

London Borough of Hackney
Skills, Economy and Growth Scrutiny Commission
Municipal Year 2019/20
Date of Meeting Monday, 8th July, 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 Sam Pallis,
Cllr Steve Race and Cllr Gilbert Smyth

Apologies:

Officers In Attendance Sonia Khan (Head of Policy and Partnerships), Andrew Munk (Head of Employment and Skills), Stephen Haynes (Director – Strategy, Policy and Economic Development), Olga Vandenberg (Business Communications & Engagement Manager, Regeneration Delivery Team) and Matt Clack (Public Health Head of Service)

Other People in Attendance Emily Reves (HM Government Cabinet Office)

Members of the Public

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Councillor Mete Coban in the Chair

1 Apologies for Absence

- 1.1 Apologies from Cllr Lufkin and Cllr Nicholson Cabinet Member for Planning, Culture and Inclusive Economy.

2 Urgent Items / Order of Business

- 2.1 There was no urgent items or changes to the order of business.

3 Declarations of Interest

- 3.1 There was no declaration of interest.

4 Minutes of Previous Meeting

- 4.1 The minutes were agreed subject to the following amendment below.
- 4.1.1 Item 7 of the minutes to insert the following text under the discussion item for the work programme.

'Members suggested a discussion on the Community Infrastructure Levy – how it is distributed and a one off technical session about the CIL to develop their understanding of how to apply it is applied. Members suggested inviting community stakeholder to participate in this discussion item too.

Members suggested adding to the work programme an update on the apprenticeship programme.'

RESOLVED	Minutes were approved subject to amendment under point 4.1.1.
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5 Inclusive Economy Strategy Consultation

- 5.1 The Chair welcomed to the meeting Emily Reves – Head of Sector: Energy, Manufacturing and Construction (Business Partnerships Team) from HM Government Cabinet Office; Stephen Haynes – Director Strategy, Policy and Economic Development, Sonia Khan – Head of Policy and Partnerships, Andrew Munk – Head of Employment and Skills and Matt Clack - Public Health Head of Service from London Borough of Hackney.
- 5.2 The Chair opened the item by explaining this item would be split into 2 sections. Section 1 will be a presentation from HM Government Cabinet Office from the Business Partnerships Team about their inclusive economy partnerships work being carried out nationally. Section 2 will be a work shop session with officers from Hackney Council. The Commission Members will provide feedback and comments on the draft inclusive economy strategy currently out for public consultation.

5.3 Section 1 of item 5

- 5.3.1 The Inclusive Economy Partnership (IEP) is a new way of working pioneered over the last 18 months. It looks at combining the mutual strengths of Government, Civil Society and Businesses; aimed at working together to help create a more inclusive economy in the UK.
- 5.3.2 The IEP work aims to utilise the power of partnership to help solve some of the UK's most entrenched social and economic challenges.
- 5.3.3 The ethos of the partnership is about empowering the leaders from the 3 groups (outlined in point 5.3.1) to work together to make a bigger impact for those most affected by the deeply entrenched challenges.

"Together, as the Inclusive Economy Partnership, we can actively join together the growing desire of the private sector, civil society and government to find, invent and deliver on-the-ground solutions to some of the hardest challenges facing those of us who are most in need of help, and feel less included."

- 5.3.4 The IEP is looking to utilise the expertise of civil society, the connecting power and credibility of central government and seeking support from businesses with the resources or skills in these areas.
- 5.3.5 The IEP is working with leaders from across a number sectors such as financial services, retail, telecommunications, technology and utilities. The partnership is working with CEOs from various companies e.g. Unilever, Nationwide and with Government departments like the Department for Digital Culture Media and Sport, Cabinet Office, DWP, HMT and other levels of Government.
- 5.3.6 The officer advised the previous Prime Minister (Theresa May) had a passion for making the economy more inclusive. The IEP has been looking at the most entrenched social challenges that affect hard working families in the UK. They wanted to find a way to combine these 3 key groups and get the CEOs to work together to break down silos and work more effectively and collaboratively.
- 5.3.7 Through engagement with stakeholders across the UK they not only looked at innovative solutions to position the UK as an innovative country in this space and globally to be at the forefront of inclusive growth.
- 5.3.8 The partnership established the following 3 key challenge areas
1. Financial inclusion and capability – looking at people who are on the edge of traditional banking services and in problem debt.
 2. Mental health at work – The vision is for every employee in the UK to have access to mental health support at work. The relationship between finance and mental health is proven.
 3. Transition to work for young people – looking at the gap between the ages of 16-25, where often they lose young people who may not have followed the traditional path. This considers how they can help ensure the path of young people from the education system to employment.
- 5.3.9 These areas were considered the issues that would primarily affect the entrenched social challenges faced by the UKs hard working families.
- 5.3.10 The work to date has been as follows. In March the IEP identified the 3 themes. They held 9 stakeholder workshops across the UK for the different challenge areas. For example for the mental health challenge area they spoke to larger organisations like Mind and the Samaritans and smaller social start-ups that have developed innovative solutions in this area; as well as leading employers to explore the barriers preventing them from providing more robust solutions. They also talked to policy leaders inside Government to understand what work could be done in this area and how to work together.
- 5.3.11 Commenced 4 big projects that they could start working on to tackle the 3 challenge areas.
- 5.3.12 They also identified an opportunity to help accelerate the smaller social innovators that had good ideas but did not have access to the right resources or people in other organisations to help propel the idea to the next stage of growth. For example from one of the IEP partnership accelerator the Mental Health Policy Institute had an idea to help large and small organisations look at accessibility for vulnerable customers. Working with the IEP gave them a

small financial grant as well as helped curate introductions to big employers to develop standards. The standards were launched 2 weeks ago as a pilot with Lloyds Group for a 10 step programme to help big firms and small firms look at accessibility standards for vulnerable customers. Their research shows for those with mental ill health making a telephone to the bank or an energy provider can often triggering an experience. Through this work the social innovator offered an opportunity to help counsel and coach these companies to help manage accessibility issues better. This will not only help people experiencing mental ill health but will also help employers to understand what they could do better and; develop a set of standards that are applicable across a range of industries and different size organisations.

