the manifesto was mainly based on reopening, recover and growth. The SPF and its precursor has helped and continues to do so. But now economically it is not so much about reopening as it is about thriving and growing. Equally it is also the thread related to the green economy and creating a green economy. This is reflected in the SPF investment. What the Executive is try to do is to make sure they are capitalizing on the SFP because enables the council to be work with local businesses to bring growth and opportunities to residents and local businesses.

The Cabinet Member for health, adult social care, voluntary sector and culture replied in relation to public health they have had SP funding to help them meet the Health and Wellbeing Strategy. Particularly the strand around financial inclusion and the pledges in the Ageing Well Strategy. Aimed at making sure spaces are inclusive and accessible especially places like Fairchild Gardens mentioned earlier.

- (viii) Members referred to the responses about the learning and referred to the council visiting some shops following concerns about digital exclusion / inclusion. Members asked if there is more staffing to resource this work and if this includes business on the fridges of the borough like Blackstock Road. Members highlighted that this location would benefit from more engagement to make a difference.**
- (ix) Members also asked for an update on the future skills aspect that was being developed.**

In response the Economic Development Manager from LBH advised this is not being resourced by the council but by the providers. The program manager was keen to do this and had worked with Library Service to do drop in events at Hackney Central Library. The manager is trialling the walk around approach in the town centre before committing more resources.

The officer pointed out that additional funding is running alongside this (funding by the GLA for London and partners). The GLA has established a single front door service to makes it easier for businesses to get the right type of business support. This is via standard communication inviting businesses to contact them. On contacting the single front door, the business will be triaged and refer to the relevant program.

A report from the GLA team has advised Hackney about a new approach that will involve visits and outreach to Hackney. The officer informed the Commission that he was unable to provide any further details about this at the time. However, the officer offered to return in 6-8 months to give an update on the learning reported because it was a new approach.

The Economic Development Manager informed the Commission that a communication will be sent to all Councillors providing information about the

program so they can use this in their Ward to sign post or make contact. The officer highlighted that the Economic Development Team would be happy to attend events to give Cllrs a briefing.

The Chair thanked the Officers and Cabinet Members for attendance and the updates on the wider context, impact and how the funding will be used. Also for the update on how the Executive is meeting their targets, ambitions and fulfilling their manifesto commitments.

6 Minutes of Previous Meeting (20:50 - 20:55)

- 6.1 The minutes from the previous meeting on 20th November 2023 were noted and to follow and will be available at the next SEG meeting.

7 Skills, Economy and Growth Scrutiny Commission Work Programme 2023/24 (20:55 - 21:05)

- 7.1 The Chair referred to the work program document in the agenda and highlighted that it is a working document that is regularly updated.

- 7.2 The next meeting would be on 17th January 2024.

Item 1 on the agenda was Planning Policy and Heritage Buildings. This meeting would cover how the council can and will use its borough planning powers to nudge retrofitting for existing and heritage buildings owned by the Council and private landlords. To support the council's commitment to achieve the climate action plan.

The Chair advised the Commission that the guests who have agreed to attend for this item would be.

- Historic England
- Westminster Council Retrofit Task Group
- Local Hackney Case study (Lynch Architects)
- London Borough of Hackney Planning Team.

Item 2 on the agenda was Library Services. This would be an update on the staffing restructure implemented 12 months ago. The Commission promised to review it 1-year post implementation of the new structure. Implementation was due on 1st April last year.

- 7.3 The Chair pointed out that the Library of Things item was moved to the SEG March 2024 meeting date.

- 7.4 Members asked about the meeting lost due to the local Mayoral elections in November 2023 and asked what happened to those discussion items.

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The Chair informed the Commission that these items were being rescheduled to the first meeting of the municipal year.

- 7.5 In response Members asked if the discussion about the consultation process for LTNs could be moved earlier in the work program because having it in the new municipal year was a long time after the consultation.

The Chair advised that she would consider this especially if there were further consultations planned by the council.

8 Any Other Business

- 8.1 None.

Duration of the meeting: 7.00 - 8.55 pm