

London Borough of Hackney  
Skills, Economy and Growth Scrutiny Commission  
Municipal Year 2018/19  
Date of Meeting Monday, 10th December, 2018

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

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**Chair** Councillor Mete Coban

**Councillors in Attendance** Cllr Polly Billington, Cllr Richard Lufkin (Vice-Chair), Cllr Sam Pallis, Cllr Steve Race and Cllr Gilbert Smyth

**Apologies:**

**Officers In Attendance** Suzanne Johnson (Head of Economic Regeneration), Stephen Haynes (Director – Strategy, Policy and Economic Development) and Andrew Munk (Head of Employment and Skills)

**Other People in Attendance** Councillor Guy Nicholson (Cabinet Member for Planning, Business and Investment), Councillor Carole Williams (Cabinet Member for Employment, Skills and Human Resources) and Councillor Aron Klein

**Members of the Public**

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## Councillor Mete Coban in the Chair

### 1 Apologies for Absence

1.1 No apologies for absence.

### 2 Urgent Items / Order of Business

2.1 There was a change to the order of business. Item 8 was taken first followed by the remaining discussion items as per the agenda.

### 3 Declarations of Interest

3.1 There was no declarations of interest.

#### 4 Minutes of Previous Meeting

- 4.1 The minutes of the previous meeting held on 3<sup>rd</sup> September 2018 were approved.
- 4.2 The minutes of the previous meeting held on 22<sup>nd</sup> October 2018 were approved.

<b>RESOLVED</b>	Minutes were approved.
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#### 4.3 Actions update from meeting on 3<sup>rd</sup> September 2018

##### 4.3.1 Action – page 9

The Licensing Team Leader to confirm if the Gambling Commission collates information on the amount spent in gambling establishments in Hackney borough.

##### Response

The Licensing Team Leader advised he was unable to identify information specific to the borough. However research in 2015 by NatCen for Social Research carried out on behalf of the Gambling Commission, provides information on gambling participation in various regions across the Country. The link below provided the figure for London but there is no further breakdown beyond that.

<https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-behaviour-in-Great-Britain-2015.pdf>

The Licensing Team Leader also highlighted that the most recent statistics by the Gambling Commission gives the Gross Gambling Yield (GGY) figure which essentially the amount is raised by the gaming industry after winnings are paid out. The headline statistics can be found using the link below.

<https://www.gamblingcommission.gov.uk/news-action-and-statistics/Statistics-and-research/Statistics/Industry-statistics.aspx>

##### 4.3.2 Action– page 16

The Head of Economic Regeneration and the Head of Corporate Programmes to provide a formal response to the Commission in response to the SEG Commission's BAME summary report.

##### Response

This update was provided under item 8

##### 4.3.3 Action – page 16

The Head of Economic Regeneration to circulate the dates of Business Forums to the Commission.

Response

An email providing a link to this information was circulated to members of the commission.

Members pointed out the Stamford Hill Business Forum was due to meet before Christmas. Members enquired if a date was set for this business forum.

One Member advised she had signed up to Dalston Business Forum because it is relevant to her Ward and suggested the other Commission Members sign up to the business forums to monitor their progress.

The Head of Economic Regeneration advised she would confirm and get date circulated once agreed.

<b>ACTION</b>	The Head of Economic Regeneration to circulate the date once agreed.
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4.3.4 Action – page 17

The Overview and Scrutiny Officer to circulate the previous Cabinet Question Time session topics and minutes of the session previous session to Members of the Commission.

Response

This was circulated.

4.3.5 Action – page 17

The Chair and Overview and Scrutiny Officer to draft the Terms of Reference for the Commission.

Response

This is currently going through the Commission's sign-off process.

## 5 Cabinet Question Time - Planning, Business and Investment

5.1 The Chair welcomed to the meeting Councillor Guy Nicholson, Cabinet Member for Planning, Business and Investment from London Borough of Hackney.

5.2 The Chair asked the Cabinet Member to start the session by providing a response to the questions submitted in advance of the meeting. They were related to regulatory services, the Community Infrastructure Levy and the economy.

5.3 The main points from the response are outlined below.

5.3.1 In response to Members questions about the measures to ensure landlords are compliant and the action taken to discourage multiple occupancy.

5.3.2 The Cabinet Member explained in terms of planning services the first step is to define a Housing of Multiple Occupancy (HMO). In planning terms if 6 people live in a dwelling but it's not converted this is not classified as a HMO. If a

