

Making the Local Economy Work for Hackney - Stakeholder Discussion

18th March 2019

Venue: Plexal, Here East, Queen Elizabeth Olympic Park, London E20 3BS

1. Introduction

There has been a political shift from talking about inclusive growth to inclusive economy. That recognises that growth is a dynamic in the borough and something we cannot stop. Inclusive economy is considering area regeneration, working with local business and employment and bringing all this together to think about what innovative work we can do in this area. The question is how do we make the different parts of the picture support an inclusive economy? Through this we will look at what we value in the economy and how we shape and support what is of value in the economy. This could include areas of challenge.

This session will enable the council to share their early thinking around employment and business particularly in relation to an inclusive economy. This session is a workshop with local organisations who have responsibility for these areas locally. The information from this session will contribute to the insight being gathered as the council develops their strategy. There will be formal consultation for the strategy once developed.

2. Inclusive economy for the local community

The London Prosperity Board (LPB) is a partnership between the IGP, government, businesses and communities. The London Prosperity Board aims to rethink what prosperity means for people living and working in London, and to test innovative new ways of creating sustainable and inclusive prosperity for London's neighbourhoods. The London Prosperity Board is focused on East London but part of a global network of similar boards looking at prosperity. This work has been developing over the last 2 years.

The Council's work to develop an inclusive economy has benefited from their involvement in the Board. The Board is hosted by UCL and the work has focused on East London due to the growth being experienced in East London and the Olympic Park.

The Board has been looking at redefining prosperity using a wider set of metrics than usually used to talk about success and economic success. In addition to looking at job creation and jobs created by businesses benefiting from the local economy. Its work widens out the set of measures to encompass a person's sense of belonging to an area - beyond the jobs created - their sense of economic well-being; to look at if they have benefited from them and their families. Whether they are working or not are they able to live on the income coming in and is their income enough. This then broadens out to look at health and wellbeing.

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When things are changing there is a strong link to a person's response to their sense of belonging and their sense of self and health. The Board's work makes the link between growth and health. This work has also looked at social networks in an area as it is recognised the changes can be a strengthening and cause displacement for communities. Hackney is now looking at measuring success.

It is recognised that measuring success is difficult. In response to this the Board has mapped metrics that are available from national indicators which can be drilled down to a local level and supplemented them with questions that they could ask local people in order to create a measurable index. The Council is looking at the principles of this measure to see what they could use to measure the success of the economy locally.

The work of the Board has been tested locally. Hackney Wick was an area selected by the academics. For Hackney Wick they talked to local people, looked at the national indicators that could be drilled down locally alongside quantitative survey work with households in the local area and qualitative research like focus groups. This provided a picture of where we were in Hackney Wick. This corresponded with the work done locally by Hackney Quest and the Council.

Council's Work

The Council has been developing its working understanding of an inclusive economy in Hackney. The working definition used is to ensure the widest range of people and places are able to contribute, participate and benefit from a thriving economy.

For this scenario to exist there needs to be fair access to economic opportunities. These opportunities need to be high quality whether they are through the Council's work or the work of local stakeholders and covering both business development and work opportunities. It also means recognising that some people will face barriers so it's not just about access to opportunities but removing the barriers too.

Another strand of work is reviewing the economy over all and looking at the balance. Balance in terms of each area and across the borough. To reduce the risk of polarisations either locally or in the borough as a whole.

The work of the spirit level highlights that inequalities is bad for everybody. In relation to the link between health and growth, it is recognised that it's not just about how individual's benefit but looking at how equal a place is.

The final strand of work is about community belonging. Hackney has a very strong sense of community belonging but recent research has highlighted that people want to safeguard this as the borough experiences rapid changes. There are particular groups that feel that the changes are not for them or being defined / procreated by them.

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The Council views Hackney's diversity as a strength for the borough. Therefore they are taking a strength approach by looking at the assets of an area such as creativity and diversity that makes an area. To consider how this is valued and can be protected.

In relation to this work the Council is considering what they can do in terms of delivery e.g. employment. What levers the council has e.g. the planning system or procurement. And critically how they can work with others to develop a shared approach that supports collaborations to go beyond what the council would usually control, influence or resource. This is an area that continues to go through change.

