

London Borough of Hackney Skills, Economy & Growth Municipal Year 2020/21

Date of Meeting: Monday, 25th January 2021

Minutes of the proceedings of the Skills Economy and Growth Commission's meeting held virtually at 19.00 hrs

Chair Cllr Mete Coban

Councillors in

Attendance CIIr Polly Billington (Vice Chair), CIIr Steve Race, CIIr Gilbert

Smyth, Cllr Sam Pallis, Cllr Richard Lufkin, Cllr Guy Nicholson,

CIIr Carole Williams.

Apologies: None

Officers in Attendance: Timothy Upton (Scrutiny Officer)

Other People in

Attendance

None

Members of the Public None

YouTube link https://www.youtube.com/watch?v=DQFaitJvoGk

Timothy Upton

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Councillor Mete Coban in the Chair

- 1 Apologies for Absence
- 1.1 No apologies for absence.
- 2 Urgent Items / Order of Business
- 2.1 There was no urgent business and the order of business was as on the agenda.

3 Declarations of Interest

3.1 There were none.

4 Minutes from Previous Meetings and Matters Arising

- 4.1 Chair advised that minutes from the previous two meetings need to be agreed (23rd of November & 29th September)
- 4.2 Cllr Pallis requested the scrutiny officer make 2 amendments to November's minutes, one being at 6.1.1, the text should read "a reduction in the controlled parking hours to Cazenove Ward", and the other being at 6.12.1 the text should read "seek to reduce bus lanes"
- 4.3 Both sets of minutes were agreed.

4.2 – Scrutiny officer to make requested amendments to November's minutes.

5 Update on Statistics Relating to COVID

5.1 chair advised that these statistics were not available at the time of the meeting, but as a recurring item, the statistics would resume as of the next meeting.

6 Cabinet Question Time

- 6.1 The Chair welcome Cllr Williams & Cllr Nicholson to the meeting and requested that all members present introduce themselves for the benefit of anyone watching the meeting.
- 6.2 The Chair requested that each cabinet member present give a brief update regarding their specific portfolios.
- 6.3.1 Cllr Nicholson advised that the local economy has followed the wider economy in continuing to struggle since lockdown. It was advised that 1/3 hospitality businesses are in the country are still trading, and a distinction was made that the other 2/3rds are simply not trading as opposed to definitely 'out of businesses'.
- 6.3.2 Cllr Nicholson advised approximately 4-5 million people are in receipt of furlough down from around 9 million.
- 6.3.3 It was advised that there are still sectors falling outside of the country's gradual journey toward reopening, and that a large amount of business within the sectors that are opening-up more slowly, such as service sector related industries, can be found within Hackney.
- 6.3.4 Cllr Nicholson advised that the council has attempted to make sure it is supporting businesses where possible both in monetary terms and in terms of lobbying power.
- 6.3.5 It was advised that the council must be mindful of what kind of action to help is

- possible, whether its continuing in action to reduce business rates, and whether different approaches are needed for different sectors.
- 6.3.6 Cllr Nicholson advised that all the major supermarkets have paid their business rates, essentially refusing grants and subsidies. This was cited as an indicator that some sectors are thriving in contrast to the businesses struggling.
- 6.3.7 The importance of continuing development of digital infrastructure in the borough was made clear, particularly when considering the survival of businesses, jobs, and educational paths for residents.
- 6.4 The chair opened the meeting to questions.
- 6.5.1 The chair posed a question asking for an update on what sort of effect the recent cyberattack has had on the commissions remit, and whether the business rate relief implemented by the council would continue beyond the initially stated 12-month period.
- 6.5.2 Cllr Nicholson advised that the exemption of the payment of business rates is a question that has been posed to central government, but a reply is still awaited. It was recognized that many businesses are calling for an extension to this holiday, that the council is continuing in its lobbying efforts where possible, and that a further announcement was expected in March. Cllr Nicholson advised the commission that it was still something they could focus their efforts on at this stage.
 - Cllr Nicholson advised that the mayor has been lobbying the chancellor to extend the businesses rates programme, but nevertheless calling for a rolling programme of grants to be delivered over the course of the coming 4-5 months is necessary due to the sheer number of businesses unable to open at all, as well as the various issued with reopening (supply issues, financial outlays to reopen).
- 6.5.3 Cllr Nicholson advised that as the cyberattack is still subject to a criminal investigation, it is important to be mindful that there are still many unknown details about the situation but acknowledged that the setback for various departments has been profound.
 - It was advised that there is no personal information at risk, and that the potential for fraud is minimal or non-existent.
 - Cllr Nicholson advised that the business rates team is on schedule to deliver its work, and that funds received from the treasury are under instruction to be allocated to businesses with nothing returning to the treasury, regardless of the cyberattack.
- 6.6.1 Cllr Pallis posed 2 questions, asking firstly about the arts sector. Cllr Pallis asked for further information about how that sector is being supported, and for further details around the Cultural Recovery fund, specifically to include what is being done to support sole traders operating in that sector.
- 6.6.2 Cllr Nicholson advised that the council has been proactively supporting business in this sector in their applications to the Cultural Recovery fund. It was clarified that personal endorsements and letters of support to accompany applications are

