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London Borough of Hackney  
Skills, Economy and Growth Scrutiny Commission  
Municipal Year 2019/20  
Date of Meeting Tuesday, 25th February, 2020

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

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<b>Chair</b>	<b>Councillor Mete Coban MBE</b>
<b>Councillors in Attendance</b>	<b>Cllr Polly Billington (Vice-Chair), Cllr Sam Pallis, Cllr Steve Race and Cllr Gilbert Smyth</b>
<b>Apologies:</b>	<b>Cllr Richard Lufkin</b>
<b>Officers In Attendance</b>	<b>Sonia Khan (Head of Policy and Strategic Delivery), Laura Parry (Senior Transport Planner) and Olga Vandenberg (Business Communications &amp; Engagement Manager, Regeneration Delivery Team)</b>
<b>Other People in Attendance</b>	<b>Councillor Jon Burke, Tim Page (TUC) and Nick Robins (London School of Economics and Political Science)</b>
<b>Members of the Public</b>	
<b>Officer Contact:</b>	<b>Tracey Anderson</b> ☎ 020 8356 3312 ✉ <a href="mailto:tracey.anderson@hackney.gov.uk">tracey.anderson@hackney.gov.uk</a>

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## **Councillor Mete Coban MBE in the Chair**

- 1 Apologies for Absence**
  - 1.1 Apologies for absence from Suzanne Johnson from London Borough of Hackney and Rebecca Newsom from Greenpeace.
  - 1.2 Apologies for lateness from Cllr Billington and Cllr Pallis, Members of the Commission.
  - 1.3 Apologies for lateness from Tim Page from the Trade Union Congress (TUC).
- 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 Cllr Billington declared an interest in relation to her being the vice chair of the advisory board of the Place Based Climate Action Network and secretariat of the APPG on sustainable finance. Both organisations work closely with Professor Robins and the London School of Economics Grantham Institute.

#### 4 Minutes of Previous Meeting

- 4.1 The minutes of the previous meeting held on 6<sup>th</sup> January 2020 were approved.

<b>RESOLVED</b>	Minutes were approved.
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#### 5 A Just Transition To A Greener, Fairer Economy in Hackney

- 5.1 The Chair welcomed to the meeting Nick Robins, Professor in Practice - Sustainable Finance from London School of Economics and Political Science (LSE); Cllr Jon Burke, Cabinet Member for Energy, Waste, Transport and Public Realm; Sonia Khan, Head of Policy and Strategic Delivery; Laura Parry, Senior Transport Planner representing Hackney Zero Emissions from London Borough of Hackney and Tim Page, Senior Policy Advisor, from the Trade Union Congress (TUC).
- 5.2 The Chair introduced the item by explaining that the Skills, Economy and Growth Scrutiny Commission (SEG) will be commencing a scrutiny review to look at Just Transition to achieve a fairer greener economy.
- 5.3 This discussion item was an introduction to the topic to help the Commission to identify the areas of focus for the scrutiny review.
- 5.4 The Chair asked all guests, to include in their presentation suggestions on the areas to focus for the Commission's review.
- 5.5 Each guest was given 10 minutes to present information in response to the questions sent out in advance of the meeting. This presentation supplemented the information provided in advance in the agenda.
- 5.6 In response Professor Nick Robins from the LSE provided background information about his work and in response to the questions made the following main points below.
- 5.6.1 The LSE has been working on just transition for the last 3-4 years.
- 5.6.2 The focus of his work for just transition has been on financing. They have been working with investors in relation to quality corporate pension plans and the role of banks. Looking through the lenses of finance and the role finance can play in a just transition. This work takes into consideration the UK system is very centralised and a disconnected financial system.
- 5.6.3 They have partnered with the TUC and produced a report called *Investing in a just transition in the UK - How investors can integrate social impact and place-based financing into climate strategies*.
- 5.6.4 The LSE is in a partnership called Place Based Climate Action Network. The work covers 3 cities Leeds, Belfast and Edinburgh.
- 5.6.5 Just Transition is in the Paris agreement. Therefore how this is achieved and the impact on workers is important.