- home has additional baths, sinks and toilets and divided up for unrelated people this is a HMO.
- 5.3.3 Planning Services can take enforcement action and demand for a planning application to be completed if the HMO is illegal. This becomes a retrospective application. In regards to the number of unauthorised HMOs. There were 25 cases in 2017 of alleged unauthorised HMOs. There were 3 refusals for HMO applications last year and 2 of those were retrospective applications. This shows that a retrospective planning application may not get approved following enforcement action. Illegal HMOs can be identified by members of the public or a planning officer.
- 5.3.4 In response to Members questions about the Community infrastructure levy. The Cabinet Member explained attached to the community infrastructure levy is the Regulation 123 list. This list is a legal document that sets out the infrastructure needs for the borough. This list is compiled from all the different service areas operating and delivering services within the borough. It covers services such as GP surgeries, the council's plans around school places and planning for future places, community centres, libraries, leisure centres, it picks up on transport infrastructure - highways, parks and open spaces.
- 5.3.5 The list was last updated in 2015 and identified about £1 billion worth of investment required to deliver the infrastructure needs in the borough over the next 10 years.
- 5.3.6 The Council is about to commence a review of the Regulation 123 list. This process starts with all service areas outlining their infrastructure needs and this starts to curate and direct the spending for the levy.
- 5.3.7 The Community Infrastructure Levy commenced in 2015 and since then approximately £30 million has been pulled together. This levy is not the same at the Section 106 funding. As new developments are agreed it adds to the funding stream.
- 5.3.8 The Community Infrastructure Levy does not focus on new homes this comes under Section 106 contributions.
- 5.3.9 The Community Infrastructure Levy has 2 elements the Neighbourhood CIL and Hackney community infrastructure CIL (a main fund and neighbourhood fund). In the coming months there will be discussion about where the neighbourhood CIL should be spent. There are suggestions to spend it on communities and wards rather than infrastructure. Currently this fund has £3 million allocated. The remainder of the fund is either being spent or allocated. However there is still a small balance to be spent. The Cabinet Member pointed after five years they have 30 million. This balance is small in comparison to the £1 billion of spend needed over the next 10 years.
- 5.3.10 Members were informed the CIL has contributed toward such projects like:
- Narrow way scheme
  - Hackney Wick station
  - Olswald Street Day Centre.
- 5.3.11 Members were informed there is no indication the CIL is diminishing. It has a regulated process with a set criteria for the levy and this is based on land values. However the land values will be reviewed and that will adjust the levels of levy receipts.

- 5.3.12 In response to neighbourhood CIL and the decision criteria for CIL receipt spend in neighbourhood areas. Members were informed there will be discussions about how to spend the CIL to support the needs across the borough and in wards.
- 5.3.13 In response to Members questions about the economy and how successful the Council has been at working with local businesses to ensure access to employment opportunities for local residents. The Council's business network have just under 2000 subscribers. This membership has fallen following the introduction of GDPR. The Economic and Regeneration team make referrals and introductions to local businesses to the Employment and Skills service.
- 5.3.14 In response to Members question about the council's plans to protect its highstreets. The Cabinet Member explained this activity falls under a number of spheres. One of these is the planning system. The Local Plan supports highstreets and economic clusters (both big and small) around the borough. It was highlighted that Shoreditch in planning terms is not a designated town centre. In planning policy terms it is not described as a town centre but a major hub because it is part of the central activity zone.

#### 5.4 Questions, Answers and Discussions

- (i) **Members referred to the work to protect high street and to the recent change in legislation to Fixed Odds Betting Terminals in betting shops. Members commented this is expected to result in a number of betting shops closing. Members enquired if this was expected in Hackney and if it was, what would be the impact?**
- (ii) **In reference to the statistic that 70% of London's high street do not fall within a town centre boundary. Members made the following enquires:**
- **How many high streets do we have in Hackney?**
  - **How many have formal policy designation?**
  - **Is there potential to bring policy to high streets that are not designated and have these areas been identified?**
- (iii) **Members referred to article 4s and multiple occupancy homes and enquired if the council used article 4s in conservations area to prevent HMOs as a contravention under character? If not would this something the council would consider doing?**
- (iv) **Members enquired what constitutes sustainable infrastructure.**
- (v) **Members referred to energy and commented it was their understanding that energy did not form part of the Community Infrastructure Levy. Members enquired if further information could be provided about this and queried how the council could use the CIL to leverage other financial investments to create the clean energy infrastructure needed?**
- (vi) **Members referred to the planned expansion of economic activity at the HereEast and Hackney Wick sites and enquired how the council could ensure they worked together to increase the activity across the borough and not compete?**

- (vii) **Members enquired if the council was ensuring young people have access to the skills that the jobs at HereEast and in Shoreditch will offer in in the next few years?**

In response to the questions above the Cabinet Member provided the following replies:

The council has no insight on the impact of the restrictions to fixed odds betting terminals or to the viability of betting shops in the borough. It was pointed out there is huge demand for commercial space in Hackney. It was noted that in the past the council has used its planning powers to halt the growth of betting shops in the borough. The council does anticipate there will be changes to the industry, but as a multinational company they do not qualify for business rate relief. Therefore if they do vacate the borough the Cabinet Member is confident the Regeneration Team will work to promote the empty spaces to a wider market.

Designated town centres have to go through the London plan and are placed on a designation list. Members were informed areas such as Chatsworth Road and Green Lanes are designated as local town centres. Whereas Hackney Central was designated as a major town centre and Dalston as a regional town centre. Members were reminded that Shoreditch was under the central activity zone and a different policy designation applied to the central zone square mile.

It was noted that the GLA had agreed to upgrade Hackney Central to a major regional town centre and upgrade Stamford Hill to a local town centre. However they have not agreed to the designation of Clapton as a local town centre. The reason for this it is a reactive not proactive. The council still needs to do more work to create a coherent town centre. The designation is through planning policy lenses not local view. The original designations still remain in place. It was highlighted that Hackney Wick is in a similar position to Clapton and has not been designated.

The cabinet member advised he would report back on the number potential highstreets identified.

<b>ACTION</b>	Cabinet Member for Planning, Business and Investment to report back on the number potential highstreets identified.
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Article 4 directions are used for a number of things and the Council has used it to challenge the Government on its relaxation of planning regulation in relation to the conversion of commercial property to residential dwellings. Under this change approximately 350 homes have been created in the borough through permitted development rights. It was pointed out to Members that none of the homes have been affordable or subject to the affordable homes criteria.

For sustainable CIL the Narrow way project was cited as an example of the council using the leverage of the CIL to acquire further investment. It was pointed out the CIL was the catalyst for bringing investment together to complete this project.

In terms of energy, it is through the sustainability agenda imposed on the different service areas that sustainability investments are made and currently this is based on the 2015 service area plans.

