



Hackney Inclusive Economy Strategy 2019 - 2025

Key Decision No CE Q22

CABINET MEETING DATE 2019/20 18th November 2019	CLASSIFICATION: OPEN
WARD(S) AFFECTED All wards	
CABINET MEMBERS Mayor Philip Glanville Cllr Guy Nicholson Cabinet Member for Planning, culture and inclusive economy Cllr Carole Williams Cabinet Member for Employment, skills and human resources	
KEY DECISION Yes REASON Affects Two of More Wards	
GROUP DIRECTOR Tim Shields Chief Executive	

1. CABINET MEMBER'S INTRODUCTION

- 1.1 Our borough has seen more rapid social and economic change than almost anywhere else in the UK over the last 15 years. This has brought many new economic opportunities for local people and local residents, but many have told us that they feel not everyone is benefiting equally from these opportunities and they feel excluded from the prosperity that they see around them.
- 1.2 There is a growing recognition, not just in Hackney, but more widely that existing models of economic development which focus solely on economic growth and expect the benefits to trickle down to a wider community have not worked and that this has created economic inequality within communities. How best to respond to this challenge formed a key part of our 2018 Manifesto and given the level of concern expressed by residents about poverty and inequality in and around Hackney, the Council has made a commitment in its 2018-2028 Community Strategy to take action to increase local prosperity.
- 1.3 Evidence shows that in London there are now more people who are in work but living in poverty than a decade ago and with no steady supply of new long term well paid jobs, this pattern looks set to continue, and Hackney is no exception. This trend has led to an unacceptable level of inequality in the borough, creating or sustaining pockets of concentrated disadvantage in our communities.
- 1.4 Equally, businesses in the borough also struggle under the pressure of excessive rent and business rate increases and wider economic forces at play. Some businesses are either forced to relocate or at worse, close down, which then leaves gaps in the local economy. It is clear that now is the time for change and the Council is committed to taking a leading role in bringing about this change. Economic growth left to its own devices clearly does not work for everyone, wastes the potential of our residents and businesses and puts everyone's wellbeing at risk.
- 1.5 We believe that not only should the benefits of growth be accessible and shared more widely across our communities, but that growth itself should be shaped by the ambitions of local communities. The opportunities and prosperity then created can be shared more equitably. This strategy sets out to describe how the Council as an enabler for Hackney's communities can start to bring this profound change about.
- 1.6 Residents consistently champion Hackney's diversity, it is what makes Hackney so special to live, work and do business in. All local residents, businesses, social enterprises and community groups must be able to contribute to, participate in and benefit from the opportunities that Hackney's successful economy brings.
- 1.7 The Council is determined to intervene proactively to build a fairer, greener and more inclusive economy for Hackney. An economy that everyone can feel part of and there to support both local residents and local businesses.
- 1.8 No matter an individual's background or circumstance, the Council will position itself as the enabler that can provide the support and offer the opportunities for individuals and communities to take advantage of the borough's changing economy. It will do this working

with key anchor institutions in the public, private and voluntary sectors, maximising the benefits of asset based change and community wealth building principles.

- 1.9 The Council cannot control everything, but it will ensure that local residents have a stake in the growth of their town centres and neighbourhoods, making sure that regeneration works for residents and is based on our collective ambitions and priorities.
- 1.10 The Council will champion the businesses and social enterprises that make up the majority of our local economy. Where the economy is not working for local people, the Council will intervene and the responses can and will be varied from providing public services to building local supply chains and markets, developing a closer relationship between business and community. Insisting on fair pay and fair employment practices and creating spatial planning policy that directs an economy to deliver the physical spaces that support and include our communities.
- 1.11 The Council will ensure it uses its assets including Council buildings and those of public sector partners, for productive activities that support this ambitious agenda, promoting equality, inclusivity and redistribution and not just short term financial gain.
- 1.12 Realising this vision will mean the Council and its partners taking bold and sometimes, difficult decisions. It will require all of Hackney's anchor institutions irrespective of sector - public, private and not for profit - to collaborate and make a contribution. By bringing everyone together, we can all build a more inclusive economy for our borough.
- 1.13 We welcome the input from across the Council, Cabinet portfolios, Scrutiny and wider stakeholders into this new strategy, it completes a series of new strategies developed since 2018 that seek to respond to our ambitious manifesto and manage and shape change in the borough.