- 5.6.6 For the LSE a just transition is making sure no one is left behind, vulnerable communities are protected and considering how they can deliver climate action with positive social impacts. Considering how the process and design of the transition can be in a way that addresses many of the social problems in our society.
- 5.6.7 The involvement starts with the interest of the workers. Thinking about industrial clusters and the impact on communities.
- 5.6.8 There needs to be consideration about the issues for consumers too, in terms of affordability and the wider issues for citizens.
- 5.6.9 There are also questions about small businesses who may be vulnerable to the transition but have limited access to finance.
- 5.6.10 In summary a just transition is about workers, communities, consumers, citizens and small businesses. All of whom often have limited market power.
- 5.6.11 Just transition is as much about justice in the green economy as well as managing the transitional arrangements. Ensuring the jobs created in the greener economy and communities being built are good and inclusive.
- 5.6.12 The new economy is very capital orientated. The spend focus on managing transport solutions or efficiency is more up front. Access to capital is a particular inequality. Therefore it is not just about the increase in consumption and expenditure but capital expenditure too.
- 5.6.13 Scotland has a just transition commission – this was recommended as a good source of information.
- 5.6.14 In response to the second question about why we need just transition. There are 3 broad reasons:
- a) Justice – it is the right thing to do. To consider the interest of the different groups in the transition. Tackle exclusion and inequality. They estimate 1 in 5 jobs will be impacted in some way by transition.
  - b) Demand – they estimate there will be increased demand for about 10% of jobs and decrease in demand for about 10% of jobs.
  - c) Industries - the 2 most expensive industries are transport and construction.
- 5.6.15 This work is necessary particularly in relation to the phasing out of household energy e.g. gas stoves. The committee on climate change has highlighted if for the distribution implications the people who could be affected by the transition were not included they should be involved in the transition support.
- 5.6.16 Just transition is seen as the smart thing to do. Thinking about, and anticipating the implications for skills, employment and households up front could lead to stronger, resilient and more productive economies. Some of the companies they have engaged with believe it could lead to healthier and stronger economies too. However, how much the wider community and businesses can be involved in decision making and be empowered is unknown. Currently the UK is poor at having these mechanisms in place.
- 5.6.17 In the last year just transition has moved up and taken centre stage in policy discussions. But at a national and government policy level there is still more to do – the networking design of net zero plans, industrial strategy, regional policy and skills. It was highlighted that one of the key recommendations from the TUC is to have a national level just transition stakeholder group. At a local level the LSE is interested in seeing how they bring together the different pieces of the policy covering inclusive economy, industrial strategy, growth etc.

- 5.6.18 There is a big role for businesses and trade unions in taking this forward, including thoughts about how to develop just transition agreements, contracts and the winding down of energy agreements. The visibility of this nationally is low and no big national energy company has signed up and pledged zero emission.
- 5.6.19 The question for local authorities to consider is are there big private executive institutions and anchor institutions that councils can partner with. Also to look at key sectors such as construction and transport and retrofitting rebuilds to meet housing needs.
- 5.6.20 On the investor side they have been working with local authority pension funds to recognise the need for just transition to be part of their responsible investment strategy.
- 5.6.21 Working with the British Banking Association has been positive. They too have recognised the need for the UK to make a success of the transition. Particularly in the context of the division across society in relation to financing. It needs to address the imbalance in regions. There needs to be thinking about where the finance can come from for things like housing refits or car fleets – this could involve banks.
- 5.6.22 In relation to best practice the council could look at the work of commissions in Edinburgh and Belfast. For finance the council could look at local authority pension funds. Highlighting the Greater Manchester Pension fund allocates approximately 5% of its assets to local investment. It was acknowledged the Hackney fund may be too small but London wide could be worth considering.
- 5.6.23 Also with investment it could be worth looking at medium abundance platform.
- 5.6.24 The areas recommend for the commission to focus on for its review were
- 1) SMEs – for SMEs there is a gap in terms of a strategic response and how a just transition links to the broader digital transition.
  - 2) Investors - are there areas that impact investor could be encouraged.
  - 3) Big employers and anchor institutions - could they be encouraged to sign up to a just transition agreement with their workforce and trade unions.
- 5.7 In response to the questions Tim Page, Senior Policy Advisor from Trade Union Congress made the following main points below.
- 5.7.1 For the TUC a just transition means a move away from an economy based on fossil fuel to one based on low or zero carbon emissions; implemented in a way that protects existing jobs or creates new jobs that are just as well paid and highly skilled as the jobs being displaced.
- 5.7.2 Most of the time the economy moves incrementally or makes small changes. The TUC explained this is one of those times in economic history when the economy is moving in a systemic way. These small changes usually affect the people at the sharp end but very rarely do they completely undermine the economy and create something new. However, occasionally there are changes like the invention of the internet and invention of the steam engine that completely change the way things operate. This transition is expected to change the way we operate over a number of years.
- 5.7.3 The UK will end its coal industry by 2025, this is 13 years earlier than Germany. Although the TUC is supportive of the move and pleased at getting there sooner. The officer pointed out most transition efforts have focused on the move away from coal but urged for the impact to be considered and to learn