To deliver energy when the new list is produced they must ensure all the energy requirements are embedded in the infrastructure needs.

In terms of connecting town centres like Hackney Wick and Fish Island. The council's view is they are complementary economies in the borough. The Council has expressed they are complementary economies and encouraged businesses to work in collaboration. Particularly businesses that have moved to Hackney Wick for expansion because they need more space.

The question on skills was passed to the Cabinet Member for Skills, Employment and Human Resources to respond.

## **6 Cabinet Question Time - Employment, Skills and Human Resources**

- 6.1 The Chair welcomed to the meeting Councillor Carole Williams, Cabinet Member for Employment, Skills and Human Resources. Also in attendance for this item was Stephen Haynes, Director Strategy, Policy and Economic Development and Andrew Munk, Head of Employment and Skills from London Borough of Hackney
- 6.2 The Chair asked the Cabinet Member to start the session by providing a response to the questions submitted in advance of the meeting. They were related to employment and skills, equalities and the Council's relationship with local employers.
- 6.3 The main points from the response are detailed below.
  - 6.3.1 In response to questions about employment and skills and the council's plans for the future growth of industries where businesses are relocating to Hackney. The Cabinet Members for Employment, Skills and HR advised her portfolio crosses over with Cllr Nicholson and where this happens they take opportunities to collaborate. Where it is not just employment being discussed they connect and collaborate as with this case. An example of this is a meeting with Stanstead Airport. In that meeting they did not just talk about the vacancies coming through.
  - 6.3.2 A key priority for the council is to ensure Hackney residents benefit from the growth in the borough, London and across the UK. It is acknowledged that resident will not just work in Hackney, especially if they develop the skills identified for growth industries like the digital and creative sector. It is recognised these skill sets can take you anywhere in the world not just in the UK.
  - 6.3.3 The Council also recognises that businesses want softer skills too. Through the employment pathways team and the employment and skills services they are working to develop and deliver this training. The council is also doing some work on providing experience such as insight days and work experience for Hackney's young people.

- 6.3.4 The Cabinet Member reminded members of the commission the council still has a STEM commitment and they are working with education providers and businesses to close that skills gap. This is being delivered in partnership with Cllr Bramble, Deputy Mayor and Cabinet Member for Education, young people and children's social care.
- 6.3.5 In response to question 2 about the Commission's last review report and a recommendation related to setting up a union to support self-employed workers. The Cabinet Member explained she was in conversation with relevant cabinet colleagues about this and the officers are exploring the possibility of Hackney becoming a location for a self-employed union. The borough does have approximately 24,000 people registered as self-employed.
- 6.3.6 In response to question 3 about how to support young people who leave alternative provision and PRUs to transition to adult learning. The councils does the following:
- Promotes its apprenticeship scheme and the Hackney 100 programme to schools colleges and other organisations working with young people. The Hackney 100 programme is a paid work experience programme which seeks to ensure 50% of participants are from disadvantaged groups.
  - Through the carers collaboration use their mailing list to promote services.
  - Use social media to target young people and present at assemblies. The council also engages with 20-24 year olds in Hackney.
  - Partners with Young Hackney, virtual schools and other partners who work with NEET and disadvantaged young people.
  - Will relaunch their pre-employment scheme in 2019. This programme targets cohorts who are over looked such as care leavers, NEET and those who have experienced the criminal justice system.
- 6.3.7 In response to the question that enquired about the effectiveness of Hackney Works (HW). Between April and September 2018 a total of 687 residents signed up to the services. This is a 47% increase in registrations compared to the same period last year. From April to September 2018 the HW clients benefited from over 1400 employability interventions aimed at addressing the barriers to employment. These interventions included volunteering, training and interview preparation.
- 6.3.8 From April to September 2018 Hackney Works achieved over 200 job starts. Representing a 28% increase in job starts in the same period in 2017. The service area does not currently collect data on salary levels. But it is a key priority for the service area to work with employers who pay the London living wage (LLW). It was pointed out that the advisors who support HW clients do continue to provide in work support to their client to help with progression to higher paid roles. Including support to access relevant training to develop their skills.
- 6.3.9 In response to the question about progression and the council's apprenticeship programme. The apprenticeship programme was a key manifesto commitment in 2016 and again this year. The number of apprenticeships has increased from 30 (at the start of 2016) to currently employing of over 100 young people as apprentices. It was highlighted the council's scheme pays the LLW to apprentices and the programme is open to anyone up to the age of 65. The Council now has apprentices in the following service areas:
- IT

- Surveying
- Paralegal
- Design
- Housing
- Engineering.