We recommend the Strategy to the Cabinet.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 The Council's Community Strategy 2018-2028 commits us to developing a new economic development strategy. The extensive community dialogue which was carried out to inform the Community Strategy found, regardless of backgrounds and income groups, residents do not feel everyone here has benefited from or feels part of the economic growth that is happening around them; it also found that local people are very concerned about poverty and growing inequality in the borough. Hackney Council is one of a network of Local Authorities in the UK looking at practical ways we can use the resources and powers we do have to build community wealth.

At a time when austerity continues to impact on local public services, this new approach to economic development requires us to make better use of the existing assets, powers and levers that the Council has. It also requires us to consider and try out new ways of collaborating with local residents, local businesses, community networks and local Institutions to achieve sustainable development and to increase local prosperity for local people, local businesses and places around our borough.

In this new Strategy we have signalled our key priorities for action over the next five years, set out the medium term outcomes we want to achieve, and invited the community and valued partners to collaborate with us on this agenda. This high level policy framework should guide the work we do next as we start to deliver the new actions committed to in the Strategy.

Throughout the Strategy we have emphasised that we are committed to working with our local community, local institutions and stakeholders in the next phase of this work. We look forward to this continued collaboration, as we move to design, test and do the work needed to achieve this ambitious vision and these goals.

The strategy is evidence based and was developed through a full analysis of data, trends and insights which are set out in the context sections. The Strategic Priorities, Outcomes, Objectives and the Actions which flow from them are the result of dialogue within the Council, with partners, businesses and residents as well as studying third party analysis and research practice into inclusive economies. The draft strategy was also tested and developed further with residents in focus groups and through online consultation.

Once the Strategy is formally adopted by the Council an implementation and delivery plan will be formed with partner organisations, institutions and the business community. We will establish measures of success that can monitor how the strategy is making an impact on realising inclusivity. We will also commit to creating a public annual report assessing the progress and performance of the Strategy's implementation.

3. RECOMMENDATION(S)

3.1 That Cabinet adopts the Hackney Inclusive Economy Strategy 2019-2025

3.2 That Hackney adopts the Fairer Hackney Business Toolkit that supports the objectives of the Strategy

4. REASONS FOR DECISION

4.1 Why we developed the Local Inclusive Economy Strategy

When we carried out extensive community engagement to develop a new Community Strategy for our borough, we found high levels of local concern about poverty and inequality in and around the borough. As a result, we made a specific commitment in Hackney's Community Strategy to produce a new economic development strategy focused on increasing local prosperity and generating community wealth here in Hackney.

This new draft Inclusive Economy Strategy is our response. It sets out in more detail our goals for economic *and* community development and place making in and around our borough, and it does this in ways that builds on the strengths of the much valued

existing community networks, local institutions and local businesses here in the borough.

This Strategy builds on the work the Council has been doing since 2016 to actively intervene in our local economy to help make Hackney a more economically sustainable place and to drive the social and economic changes we want to see in the borough. It sets out ways the Council is leading by example as a major local employer and also using local assets, the levers and partnerships we have to best effect to raise local prosperity and benefit everyone in our diverse community.

Our goal over the next few years is to harness the efforts of all of those involved in shaping our local economy to help create the right conditions for balanced and equitable economic development. This includes those involved in education and skills, businesses, development, entrepreneurs and social enterprises. It is also essential that we draw on residents' experiences to better understand the aspirations that residents of all ages have for their working lives and their aspirations for the area they live in as well as for town and commercial centres.

Many of the challenges in the economy are beyond our direct control and are the result of globalisation and structural changes in the labour market. As part of our strategy we set out how we will use our influence and campaign and lobby to respond to the dynamics and opportunities that arise; maximising the opportunities of existing and further devolution. We are committed to building partnerships with other local public services, local partners, neighbouring boroughs, Transport for London and the Greater London Authority and authorities and partnerships in the wider South East to achieve this, as well as working with businesses, developers and landowners that operate across the wider region, but are active in Hackney.