from history. Highlighting the loss of the coal industry in the 1980s devastated communities. Hundreds and Thousands of people were displaced from jobs and the communities have never recovered. This is an experience we do not want to repeat. So in thinking about just transition is the speed necessary?

- 5.7.4 The TUC pointed out there are towns and communities built on industries that are going or gone such as coal, shipping and steel. The communication was, the market will provide a replacement but nothing has replaced the loss. So how do we meet this challenge? The officer highlighted the challenge should not be underestimated. The TUC acknowledge we are close to a real climate catastrophe and aware of the need to make real progress by 2030. But does it need to be zero carbon by that date?
- 5.7.5 The TUC confirmed its members who are in jobs that will be impacted by the transition are supportive of climate change action. Therefore the issue is not the change but how the changes are made is of concern.
- 5.7.6 In relation to a just transition the key areas the TUC's are highlighting are:
- 1) Government funding and investment. The TUC calls on government make investment to deliver the change through progressive taxation. Not through raising energy bills
  - 2) Establishing a cross party commission with unions, affected workers, industries and consumers. To talk about priorities, concerns and fears so they can be addressed collectively.
  - 3) Support for public services. This could be in relation to tackling extreme weather events or delivering greener public transport. Taking into consideration equalities because women are less likely to own cars and use public transport.
  - 4) New jobs being good quality jobs.
- 5.7.7 The TUC are advocating for workers to be at the heart of the plans being developed and talk to workers about the change to a greener economy or digital economy. It was explained there is a difference in the attitude of workers when this is done to them in contrast to with them. The officer pointed out for a local authority it is critical to work with your trade unions and include their voice to help shape and raise concerns.
- 5.7.8 The TUC highlighted transition agreements. The officer pointed out a company in Germany called Air Bus has developed a transition agreement. The TUC has talked to them about their transition agreement. Their agreement covers digital technology which they shaped with their unions. Having a transitional agreement to shape change is important.
- 5.7.9 For just transition the single most important factor is skills training because new jobs are created and workers with the skills are needed. Historically they have noticed existing jobs tend to transition. So workers have some of the skills to do the new job but not all of the skills for the new job. Therefore workers need the skills training to do a full transition to the new jobs. The TUC is highlighted the need for lifelong learning plans and a personalised budget for training. The officer informed the Commission the UK has piloted this previously but it was not successful. However international evidence suggests this was due to the design of the accounts not the concept. In Finland this works very well and the Organisation for Economic Co-operation and Development (OCED) has evidence to support this concept. Proper funding for adult education is critical. The TUC is campaigning for this to be considered as an option and for workers to have mid-year career reviews. The TUC is also asking for workers to have

access to a professional to talk about how they might shape their career as a result of industry change.