- 5.3.13 Another area of success was with mental health reporting. In November 2018 the UK government published a set of voluntary frameworks for reporting on mental health disability and wellbeing. This is the first time Government has publically announce a framework that encourages companies to start thinking about data and transparency around their workforces and incentives companies to go above and beyond what government is asking them to report on. It also helps them to think about how well they understand the gaps for those who may have additional needs or identify within a protected characteristics in their workforce.
- 5.3.14 This was the journey up to September 2018 when they viewed this as proving their model and established case studies to prove their concept. This is viewed as an innovative way to work in government. This was sending a message across Whitehall that this is a possible way of working and their stakeholders have embraced this way of working.
- 5.3.15 Their social innovators are the smaller organisations they worked with through their accelerator programme in partnership with Nesta. An example is the Lord Mayors 'This is me' campaign about breaking the stigma around mental health. They have introduced them to LandSet (one of the biggest real estate companies in the UK) LandSet worked with the This is Me campaign to talk about how to break the stigma in their workforce. Their workforce is predominately male in the construction industry and operating in regions that are identified as areas at risk of mental ill health. Senior members of staff made videos talking about their own experiences with mental ill health. The videos were shown on their intranet and across other content platforms. It was the most engaged content they have shared on their internal communications. For an organisation of that size this proved to be a powerful case study for the IEP.
- 5.3.16 At the end of the accelerator programme they recorded some good success. They concluded 50,000 people have benefited from the outputs from the accelerator programme. This is a strong indication that this way of working was interesting and benefiting to the citizens they were targeting for engagement. This has been a positive story to tell across government.
- 5.3.17 The IEP has come to the end of phase 1 of the project and about to launch phase 2. Phase 2 is about growing the event. This means engaging more companies, more civil society stakeholders and broadcasting this wider across government. The aim is to grow the impact from 50,000 to 100,000 by the end of phase 2.

- 5.3.18 Phase 2 will still focus on the same 3 priority areas but in this phase it will be championing the IEP as a way of working to develop an inclusive economy. The model has been piloted for the last 18 months and for the IEP this is a good story they can tell confidently across the UK and globally.
- 5.3.19 In the last few weeks the IEP has been talking to Organisation for Economic Co-operation and Development (OECD) in detail about their inclusive economy programme they are running and now looking regionally across the UK at what they can do more. Therefore some the IEP social innovators are working nationally across the UK. For example on transition to work they are working on a pilot in the West Midlands. This phase of the project is about how to ensure the global reach as well as being effective regionally across the UK.
- 5.3.20 There will be a new administration entering 10 Downing Street shortly, so for the project it's about ensuring this way of working or thinking is still valid in the new administration's strategy. They are confident that this way of working is not just about inclusive economy but also includes society, social impact and is about inclusive growth, future of work and the future of the workforce. For corporates the story they are telling government is that this is important not only for innovation and new ways of working but also for recruitment and retention. Through their stakeholder work they have found that the buy-in could be different and the ask and offer could be different. For the smaller innovators they found having the creditability stamp of working with Government - saying 'UK government supported' on their website - can often bring partnerships they found difficult previously. For example for the Money and Mental Health Policy Institute informed the IEP, through working with the partnership they were given the opportunity to work and partner with the Lloyds Group.
- 5.3.21 A question the IEP is often asked is if this is a new programme for Government. The IEP explain they find great ideas and programmes of work and then amplify and scale up the programmes. This creates an environment where that innovation can flourish in the UK. A role for Hackney council in this area of work is to highlight any community work or particular ideas that they think could benefit from working with the IEP.
- 5.3.22 Through the IEP they talk about the power of partnership but the Government sees themselves as a convenor, enabler and helping to curate these ideas to grow.

5.4 Discussion, Questions and Answers

- (i) **Members enquired what was unique about the IEP partnership that could not be replicated by anyone else and why it was successful.**

The Head of Sector: Energy, Manufacturing and Construction from the Government's Cabinet Office advised it was having that big picture insight in terms of what is on the horizon, what is interesting and creating a global narrative. For some of the companies they are working with they look at how this might fit into the sustainable development goal plan and their company's corporate social responsibility narrative. From a government prospective it is

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about being able to help feed the voice of stakeholders into central government policy. For example it would help employers to see that bad debt is preventing people from entering into the workforce. They could channel the voice from civil society into government policy. The fact that this is being driven from a national prospective is helpful and uniquely enables the government to help support this. On a regional basis this can be different but what helps is that creditability stamp.

- (ii) **Members referred to the West Midlands project and enquired if there was a place for local authorities in certain areas or was this a model that could work for all local authorities in their own area; potentially in partnership with their stakeholders?**

The Head of Sector: Energy, Manufacturing and Construction from the Government's Cabinet Office informed the government is looking to increasingly engage with local authorities and LEPs on particular projects. For example in Cornwall there is a project called the Beacon Project. This is looking at mental health specific to that region and its challenges related to their economic situation and jobs in that region. For Hackney it might provide a good opportunity to look at specific projects or pilots.

This way of working is something that they are hoping others will replicate as a juncture of working between government, civil society and businesses.

- (iii) **Members asked what challenges have they found along the journey that might have hindered its success and may have stopped all stakeholder from being on the same page.**

The Head of Sector: Energy, Manufacturing and Construction from the Government's Cabinet Office explained one of the key challenges is the language barrier – business, government and civil society often speak very different languages. Therefore trying to identify areas of mutual interest to get all the stakeholder in the same room was the biggest hurdle. Also finding how to fit into all the strategic agendas and ensure there was sufficient grounds to do so was a challenge too. However once they were all in the same room and had an approved model, it is looking at what would incentive them to make the commitment. For the Lloyds Group and Money Mental Health Policy Institute it was about being one of the first companies to champion accessibility standards and a narrative that was really compelling. For Money Mental Health Policy Institute it was about having a creditable partners that was deeply committed. Being able to trust that the big name corporate would follow through on the commitment and that they were not just doing it for PR promotion.