The Fairer Hackney Toolkit has been developed alongside the Strategy. It sets out our offer to the business community, in terms of how we make it easy to do business with the Council. We also suggest a range of ways that we can work in partnership to deliver a truly inclusive economy in Hackney, by offering good quality job opportunities, inclusive employment, procurement and business practices, apprenticeships and placements as well as working more broadly together on a shared business agenda. This is being published as an appendix of the Inclusive Economy Strategy and, following approval by Cabinet will be promoted to businesses.

4.2 How we developed the strategy

The process for the development of this Strategy started with:

- Desk based research to update Hackney's Local Economic Assessment including business and enterprise, economic activity, employment and self-employment, employment and occupations, worklessness and benefits and qualifications

- A review of wider literature on approaches to Local Economic Development and the wider policy context for this work
- Desk based reviews of recent existing insight and engagement work carried out by the Council, the Council's Scrutiny Commission Skills, Economy and Inclusive Growth and other community insight reports.

Key services across the Council responsible for economic development including the Area Regeneration Service, Employment and Skills Service and Policy and Partnerships Service (the officer group) were involved in the development of a skeleton outline for the Strategy.

This was then shared and tested at a Stakeholder Workshop hosted by Hackney Council's Skills, Economy and Growth Scrutiny Commission in March 2019 at Here East in Hackney Wick.

A full consultation draft was developed in April 2019 and shared and tested further with those services that are key to the success of the Strategy.

This work has also been influenced by ongoing collaboration with Hackney based academics from University College London's Institute for Global Prosperity and their work on Local Prosperity in neighbourhoods in East London around the Queen Elizabeth Park including Hackney Wick.

In line with Hackney's Consultation Charter, there was formal public consultation on the Draft Hackney Inclusive Economy Strategy 2019-2025 between 2nd July 2019 and 19th August 2019. The aim was to add value and complement engagement which had already taken place. In general the draft Strategy has been well received. There is broad support for putting the focus of our work on tackling inequality and poverty and for the emphasis on working with the local community to design and deliver this work. The changes we have made as result of from the residents focus group and the public consultation are relatively minor and are detailed in the Consultation section of this report.

4.3 The three intersecting priorities in the Strategy

4.3.1 The Strategy is structured around three intersecting, strategic priorities. Each section of the Strategy focuses on one strategic priority and includes wider context and analysis on the challenges now, a summary of the longer term goals and the steps we need to take to achieve these and then a summary of work we are already doing and new or future areas of work. Our intention is that work on any one priority will have a positive impact and support the goals and the work going on under the other two priorities.

4.3.2 Strategic Priority 1: Support local neighbourhoods and town centres to thrive and to be inclusive, resilient places

This section celebrates the diverse, progressive, inclusive community spirit that the borough is long renowned for and acknowledges this is what makes our local economy vibrant. It reflects on the enormous changes the borough and the local economy has experienced in the last fifteen years; including the growth in new businesses particularly in the highly skilled technical, creative, professional business services and the increase in the numbers of highly skilled, younger people moving in to the borough. At the same time it flags the growing unaffordability of living and working in the borough and underlines that economic development here has not benefited everyone in our community as well as it might or led to a balanced local economy yet. It sets out how we are already taking action to help support more balanced, sustainable growth and economic development within our borough. The Council also commits to taking action to make sure the widest possible range of people here benefit more directly from future development in the borough.

4.3.3 Strategic Priority 2: Champion and support local business and social enterprise in Hackney and protect and maximise the delivery of affordable workspace in the borough

This section of the strategy celebrates that local small businesses are the majority of Hackney's business base and that they play a vital role in our local economy. It reflects on the recent successes of newer tech, creative and business services sectors in Hackney's main economic centres, particularly in Shoreditch and acknowledges the importance of workspace providers and community sector organisations in Dalston. It acknowledges that these two factors have led to some specific issues in the borough including rising commercial rents and affordability issues for existing businesses, perceptions of polarisation between different types of businesses (and between businesses and residents) and the feeling that for some, the economic growth and benefits of new businesses in the borough is not benefitting as many residents and businesses as it should. It commits the Council to securing specific benefits which will benefit as many residents, communities and businesses as possible.

