
**London Borough of Hackney
Skills, Economy and Growth Scrutiny Commission
Municipal Year 2019/20
Date of Meeting Monday, 17th June, 2019**

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

Chair	Councillor Mete Coban
Councillors in Attendance	Cllr Polly Billington (Vice-Chair), Cllr Richard Lufkin, Cllr Sam Pallis and Cllr Gilbert Smyth
Apologies:	Cllr Steve Race
Officers In Attendance	Sonia Khan (Head of Policy and Partnerships) and Stephen Haynes (Director – Strategy, Policy and Economic Development)
Other People in Attendance	Councillor Guy Nicholson (Cabinet Member for Planning, Business and Investment) and Councillor Carole Williams (Cabinet Member for Employment, Skills and Human Resources)
Members of the Public	1 member of the public
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Councillor Mete Coban in the Chair

1 Election of Chair and Vice Chair

- 1.1 Following the nomination and seconding of Cllr Coban as Chair. Cllr Coban was duly elected Chair of the Skills, Economy and Growth Scrutiny Commission.
- 1.2 Following the nomination and seconding of Cllr Billington as Vice-Chair. Cllr Billington was duly elected Vice-Chair of the Skills, Economy and Growth Scrutiny Commission.

2 Apologies for Absence

- 2.1 Apologies for absence from Cllr Race.

3 Urgent Items / Order of Business

3.1 There was no urgent items and the discussion was as set out in the agenda.

4 Declarations of Interest

4.1 There was no declarations of interest.

5 Minutes of Previous Meeting

5.1 The minutes of the previous meeting held on 17th April 2019 was agreed.

RESOLVED	Minutes were approved.
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6 Update on Inclusive Economy Strategy

6.1 The Chair welcomed to the meeting Cllr Carole Williams, Cabinet Members for Employment, Skills and Human Resources; Cllr Guy Nicholson, Cabinet Members for Planning, Culture and Inclusive Economy; Stephen Haynes, Director Policy, Strategy and Economic Development and Sonia Khan, Head of Policy and Partnerships from London Borough of Hackney.

6.2 The Commission requested for this an update on the development of the Council's Inclusive Economy Strategy, proposed timescales for implementation and to understand their contribution to the work of the strategy.

6.3 The Cabinet Member for Planning, Culture and Inclusive Economy commenced the presentation and outlined the following key points:

Strategy

6.3.1 The Strategy is scheduled for approval at Cabinet in October 2019.

6.3.2 The cut-off date for receipt of consultation responses is mid-September 2019.

6.3.3 The Strategy has been subject to a sequence of extensive public engagements and a number of initiatives and dialogues have contributed to the development of the strategy.

6.3.4 The next steps will involve taking the final draft back out to the engagement networks for a final exchange of thoughts, challenge and dialogue. This provides a final opportunity for dialogue prior to agreement.

6.3.5 The Head of Policy and Partnerships pointed out the final draft has taken on board the comments from the engagement sessions held by the Commission (BMAE business engagement, businesses and stakeholder's engagement session for the Commission's review).

6.3.6 The report in the agenda provided an overview of the draft strategy and consultation methodology. The strategy is scheduled to go out for consultation late June through to August.

6.3.7 The officer highlighted the proposed areas for new metrics they want to adopt for the strategy.

6.3.8 The officer pointed out they have suggested the development of the metrics as an item for the Commission's work programme. This would contribute to the work that is being carried out for the implementation of the strategy.

6.3.9 The officer highlighted there is no national framework that measures the things Hackney Council would want to measure. It was pointed out the council is proposing to develop metrics beyond the traditional measures of economic development. These are usual based on GDP and employment created. Metrics is an area the council proposes to discuss as part of the consultation.

Consultation

6.3.10 In relation to consultation engagement there has been several discussions about the growing inequalities that arise from a borough that is growing and changing. This has prompted the development of a strategy to help shape an inclusive economy.

6.3.11 In regards to the consultation, the Council was not proposing to reiterate conversations it has already had with the community; but instead build on the feedback to date. The final draft reflects the sentiments already been made by the community. The report in the agenda highlights what is covered in the strategy.

6.3.12 The consultation is looking to test things like the language, other engagement opportunities e.g. the poverty reduction work and to hear from disenfranchised voices - the Young Futures Commission.

6.3.13 As part of the consultation the council will also begin conversation about how to measure the impact, the metrics, sharing the draft strategy with partners and looking at their role.