The council decided it was imperative to have a strategy and to do this work with partners. Not just in the local area but taking into consideration the borough is part of a global and regional economy. This makes this work more challenging and it can be impacted by various factors. Therefore the council needs to keep thinking regionally.

The group of stakeholders were reminded to ensure the work is sustainable and to consider if sectors such as the motor industry lose jobs like a car mechanic. What infrastructure would be put in place to ensure those workers are retrained. This work should include looking at the future roles.

3. Points from Group Discussions

i) Employment/Opportunity (Notes from Employment and opportunities group discussion)

Stakeholders - their priorities for an inclusive economy - what they want to get out of this opening discussion.

- New City College - wants an advisory board for employment
- Community Orgs want a narrative on how to talk to Young People and their families about the opportunities
- Small business networks - 300 SMEs - work on rents and rates - putting money back into training. This is constrained by rising rents and rates
- Procurement Service - interest to hear what could be done when we are working with larger contractors - if they can't offer apprenticeships - what other support / meaningful courses could they offer?
- Skills of the future - what would those look like - work with the Council on this
- Make sure those jobs are there for Young people to access
- Managing Director of Plexal - largest employers on the Campus - serious about the legacy goals and achieving them - could support the big corporates to achieve change
- Cllrs - Big picture - impact of automation - concern about meaningful jobs - in light of this
- Interested in how we ensure those more vulnerable residents also get access to decent opportunities - how we offer them meaningful progress into work.

Points from Group discussion

Outcomes we want to achieve - goals for an inclusive economy

- Residents are able to live, work and thrive in Hackney
- Residents from all backgrounds moving into high quality jobs
- Meaningful and dignified employment that pays a real wage or above
- Better jobs, more fulfilment
- Legal work opportunities more accessible in reach of all young people - more so than illegal routes to money making
- Effective sustainable systems in place for young people from all backgrounds to access meaningful, appealing and achievable work opportunities
- All apprenticeships under 25 paid adult rate - Fix wage above living wage
- Better health, improved quality of life
- Less poverty
- Increased happiness
- Multiple fully funded educational opportunities throughout life for all
- Do more to support people who have been out of the workforce for longer
- Increase the skills of people with low educational attainment
- Lessen the disparity of incomes between different groups - e.g. disabled people, BAME etc.

Intermediate steps along the way - (N.B. Notes in italics are Council officer's comments not the groups)

(Exposure and culture change)

- Programme of work experience in schools for yr. 10 and 12 up to 18
- Youth employment opportunities - summer holidays and weekend work opportunities - paid
- Employers to support placements, apprenticeships, T levels, supported internships
- Training in situ for employers around all this
- Collaborate more with residents to make and communicate decisions on all this
- Opportunities for local business owners to talk in schools - engage with them re work experience and careers info.

(Creating the right kind of opportunities)

- Business support and working with business to understand their skills requirements for the next 3-5 years
- Employers and educators to work together to tweak curriculum so that it better suits future priorities
- Skill the workforce for the future
- Understand the reskilling needed

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- Hackney population is set to grow - basic skills and ESOL and IT training remains free but the local offer needs signposting
- Pay a lot of attention to apprenticeships.

(Recognition of businesses that do engage - promotion of these opportunities)

- System in place to recognise and promote local businesses that offer all kinds of work opportunities to Young people (Inc paid work experience placements, P/T work, etc.)

(Wider Networks and partnerships)

- Support collaboration between businesses
- Define cross border collaboration e.g. LLDC, Tower Hamlets, Central Gov
- More cross borough collaboration - Olympic host boroughs
- Define macro and micro approach to job creation.

Enablers - What help are we going to need from others

- Self-sustainability plan
- Budget
- Create opportunities for people who are marginalised to connect with employers / businesses
- Involve people who are not normally around the table - parents, young people, workers, unemployed people etc. E.g. take the discussion - showcase the opportunities to parents evenings
- Try out more creative ways to engage people in this work and in conversations about future opportunities
- Keep thinking about who the information on the opportunities is for, consider talking to people where they already are in smaller groups
 - Think more about the role of grassroots groups when thinking about - who the information is communicated to, by who, how.
 - Lack of voice in this process? Workers voice? More creative opportunities for people to have a voice in localities around the borough?
 - Pay more attention to who is delivering info on opportunities to the community
- New City College needs an employer advisory board to support us to move towards Careers Hubs, rather than just offering courses
- Set up an Employment Advisory Board
- New City College – use the employer advisory board at the Hackney Campus to support curriculum change
- Young People, workers etc. to be part of the Employment advisory board
- Collaboration between business organisations (Federation of Small Businesses, East End Traders Guild, and local businesses in Hackney)
- Better engage the business community on this.