The Council has developed a toolkit in which sets out our offer to the business community, in terms of how we make it easy to do business with the Council. We also suggest a range of ways that we can work in partnership to deliver a truly inclusive economy in Hackney, by offering good quality job opportunities, inclusive employment, procurement and business practices, apprenticeships and placements as well as working more broadly together on a shared business agenda. This is being published as an appendix of the Inclusive Economy Strategy and following approval by Cabinet will be promoted to businesses.

4.3.4 Strategic Priority 3: Connect residents to high quality employment support and opportunities to learn new skills, get good quality well paid work and progress their career throughout their working life

This section of the strategy acknowledges that our borough has seen more new business set up here, higher rates of employment and lower levels of unemployment and economic inactivity. However, it flags that at the same time the UK as a whole has experienced low growth in household earnings since the recession and a rise in in-work poverty. Also that the nature of employment is changing, with the rise of part-time employment and in insecure forms of employment including temporary and zero hours contracts. These trends mean the London labour market is ‘hollowing out’, with an increasing concentration of highly skilled, well paid jobs and low-paid, low skilled service sector jobs but fewer progression opportunities in between. This section acknowledges that some groups of local residents have experienced more disadvantages in the labour market including some Black and Minority Ethnic residents, some former Looked After Children, some older workers and some disabled people. It underlines we need to continue to collaborate with the business community, education providers and local communities to widen participation and open up decent work opportunities in newer industries.

The Council is committed to making sure that all our residents see more benefits from the employment and skills opportunities in and around Hackney. Our approach is ambitious, but we cannot have the kind of impact we want to have on this agenda working alone. To make a sustained impact we need to increase not just the number but the quality and the range of employment opportunities such as apprenticeships, in and around the borough. To achieve this we need to work more in partnership with the community, training providers, and a more diverse range of business and employers here.

4.3.5 This table summarises the main outcomes, objectives and actions under each of these three priorities.

Our goal is to develop an Inclusive Local Economy		
Strategic priorities		
Priority 1. Support local neighbourhoods and town centres to thrive and to be inclusive and resilient places.	Priority 2. Champion and support local business and social enterprise in Hackney and protect and maximise the delivery of affordable workspace in the borough.	Priority 3. Connect residents to high quality employment support and opportunities to learn new skills, get good quality, well paid work and progress their career throughout their working life.

Outcomes		
<p>A more balanced, sustainable economy with less inequalities between different neighbourhoods.</p> <p>The right urban and community infrastructure that meets local need.</p> <p>A greater connection between the economic opportunities in the borough and our communities.</p>	<p>Promoting and supporting a diverse range of local businesses and enterprises to thrive and choose to remain in Hackney Supporting smaller businesses and their place in Hackney's economy, from start up to scale up.</p> <p>Businesses become rooted in Hackney, investing, prospering and supporting the Council and communities create an inclusive economy.</p>	<p>People are better placed to secure job and business opportunities regardless of their background and they feel more positive about their prospects.</p>
Objectives		
Strategic Priority 1	Strategic Priority 2	Strategic Priority 3
<p>Take an area regeneration approach which creates better places for people, physically, economically, culturally and socially.</p> <p>Support high streets and town centres to diversify and thrive.</p> <p>Strengthen partnerships between public services and third sector organisations on the ground to improve reach, engagement, well being and inclusivity.</p> <p>Promote digital inclusion and improve digital connectivity in town</p>	<p>Protect existing affordable workspaces and promote the delivery of a range of new affordable business workspaces.</p> <p>Make it easy to do business with the Council.</p> <p>Ensure excellent business support and access to finance is available for local businesses.</p> <p>Be the champion for local businesses making sure their voice is heard in</p>	<p>Promoting an Inclusive Leadership culture and improving workforce diversity Raise working conditions and protect workers rights in our own organisation and in our own supply chains.</p> <p>Increase the number and diversify the range of pathways into good quality employment, offering fair pay.</p> <p>Ensure these pathways are accessible to residents experiencing economic barriers and disadvantages.</p> <p>Maximise opportunities arising from the devolution of the Adult Skills Budget to London,</p>

<p>centres and in neighbourhoods around the borough.</p> <p>Promote environmental sustainability, reducing emissions and improving the quality of life in town centres and neighbourhoods around the borough.</p>	<p>regional and national debates about business and the economy.</p> <p>Work with local businesses through the 'toolkit' to work together and create an inclusive economy in Hackney.</p>	<p>ensuring that these opportunities are inclusive, meet our skills gaps and the needs of local people.</p>
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4.4 How we will deliver the commitments this strategy

4.4.1 This strategy sets out the strategic priorities for the Council and its work to promote inclusive economic development in and around Hackney over the next five years. It also sets out high level principles for how we will collaborate with others on these priorities.