- 5.7.10 New jobs need to be good quality jobs. The TUC pointed out the existing jobs in the fossil fuel sector are good well paid job that have good skills policies, good pensions and recognised unions. The TUC has observed a large proportion of the new jobs being created do not match this standard. The TUC is asking for caution and urges that we do not just blindly support the transition to a green economy and assume the new jobs will be good jobs. They want to ensure we do not settle for bad jobs because we want to transition.
- 5.7.11 From their engagement with a climate change committee the TUC advised they suggested a whole economy approach to achieve net zero carbon by 2050.
- 5.7.12 If this is going to affect the whole economy it will have an impact on life styles and public services.
- 5.7.13 The early focus has been on power, energy, manufacturing and transport. The TUC were asking for consideration to be given to the sectors that might feel remote too. Pointing out if the whole economy will be affected this means all the unions will have a part and be affected too.
- 5.7.14 The TUC agreed that procurement was an important area for just transition. The TUC highlighted there is flexibility in procurement rules. The resistance to using this area has been by the Government rather than the rules stopping this from being used in the past. The Government's focus has been to push for the cheapest and lowest value. The procurement process allows for flexibility for and enables local authorities to request for skills training, equalities or green procurement to be part of the contract.
- 5.7.15 It was acknowledge that they cannot have a large number of requests in the contracts restricting a company from bidding for the contract. However, procurement rules can be used to help shape this discussion.
- 5.7.16 Climate change is the biggest challenge the world is facing and we can make change and have an impact. The TUC pointed out without their work and lobbying to push for 2050 they would not have this as a target. The TUC urged the Commission to use their voice to push forward this agenda and find common objectives. Really pushing the government on this agenda was an important part of the conversation too.
- 5.8 In response to the questions Cllr Jon Burke Cabinet Member for Energy, Waste, Transport and Public Realm from London Borough of Hackney made the following main points.
  - 5.8.1 This work is taking place across a wide range of service areas such as housing, waste, transport, street scene, education etc.
  - 5.8.2 The Cabinet Member explained he outline the position prior to 2018 and then highlight the transition work they have undertaken since 2018.
  - 5.8.3 Hackney Council passed a climate motion in June 2019. This is the only climate motion in the country. The Council is working towards achieving 45% decarbonised emission against 2010 levels by 2030 and zero emission by 2040. The Council has set these targets to assure itself it will be ready to meet the Government's target by 2050.
  - 5.8.4 The Cabinet Member outlined some of the work public realm services has undertaken.

- 5.8.5 In relation to energy he agreed with the previous speakers about using procurement to shape the transition. He informed that Hackney was using procurement through its sustainable procurement strategy. Explaining this strategy enables the council to take account of the environmental and social elements of the procurement process. It was highlighted through housing for new developments any housing with gas has to be approved through the Council's Cabinet Procurement Committee. This was an example of how the council was using the procurement process to help shape the market in terms of the environment, built development and moving towards decarbonisation.
- 5.8.6 The Cabinet Member highlighted the council has re-procured a large section of the whole sale energy used as a local authority - this included their primary schools. This has enabled the council to switch to 50% renewable electricity on 1<sup>st</sup> April 2019. As of April 2020 this will increase to 100% renewable electricity through renewable energy guarantees of origin. This should enable Hackney to identify the facilities from which its electricity is being supplied.
- 5.8.7 The Cabinet Member highlighted local authorities procure in the region of £250 million pounds worth of energy each year and Transport for London consumes 2% of England's electricity. This provides the potential for London to help shape the energy markets. Changes to local authorities and TfL's energy usage could signal to the market that they want more of this energy form and this could help direct investment into the sector. Therefore if council's engage in power purchase agreements, this would show that their consumptions has helped to precipitate the development of renewable energy facilities and the creation of jobs. This will not only support job creation in the manufacturing of components but also in electrical maintenance, installation etc. They could ensure contract agreements adhere to a union standard for industrial projects.
- 5.8.8 The council has also created an energy services company. This company does not currently have a supplier but the aim is to support the transition away from combustion engine vehicles on residential roads to the rapid roll out of electric vehicle charging infrastructure in Old Street.
- 5.8.9 The council is working towards thermal efficiency as recommended by the Government for its corporate building and housing stock (the Council owns 50% of the social housing stock in the borough). The Council has also announced its Hackney Green Homes programme for private developments and it has an energy efficiency programme for its existing housing stock. This covers roofing, cavity wall installations, pilot programmes for heat projects and hydrogen fuel for larger properties.
- 5.8.10 The council has recently conducted a consultation with old street properties to look at restricting residual waste. The aim being to a) reduce the amount of black bag waste that goes through the incineration process and b) to drive a larger proportion through the recycling process.
- 5.8.11 The Cabinet Member pointed out the recycling process is more labour intensive. There were more staff working in the recycling plant to separate out waste for the recycling than the incinerator plant.
- 5.8.12 The Council hoped this would have a broader impact on the economy. And by undertaking a feasibility study looking at the processing of all the recycle outlets within the UK domestic economy; they could help to avoid the shipping of waste material abroad and the ethical implications of shipping waste to other parts of the world. Achieving this could help stimulate demand for the facilities in the UK. Although it was highlighted that these facilities need to be more broadly