What is likely to constrain us?

- Wider Understanding of apprenticeship levy
- Businesses are not taking on young people
- Businesses won't take young people with salary restrictive
- Recognise the link between small businesses capacity to invest in employment training/opportunities with pressures on business rates and rents
- Resources
- Issues with existing cultures/attitudes on both sides - businesses and young people /other individuals - need to start to change people's views over time.

What changes do we need to lobby others for?

- Implementation of Socio-economic Duty
- Minimum wage lifted to living wage
- Equal pay audits and worker minimum rates
- To not discriminate on age
- Love our colleges - parity of esteem - funding for colleges
- Lobby for funding of small, lower level qualifications for adults - L2 and L3 loans
- Adequate resourcing
- Changes to what the apprenticeship levy can be used for
- Change the composition of employment tribunals
- Business value proposition
- Government enabled incentives and support for businesses which are offering opportunities to Young People.

Local actions to campaign on /push for

- Adopt national living wage borough wide
- Cross borough collaboration
- Teaching commerce in schools or partners with schools to teach employability and business skills
- Lobby business to create pathways to leadership positions.

What actions are we willing to commit to now?

- Hackney Community College to host event on the Apprenticeship levy / non levy / T levels
- Host events to demystify the process of offering placements
- Commit to further work to develop the Kite mark for businesses giving young people opportunities with relevant partners
- To continue to participate and contribute.

ii) Notes from Business/Enterprise Group

- Business start-up: Difficult to try to set up business - many barriers
- Fed of small businesses:
 - Communication between businesses and small businesses is very positive - meeting 50-60 small businesses
- Challenges - rising rent / rates - affordable workspace
- Parking / workspaces / getting procurement ready- more challenging for smaller businesses / businesses raising their profile / networking - time taken
- Online shopping is a threat / consideration
- Renaisi: Long established business perspective- employs about 70 people -
- Uncertainty about public sector contracts post Brexit - employability support is changing - client profile is changing - interested in more local suppliers
- Issues for social sector
- Here East - look to forge partnerships to support organisations based in building and to build links with the community
- LGA:
 - use university and higher education spaces
 - Local industrial strategy
 - Tourism levy / e commerce levy
- Anchor institutions - opportunity to work with hospitals / housing associations embed in the local economy
- Owner of garage in Haggerston - 30+ apprentices
- TfL - landlord moved business - increased rent from £22k to £80k.
 - Need protection - Hackney Council needs to look at what business does
 - JC Motors - petition

- Reference to social value - is key - BME and local businesses are there to add value to local area
- East End small business guild is campaigning on this
- Council is not taking social value seriously - community benefit - need to track the collective impact of businesses - Social Value Act. Can build this into contracts - want to see Council to do more on this
- Levers through planning policy - S 106 - Linked to development
- Community infrastructure levy - centralised - could get reductions in CIL- Council reducing CIL
- Brexit / online shopping - external factors
- Don't know what the next thing will be
- Land use - questions
- Tech sector - what is the next big trend
- Transport
- Cyber security
- Bridge gaps - education - work with the Council more strategically
- Building information modelling - e.g. 3D design / AI / AR

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- Innovation factory in Belfast - stronger connection between places where innovation is taking place / innovation hubs and the Council / public sector
- Monetisation of information - Hackney's role?
- Council has role as facilitator / convener - focus on people being left behind - being quicker and more flexible about how people are being left behind - digital inclusion - helping older people being more responsive to change
- Place leaders
- Constant reskilling - strategic role
- Large businesses can see 5-10 years down the line - businesses take responsibility - reskilling needs to be done to tackle inequality - socio- economic infrastructure - childcare is very important for example - make the most of people by more inclusive employment practices
- Timewise employer - Council can help
- Council as a place shaper - business rates
- Talked a bit nearer the end of the round table about upskilling our residents and digital skills and while that's mentioned in the doc there could be slightly more emphasis on it as a suggested route to creating a more inclusive economy.