4.4.2 Throughout the Strategy we have signalled newer areas of work planned for the next five years. We have also said we will explore or trial new ways of delivering this work. We have deliberately not set out upfront detail on all the ways we could deliver on these priorities at the beginning of this five year period. Instead we want to collaborate and get input from key stakeholders as we design and deliver this work in different places around the borough.

4.4.3 Residents and other stakeholders told us during the engagement and public consultation that they want to see more details on how we will act on and deliver the commitments we have made in this strategy and also asked how we would better communicate new economic opportunities. We will develop a communications and engagement plan to actively promote opportunities for the local community and other stakeholders.

4.4.4 A steering group of senior Council Officers will monitor delivery of the actions that the Council committed to take. The Council will also report annually on progress made to the Hackney Community Strategy Partnership Board, which is our local Strategic Partnership.

4.4.5 The Council will also look at ways we can proactively share learning about what works and what does not work, as we roll out this work in places and amongst networks around the borough.

4.4.6 Once we have developed a new set of Inclusive Economy metrics, we will also publish these. We will use these wider measures of our local economy as a tool to help review progress made towards achieving the vision and priorities in this strategy.

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

The Hackney Community Strategy committed the Council to taking a new approach to economic and community development and to securing greater community benefits from the development and growth going on in the borough. There is no requirement on Local Authorities to engage and produce a Local Economic Development Plan or a Local Industrial Strategy.

We chose to develop this Inclusive Economy Strategy to set out the Council's strategic priorities on local economic development which will increase local prosperity and secure more community benefits from development and growth here so that everyone here can share in the successes of the local economy. It will focus our efforts on the work we believe the Local Authority is best placed to lead in our locality, in collaboration with local institutions, and our local community.

6. BACKGROUND

6.1 Policy Context

6.1.1 The wider policy context

There is a 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 and that this has allowed inequality to increase.

The national [Inclusive Growth Commission](#), hosted by the Royal Society of Arts found that to improve competitiveness and productivity, we need to focus more on investing in people and places and giving them a greater sense of ownership and control, progress social policy and invest in business development, alongside investment in physical infrastructure and take actions to reduce inequality and economic and social deprivation.

The Government's intentions, expressed in the [National Industrial Strategy](#) are therefore welcomed. There is a need to address underlying problems with the British economy, including productivity levels and uneven economic development between different parts of the UK, and also the need to prepare for a 'different' economic future, in direct response to the vote to leave the European Union. The responses are good as far as they go - improving prosperity in local communities, upgrading infrastructure, creating good quality jobs where workers earn more, encouraging innovation and creating the right environment to do business. The big challenges are the right ones: artificial intelligence, an ageing society, clean growth and future mobility. However the Strategy could focus much more centrally on reducing poverty and inequality, improving quality of life and move towards a greener economy as well as considering how the big challenges like automation and artificial intelligence might impact on job insecurity.

All Local Enterprise Partnerships are expected to develop a [local Industrial Strategy](#) and to agree this with Government by 2020. The Mayor of London is working with the Local Enterprise Partnership for London (LEAP) and stakeholders to develop a London Industrial Strategy by 2020. The proposed aims are welcomed as these consider how everyone can contribute to and benefit from the city's growth, with a focus on access to high quality learning, good work and fair pay, inclusive innovation and nurturing the conditions for good local growth. This builds on their existing 2017 Economic Development Strategy which sets out a vision for a fairer more inclusive economy that works for everyone. We will work with the GLA, neighbouring boroughs, regional partnerships and partners in Innovation Clusters in and around Hackney's borough boundaries i.e. in Shoreditch and at Here East in Hackney Wick to realise the wider opportunities for local communities here in Hackney that can flow from this.

