

Skills, Economy and Growth Scrutiny Commission

Hackney Council
Room 118
Town Hall
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Reply to:
tracey.anderson@hackney.gov.uk

19th August 2019

Councillor Nicolson
Cabinet Member, Planning, Culture and Inclusive Economy
by email

Dear Councillor Nicholson

Consultation response from Skills, Economy and Growth Scrutiny Commission to the Council's Inclusive Growth Strategy consultation.

The Draft Inclusive Economy Strategy sets out the Council's vision for a more inclusive local economy, and sets out the approach the Council is taking to promote this over the next five years.

The Commission is pleased the Council's proposed Inclusive Economy Strategy identifies the work the council needs to do with partners and the local community to shape the local economy so that it benefits everyone in our borough.

There is growing recognition, nationally and globally that existing models of economic development which focus solely on economic growth and expect the benefits to trickle down to the wider community have not worked. They have allowed inequality to increase. Although the Government has issued a national industrial strategy the Commission believes the Government's Industrial Strategy does not help communities like Hackney horizon scan and identify the next equivalent of the tech industry thus enabling adult learning services to better prepare and provide courses relevant to future needs. We are pleased the Council has acknowledged this in the strategy. This draft strategy is a response to community concerns about the high levels of poverty and inequality in our borough and to the sense of disconnection some residents feel about recent economic changes in Hackney. This strategy aims to shaping Hackney's economy to be an inclusive economy that helps to tackle inequality.

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There is no national framework for measuring inclusive economic growth but we note the development by London Prosperity Board of a local framework that aims to give a more rounded picture of a local economy that goes beyond measuring the number of jobs, business growth and GDP. The Council plans to develop at a local level a set of measures that will help it understand the wider range of factors and dynamics in an inclusive economy. The Commission has requested to host a workshop about metrics to explore this further and contribute to the development of the new measures.

The Commission has worked in partnership with the Executive as they have developed the Inclusive Economy Strategy. As part of our scrutiny review we have held a number of engagement events with stakeholders and local businesses considering this topic area. The Commission is submitting this response as a contribution to the development of the strategy.

After a special workshop with officers at the start of the consultation period the Commission would like to submit the following comments for consideration.

- **Any big issues that you think are missing from the Strategy?**
 - An area missing from the strategy is clarity about the action that will be taken to achieve the aspiration in the strategy. The strategy is good at linking up many policies seen as disparate and bringing them together. However, if the strategy is to be embodied there needs to be more about how these policies will be used that is different to their current operation. There are references to policies like the Local Plan and for example the strategy states “we will explore ways to prevent ground floor retail space from remaining empty in town centres, local centres and in new developments”. We are aware the council could action an Article 4 and this is available through the Local Plan. But it is unclear what other levers would be deployed as a result of this strategy to take this to another level.
 - There are a number of aspirations in the document but it does not clearly articulate practical examples of the action being taken to achieve an inclusive economy that is different to current practices.
 - The summary section appears to be low key in comparison to the body of the document. There are a number of references to pre-existing policy or case study success which does have a value but the full document has better detail than the summary section and this reads quite bland. We would suggest adding some additional information to the summary section like crime safety and security. This information features in the main document but does not appear in the summary section.

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- The top line for business engagement is good and picks up on the points that came out the engagement event the commission held with BAME businesses. However in the detail about the support for local businesses all references to this start with the opening 'We will continue...' We challenge this statement and think it gives the perception that the council will continue to communicate and engage with local businesses using its current practices and approaches. When the Commission engaged with businesses we identified that businesses owners (particularly BAME business owners) felt that the processes used by the council to engage with businesses was not inclusive or that they had access to the local opportunities and that the council is not adequately or effectively engaging with them.
 - The strategy does not identify the key headlines for the local media to focus on. What will be the headline communications about this strategy? The Commission is unclear about the key headlines being communicated about this strategy to the local press and we would suggest this strategy should communicate what the Council Executive is and will be doing that is different, interesting and impactful.
 - The Cabinet Member with responsibility for the Neighbourhood Community Infrastructure Levy (CIL) has been promoting this. Currently the Executive are working on reconceptualising how the Neighbourhood CIL will be considered and distributed. We would suggest the strategy includes recognition of the use of CIL and how it will be used to benefit community.
- **Any other suggestions on how we could improve the document overall?**
 - The strategy document uses the words '*thrive and more*' a number of times but not the words '*grow or growth*'. We understand the Council wishes to be more proactive in the shaping of the local economy and that the Council has shifted its message to say it wants to help shape the economy, instead of just letting growth happen and the council responding. However, growth is an important part and the council should talk about this too. A rebalancing of the local economy cannot happen without a growing economy and an inclusive economy will need more jobs and growth. The Commission is of the view this strategy should not be too political where it alienates local businesses who wish to grow and employ people. SEG recommend throughout the vision and strategy growth should be more explicit and not just implied.