- (iv) **Members asked the officer to confirm the process they go through to ensure the partnerships are not superficial. Members were interested in the role the IEP plays in shaping that partnership.**

The Head of Sector: Energy, Manufacturing and Construction from the Government's Cabinet Office explained they ensure there is a senior level champion as well as a working level lead. If it was just a senior person nominated it could be perceived as tokenistic or a vanity project. Having multiple supporters at different levels within the organisation is often what

helps to drive the work forward. This can help to ensure there is real buy-in across the organisation and will enable them to get a sense of how this work fits into their broader priorities. This shows the whole organisation is open to having a changed mind-set and willing to consider new way of working and thinking.

- (v) **Members referred to the work about access to affordable credit. Members enquired how the partnership provided access to affordable credit.**

The Head of Sector: Energy, Manufacturing and Construction from the Government's Cabinet Office informed Members the team was seeking to understand why those who are in a position of needing access to credit opt for a pay day loan. They explored other possible opportunities that could provide them better access to credit. The IEP looked at how they could release funds from government to help improve financial education, literacy and open banking for good. This data can help unlock more innovative solutions. So that it is not just a careful management of questions about payday lenders and the Government's responsibility for responsible practice from those organisations. But also about how to empower people to make informed decision even when they are in a difficult position.

Financial inclusion capability is a really interesting challenge. There are many different reasons leading a person to make difficult decisions at a time when they are potentially not in the best head space to make those decisions. The IEP considers this to be a multifaceted problem and is considering what they can do to help advertise creative solutions or help to ensure there is better information and education for consumers to make better choices.

- (vi) **Members enquired if there were specific trials or credit unions within the programme that were explored or was this still at a phase exploring how the different stakeholders can come together.**

The Head of Sector: Energy, Manufacturing and Construction from the Government's Cabinet Office referred to access to affordable credit and advised there is a pot called dormant assets. After their consultation with stakeholders the IEP lobbied decision makers across government to help unlock some of the dormant asset funding to use that funding to help improve what the government can offer in terms of solutions in this space. There is a pot of dormant asset funding being used for fairer access to finance.

ACTION	The officer offered to send further details to the Commission further details.
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- (vii) **Members enquired how much influencing the insight had on national government policy. Members pointed out all three priority areas have a direct relationship with the welfare and benefits system. Members were interested in finding out what insights were being drawn from this work that might influence decisions made in DWP – might enhance the chances of people managing the benefits systems and their mental health; managing their finances in relation to the benefits systems and**

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manage their access to work and the benefits system? Members pointed out the benefit system is not currently optimal in that way.

The Head of Sector: Energy, Manufacturing and Construction from the Government's Cabinet Office confirmed DWP cuts across all 3 priority areas in different ways. While the partnership seeks to influence and channel the voice of stakeholders into government. For DWP they have been speaking about the challenges faced by people taking periods of leave from their employment for mental ill health. They have noted that for those taking a period of time off (up to 6 months) they are less likely to return to the workforce. They heard from employers there is not sufficient support available to encourage people to find manageable ways to remain in employment and not end up on long term sick leave.

One of the outcomes from their work is a consultation that is expected to be published mid-July. This will be a public consultation on work and health. A consultation whereby all employers can feed in about long term sick leave, occupational health and broader issues around mental health and wellbeing. They want to understand what prevents corporates from doing more to support those who are experiencing mental ill health or taking a period of sick leave to remain in the workforce.

It was highlighted that the consultation is one avenue publically for corporates to feed in. More generally they are doing a research project to look at what levers or incentives would encourage employers to do more, particularly SMEs who often say there is not sufficient support or financial support to provide staff with support in this area.

These are particularly challenging areas that they do not claim to have the solutions to but want their work to inform a more coherent government policy that better reflects the needs of the stakeholders.

In relation to mental ill health many employers say that the tax break or financial incentives are not sufficient to cover the upfront costs to make support more readily available. The IEP is considering how they can channel the views of SMEs to communicate this.

- (viii) **The Director of Strategy, Policy and Economic Development from LBH referred to the current fluid, dynamic, political environment and asked what safety net or measure the IEP had in place to make sure this work is sustainable across government.**

The Head of Sector: Energy, Manufacturing and Construction from the Government's Cabinet Office advised it was an ongoing conversation. The officer was of the view they are in a positive position because they have a good bank of case studies from phase 1 and really clear outcomes. The IEP is in the day one briefings for the new Prime Minister and Secretary of State for DCMS and Secretary of State for the Cabinet Office, who are their sponsoring departments. They also have buy-in for the partnership from CEOs across businesses and civil society. They are also prepared to have conversations about moving to other government departments or how they would fit into a new agenda. For the partnership they are clear they have a

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model that is proven to work and are committed to ensuring it remains in central government and is key to the inclusive growth agenda going forward.

Another interesting conversations they are having is about Conference of the Parties 26 (COP) and the new challenges facing the UK economy e.g. climate change. This new way of working could be expanded to other areas and has commonalities with other live issues. Increasingly they are finding other government teams are contacting them about how this works and wanting to start a similar programme.

- (ix) **Members followed up on the points above and highlighted if it has not influenced any changes at DWP why would other government departments follow.**

The Head of Sector: Energy, Manufacturing and Construction from the Government's Cabinet Office explained in their view the IEP hopes it has helped to inform the DWP consultation and inform a government policy released in November 2018. The officer was of the view they have champions across Whitehall.