distributed particularly into areas that have seen a loss of skilled jobs, whilst reducing the carbon intensity of the waste system.

- 5.8.13 The above mentioned work is also supported by a range of actions the council is taking via its Recycling Deduction Plan. This plan has been approved by GLA. The actions aim to maximise the benefits of transition to low carbon.
- 5.8.14 In regards to transport emissions and the transport sector the council has 25% of Hackney's vehicles at zero / low emission. The remaining vehicles are European standard e submission vehicles or compliant petrol vehicles. The Council's procurement process continues to secure the highest standard of low level emission for its vehicles.
- 5.8.15 It was acknowledged whilst there are particular challenges with the construction industry and decarbonising its functions. There were opportunities to decarbonise some of the functions of the industry. With the right regulatory environment and market stimulation they can help change the industry and improve the air quality of cities.
- 5.8.16 It was highlighted that although there is concern about the jobs of taxi drivers being impacted by the environmental policy changes. In his view this sector was at more risk from automation changes than climate change. The Cabinet Member explained if the market is constructed correctly with cleaner public transport and less vehicles on the road there should be a market for private hire vehicles and taxis. The Cabinet Member informed the Commission in terms of the distribution of emission from the land transport sector only 16% comes from commercial or light good vehicles, 83% of emission comes from private car use. Therefore addressing the latter use is central to reducing emission and improving air quality.
- 5.8.17 The UK's departure from Europe may give the UK more latitude to decide how the automated industry in this country could be structured and use the demand from public sector bodies and commercial organisations to deliver zero emissions solutions. This needs a regulatory environment in which the auto industry is reoriented around addressing the social needs of a vehicle use than private needs.
- 5.8.18 The Cabinet Member acknowledged we cannot escape that there will be a low carbon transition. Pointing out that the transition can be just and deliver a sustainable level of prosperity or it could be disorderly, chaotic and precipitate the collapse of the international capital system.
- 5.8.19 The scale of transition means looking beyond the UK to consider the reduction of emissions across the world to avert the pending climate change disaster. It was pointed out decarbonise richer economies was difficult.

## 5.9 Questions, Answers and Discussions

- (i) **Members referred to the comment about community involvement and enabling all members of the community to have access to the consultation. Members asked how important it was for businesses to work in partnership to development community projects.**
- (ii) **Members acknowledged that local government has a big role to play in ensuring just transition at a local level. Members referred to having access to finance and asked about the current options and future options**



for support, to help local authorities gain access to finance to drive the changes locally.

- (iii) **Members referred to the 2 sectors most vulnerable to a just transition (transport and construction). Members commented a just transition was heavily focused on carbon intensive industries and geography. However for a community like Hackney construction and transport happened everywhere. Thinking specifically about the local authority's role in shaping markets through: procurement, supply chains, skills provision, commissioning or in setting a framework for it to happen. What is the role for the public sector i.e. local government to ensure that the transition is just?**

In response the Professor from the LSE advised there is huge interest in the participation of the community in place based initiatives. Therefore developing widely shared tools that enable this to happen will be important. In Leeds they have developed a citizen's jury process as well as the assembly process nationally.