6.1.2 The local policy context

The Hackney [Mayor's priorities for 2018-2022](#) focus on making Hackney economically and environmentally sustainable with strong, diverse communities; a place where everyone can feel safe in our town centres, local neighbourhoods and when they are at work. Ensuring our local economy is inclusive is central to the Mayor's vision for Hackney and therefore one of the biggest areas of focus for the Council.

The Council's [Community Strategy for 2018-2028](#) sets out a shared vision for Hackney over the next decade. While housing affordability remains a top issue, residents from all backgrounds and income groups are concerned about the fact that some sections of the community are excluded from the growing prosperity that we have seen in the borough and are very concerned about poverty and the growing inequality in the borough. Our response was to focus Hackney's Community Strategy on five cross-cutting priorities:

Community Strategy Priorities

1. A borough where everyone can enjoy a good quality of life and **the whole community can benefit from growth**
2. A borough where residents and local businesses fulfil their potential and **everyone enjoys the benefits of increased local prosperity and contributes to community life**
3. A greener and **environmentally sustainable community** which is **prepared for the future**
4. An **open, cohesive, safer and supportive community**
5. A borough with **healthy, active and independent residents**

These five priorities are all factors that help create a more inclusive local economy and there is also a specific commitment to produce a new economic development strategy focused on increasing local prosperity and generating community wealth here in Hackney.

Since we published the Community Strategy, we have gone back out to residents to gauge their views of the borough and have found that these are broadly unchanged from 2015, although satisfaction with the local area has fallen slightly. The vast majority of local people also still believe Hackney is a place where people from different backgrounds get along. Whilst the impact of crime on residents is generally low, its effects are felt strongly by those who are more affected and they are also more likely to feel more dissatisfied with the local area as well as integration and cohesion. More than half of residents are worried about falling victim to violent types of crime including burglary, robbery and knife crime. Opinions on the local economy – such as the availability and suitability of work in Hackney – have improved, as have views on equality of access to job opportunities. This is a positive shift to build on and shows the impact since 2016 of the work in this area, but we can't afford to be complacent especially in an ever changing economy.

6.1.3 Leading by example

Many of the challenges in the economy are beyond our direct control and are the result of globalisation and structural changes in the labour market. As part of our strategy we set out how we will use our influence, campaign and lobby to respond to the changing dynamics and opportunities that arise. We are committed to building partnerships with other public sector bodies locally and regionally to achieve this, as well as working with businesses, developers and landowners that operate across the wider region, but are active in Hackney.

6.2 Equality Impact Assessment

How the strategy supports Hackney's Equality Objectives

6.2.1 The strategy overall aims to focus the Council's economic development work on increasing prosperity and tackling poverty and inequality. It also aims to harness the efforts of everyone involved in shaping our local economy, to help create the right conditions for balanced and equitable economic development. By acknowledging some of the major challenges and potential tensions in the borough relating to economic development, the strategy also aims to protect the strong community cohesion here and to promote inclusion. The equality objectives are also built into the vision statement and inform the objectives set out across the strategy.

We have committed to co-develop a new set of metrics for the Inclusive Economy Strategy to help us track how the local economy is changing and consider what this means for our delivery work and to monitor and evaluate the impact of the programmes we deliver. This will be a practical tool which will also help improve local understanding about how poverty, inequality and community tensions relating to the local economy are changing.

We have included a set of 'Guiding Principles for how we will deliver the Inclusive Economy Strategy. These proactively encourage colleagues around the Council to work with people already on the ground to better understand local issues and community needs; also to engage and involve local residents, businesses, community and public services and other stakeholders and partners to co-develop, design, test out different approaches and deliver the key projects and work programmes in this strategy. This approach should help us build better reach to people who are disconnected from opportunities now and help build trust and cohesion in the process.

Throughout the document there are newer actions committed to that we consider will have a positive impact on increasing prosperity, tackling poverty and inequality and will promote community cohesion.

Specifically, the strategy supports the equality objectives in the following ways:
To tackle poverty: overall it commits us to achieving more balanced, sustainable economic development within communities and neighbourhoods across our borough.

To tackle disadvantage and discrimination that is linked to a protected characteristic: Strategic Priority 3 commits us to reduce existing disadvantages experienced by local residents in the labour market. It sets out how the Council will target our assets and resources to scale up employment and skills opportunities and extend these to more disadvantaged groups in the labour market, including disabled people, people in their 50s and 60s still of working age, younger people who are more vulnerable including former Looked After Children and migrants with limited English Language skills.