- (x) **The Head of Employment and Skills from London Borough of Hackney enquired what the relationship was with the IEP and other government spend like the industrial strategy, devolved working health programme and the cross government prosperity fund. Is the IEP seeking to influence these areas so you are able to scale up the transition to work area?**

The Head of Sector: Energy, Manufacturing and Construction from the Government's Cabinet Office confirmed they are having live conversations with those areas. The officer explained there are other areas of government this programme of work can influence and many opportunities for this to fit into other programmes of work.

The Head of Employment and Skills from the London borough of Hackney commented it would be good to have further conversations about London and East London.

- (xi) **Members referred to the sustainable development goals and enquired if the partnership was doing work with big corporates to support sustainable business. Members enquired if the partnership is working with finance to encourage capital flow into sustainable business models? Members commented there is an accelerating global shift in how businesses are doing business as a force for good.**

The Head of Sector: Energy, Manufacturing and Construction from the Government's Cabinet Office confirmed they are working with colleagues in DCMS and other departments that host programmes like tech for good. They ensure all the responsible businesses that are part of the IEP contribute to this.

The IEP has hosted an event called Impact 19. This event had responsible business leaders from across the globe who came to speak about the importance of championing these values across businesses. For the

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sustainable development goals they have been supporting government, engaging with businesses from the Prime Ministers Business Council and all areas with live issues that are encouraging businesses to do more.

There are different parts of DCMS that work on impact investing, responsible businesses and a whole range of policy areas. They are trying to ensure this point of view is feeding into those policy discussions.

The officer highlighted this is an area where they can really champion more responsible business practices from a senior government position.

- (xii) **Member pointed out it is not just about profit. This would give a positive impact for employees from the communities, for the environment, reduced inequality, lower levels of poverty, build stronger communities, high quality jobs with dignity and purpose.**

The Head of Sector: Energy, Manufacturing and Construction from the Government's Cabinet Office agreed and advised they are also talking to those that are championing the B Corp movement. Also generally to organisation like the Centre for Social Justice who are looking to adopt a new inclusive economy unit. They are also talking to the OECD and UN. The team supporting the IEP aims to ensure they are linked into as many of those movements as possible and leaders in this space.

- (xiii) **Member enquired how the IEP is measuring success in terms of outcomes to provide evidence to scale up.**

The Head of Sector: Energy, Manufacturing and Construction from the Government's Cabinet Office explained monitoring and evaluation is an area they are taking some time to build in phase 2. For phase 1 they focused on the end user and achieving a target number. The officer acknowledged that achieving the number does not tell the broader story about the impact. Their conversations with big corporates about incentives in relation to mental health led to a full strategy in this area. They have developed a more robust framework for phase 2. They are considering how broad the outputs and outcomes can be, the end user and how strategies have changed as a result of this work. They are also speaking to professional evaluation companies to robustly assess this.

- (xiv) **The Head of Policy and Partnerships commented it was great to see public sector as a convenor in bringing people together. This was replicated locally. The officer enquired with the knowledge base that local government has if there were practical ways to promote or sign post local organisations to this work? The officer asked how the partnership selected the organisation that were involved in the partnership for phase 1. The officer also enquired if there be an opportunity for other organisations to be involved in phase 2.**

The Head of Sector: Energy, Manufacturing and Construction from the Government's Cabinet Office informed there will an opportunity for organisations to participate in phase 2. They will be putting out a call to the nation for applications. Hackney can share/promote this to local organisations and encourage them to apply. The partnership also works with Nesta

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business in the community who look for different stakeholders with a different reach to make sure they are speaking to as many interesting groups as possible.

The officer pointed out they have a limited source of financial funding and can only support a few through this channel. However the partnership could help in other ways like curating introductions, provide opportunities to network with other social innovators or an introduction to the right policy lead in the Treasury – the right officer can be difficult to find if you are external. These introductions can be just as valuable as financial support. The officer encouraged Hackney to put organisations forward.

- (xv) **Member referred to the transition to work in West Midlands and enquired if there was a role for a place based pilot for a work area like access to mental health support. Members pointed out Hackney does not have big corporates and most businesses are SMEs and start up. Therefore developing an infrastructure that will support people through these stressful times would be a project of interest to Hackney. This would also benefit other parts of the country and they could draw some conclusions from this work too.**

The Head of Sector: Energy, Manufacturing and Construction from the Government's Cabinet Office advised this is an area they have had conversations about particularly in relation SMEs and support for high achievers and under achievers. Without a HR team staff are often more at risk of being more severe or falling out of the work place completely.

- (xvi) **In reference to the response above Members commented that Hackney borough is good at understanding the complexities of their demographics. Therefore the variety of Hackney's SMEs would allow the IEP to see the complexities.**

- (xvii) **Members asked how the IEP perceived inclusive economy.**

The Head of Sector: Energy, Manufacturing and Construction from the Government's Cabinet Office advised their definition is where they have an economy and society that actively engages all of its citizens. For the partnership inclusive growth has to bring all citizens up in the community. This is not just financial or salary but in terms of their sense of purpose, corporate impact or then impact on a neighbourhood. It aims to get individuals to think broader than their society.

- (xviii) **Members commented regardless of how fairly or unfairly growth is created, inclusive growth is about what happens when we have growth. By contrast an inclusive economy offers a progressive conceptual framework by which greater consideration is given to social benefits to flow from and feed into economic activity. In essence inclusive growth comes after it has happened whereas inclusive economy is before.**

For the national narrative they are hoping to have a growing economy that is inclusive. Therefore an inclusive economy is their conceptual framework.