- 6.3.10 The Council has removed the GCSE requirement in its apprenticeship programme.
- 6.3.11 In 2017/18 7% of all the new apprenticeship starters were care leavers, 9% had a disclosed disability and 16 were young black males. Currently 26% of the apprentices are studying for a higher degree level. Up from 6% in 2016/2017.
- 6.3.12 In response to Members questions about equalities sexual harassment, improving diversity at a senior level and disabled staff, the Cabinet Member advised the Council's Corporate Committee reviews all HR policies. The policy for harassment and bully was recently updated and a training session for all Councillors was scheduled to update them on the changes to the harassment and bully policy. The Cabinet Member offered to reschedule this training in the New Year.
- 6.3.13 The Cabinet Member informed Members the council takes a zero tolerance approach on this policy and provides managers with training on how to deal with allegations. The cabinet member pointed out the policies and procedures in place include sexual harassment and are robust.
- 6.3.14 The council directly employs approximately 3000 full time equivalent staff. The Council is also committed to promoting a diverse workforce. The council is doing this through the single equality scheme and promoting it under the 'culture of inclusive leadership' objective. This was also highlighted in the work the council has been doing on improving outcomes for young black men.
- 6.3.15 The council is aware that a demographically diverse workforce can help to drive innovation which is good for the organisation and staff. The council has held a number of focus groups with staff and they have been well attended. The Council has an inclusive leadership programme and they are looking at unconscious bias and how that needs to be tackled across the organisation as well as developing staff to recognise their unconscious bias.
- 6.3.16 In response to Members question about the protection against redundancy for pregnant staff and unequal pay. The Cabinet Members informed Members the council has clear policies on this and complies with the law and ACAS guidance.
- 6.3.17 In reference to the question about unequal pay. The Council has policies in place and this is a legal requirement on the council by European legislation. The Council has an equality proof pay and grading structure which was implemented approximately 15 years ago.
- 6.3.18 In response to the question about ensuring the right skills and support is offered to help women find work. Through the employment and skills service they have hubs across the borough including children centres where they engage with women. The HW hubs run late sessions (from 5-8pm) to provide flexibility for women with caring responsibilities.
- 6.3.19 In response to Members questions about ensuing decent and flexible job are available. The council is an accredited Timewise council. The council was first accredited in 2015 and has been accredited annually. Jobs are advertise

through timewise so they are open to being part time. The council is working with Timewise to agree a pilot scheme for part time and flexible apprenticeships. The aim is to create up to 10 part time apprenticeships targeting parents with child care responsibilities, special educational needs and neurodiversity conditions.

6.3.20 Hackney Works offers out of work and under employed residents a personalised service that looks at jobs goals, alongside their skills and experience.

#### 6.4 Questions, Answers and Discussion

- (i) **Members referred to the point that HW do not measure salary as a metric. In discussions Members commented the long terms measurement of success for HW would need to include a metric measuring salary. This would help to identify if people entering at entry level are progressing and the types of salary they start on. This would help to identify if the salaries support people, if there is a gap and what the council could do in response to this. Members pointed out it was important to consider how HW is measuring progression.**
- (ii) **Members pointed out that Hackney Quest talked about organisations having a sticker to indicate that they were open to speaking to young people about their CV and employment. Is this something the Council would think about enhancing within Hackney?**
- (iii) **Members enquired how open the council was to having a dialogue about diversity and inclusion particularly for equality groups mentioned previously. Members wanted reassurance staff were able them to talk about some of the challenges within the business, progression and the way they are treated.**
- (iv) **Members referred to the exploration of the self-employed workers union and enquired if there was a timeline for this?**
- (v) **Members referred to the 200 job starts and enquired if the council held statistics about the sectors, the levels applicants are placed in and queried if this met the aspirations of the programme. Members also asked how they were measuring the success rate.**
- (vi) **Members commended the Council for its award winning apprenticeship scheme. Members enquired if the programme was full to capacity and the target for recruitment each year?**
- (vii) **Cllr Klein made reference receiving correspondence from Unite Union about a staff member being asked to remove their head scarf and being told they could remain at work. The Member enquired if wearing head scarf was not permitted at work in the council?**
- (viii) **Members enquired about the main drivers that stop Hackney's young people from accessing opportunities?**

In response to the questions above the Cabinet Member for Employment, Skills and Human Resources replied:

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There has been big changes to the labour market in recent years particularly the hollowing out. The cabinet member advised she was in constant dialogue with officers about how to support young people who do not have access to social capital – that is not being able to turn to a family members for support in gaining access to work experience. The challenge for the council is how they can replicate that social capital for young people in the borough who do not have access to networks. This has been a key driver behind the Hackney 100 placements, the pre-employment placement and the corporate apprenticeship programme. The Council has an award winning apprenticeship programme identifying it as a good scheme in addition to the scheme paying the LLW. The Council's apprenticeship scheme was oversubscribed and for the first cohort in the summer the council received 250 applications for its apprenticeship programme.

This highlights the corporate scheme is popular and being oversubscription means there is not enough opportunities to meet the current need and demand. The Council wants to progress this by using what it has learnt from the apprenticeship scheme to support local businesses to do the same. The first step with this is to start an apprenticeship network with businesses in the borough and there will be a kite mark for this. Through this network they will identify the indicators to measure the success of apprenticeship schemes.

In response to Cllr Klein the Cabinet Member advised she could not comment on individual cases however, the Council does take any allegation seriously. The Council is in dialogue with the Unions and has agreed to carry out an investigation to review the allegations. In the meantime the Chief Executive has written to all staff to express this view and encourage staff to come forward. The Council has relevant policies and procedures in place. The Cabinet Member advised she will reschedule the training for Members to update them on the Council's harassment and bullying policy.

The council has 108 apprentices in total. The council has not set a recruitment target per year. Managers and Directors across the organisation are encouraged to identify where they may have opportunities to employ apprentices and supported to set up an apprenticeship. This year IT identified 21 positions for apprenticeship employment. The Cabinet Member was pleased to report the number of women employed in the IT apprenticeships was above the sector average. However, it was pointed out there is still room for improvement and the council still has the STEM commitment to fulfil but this was a good start.

The Cabinet Member referred to the question about sectors and levels and enquired if this question was specific to a hub placed within that Member's Ward (Shoreditch hub) as it was a perennial question that comes up.