6.3.14 The Director Policy, Strategy and Economic Development highlighted that the SEG scrutiny commission's contribution to this work has been valuable. The core themes coming out of the strategy relate to the work the Commission covered last year. As noted in previous discussions with the Commission, metrics and outcomes are key areas they need to focus on. The council proposes to reflect this in the strategy developed.

6.3.15 The Council has appreciated working in partnership with the Commission to co-design evidence sessions to help feed into the work of the strategy.

6.3.16 The Commission has been very clear about outputs and outcomes for metrics. The next stage is to consider how the Commission could be involved in the co-design of them. As noted this was suggested as a work programme item for the Commission to give assurance in the metrics developed.

6.4 Questions, Answers and Discussion

- (i) **Members referred to the citizen's panel focus group consultation method and enquired how the council proposed to identify residents for the panel, the remit and if the group will be geographically selected? E.g. would it include residents from areas experiencing rapid change?**
- (ii) **Members enquired about the metrics and asked if the council was aware of other local authorities piloting similar schemes or of best practice?**
- (iii) **Members referred to other local authorities and their work on inclusive economy. Members acknowledged that areas like Preston were not comparable to Hackney. However, in relation to indices, metrics and outcomes the Commission asked if the Council would consider sharing**

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its work with areas like Preston who are making similar investigations to identify what successful inclusive economies look like. Members urged the Council to consider forming alliances particularly to put pressure on national government about the lack of indices or framework for measuring. Members suggested the aim should be to identify a framework that could work in common for areas like Preston, Hackney and other local authorities. This should help to make the case for change to Government to put a policy in place?

- (iv) **Members referred to the work of the London Prosperity Board with UCL's which identified a prosperity index. Members suggested using the work to draw in other local authorities doing similar work and aggregating their work where possible.**
- (v) **Members suggested the Council links its work with the LGAs Town and Cities Committee, which recently looked at inclusive economies and commissioned the RSA to do some work in this area. Members asked if the council was having conversations with other local authorities.**
- (vi) **In discussions Members suggested Hackney Council should consider taking a leading role in this area of work.**
- (vii) **In the discussion Members made the following points and queries:**
 - a) **There is a volume of work by academics on this topic area and referred to the OECD work on metrics and GDP.**
 - b) **Members enquired if the Council would be using academic research to guide the development of the metrics?**
 - c) **Members also referenced a book called *Prosperity without Growth* and informed officers this book had examples of metrics like: adjusting to the depletion of material resources, other forms of national capital, accounting for the cost of pollution, long term environmental damage, cost of crime and other social costs outside the GDP remit.**
 - d) **Members agreed that other metrics needed to be developed to represent social degradation in addition to the traditional GDP measures.**
 - e) **Members also asked if the Council was taking into consideration new municipalism and local wealth in terms of inclusive growth.**
- (viii) **Members enquired if the Commission would have a role in relation to the inclusive economy strategy from June - September 2019.**

In response to the questions above the following points were made. The Head of Policy and Partnerships advised for the consultation the Council planned to use their Citizen's Panel to source a representative sample. The officer explained they have used this Panel for previous consultations such as the single equality scheme and community strategy and there are no plans to gather the sample by geography. They propose to use the information previously collated by geography e.g. the Dalston Conversation and Hackney Central when it commences. However the officer advised she would consider the suggestion and discuss it with officers.

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In response to the question about metrics. The Head of Policy and Partnerships informed the Commission about the work recently completed by the London Prosperity Board with UCL and advised their report was now published. It was noted that this work draws on extensive academic research and literature reviews about metrics. The Commission was informed Hackney has a member of the Board for the past 2 years and involved in this work. Hackney Wick and its Ward Councillors participated in a pilot for the London Prosperity Board work.

Following the Council's participation on the London Prosperity Board and involvement in the design of metrics. The next step for the council is to test the metrics produced. The metrics draw on the extensive academic research and existing metrics like the well-being index. The Council is now considering how this fits with the inclusive economy strategy. It was pointed out that the council might add new metrics but overall they were well placed to look at what they could measure at a local level.

In response to the query about their engagement with other local authorities. It was noted that other London boroughs are members of the London Prosperity Board and have participated in the work (Barking and Dagenham, Newham and Tower Hamlets). All these boroughs are at a similar point and will be defining their formal relationship with the prosperity index. However, Hackney is further advanced than the other boroughs after developing an inclusive economy strategy, metrics and tangible new measures. The officer pointed out the RSA's Inclusive Growth Commission work is referenced in the London Prosperity Board's report.