In relation to access to financing there are a number of different loans local government can draw on like community municipal bonds. There will be proposals put forward from the London Sustainability Development Commission calling for a London wide financing facility that has a focus on just transition.

It has been acknowledge that broadly there are institutional holes in terms of financing in the UK. There is the national investment bank but the UK will be losing access to the European investment bank and the investment fund which has shaped some of the pioneering initiatives in the UK.

The image of just transition has been of coal mines and industrial regions. But when consider just transition it needs to look at other areas like transport too.

The Professor from the LSE was in support of the idea to use procurement to drive a just transition. Particularly in procuring energy services to cover working conditions and having responsible contractors.

The question the Professor raised with the council was what role social value has in making a just transition right.

- (iv) **Members referred to the point on page 148 about SMEs not taking up funds to upgrade for energy efficiency and the demand for loans to finance carbon reduction. Members asked what the barriers the LSE has identified in its work and the role of local authorities in addressing the matter.**
- (v) **In relation to making the business case to businesses. Members asked for advice on what they should ask from the larger business in the borough to help the transition and provide support to SMEs. Members commented it was important to make the business case to companies and stakeholder to enable the move towards more greener and sustainable business practices.**

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In response the Professor from the LSE informed the Commission Nationwide Building Society had launched a top up service for customers with a Nationwide mortgage giving them access to capital for green purposes at the rate of 1% in comparison to the normal 1.5%. The building society has expressed concern about the low take up. Lloyds Bank also has cheaper loan rates for businesses and again the take up of the offer has been low. Their dialogue in Birmingham has revealed that having a standard offer may not reach all sections of the community. The thought is there needs to be trusted intermediaries. Specifically trusted by different sections of the community and thinking through solutions; particularly for SMEs because they have limited and can only endure limited disruption to their business.

Banks (the major banks) could have a broking role and sign post to reputable suppliers. This could be a service that banks offer. In essence the offer of capital does not seem to be enough to encourage uptake.

In relation to the request from big corporates, the Professor pointed out having a regulatory risk based approach to finance would be insufficient and could build more issues. Banks could opt not to lend to SMEs in that sector because they anticipate the sector will decrease and there is a high risk of having stranded assets.

Therefore having a dialogue with big employers who have supply chains deep into the community could be beneficial. Pointing out taking a risk based approach and withdrawing from suppliers that do not meet their standards could stall the work of new innovation coming through. There needs to be partners that will think about the future too.

There also needs to be more dialogue by big organisations about just transition. The Professor explained the only company he has witnessed doing this is National Grid. They have talked about the need for transition to be fair and equitable. There needs to be more statements by big organisations about carbon reduction and how they will work with the workforce and the community. This would be a breakthrough.

- (vi) Members referred to the TUC's definition of just transition and pointed out Hackney has wards with residents who are not skilled and feel left out of the economy. Members agreed with the need for lifelong learning and suggested just transition should be used as a catalyst for pushing skills training. Members pointed out the future workforce will no longer have the same job for 30, 40 years due to technological advancement and the way we operate.**
- (vii) Members asked what the local authority could do with the school system to encourage schools to ensure young people leaving the education system have the skills to engage in the new economy.**
- (viii) Members commented the stakeholders involved in the just transition are starting to think about whole system change. However businesses are less likely to be thinking that transformative. Also union members are more likely to encounter employers who talk about their role involving saving paper rather than talking about transforming the whole system and their business model.**

- (ix) **Members asked for the TUCs thoughts on the trade union's role in the dialogue about whole system change, taking into consideration their role in protecting jobs and the terms and conditions. Member enquired about the trade unions role in the transformative change process.**
- (x) **Members pointed out there are people in the workforce that have not been in a training session for several years. Members asked what process is needed to support people who still have 20 years of work ahead but are facing the greatest skills shift.**

In response the Senior Policy Advisor from the TUC explained good trade union work has created good jobs. He pointed out people who work in gas industry have good jobs and that is the standard they are aiming to achieve for the transition. However, the TUC does recognise a large number of people working in the economy do not have good quality jobs. The TUC is not certain the current climate change discussion would improve poor quality jobs.