- (ix) **The Member clarified this query related to the level the council was aiming for? Members asked if the council was hitting its target and was keen to ensure the scheme was not under aspiring for the young people in Hackney. Members enquired if the council was accessing a range of different options and employers and not just providing low / unskilled work or quick wins.**

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The Cabinet Member for Employment, Skills and Human Resources advised the council wants to work with young people a little further from labour market too, so they can help them build their skills and progress and not stay in the first job they enter. The challenge is to understand the skills gaps in each sector and consider how this will affect the various equality groups. The cabinet member pointed out if the council is targeting construction or the hospitality sectors they need to consider the long term impact on equalities in this borough. The data shows that women tend to do caring and administration jobs so the council needs to understand what this could mean for that group long term as they age in the labour market. The council also need to consider what that means for their ability to support themselves and their families to remain in the borough. These are some of the challenges they have to look at.

The cabinet member advised she would report back on the timeline for the self-employed union.

<b>ACTION</b>	Cabinet Member for Employment, Skills and Human Resources to report back on the timeline for the self-employed union.
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The Cabinet Member advised they have held workshops with staff and these workshops have not just been about ethnicity but gender identity and disability too.

In reference to Hackney Council operating the Hackney Quest kite mark – putting a sticker up to indicate to a young person they can come in with their CV and talk about a job – the Cabinet Member explained Hackney Works online system is not just uploading your CV. It asks a series of questions and then directs the individual to a support officer for further dialogue about skills, work and identifying possible employment opportunities.

It was highlighted that operating in the hospitality sector within the borough are some quality employers, and the council's aim is not just to challenge the businesses in the borough to develop access to jobs but to improve their employment practices, offer stable employment - not just employ on zero hours contracts – and consider the safety of their staff working late hours.

The Director of Strategy, Policy and Economic Development advised he will report back on Trust for London and the self-employed union as officers will be developing this over the coming months.

The Director of Strategy, Policy and Economic Development urged Cllr Klein to contact the Chief Executive to advise him of any particular case he has aware of for further investigation.

The Head of Employment and Skills advised they do have knowledge about the job sectors people move into, however, it was pointed out that a large number of the Hackney Works cohort are long term unemployed and move into low level jobs. But more recently the eligibility criteria has changed and the service area now works with people who are under employed.

The Head of Employment and Skills informed Members he has been working with his team to understand the service is not just about the job outputs but the client's aspirations too, so they can support them to move along their pathway. Achievement of this will take time and the council recognises there is more work to do to up skills and put on the right course to upskill people. The officer informed Members the employment and skills service is not a statutory service and it was important to remember their funding required job outputs.

The officer pointed out Hackney Quest were supporting their work on Gascoyne estate for the employment, housing and health hub. The apprenticeship network mentioned previously would be an approach like the kite mark referenced by Hackney Quest. Their discussion with business will not just be about the quality of their apprenticeships but their offer of employment and skills.

- (x) **Members commented that it was important for staff to feel empowered to have conversations about diversity, inclusion and progression. It was equality important for the council to lead by example in this area and demonstrate this within their own organisation. Members suggested these should be staff event where the parameters are set and led by staff.**

The Cabinet Member for Employment, Skills and Human Resources and Director of Strategy, Policy and Economic Development advised the council has held 7 workshops with 64 staff. These workshops have been very challenging to the organisation and is making the organisation face up to some stark issues and the senior management team will need to address these. The council recognises there is not enough BME staff in senior management and there are issues across the organisation with disability and shifting unconscious bias. It was also pointed out that some of the themes from the workshops have come out of existing staff networks.

- (xi) **Members enquired if there was a report on the key findings from these workshops that could be shared with the Commission?**

In response the Director of Strategy, Policy and Economic Development advised he would check on the progress of the report and report back to the Commission.

The Cabinet Member for Employment, Skills and Human Resources highlighted that Hackney Council is recognised as an excellent employer and the council's policies – in comparison to other London boroughs – is among the best in London. This is reflected in the work they do, not just on the apprenticeship programme, but in the council's work more broadly.

## 7 Developing the Council's Strategy for Inclusive Growth

- 7.1 The Chair welcomed to the meeting Stephen Haynes, Director Strategy, Policy and Economic Development from London Borough of Hackney.

- 7.2 The Director Strategy, Policy and Economic Development updated the Commission the Council's work on inclusive growth. The main points from the presentation were:
- 7.2.1 The Council's economic community development framework was developed approximately 18 months – 2 years ago. This initial work looked at the growth and development in Hackney to consider how it could be more joined up and impactful for local residents who were feeling left behind.
- 7.2.2 To lead the work under the economic community development framework a Member and officer board was established. Underpinning this work was 3 strands:
- Access to Employment opportunities
  - Place based economic development
  - Business relationships.
- 7.2.3 Under the work of this framework a number of service areas within the council were reconfigured to deliver this work. The Economic Regeneration Team was reconfigured to make it more about area and place and not just regeneration. The Employment and Skills service had its remit broadened to focus on pathways and not just outputs to reflect the change in environment.
- 7.2.4 The debate about inclusive growth has been gaining traction in the last 18 months. The Council's initial work on the ECDB framework fits with the vision for inclusive growth. This debate has given the council the opportunity to reset its work in this area and align it with the inclusive growth agenda.
- 7.2.5 The new work area has also given the council the opportunity to reset its governance arrangements for this work area. The Council no longer has a Member and Officer Board with oversight of this work. But it does have an officer groups driving the work. The council is currently in the process of developing Member involvement. The strategy for this work still focuses on the same three strands of work (employment, place and business) as the key drivers of change.
- 7.2.6 The officer explained this work was important because from an economic perspective poverty is bad for growth and the fiscal costs of poverty are significant. There are also clear socioeconomic argument for pushing this agenda forward.
- 7.2.7 The current plan is to present a draft strategy to Cabinet in June 2019. The Council would like to have a dialogue with the Commission as the strategy is being developed.
- 7.2.8 The Director acknowledged the independence of scrutiny but urged the Commission to dovetail its work with the Council Executive's work on the strategy to avoid duplication. Highlighting there were areas they could work together such as community engagement, metrics etc.
- 7.2.9 For new Members of the commission the Director of Strategy, Policy and Economic Development outlined the service areas he covered:
- Employment and Skills
  - Business Intelligence and Members Services
  - Mayor's Office
  - Corporate Programmes
  - Policy and Partnership (which includes overview and scrutiny).