5.5 Section 2 of item 5

- 5.5.1 This section of the meeting was a workshop discussion about the council's Inclusive Economy Strategy out for Consultation until 18th August 2019.
- 5.5.2 Members of the Commission provided their comments about the proposed strategy.
- 5.5.3 The Head of Policy and Partnerships outlined the key points in relation to the draft strategy. The main points from the presentation were:
- There has been growing recognition, nationally and globally that existing models of economic development that focus solely on economic growth and expect the benefits to trickle down to the wider community have not worked.
 - The council has decided to develop a strategy that aims to shape an inclusive economy and tackling inequality. The view is if the council does not adopt this strategy Hackney could continue to see increasing inequalities. This strategy responds to high level concerns from residents about poverty and inequality. This drawn on previous work developing the Community Strategy which sets a new vision linked to the Mayor's manifesto commitments.
 - The view is local authorities are well placed to work with others to create and improve economic opportunities in and around the borough.
- 5.5.4 This strategy outlines the council's vision for an inclusive local economy. The council wants to set realistic expectations so this strategy highlight where they need to advocate for change and use their levers to work with other partners. It also identifies the limitations to the changes the Council can affect alone.
- 5.5.5 The strategy highlights where the Council is leading by example and uses its resources and levers to promote a more inclusive economy. It identifies the multiple ways the council needs to work with partners and the local community to shape the local economy.
- 5.5.4 This strategy has been developed drawing on the evidence about the local economy, trends, data on the shape of the economy and workforce including the needs of the people furthest from the labour market.
- 5.5.5 This strategy draws on various insights like that Equality Trust's Spirit Level work, the scrutiny Commission's work. The Hackney Wick report through young eyes, the Young Black Men programme and various resident and local evidence.
- 5.5.6 The vision is partly about the economy and how they can achieve a more balanced economy. This has been developed with officers and at the core of this strategy is the employment and skills service, area regeneration and all council services that can help deliver this agenda (e.g. public health).
- 5.5.7 The council has appreciated being involved and participating in the Commission's review work on inclusive economy. This has been reflected in the strategy insight and referenced directly.
- 5.5.8 This strategy aims to tackle poverty and inequality and to achieve a balanced economy with access to the economic opportunities in the local economy and

the wider London economy. Specifically tackling disadvantage in the labour market to make it easier for people to fulfil their potential regardless of background.

- 5.5.9 The key point is that everyone stands to benefit from a fairer community. Building an inclusive approach to change, regeneration and growth is key. The council recognises if they do not look at this; whilst it may produce economic benefits on one hand it may deliver negative impacts on the other hand. The links between mental health and structural inequalities is of paramount concern.
- 5.5.10 This strategy is not just about economic opportunity, it is also about how people feel, their sense of belonging and how included and safe they feel. It's about making sure they are really valuing Hackney's community spirit and diversity. The council recognises if the changes are quick people can experience a sense of loss of place and belonging.
- 5.5.11 An inclusive economy is also a green economy. The challenges of climate change promoting a green, decarbonised economy, minimising energy, sustainable transport, cleaner processes, and conserving and reusing resources will all be key.
- 5.5.12 There are 3 intersecting priorities in the strategy.
- Priority 1 - supporting local neighbourhoods and town centres to thrive, a focus on places where there is a business base and economy to shape
 - Priority 2 – champion local business and social enterprise in Hackney, protecting and maximising the delivery of affordable work space
 - Priority 3 – connecting residents to high quality support and opportunities to learning new skills, get good quality work and to make progress in work over their career.
- 5.5.13 The priorities intersect because a number of businesses are place based. The strategy aims to build their sense of belonging in an area and their interest in being part of an inclusive economy.
- 5.5.14 The 3 key areas the strategy covers are:
1. Taking an area regeneration approach
 2. Businesses
 3. Connecting people to opportunities.
- 5.5.15 Talked about how they focused on maximising their assets, levers and influence. Really important is their social infrastructure. As a council driving a local economy strategy they are in an ideal position to make use of their social infrastructure – the social support that underpins and is essential. E.g. looking at an approach that starts with making sure children have the best chance in the early years and in their first few years at school. There would be an in built disadvantage for those who do not. Therefore regardless of how good the institutions and opportunities we would have lost a cohort of children.
- 5.5.16 The strategy focuses on the change we want to see and works backwards to consider the best way to get there, based on evidence and on different perspectives.

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- 5.5.17 At this stage the council is outlining the range of ways they would like to measure inclusivity. Currently the council is looking at the metrics they would like to use to measure if the economy is more inclusive. The council is considering a broad range of metrics they would like to measure such as education and skills, health and wellbeing, quality of life, housing, security and affordability, jobs, income and economic productivity and the environmental and physical infrastructure.
- 5.5.18 The council will be drawing on the work of the London Prosperity Board. The UCL and London Prosperity Board have done a lot of work to look at all the metrics available including what can be accessed at a local level.
- 5.5.19 The officers provided examples of work that demonstrated using their assets. For example in Hackney Central council owned sites were used as levers to influence and place shape. Focusing more on the new surroundings benefiting for all.
- 5.5.20 Hackney's apprenticeship network was another example of where the council has created high quality apprenticeships and now they are working with other employers to create the same.
- 5.5.21 The Wick Works was an example of property assets and business in a place. This work is creating opportunities for businesses. In this example they are aiming to create a system and not just project based work.
- 5.5.22 The officer explained an Inclusive economy means:
- Doing what they can to achieve a more balanced economy within and around the borough
 - Investing in the economy and community to tackle poverty and inequality
 - Enabling fairer access to the economic opportunities in the borough, in Inner London and beyond
 - Addressing disadvantage in the labour market through partnerships which offer more high quality apprenticeships, skills and training, jobs and business opportunities
 - Making it easier for anyone, whatever their background, to fulfil their potential
 - Working with education providers and businesses to ensure that residents are equipped for the workplace of the future.
- 5.5.23 The officer advised the public consultation launched in July 2019 and will close mid-August 2019. There will be a modest engagement to build on the existing insight. There will be focus groups with the citizen's panel to sense check what is being proposed with a group of residents. Public engagement will build on the existing insight.
- 5.5.24 Members were asked to provide their views on the draft strategy based on their experience of the local economy in Hackney. Members were asked to respond to the following questions:
- Any big issues you think are missing from the Strategy?
 - Any suggestions on how to improve the document overall?