The TUC's definition of a good job is one that is a formal apprenticeship, has recognised union employment and collective bargaining to ensure good pay and high quality skills. Also one that gives trade unions a role in shaping those skills.

There is a lot of dialogue about soft skills (mainly in the digital transition) such as problem solving, communication and creativity. The TUC suggested this may be an area for schools to think about. The TUC could not confirm how involved and engaged schools were in this area.

In a borough like Hackney that has deprivation, thought should be given to creating an agile economy that demands those skills and creates quality jobs.

The TUC explained the unions protect their workers and they are social activists for change. Therefore sometimes they are defending their workers and other times they are pushing for social value change to create a different world. These 2 areas come together for climate change.

In relation to the trade unions role the TUC pointed out research suggests 80% of people displaced by climate change will be women. Conversations about climate change in the UK has focused on zero carbon by 2050 but their dialogue about this in the south is a very different conversation.

Trade unions have a dual role and will advocate for whole system change and creating a different type of economy for the UK or globally.

- (xi) **Members asked about the Council's role to support workers who have the skills for their current job but may be at risk from the biggest skills shift to the new jobs created.**
- (xii) In response the Senior Policy Advisor from the TUC advised the council and trade unions role is ensuring there is skills training by using the industrial strategy and lobbying government to try to create new opportunities in those areas.

- (xiii) In discussions Members agreed a just transition needed a human approach.**
- (xiv) Members asked for clarification about the content of a just transition agreement. Members asked if the transition agreement centred around how they will it operate or if it aimed to ensure an employer will link the employee with another employer and pay for your skills training to acquire the job if they cannot employ the person.**
- (xv) Members referred to consumerism, departmentalisation of our economy and the green growth agenda. Members asked how we can grow for good when we remodel to a green economy. Members also enquired how they can ensure eco-socialism is able to thrive. Members pointed out that currently we have a capitalist model which is resistant to whole system change, so asked how do we work within that and grow for good.**
- (xvi) Members asked what advice the TUC would give to Hackney in regards to the Council's journey in this policy area.**

In response the Senior Policy Advisor from the TUC advised for transition agreements the focus has been on skills, employment security, job redesign and the possibility of sharing workers.

- Skills - is skills for new opportunities within the company
- Job redesign – redesign forms part of the solution because sometimes the whole job is not displaced but part of the job. Doing this the organisation can restructure to maximise the number of jobs and use natural wastage.
- Employment security – this has been achieved in innovative companies where the management and unions decide what employment security means. However this does not necessarily mean a job for life.
- Share workers – This is not common but has been achieved by a company called Air Bus in Hamburg. They employ thousands of workers but also experience peaks and troughs in demand, so there are times they share workers. This can involve borrowing workers and loaning workers depending on demand. Although this does require innovative management to make it work.

The TUC urged the Council to have a dialogue with the unions to decide what a transition agreement should be.

It was pointed out there have been debates about if GDP is a great measure for the economy taking into consideration pressures such as fast fashion. However he agreed there should be conversations about consumerism and the level of consumerism in society.

The advice to the council would be to think about their procurement policies and to make them just transition friendly.

- (xvii) Members enquired about SMEs and how the Council is using its levers around procurement to support them?**
- (xviii) Members referred to large construction projects in Hackney and commented an estate in Hackney is moving to a district heating system**

**that is gas based. The borough also has a reasonable number of cross laminated timber buildings but primarily our buildings are concrete based. Therefore taking into consideration that concrete is one of the biggest CO2 emitters to the atmosphere. Members asked what the Council needed to do and if it needs external support (regulations or regulatory framework) to reduce the carbon foot print for construction projects.**

In response the Cabinet Member for Energy, waste, transport and public realm from London Borough of Hackney advised the next development in the Council's housing programme will be in cross laminated timber. However the following development will not be from the same material. The Cabinet Members explained although the council has a desire to do more house building with cross laminated timber. Post Grenfell the steel industry and concrete industry used regulation to significantly restrict the amount of timber that could be used in construction in the UK. The Cabinet Member pointed out this regulation needed to be changed and encouraged the unions to lobby government to get this decision reversed.