7.2.10 In reference to Members questions earlier about sustainability. The officer pointed out section 9 of the draft London plan covers sustainability infrastructure which makes reference to air quality and energy infrastructure, and it also talks about digital connectivity. The officer pointed out this was important to and he would strongly suggest this is included in the inclusive growth work.

### 7.3 Questions, Answers and Discussion

- (i) **Members enquired about modes of ownership and the councils approach to inclusive growth, community sector and how this would be embedded in practices in Hackney and integrated into the metrics being produced.**
- (ii) **Members asked for clarity on the Cabinet Member(s) responsible for the inclusive growth strategy being developed for the Commission to ask further questions at a later date.**
- (iii) **Members discussed Scrutiny's role. Whilst it was key for the Commission to hold the executive to account for the terms of reference the Executive defining its work on inclusive growth. The Commission were of the view they had a role to highlight best practice and bring in external expertise and evidence. Members were keen for scrutiny to explore the retention of value within the community and the risks around the extraction of value. Not just for income inequality but asset inequality too.**

The Director of Strategy, Policy and Economic Development advised Cllr Williams was the Cabinet Member responsible for this agenda. However in terms of who to liaise with about the strategy, the officer explained all the officers and Cabinet Members present at the meeting tonight would be the right people to call back to hold to account for inclusive growth.

In terms of the strategy and its focus will be the 3 strands outlined earlier in the presentation. Although officers are mindful that inclusive growth can be as broad as it needs to be. The Director pointed out there needs to be a paradoxical delineation between strategy and the concept and that the strategy being developed would not cover the entire breadth of the inclusive growth agenda.

In response to the query about modes of ownership the Director advised it could be considered. In relation to the metrics the council was scheduled to meet with the London Prosperity Board and UCL about the inclusive growth work carried out in Hackney. They have developed and tested a set of metrics in Hackney Wick and will be reporting on this. Within that framework modes and types of ownership are considered if not they will include this in the strategy as it cuts across all three strands.

- (iv) **Members highlighted their review would focus on residents' views. Members advised they were keen to explore asset based growth to pick up on what is working within the community and consider how they could be used to enable and empower people to move forward in the area of inclusion. This work shows the council is listening to residents following the HAPPE consultation.**

## 8 Council Response to SEG BAME Engagement Event Report

- 8.1 The Chair welcomed to the meeting Stephen Haynes, Director Strategy, Policy and Economic Development and Suzanne Johnson, Head of Economic Regeneration from London Borough of Hackney.
- 8.2 The Chair initiated the discussion by informing that the Commission would be commencing a review looking at inclusive growth.
- 8.3 Following on from the Hackney a Place for Everyone (HAPPE) consultation the Commission wishes to explore the views expressed by residents that the opportunities being created were not for them. This review would focus on the residents' prospective.
- 8.4 The review will commence evidence sessions in February 2019. Currently the terms of reference for the review are being drafted and going through the sign-off process.
- 8.5 The review will have 2 case study areas and the Commission will hold engagement session with residents in Hoxton/Shoreditch and Hackney Wick. The review will commence with a session with academics and think tanks to understand the metrics for inclusive growth and the work to date in this topic area. There will also be a business engagement session.
- 8.6 On 12<sup>th</sup> July 2018 the Skills, Economy and Growth Scrutiny Commission held a business engagement event with Black and Minority Ethnic (BAME) business owners.
- 8.7 A report summarising the key points from the event was submitted to the Council Executive for a response.
- 8.8 The formal response from the executive has been provided in the report on pages 47-56 of the agenda.
- 8.9 The officer advised the Executive response circulated was formatted using the themes from the SEG Commission's summary report. The key points highlighted from the report were:
  - 8.9.1 The introduction sets out the council's approach to business engagement and how this is being carried out in reference to Hackney's Community strategy, the Sustainable Procurement strategy and the new Local Plan.
  - 8.9.2 The first theme about engaging with the council and improving access to business support and services. The report outlines the council's business engagement methods, the programmes run and where they advertise the events. It was pointed out the events are all free. The economic regeneration team recognise there is more they can do to raise awareness about their work and the support available. This is an action they will undertake to raise the profile of what they do and the engagement activities available.
  - 8.9.3 The report also covers the web based work they have been doing. This is mainly associated with the Hackney Council website which will bring council