To build a cohesive and inclusive borough: by taking a community wealth building approach, the Strategy addresses some of the key threats to community cohesion:

social and economic polarisation, inequalities, feelings in different communities that Hackney is no longer for them. The Strategy seeks to achieve a more inclusive economy that not only benefits local communities but is increasingly shaped by local communities and values diversity.

6.3 Sustainability

6.3.1 This strategy actively promotes sustainable development. It recognises the value that small local businesses and social enterprises contribute to the local economy and to community life. It celebrates their contribution upfront in the vision statement. It also acknowledges the challenges local small businesses here face including the affordability of workspace and business rates, uncertainty about the impacts of Brexit and the challenges of trading on the high street. Most of the longer term outcomes and supporting actions under Strategic Priority two are focused on creating the right conditions for a diverse range of local businesses and enterprises to thrive and remain in Hackney and on making sure more of our local small businesses feel confident about their future here. Under Strategic Priority three, we have committed to exploring a range of practical ways we can better help young people in the borough to develop entrepreneurial skills and consider setting up their own business.

6.3.2 Throughout the strategy, promoting environmental sustainability is embedded as an essential element of an inclusive local economy. Our commitment to environmental sustainability is written into the vision statement. The Strategy actively recognises there is a Climate Emergency and restates that the Council is committed to doing everything we can to limit global warming to less than 1.5oC, to reducing emissions that contribute to climate change and to the decarbonisation of our economy. Under Strategic Priority 1, we have included a specific objective to 'promote improved access to transport and environmental sustainability in town centres and in poorer and disadvantaged neighbourhoods around our borough' and committed to a series of supporting actions as part of our Local Area Regeneration work. Under strategic priority 3 we acknowledge that Climate Change and urbanisation are amongst a list of major challenges likely to shape the nature of future skills, employment and enterprise opportunities here and that we need to better prepare for.

6.4 Consultations

6.4.1 There is no statutory requirement on Local Authorities to produce a Local Economic Development Strategy, we have chosen to produce this strategy.

6.4.2 In line with Hackney's Consultation Charter, we ran a formal public consultation on the Draft Hackney Inclusive Economy Strategy 2019-2025 between 2nd July 2019 and 19th August 2019. The aim was to add value and complement engagement which has already taken place, or is taking place on a local basis and to:

- a. test that the strategy lands well with residents, that nothing in the language and the framing of the strategy antagonises residents and to check for gaps in our approach
- b. use the engagement process to build a better shared understanding and broader support for on a series of key future commitments to help achieve an Inclusive Economy in Hackney
- c. Start conversations about how we measure the impact of the work planned using new metrics

In that time we:

- Sought feedback from the Council's Scrutiny Commission on Skills, Economic Growth
- Tested the vision, principles and priorities in the draft strategy with a resident focus group drawn from the Council's Citizens Panel
- Invited general feedback on whether the strategy made sense, on key gaps and invited suggestions for improvement through an online survey.
- Promoted the Consultation in Hackney Life and to stakeholders including Hackney's local business networks, Registered Social Landlords, Policy and Area Regeneration contacts in Neighbouring boroughs and the GLA.

How we have taken the consultation feedback into account

6.4.3 Following engagement and consultation on the Draft Inclusive Economy Strategy we made the following changes to the Final Strategy:

- Amended the wording for strategic priority three as residents found some of the language confusing
- Slight amends to the vision and principles to avoid jargon
- Made it clearer what the Hackney Works offer is for adults and older people - ie residents other than young people - through re-ordering the work we are doing /future work section. Added in a commitment to market and communicate the Hackney works offer to residents.
- Included a section at the end on ways we will implement the strategy and committed to publishing delivery plans and developing a communications and engagement plan - so it is easier for stakeholders to find out more about how to get involved in this work.

There were points raised that we have not been able to respond to in the final strategy. Some of these did not fit with the broad direction of this work, others would be better considered in the implementation phase. These include:

- Calls to include a summary upfront of all the key drivers - set out now in the context sections across all three sections of the Strategy.