- Any suggestions on how to develop a new set of measures to help monitor and track how inclusive Hackney's local economy is?

5.6 Discussion, Questions and Answers

(i) In response to Members questions about the timescales for the metrics.

The officer advised the workshop would be after the strategy has been finalised. It was important for the council to capture what they do and communicate how they lead by example and this strategy captures this.

(ii) Members enquired if they could be involved in the further work on metrics.

Officers confirm they could be involved in a workshop and that this would probably be in the autumn.

(iii) Members pointed out, the strategy document used the words 'thrive and more' a number of times but not the words 'grow or growth'. Members asked why the strategy does not make reference to growth and enquired if this was deliberate?

The Head of Policy and Partnerships explained the strategy started as an inclusive growth strategy and shift from this to an inclusive economy strategy was a deliberate decision by the Mayor of Hackney. The shift is a message to say the council does want to help shape the economy. An inclusive growth strategy suggests they are letting growth happen and they are responding to that. Whereas this is saying we want to be proactive to help shape it. The council sees itself as part of that economy wishes to use its levers. The officer confirmed they had decided to make a shift in language used.

The Head of Employment and Skills explained their emphasis would depend on the audience. The officer highlighted if the council was talking about this strategy to big business owners in the borough, they would talk about the importance of wanting to see the Hackney economy succeed, and how they could derive benefits through employment and skills plans, jobs and apprenticeships.

(iv) Members acknowledged and recognised the need for the shift but pointed out you cannot rebalanced an economy without a growing economy. Members pointed out it makes it difficult to talk about these points without growth. Growth is an important part and we need growth too. Members highlighted this strategy should not be too political where it alienates local businesses who do wish to grow and employ people. Members commented an inclusive economy will need more jobs and growth. Throughout the vision and strategy growth is implied but not explicit.

The Head of Policy and Partnerships clarified that the council expects growth to continue. The council recognises that they do not need to develop growth. However with the increase in business rates and rents they could see a stagnation but the economy could also see a different type of business moving into the borough. For Hackney corporately and politically they are accepting

growth will happen but acknowledged they could be more explicit in the document and recognise growth is the context.

The Head of Employment and Skills added there is a focus on good growth and quality jobs in the strategy. For example in Hackney Wick the council is using its levers and property to provide peppercorn rent to a few local SMEs and have written into their contract opportunities like apprentices. This is helping an enterprise to grow who might otherwise not be able to do so.

- (v) **Members referred to the Islington Fairness Commission in 2010. This identified 2 Islington's; a wealth Islington and a second Islington that had high child poverty. Members enquired if the council has reviewed the fairness commission work in relation to Hackney? Members commented that the income equality and gentrification now is changing the fabric and culture of the place. And some communities are feeling marginalised and some feeling forced out through the high rents and unaffordability.**
- (vi) **Secondly Members enquired if the council was harnessing the powers of planning authority to secure office, workspace and affordable housing?**

The Head of Policy and Partnerships explained a few years ago the idea of 2 Hackneys was floated. They challenge the idea that there was 2 Hackney's. However, they do acknowledge there is growing polarisations and inequalities but the dynamics around this is more complex. The officers pointed out there are people living in the borough that would appear to be wealthy but still feel less belonging. There are also people that are economically disenfranchised. Therefore the council is taking a more nuanced approach to tackling people's sense of belonging and practical ability to stay in the borough. At the heart of the council's community strategy is tackling poverty and part of the rationale for the inclusive economy strategy is to address the concern about growth polarisation and economic disadvantage.

The Head of Skills and Employment explained at the core of the strategy is the council's levers. They have robust policies in place which includes affordable workspace. They are using these to look for solution for the local community.

- (vii) **Members commented this strategy is good at linking up many policies seen as disparate and bringing them together. However if the strategy is to be embodied we need to see more about how the council is practically shaping an inclusive economy. There a number of aspirations in the document but Members pointed out it does not clearly articulate the new shaping that will take place to achieve an inclusive economy. There are references to policies like the Local Plan. Members also referred to a statement in the strategy "we will explore ways to prevent ground floor retail space from remaining empty in town centres, local centres and in new developments". Members advised they were aware the council could action an article 4 because this was implemented within the local plan. However it was unclear to them what levers were being deployed as a result of this strategy to take this to another level.**
- (viii) **Members were unsure beyond the policies in place where the shaping is and what is garnering it?**

- (ix) **Members commented when residents see the document and engage with it they are likely to ask questions about the action being taken by the council and the levers to shape it. Members also referenced another statement in the policy about the council leasing its non-residential units within its housing regeneration schemes to voluntary and community organisations and referenced 2 pilots coming in 2019. Members asked if the council had an indication now as to how it can create a letting policy that can really shape what it does. In section 7 the aspiration is there and civil society is playing a greater role in this. But considering examples are cited Members were still not clear how the inclusive economy prism would be using the levers available and deploying them in a different way to the framework and policies already in use.**

The Head of Policy and Partnerships explained what the council is trying to do, is identify all of the work going on and bring them under one strategy. Secondly, to push and stretch further. At this stage the council is setting the principles and direction rather outlining all the deliverables. If the council waited to get to this stage it would take them longer and they would not have tested whether the approach worked. For example the Council's Voluntary Community Sector lettings policy needs to work with the property market and move on from a lettings policy that was aimed at regularising a number of individual arrangements into one strategic overview. The current policy helped to deliver the council's key priorities but now needs to develop further.

- (x) **Members acknowledged that the aspirations and framework was important and correct.**
- (xi) **Members made reference to the new litmus test and enquire if there was going to be a litmus test in the form that a) peoples understand and b) how it can be applied in a meaningful way. Members commented the difficulty with the document in its current form is the lack of clarity about (a) and (b). And lastly an indication of when this will implemented. E.g. over the manifesto period or within the next 2 years.**

The policy is still in development and the officers noted the comments made.