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- service together and make clearer how businesses can access services. There are plans to carry out an audit of council services to address the issue of quality and consistency in relation to the interaction of council departments with businesses. This will set out what is done already and what improvements could be made.
- 8.9.4 Theme 2 was about working with the council. This covers a range of headings: finding business space and accessing new business premises, affordable business premises, procurement and selling to the council and quality of the environment.
- 8.9.5 In reference to finding business space and accessing new premises the council does have a support functions it offers to business wishing to invest in Hackney. The regeneration team will offer support such as links to commercial property agents and access to an approved workspace providers list.
- 8.9.6 In terms of affordable work space this is open to all businesses in Hackney. The report informs about the council's new affordable workspace policy in the council's Local Plan (LP33). This policy looks at setting rent at an affordable percentage to market rental rates. This is 40% of market rental rates in Shoreditch and 60% in other parts of the borough. These are examples of what the council can do using its planning powers to influence the local market.
- 8.9.7 If a developer wishes to be added to the approved workspace provider list for their development, they need to demonstrate social and economic inclusive type benefits via the section 106 agreement.
- 8.9.8 The economic regeneration team is working to utilise council assets - aimed at increasing the supply of affordable work space –by thinking about how the council can make better use of its land and assets that cannot be used for affordable housing. Specific projects are referenced in the report.
- 8.9.9 In terms of procurement and selling to the council the report make reference to the procurement strategy.
- 8.9.10 The officer highlighted the quality of environment as an interesting point, and explained this was not specific to the BAME business community. This issue was raised more often in relation to town centres. This point has been raised by many businesses particularly those operating in Hackney Central or Dalston. The officer explained the nature of town centres – a concentration of shops and services, higher footfall, busy stations and public transport links – means the quality of the environment is more likely to be an issue compared to quieter or residential street. The report outlines the work the council is doing to address this in their regeneration work and via the Dalston conversation. The Dalston conversation is what the team would like to replicate for other town centres.
- 8.9.11 In terms of BAME business support. BAME businesses suggested there should be more support in setting up and expanding their business. The council will be reviewing the business support offer and how this information is made available. This is another area where the council will do more work to raise awareness because there is a lot of support available agencies in the borough through support and this may need better sign posting.

8.9.12 In relation to theme 4 the councils changing business profile and property prices. The council recognises more businesses are moving into the borough and they may be conflicting with the existing business base in the borough. The council will take the opportunity to use its planning powers if there is change of use or planning permission request for new businesses. To ensure they comply with the council's affordable workspace policy and build relationships with businesses to maximise social and economic value.

8.10 **Questions, Discussion and Answers**

- (i) **Members referred to the BAME business event and pointed out one of the consistent points raised at the event was for BAME specific business workshops to the BME communities. Members pointed out the importance of having BMAE networks to help these businesses to thrive within the sectors. Members enquired how is this would be achieved?**
- (ii) **In discussions Members commented that there are a number of business events, policies and programmes being run. However the points made at the events expressed a view that the events currently being run are tailored to specific types of businesses or for business owners that might have pre-existing relationships or would benefit from them. Members made the following enquires:**
- a) **How are the events being measured for success?**
  - b) **What is the baseline for success?**
  - c) **What action is the council taking to get these opportunities out to small businesses who might not have access to the opportunities to network?**

The Head of Economic Regeneration advised in relation BAME specific network and business events they are doing an audit of what the offer is, what is available and what other agencies provide. For example Capital Enterprise have a programme called 'one tech' this is aimed at helping people from ethnic minority backgrounds are better represented in the tech sector and covering diversity broadly including gender identity and disability. The Council has promoted this through the business networks. The audit will help the council to identify the offers available and the gaps.

- (iii) **In relation to diversity Members pointed out one of the areas that tends to be missed is class. From the event Members identified there were a number of people with ideas but they did not know where to go to get support or how to access support to develop their ideas. Members highlighted when thinking about diversity it was important to think beyond the visual and consider the class element as well. Members queried if the council's visions included helping young people in Hackney to think they could be entrepreneurs and create their own businesses.**

In response to Members questions above the Head of Economic Regeneration advised they have submitted a bid to set up a creative enterprise in Hackney Wick. Part of that bid is to improve diversity in the creative sector in Hackney Wick.

In terms of the metrics for measuring events. They have some basic metrics but this is an area for improvement. The team monitors the attendees at

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events and reviews the numbers visiting the website. The team will be taking these statistics and analysing them to move up to the next level of analysis.

In relation to procurement opportunities there is more they can do in making the opportunities more accessible because procurement can be quite difficult to understand. They are hoping to make it more accessible and simplify it through the new web platform being designed.

- (iv) Members were pleased to hear about the audit but raised concern about the response on page 4 quoting “Matters raised by the group around accessing business opportunities with Hackney Council are of a similar nature to those that are received from the general business population so are not specific to BAME businesses”. Members commented the issue might not be BAME specific but there are issues about communication. Although Members were pleased about the audit they were not convinced the council understood they may need to change the nature and their methods of communication. Members pointed out they were concerned about this in relation to the points raised about gentrification.**
- (v) In the discussions Members pointed out the exclusion expressed by these business owners was not just about business rates and rents but about networking, knowledge and how the system works. Highlighting there are a number of people running existing businesses on small margins who have lived in the borough a long time. Now they see other businesses coming in that have knowledge about how to access the support and services available and the existing businesses are feeling marginalised. It is important for the council to be more proactive to ensure the networks are open and available and it gets the economic and social inclusion right.**
- (vi) Members were pleased attendance at the business forums was being monitored but suggested they use this data to establish a BAME business panel to get more evidence and insight into the support needs of these businesses and an understanding of how to develop communications with BAME businesses.**
- (vii) Members suggested the council tries to gather feedback from business owners who do not attend the business forums. This would help the council to see if their communication methods were penetrating the business community and if business owners were hearing about the services on offer. Members were of the view there was a good offer of support available but were not convinced the offer and support was accessibility and the language being used to communicate the offer was right.**
- (viii) Members asked if the council has a bias in terms of the type of affordable workspace offered e.g. desk space or workshop space. Member advised officers a number of businesses at the event talked about needing storage. Members enquired if this type of space is something the council would offer?**
- (ix) Members made reference to Market Services and enquired if the economic regeneration team worked with market services to help traders**

**get work space if required? Members also enquired how they were encouraging markets to be more successful.**

- (x) Members enquired who was on the workspace providers list.**
- (xi) Members referred to sustainable procurement and local community wealth building for sustainable procurement. Member enquired if this was the council's thinking and if they had identified any anchor institutions?**

In response to the question above the Head of Economic Regeneration provided the following responses:

For communication the council recognises they do not have the answers and that they need to make sure their communication methods are correct. This will involve going back to BAME businesses to find out what is missing.