- Calls to include aspects like community safety in the Final Summary
- Calls to include more details on how we will use the Neighbourhood element of CIL for this work
- General calls to include detail in this strategy on how we will deliver all this now
- Calls to consider transfer of assets to Community Land Trusts
- Calls to use the term Inclusive Growth
- Calls to have a much shorter vision statement - (1 Line)
- Calls for less focus on cycling and more focus on walkable centres and neighbourhoods
- Suggestions that we include commitments on encouraging flexible, high quality, affordable childcare
- Various suggestions on specific measures we could include in new metrics
- Offers to run workshops for local community organisations and businesses by Locality

There are more details in the Engagement and Consultation Report which will be published on the Council's Consultation Hub.

We are grateful for the input, insights and feedback already shared by residents and stakeholders which has helped shape this Strategy.

Throughout the Strategy we have emphasised that we are committed to working with our local community, local Institutions and stakeholders in the next phase of this work. We look forward to your continued collaboration, as we move to design, test and do the work needed to achieve this ambitious vision and these goals.

6.5 Risk Assessment

Financial risks

- 6.5.1. There are no direct financial implications for the Council from the Hackney Inclusive Economy Strategy. All activity delivered in response to it by the Council will need to be carried out within the Council's agreed budgets.
- 6.5.2 Senior Officers on the Council's Inclusive Economy Steering Group will be responsible for overseeing delivery of this strategy at the Council and for monitoring risks. This Steering Group will oversee any work undertaken to secure any additional funding required to implement the commitments made in the Strategy.

Reputational Risks

- 6.5.3 That terms such as 'Inclusive Economy, 'good quality work', 'community wealth building' and 'employment support pathways' are generally not well understood. Also that some of these terms and their meanings are evolving which makes them harder to understand. This means there is a risk that the vision, priorities, the rationale and

actions in this strategy are not well understood by staff in our own organisation, by partners or by the community; and as a result people do not engage with the delivery work.

- 6.5.4 Stakeholders flagged during the Consultation that the Council won't be able to achieve the kinds of change it wants to see in the borough acting alone. It needs to continue to openly acknowledge this. It also needs to actively acknowledge and credit other partners and the community for the role and contribution they make to this work going forward.
- 6.5.5 Senior Officers on the Council's Inclusive Economy Steering Group will be responsible for monitoring these reputational risks and for taking forward the actions set out in the equalities report to mitigate these including:
1. Developing a communications and engagement plan
 2. Developing a dynamic implementation plan and promoting case studies of how we are doing this work
 3. Developing a new set of metrics to monitor the Strategy
 4. Continue to use a broad range of community engagement techniques to give voice and listen to communities that are more disconnected from local opportunities as our economy changes through programmes including: [Dalston Conversation](#), Hackney Central Conversation, [Young Futures Commission](#), [Young Black Men Programme](#), Older People's Strategy work, King's Park Moving Together
 5. Developing a Poverty Reduction Strategy in parallel
 6. Implementing the Sustainable Procurement Strategy

7. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 7.1 This report recommends the adoption of the Hackney Inclusive Economy Strategy 2019-2025. The strategy itself outlines an ambitious and wide-reaching direction of travel, with an overarching aim to ensure that the benefits of economic development and progression in the borough are shared evenly across our communities, directly and indirectly.
- 7.2 From a financial perspective, members will be only too aware of the economic backdrop that Local Government now operates within. The progression of the Inclusive Economy Strategy has been developed, and will continue to evolve within, these financial constraints, meaning working within existing budgets. Service changes/new proposals will be considered taking into account, amongst other factors, financial implications.

8. VAT Implications on Land & Property Transactions

N/A

9. COMMENTS OF THE DIRECTOR, LEGAL & GOVERNANCE SERVICES

9.1 The approval of all corporate policies and strategies is reserved to the Mayor and Cabinet under the Mayor's Scheme of Delegation and therefore the Hackney Inclusive Economy Strategy 2019-2025 is submitted to Cabinet for approval.

9.2 The Strategy in this Report supports the commitments made in the Council's Community Strategy 2018-2028 which has already been approved.

APPENDICES

1. Inclusive Economy Strategy
2. Equalities Impact Assessment
3. Fairer Hackney Business Toolkit

EXEMPT

Not applicable

CONFIDENTIAL

Not applicable

BACKGROUND PAPERS

None

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