The officers explained initially they have tried to set out the principles and direction and have not defined the deliverables. The officer reiterated it would take the council longer to get to this stage and they would not have tested if the overall the approach was successful.

The officer referred to the VCS lettings policy and explained the initial policy aimed to regularise VCS letting to enable the council to deliver its corporate priorities. Having achieved this the council is now considering how this policy will fit in with the inclusive economy strategy. They have not worked out the policy they need. This strategy shows the link between the aims of the policy instead of viewing the policy in silo.

The Head of Employment and Skills advised Hackney's principle is to main stream activities. Whereas the government has not main streamed activities but established a pot of funding to challenge. In contrast the council's view is to adopt a strategic response to everything they do with property services.

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The Head of Policy and Partnerships informed Members for the Community Strategy and the single equality scheme they developed a 25-30 page table that outlined the commitment and demonstrated how they delivered against each target. The officer explained it was at that point they could see if the principles were correct.

The officers agreed to look at how to better communicate the points explained for the final version.

(xii) **Members raised the following points:**

- 1. Members commended the focus on perception and a metric on how people feel. But were interested in how this outcome would be measured. Members wanted to ensure the metrics were not just concerned with people feeling safe or confident but that any perception metric is accompanied by a material metric.**
- 2. 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 reads quite bland in comparison to the detailed sections.**
- 3. Members suggested adding some additional information to the summary section about crime, safety and security; as featured in the main document. Members suggested it should be clarified if crime is an indicator of an inclusive economy or an indicator of a non-inclusive economy. Members enquired if the council has decided to use crime as an indicator, why does it not feature in the summary section or was this an oversight?**
- 4. It was pointed out that the externalities are woven throughout the document and they are not all in one place. It was recommended this should be in one place and suggested there could be a brief analysis of the externalities and how the government's industrial strategy struggles to meet some of the challenges.**
- 5. Members made reference to growth and advised the Council needs to decide if it is going to acknowledge growth. In addition to this if the council assumes growth but growth does not happen, what plans are in place to manage this. Equally if there is growth the council needs to actively outline how it plans to shape it and identify the levers to do this.**
- 6. Members referred to the growth of the Tech industry in the borough and how the Council did not foresee this coming. Pointing out the Government's Industrial Strategy does not help communities like Hackney horizon scan and identify the next equivalent of the tech industry. Members recommended Hackney develops a skills strategy to meet future needs. A strategy that can be used to communicate to areas like lifelong learning.**
- 7. Members also pointed out if there is a strong position on apprenticeships this needs to be articulated better in the strategy.**
- 8. Members referred to the references about support to local businesses and commented all references started with the following opening 'we will continue...' Members pointed out there has been a number of challenges about the council's current methods of communication with local businesses – including the work of the commission. Members advised local businesses have informed the council is not adequately or effectively engaging with them. It would appear there is**

an assumption that all businesses are the same. Members commented they are not, as identified through their engagement session with BMAE businesses. Members enquired what type of expert advice the council is planning to commission to improve this.

9. Members added the top line for business engagement is good and picks up on the points that came out of their engagement event with BMAE businesses. However, the detail about the new approach is missing. Taking into consideration the points raised by local businesses whereby they expressed the current engagement process was not inclusive or provided them with access to the local opportunities. Members queried how the council will address the problem?
10. In reference to the first priority on place shaping, what collaboration is there with other London boroughs. Some the Council's biggest growth nexus are on the border of other boroughs. Members referred to the devolved adult skills budget for London and commented it will be important for the council to be working in partnership with other London boroughs like Tower Hamlets, Newham, Haringey and Islington to draw down funds.
11. Members queried what the key headlines would be about strategy when it is communicated to the local press? Members commented there was no clarity on what the key headlines about this strategy would be when it was communicated. Member highlighted the communications should inform people about the work the Executive is doing that is different, interesting and impactful? Members added it was difficult to identify the headlines when the metrics were being developed after the strategy was launched.

In response to the points raised the Head of Policy and Partnerships advised they have not developed a set of metrics but would be testing a proposed suite of metrics. These would be different to traditional measures. E.g. the number of jobs created.

The Head of Employment and Skills agreed place shaping work with other boroughs was important and the officer advised he would check this was emphasised adequately in the strategy. One of the challenges is related to the structure of the three pillars and identifying where the information would sit better. However the officer agreed that areas like adult education, practical work with other borough and investments in managing things like devolved business rates should feature.

- (xiii) **Members highlighted through their work one of the biggest areas of challenge is the decisions made related to the 14-18 age group. This is outside the remit of this Commission but this does have implications for lifelong learning particularly as people will need to reskill throughout their lifetime. The national industrial strategy has identified these as big challenges but the skills process that goes with this is still broadly leaving it up to the market and big employers. Members pointed out Hackney does not have many large employers. Therefore how will the council use its supply chain to help SMEs facing these challenges to understand?**

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The Head of Employment and Skills advised they will align the £2million investment with the strategy and the apprenticeships network to better influence.

The Head of Policy and Partnerships advised in terms of the metrics they have outlined the different domains linked to the work the council has been doing with the London Prosperity Board. This has enabled the council to consider metrics that measure people's actual circumstances and their perception. It will be combination of drawing on the information at a local level from existing national data and a set of questions that have been developed and tested with partners in the East London boroughs and other places. It will provide a combination that drills down further than the council's resident survey and other survey data.

(xiv) **Members enquired if the new measures will enable the council to bench mark and see progress?**

The Head of Policy and Partnerships it is expected to. But if they use national data and local survey information, then it would be difficult to track progress. If the council does use local data they would advocate using this in conjunction with national trends.