In relation to the workspaces the council is creating. For council sites they have more flexibility and can create a variety. The council is aware of the need for workshop space as well as office / retail space. But if the development is a private site they cannot dictate to developers the type of workspace needed. However they can work with them through the planning process to influence provision. The Ridley Road Market shopping village was cited as an example of where council officers worked with the developers to influence the retail unit provision. The work space was originally going to be one big retail unit. But through the work of the regeneration and planning team it is now going to sub divided allowing smaller retailers to return instead of one big retailer.

In relation to the economic regeneration team working with market services, yes they do. They talk to market traders to find out what the type of workspace they need or want.

There are approximately 10 workspace providers on the approved provider list. A link to the list is in the report on page 4. Approved providers are selected based on a criteria such as affordability of the space and the support to local businesses to ensure they give back to existing businesses and the community.

In terms of business support the council does offer business support but not a full package of services. If the council does not provide the service they will sign post to another provider in the borough.

The Cabinet Member for Planning, Business and Investment cited the council's partnership work with Hackney Corporate Development for social enterprise day as an example their communication work and best use of resources. The event was held for existing and new businesses. In attendance was a very diverse group and that was down to the strength of HCD's network and outreach. The council is identifying organisations to work in collaboration with when communicating to a diverse audience.

In relation to Market Services they have worked with JP Morgan to deliver market trader workshop sessions. These workshops were full to capacity and the council is thinking of holding development workshops. These types of partner relationships are becoming increasingly important.

The council is currently working with businesses to define business support. Therefore when a business asks for support they can identify the service / partners agency to meet their needs.

In response to workspace the new Local Plan protects office space in the south of the borough and protects workshop space in the north of the borough (for the creative industry). These protections were set up in response to the economic dynamics in those parts of the borough. It was pointed out Hackney operated an event for the creative arts industry. This identified a lack of diversity for this industry but this is a London wide and national issue. It is anticipated the creative enterprise zone will deliver a range of spaces.

The Director of Strategy, Policy and Economic Development explained anecdotal shows that main stream communication for BAME groups may not be the best methods to communicate with these groups. He cited as an example the Council's recent recruitment work to find a young black graduate for the Young Black Men's programme. He explained the post was ring fenced to a young black male graduate and they used different communications channels - The Voice, WhatsApp - that young black men use to advertise this post. They had 30 outstanding applicants from within Hackney for this post.

In contrast the national graduate programme is a great programme but not diverse. In the national programme these applicants are not coming through. Therefore it is up to institutions like the council to think about communication in different ways to groups that are put off by the barriers that institutions create.

In relation to wealth building the council is using its procurement strategy to create local links to local businesses.

**(xii) Member enquired if there was an under claim for the business rate relief available?**

The Cabinet Member for Planning, Business and Investment advised in Hackney there are just under 10,000 businesses eligible for some form of rate relief. With approximately 6,000 entitled to additional subsidy. This is in addition to the transitional subsidy – this relief is on a sliding scale - available to.

In addition there are restrictions to the rate relief for pubs/ public house businesses. For example a business with a bar and restaurant would not be eligible for business rate relief or a business owner with a portfolio of pubs would not be eligible for the business rate relief, however, an independent pub owner would be entitled to £1000 a year but would need to make an application. In Hackney there are approximately 370 independent pub owners who should be receiving the business rate relief. The challenge is getting this message out to all of them. The Council has approached CAMRA (campaign for real ale) to promote this message to pub owners. The council is trying to get this message out to all eligible businesses and encouraging them to take up this offer. If the council does not allocate all the money it goes back to the Treasury.

**Members suggested the regeneration team works with local ward councillors who could use this to build business networks in their local ward.**

## **9 Skills, Economy and Growth Scrutiny Commission 2018/19 Work Programme**

- 9.1 The Chair commenced the discussion by advising the draft terms of reference was circulated to Members on email for discussion about the scope, evidence session and key stakeholders for the review. There are 2 evidence sessions scheduled on 12<sup>th</sup> February and 13<sup>th</sup> March 2019.
- 9.2 The February meeting will be with academics and think tanks to hear about the work and theories related to inclusive growth. Members advised they were keen to investigate barriers to inclusive growth during the review.
- 9.3 The March meeting will be a public conference and a round table discussion with businesses, unions, senior council officers and other relevant stakeholders to try and find solutions to some of the barriers that we have identified through the café events. In the afternoon hosting a Brexit panel to discuss with businesses the impact on the local economy. The Chair expressed concern about this second session given the current uncertainty with the Government and Brexit. The Chair suggested alternatively they could have a panel on inclusive growth. Members suggested keeping the afternoon session broad and focused on the future economy looking at inclusive and sustainable growth.
- 9.4 During Feb - March 2019 the Commission will be hosting two democracy café style consultation events with residents in Hoxton/Shoreditch and Hackney Wick to gain a better understanding of what inclusive growth means from a residents perspective.
- 9.5 Members agreed to review the March session this early in the New Year.

## **10 Any Other Business**

- 10.1 None.

**Duration of the meeting: 7.00 - 9.40 pm**