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- If the strategy does reference growth we suggest the Council decides if it is going to acknowledge growth and have a plan in place to deal with it. The Tech industry in the borough was a major area of economic growth for the borough but the Council did not foresee this coming. The SEG Commission is of the view the Government's Industrial Strategy does not help communities like Hackney horizon scan and identify the next equivalent of the tech industry; to enable them to develop a skills strategy to meet the future skills needs and communicate these to areas like lifelong learning.
- If there is a strong position on apprenticeships this needs to be articulated better in the strategy.
- It is unclear what message is being communicated about the strategy for residents to engage with the strategy and understand the document. When residents see the document and engage with it they are likely to ask questions about the actions being taken and levers being used to shape it. The Council should better outline how it plans to shape it and identify the levers to do this whilst giving examples that demonstrate achievement of change. For section 7 the aspiration is there and we note that civil society is playing a greater role in this. But considering the examples cited we were still unclear how the inclusive economy prism is using the levers available and deploying them in a different way to the framework and policies used.
- We acknowledge the aspirations of the strategy and the framework is important and correct; but in its current form we query if it is clear enough that people will understand the aims of the strategy, or get a sense of how this will be implemented in a meaningful way and the period of delivery - during the manifesto period or over the next 2 years.
- Externalities are woven throughout the document and they are not all in one place. We recommend this should be in one place and suggest there is a brief analysis of the externalities and how the national industrial strategy struggles to meet some of the challenges.
- A big area of challenge is the decisions made related to the 14-18 year old age group. This has implications for lifelong learning particularly as people will need to reskill throughout their lifetime. The national industrial strategy has identified these as challenges but the skills process is still broadly leaving it up to the market and big employers. Hackney does not have a large number of big employers. For this strategy we suggest the council thinks about its supply chain and SMEs facing these

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- challenges and how to develop this understanding to create solutions.
- Some the Council's biggest growth nexuses are on the border of other boroughs. Taking into consideration things like the devolved adult skills budget to London. It is important for the council to be working in partnership with London boroughs like Tower Hamlets, Newham, Haringey and Islington to draw down the funds and if we do not do this we may miss out. We suggest this is better articulated in the strategy.
 - There will be residents who live in the borough but do not own a business or work locally. There is a lot of change happening to people quite quickly and the resilience of local people to understand the changes without necessarily having a business or employment in the borough is key too. This strategy needs to capture and engage this cohort of local people too. It is unclear how the strategy will engage with this group.
 - What does the council define as diversity and inclusion? They are two different areas and it is important to be clear about the definition for each one.
 - In relation to smaller business there is reference to the wellbeing of business owners. Taking into consideration the view about gentrification and feeling left behind. We would suggest consideration is given to mental health support for local business owners too.
 - Digital inclusion is another area of the strategy but again we are unclear about how the ambition matches with the approaches to deliver.
- **Any suggestions about how we develop a new set of measures to help monitor and track how inclusive Hackney's local economy is?**
 - The Commission is pleased there is a focus on perception and a metric on how people feel in relation to the outcomes. However we are interested in how this will be measured. We hope the measurement will not just be concerned with if people feeling safe or confident but that the perception metric is accompanied by a material metric.
 - If the council plans to use crime, safety and security as a metric or indicator of an inclusive economy. We would suggest the Council considers if crime works against creating an inclusive economy and therefore is an indicator of a non-inclusive economy.

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Overall the Commission is of the view this is a very positive strategy and there are good top line strategies.

We look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mete Coban'.

Cllr Mete Coban

Chair, Skills, Economy and Growth Scrutiny Commission

CC:

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