(xv) **Members commented the strategy highlights existing projects that are already in place and enquired if there was bench marking for these before they started? Members referred to the specific work done locally and enquired if the council has the ability to demonstrate the progress? E.g. is there a measure that illustrated the number has fallen for people far from employment and training?**

The Head of Employment and Skills informed the new set of metrics adopted would go further than seek to identify the number of people as a measure. The officer pointed out for the Gascoyne estate project (people affected by debt) the council was looking to have a measure that can assess how a person is doing year on year and if they are reaching the target audience.

Officers advised if they are bring existing activity together under one strategy and pushing what is achievable, they will not have a consistent set of bench marking data. This is because they would have different sets of objectives. The idea of establishing a consistent set of metrics, is that over time they can start to look at a project that may have been measured in a more traditional way (like the number of business space created); but ask questions of that project to establish the impact on other areas like the use of their levers. Over time this information will develop.

The Head of Policy and Partnerships responded to the comment about the externalities being in one place. The officer confirmed the council have a critic of the national industrial strategy up front.

Officers agreed they could do more with the summary to address the points Members made about the introduction and the framing of the policy context in the summary. Officers also agreed they could add more information from the main body of the document like the hollowing out of the labour market and externalities.

In response to the points raised about businesses, officers advised they will review this based on the perception Members have from reading the document. This feedback will be given to the officer covering that section. It was pointed out the council has reflected the risk and issues in documented but if Members read this as continuity of the same approach this will need to be reviewed for the final draft.

- (xvi) **Members enquired how the council proposed to capture and engage residents who did not work in the borough or own their own business in the borough. Member highlighted there is a lot of change happening to people quite quickly and expressed concern about the resilience of local people to understand the changes without necessarily having a business or employment in the borough. Members queried how residents would be engaged about the changes?**

The Head of Employment and Skills advised the shift in the strategy should mean more upstream confidence building. This will need to be measured but is a soft area that can be challenging to measure and talk about and will have its own journey.

In first priority a new focus on recognising the role for voluntary organisations or localised statutory sector organisation linking the types of programmes that come under employment and skills service area better with the local organisation. The Council recognises the government is not good at reaching the people Members are referring to and secondly the council needs to look at who is reaching this cohort and build the partnerships. Officers pointed out the Hoxton case study is a good example of this, but this is more of a community development approach. This will be more a localised approach to get that reach and recognises where people might engage. The council will look at where it is doing this work and where it is not to build on the areas of gap.

- (xvii) **Members referred to the neighbourhood Community Infrastructure Levy (CIL) and the promotion of this by the Cabinet Member. Members asked if the document could mention that there will be a reconceptualization of how the neighbourhood CIL will be considered and how it would be distributed. Members commented there is a change coming and queried how the council sees this change benefiting the community? Members pointed out the CiL is applied to every new development and a direct application back in the local community. Members suggested this is one of the ways the Council could show they are trying to deal with the change and benefit the community. Members recommended the strategy includes the use of CIL and how it is used to benefit community.**

- (xviii) **Members referred to growth and advised it was important to think about deliberative growth choosing areas like social care and mental health to grow. Members enquired if the council has worked with the Mayor of London's London Economic Action Partnership (LEAP) as this talks about good growth areas.**

The Head of Employment and Skills confirmed the council has worked with LEAP. Where the council can lead they need to emphasize this more.

(xix) **Closing comments from Members**

- There are very good top line strategies but it is unclear what the approach will be to achieve these
- 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 they referred to the wellbeing of business owners. Taking into consideration the view about gentrification and feeling left behind. Members suggested there should be consideration about the mental health support for business owners
- Digital inclusion was another area of the strategy referred to and again Members informed they were unclear about how the ambition matches with the approaches to achieve.
- Overall it is a very positive strategy.

(xx) The Chair informed officers the Commission would make a formal submission.

(xxi) The Chair asked officers if the commission could be involved in a workshop about metrics because they have more questions about the metrics.

Officers agreed to involve Members in a workshop about metrics.

ACTION	Chair to do a formal submission on behalf of the Commission.
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ACTION	Policy and Partnerships to set up a workshop on metrics for the Commission.
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6 Skills, Economy and Growth Scrutiny Commission 2019/20 Work Programme

- 6.1 In reference to the work programme the Chair provided the following update.
- 6.2 The Cost of living and recruitment strategies for public sector employment item was moved to the September meeting.
- 6.3 The licensing and night time economy meeting was moved to the October meeting date.
- 6.4 The Hackney Young Futures Commission is currently carrying out a 6 month consultation with young people aged 10-25 years old. The Commission will send over a few question and ask them to share the findings from their consultation. The Chair and Vice Chairs have been invited to the September and October meetings.
- 6.5 The new scrutiny review on Just transition will commence once the terms of reference has been drafted. The Chair and Overview and Scrutiny Officer attended a private round table discussion with New Economics Foundation

and Friedrich-Ebert-Stiftung this covered the national and international context on the topic area.

The participants stressed the urgency for recognising climate change as the primary challenge of the 21st century. It was emphasised that the shift to a low-carbon economy must go hand in hand with providing jobs and supporting local communities in order to be genuinely sustainable. To deliver a socially just transition, policy makers must take into account all sectors of the economy, with costs and benefits shared equally across society.

- 6.6 Members enquired if wellbeing would be covered. The Chair advised this would be covered in the scrutiny review on Just Transition.
- 6.7 Members referred to a paper on CiL being developed by the Council's Executive and asked the Chair to enquire if the Commission could make a contribution to the development of the CiL distribution. Members commented the current process is opaque and community organisations are interested in understanding how they can access this pot of money for community benefit. A Member from the Hoxton East and Shoreditch Ward advised Shoreditch had received CiL funding which renovated Shoreditch park.

The Chair advised he would find out the timescales and plans for development to see when and how the Commission could feed into the development of the CiL proposals.

ACTION	The Chair to confirm the timescales for the development of CiL proposals.
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7 Any Other Business

- 7.1 None.

Duration of the meeting: 7.00 - 9.10 pm