In terms of supporting SMEs the Council's sustainable procurement strategy gives them flexibility to work with small business and help them through the tender process. The Council recently procured a maintenance contract with a local SME as opposed to a poor performing national operator.

The Cabinet Member referred to the Council's indirect role in sustaining the local economy and advised the more private vehicles they could remove from the streets of Hackney would encourage people to stay within the local area and spend in local shops; thus boosting the local economy. The Cabinet Member pointed out Hackney is the only borough in the UK that has not seen a net decrease in license premises within the local community. The reason for this is that Hackney has more cyclist, more pedestrians and more people using the facilities within the local economy.

**(xix) Members asked the Cabinet Member for his view on what the Commission should focus on for their just transition review.**

**(xx)** In response the Cabinet Member for Energy, Waste, Transport and Public Realm from London Borough of Hackney recommended the Commission focused on how some of the new municipal entrepreneurial venture work could be advanced. Thinking about the commercial waste scheme and Hackney Light and Power Company the Commission could consider how they can stimulate demand for low carbon jobs and use its innovative green infrastructure programmes to train up new the generation. Training horticulturalist to encourage diversity in this sector and develop leaders in the field of green infrastructure for Hackney and the UK.

In relation to the above question the Head of Policy and Strategic Delivery referred to the Council's municipal energy company and recommended looking at where there were opportunities to further maximise from the democratising of energy through job creation. The officer explained the Council was currently considering a whole economy approach, reviewing the Hackney skills plan and looking at how the council is preparing for future skills; taking into consideration the risks and opportunities.

There was also the area of local businesses and considering the opportunities and challenges for businesses moving towards more sustainable business practices. The Commission could look at what business support and intervention would be needed. Pointing out the borough needed businesses not only to complying but fundamentally change their business practices.

The officer suggested looking at investment too. In relation to access to finance, pension investment, their relationship with banks etc. They are currently investing in energy efficient schemes but is there more they could do and is there a London wide request we should be lobby for.

**(xxi) The Chair commented the information at the meeting was giving a steer for the review to focus on employment, skills, business, financing and investment.**

**(xxii) Members commented all service areas need to understand that decarbonisation will impact all services and the way the council performs its duties. Members pointed out the responsibility for this policy are was the sole responsibility of the Cabinet Member for Energy, Waste, Transport and Public Realm but needed a whole council approach. Members commented talking about service design in adult social care would be the responsibility of adult social care. Therefore all staff needed to understand that the decarbonisation of their service is an intrinsic part of their responsibility. Highlighting the Commission's scope for the review would need to express this was cross cutting.**

The Head of Policy and Strategic Delivery confirmed the Council is currently having these conversations with group directors. The officer pointed out this was also about the skills challenge. Not just in relation to green skills but generically too. Commissioners would need to get smarter and the Council would need to build this into all jobs; particularly at a leadership level, like they did for the equalities duty. Acknowledging there are challenges but and opportunities too for the whole council to get smarter.

**(xxiii) The Chair thanked all our guests for attending and giving evidence at the scrutiny commission meeting.**

## **6 Skills, Economy and Growth Scrutiny Commission 2019/20 Work Programme**

6.1 The Chair introduced this item and advised the last meeting for the Commission would be 25<sup>th</sup> March 2020. The Chair pointed out the Council would be entering purdah on 23<sup>rd</sup> March 2020 for the GLA elections. However the Commission will still meet to discussion and agree the Commission's draft report '*Making the Local Economy Work for Hackney*'. The Chair advised the report would be circulated to the commission Members for comment prior to the meeting.

6.2 The second item for discussion would be a recap of the night time economy discussion to consider the information gathered and agree the next steps.

## **7 Any Other Business**

7.1 None.

**Duration of the meeting:** 7.00 - 9.05 pm