In response to Members enquiry about their role in this process. The Head of Policy and Partnerships highlighted the Commission could do the following:

- a) Submit a formal response to the consultation.
- b) Share the findings from the Commission's review and the recommendations made.
- c) Hold a workshop session with officers during the consultation period.

(ix) **Members enquired about the role of the Commission in the Inclusive Economy Strategy and asked if they would be referenced as a consultees?**

The Head of Policy and Partnerships confirmed there was not a defined role for the Commission in the strategy. The Commission was referenced in the cover note in the agenda and the scrutiny commission's review work is referenced in the strategy.

The Director Policy, Strategy and Economic Development advised the Commission is not a consultee but has been involved in the process.

The Director Policy, Strategy and Economic Development pointed out the Cabinet Member for Planning, Culture and Inclusive Economy is leading on a piece of work that is redefining the Council's international partnership approach.

At a recent event in the Borough the Director came into contact with his equivalent officers from Austin and Oslo. Following an online meeting with

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the officer in Austin this highlighted Austin was facing similar challenges to that in Hackney and the solutions they are proposing are similar to the solutions the Council is considering. The council is developing its international strategic relationships based on the principles of an inclusive economy. It was highlighted the Council's local aspirations are now being mirrored in an international context.

In response to Members questions about the inclusion of academic research. It was noted the Council is taking on board the evolving academic views and practical applications for this work. The Director explained there was a reset to the inclusive economy work and a conscious decision was made to move away from inclusive growth to inclusive economy. The reason for this shift is that inclusive growth is an after the fact response to an action. Whereas inclusive economy aims – through municipalism - to reset the economy and does not work on the same presumptions of the last 40 years. But aims to tackle inequalities at the root to rebalance a local economy - ideally this would lead to rebalanced economy nationally too. The Council recognised inclusive growth was not enough and they wanted to do more on this issue.

- (x) **In discussions Members referred back to the policy gap in relation to work at a local level and work at a national level. Members pointed out there needs to be more work nationally. Members urged Hackney's Executive to articulate this policy gap to Government for East London. Members commented if we want an inclusive economy nationally there needed to be an aggregation of voice at a municipal level to make the case to Government. This issue is not just about having a framework but also about an economic failure that needs to be strongly communicated to Government. Members pointed out that Hackney could strengthen its voice if they connect with other communities that are different from our community but striving for a common goal and outcomes.**

The Cabinet Members for Employment and Human Resources agreed there are a number of actions the council could follow up on. The Cabinet Member pointed out this could take the form of feeding into the APPG, Select Committee or writing articles in the national press to continue the conversation about inclusive economy.

The Cabinet Member for Planning, Culture and Inclusive Economy responded to the point about municipalism pointing out the Council embraces municipalism and is aware of the core pillars: citizen power, municipal power and democratising the economy.

The Cabinet Member highlighted the Mayor of Hackney has publically supported these ambitions and an inclusive economy strategy is the start of the journey. As the strategy is implemented it will contribute to the delivery of the municipalism core pillars.

The Cabinet Members agreed that the ideas of curating capitalism with a local economy at a local level could achieve limited amounts. It was recognised that at a local level they could create solid relationships to achieve citizen power, municipal power and democratising the economy. But ultimately they

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need national levers to really embed democratisation of an economy into people's lives and business led activities.

The Cabinet Member pointed out the council is at a good starting point by having an Inclusive Economy Strategy. The work will feed into the LGA and government conversations - both formal and informal processes - and could take the form of political lobbying as noted by the Cabinet Member for Employment and Human Resources.

The Cabinet Member was of the view this work will put forward a strong case for change for review and reform and impact a number of legislations associated with municipalism. This may come out through the metrics in how they measure it. This may lead to a new way of measuring prosperity and poverty in the economy both nationally and locally.

Over the next 12 months they need to reflect on the message and the campaign. It was explained that in the economy there may be hidden corners of poverty, disengagement and disenfranchisement as well as other areas where there is full engagement, participation, activity and prosperity being generated. The challenge for the Council is to identify where those places and communities may be in the borough. This could involve a role for the Commission. Therefore Commission may choose to be involved development of the objectives and review them or the Commission could choose to be involved in the development of the message they take to the LGA or Government.

It was highlighted that the strategy picks up many different spheres of activity across the council - what it is doing and how it interacts with communities around the borough. If a framework is in place, the council would be in a good position to respond more effectively. Once this is implemented there could be some oversight and challenge to the council to review how it has deployed the strategy.

The Cabinet Members informed the Commission a briefing would be circulated to all Councillors about the borough's international strategy and how they can contribute to Hackney's international relationships. There are synergies between Austin and Oslo in relation to their city governance and the administration of Hackney at a political, socio-economic and environmental level. Currently they are exchanging of good practice at an institutional level as well as things pertinent to the daily lives of people in our respective neighbourhoods.

- (xi) **Members enquired how they could contribute to these conversations post implementation of the strategy. Members were conscious of how the values would be filtered down and communicated across the organisation for the people to understand.**

The Cabinet Member for Planning, Culture and Inclusive Economy pointed out through the Commission's work they have contributed to the creation of great relationships. There will be further conversations.

The Head of Policy and Partnerships added with the Strategy they are trying to get the balance right and recognise the current limitation of councils in

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shaping a local economy. The strategy articulates the different ways they can deliver the strategy, the areas they have direct control and if there are levers and enablers. Where the levers are weak due to policy etc. this could highlight the areas for working in partnership, possibly with other local authorities and to make the case for change.

In response to the discussion about how to make this work transferrable. The officer pointed out the index is international, which means it has been tested in other countries and continents. It was highlighted that Leeds has a strategy that is similar to Hackney's in terms of being far reaching and cross cutting. The officer pointed out Leeds were further ahead with this work and they are starting to see the results of their work and how it translates.

The officer reminded the Commission they have suggested for their work programme looking at New Zealand's welfare work. This is in relation to the budget and the research which considers the relationship between a green economy, wellbeing and inclusive economy.

- (xii) **The Chair advised the Commission would submit a formal response to the consultation once released.**
- (xiii) **The Chair requested for a workshop session with officers during the consultation period.**

The officers agreed and will liaise to confirm a date.

ACTION	Overview and Scrutiny officer to liaise with Officers to set up the workshop for the inclusive economy strategy consultation
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7 Skills, Economy and Growth Scrutiny Commission 2019/20 Work Programme

- 7.1 The Chair advised the full list of work programme suggestions was circulated to Members for consideration prior to the meeting.
- 7.2 The Chair propose the Commission adopted the same approach to their work programme as last year by holding themed discussions at each meeting. Members agreed.
- 7.3 The Chair explained the next meeting was imminent and needed to be set up. The Chair proposed the next meeting in July covered the topic *cost of living and public sector recruitment strategies*. Members agreed.

The Chair informed the Commission for this session they invited the following guests: Hackney Council officers, (HR and a head teacher through Learning Trust) Resolution Foundation, RSA and Trade Union Congress, London First and Cities for London.

- 7.4 The Chair recapped on the remit of the Commission (as noted on page 25 in the agenda) as they discussed other potential work programme items. The proposed items discussed for inclusion in the work programme are:

- 1) A Night time summit – a themed licensing discussion to understand the impact of the policy on night life and the future of the night time economy. This would be for September meeting date. Members suggested as part of this work they explore the licensing levy spend to look at how this is being spent, how it is being used to tackle ASB and what the levy covers. Members agreed to set the framework for this session.

Members pointed out this is an area of concern for Publicans / Landlords particularly in relation to transparency of the levy.

The Commission proposed to hold this meeting in the community.

The Business Communications & Engagement Manager informed the Commission the new manager for the night time levy recently started in May 2019.

- 2) Engagement with the Young Futures Commission. The Commission is keen to get the views of young people about the economy to feed into your inclusive economy review. The Commission discussed engaging with young people through the Young Futures Commission by doing a survey. This would be feed back to the Commission at their meeting in October.
- 3) The Commission agreed to hold a workshop and submit a formal response to the Council's consultation on the Inclusive Economy Strategy. The Commission agreed to do this for their September meeting date and hold the workshop session to look at the metrics too.

7.5 The Commission agreed to do *Just Transition* as their next review and to include well-being economy as part of the evidence sessions for the review.

7.6 The Commission discussed making their review report more accessible to the general public. This would be in addition to the formal report submitted to the Executive.

8 Any Other Business

8.1 None.

Duration of the meeting: 7.00 - 8.15 pm