common methods of support.

It was also advised that the council's relationship with Arts Council England remains strong, noting that the Hackney Arts of Cultural strategy that Cllr Pallis contributed to is being used as an example of good practice by them, thanking Cllr Pallis for his contributions to that work in the process.

- 6.6.3 Cllr Pallis asked, in relation to CIL, how the proposals to change how the levy operates with affect the council's policies around the levy and how that will change the metrics at a local level, and whether that changes the dynamic at play.
- 6.6.4 Cllr Nicholson advised that progress in terms of where Hackney's neighborhood CIL has arrived at in terms of reshaping itself like a 'culture fund' is noteworthy, and that the next draft paper to do with CIL's is imminent (February). It was stated that the mayor is keen to deploy this neighborhood CIL sooner rather than later, noting that the prediction for its implementation is early summer. It was suggested that the CIL will augment the funding practice already in place, and to run tandem alongside and compliment the Cultural Recovery fund.

Cllr Nicholson advised that CILs can continue to be discussed over coming months as the paper is rolled out, should it be of interest to the commission.

Cllr Nicholson advised that in terms of the government's planning reforms white paper, the general idea is that planning game will be effectively centralised through central government, and that planning game would bypass the local level. Little indication was given in the planning reforms as to how this would be arrived at, but that the principles of investing in infrastructure or CILs explicitly appear in the aforementioned planning reform white paper. It was noted that the council did object to this proposal, and that the current legislation protects existing sums of money already collected from being requisitioned by central government at a later date when the planning reform comes in.

- 6.7.1 Cllr Race asked to what extent the council is able to monitor in real time the health of the local economy since pandemic, and coming out of that, whether there are areas of particular concern, and what plans there are to support these areas as the economy emerges from lockdown.
- 6.7.2 Cllr Nicholson advised that several recommendations from the commission's previous discussions around local economic review hinge on establishing some kind of resource to monitor the local economy's health more closely. It was stated that national statistics are useful but limited when considering the local landscape.

It was advised work to look at Shoreditch's economy has been commissioned in order to better understand the area's economy. The results of that work will be available in several months' time and will provide an opportunity to reflect on the strengths of the observation tools and to consider whether or how to roll them out more widely across the borough.

Cllr Nicholson advised that the borough must align itself with local business organisations such as Hackney Federation of Small Business and the East End Trades Guild to help the council get a decent view of the local economy until better observational tools are available. It was advised that the number of business receiving updates as part of the Hackney business network is

increasing.

It was noted that evolving this tool and scrutinizing its use would be a useful point of the commission's focus in future work programmes.

- 6.7.3 Cllr Race posed a supplementary question asking whether sentiment is being measured as well as more quantitative methods, clarifying that some companies which are ready to restart their business as we come out of lockdown may not be that distinct from companies looking to cease trading if sentiment is not factored in.
- 6.7.4 Cllr Nicholson requested to be allowed to take the question away and respond at a later date.

ACTION:	6.7.4 – Cllr Nicholson to respond in further detail around
	sentiment monitoring at a later date.

- 6.8.1 Cllr Smyth referenced the City of London Corporation's draft of their 5-year COVID-19 recovery plan, asking whether Hackney will have a post-COVID 19 recovery group or taskforce, whether 'the infrastructure of tomorrow' (such as resilient broadband, universal broadband, AI, flexible office space, renewable energy) will be looked at as a subject of investment.
- 6.8.2 Cllr Nicholson suggested the commission reflect on the distinction between 'recovery' and 'reopening', stating that the restoration of the economy has been the council's goal. Cllr Nicholson advised that for businesses facing closure or potential closure, finding the support for them will be crucial and is possible to be more proactive beyond lobbying, but only where it has an appropriate lever over it.

Cllr Nicholson advised that the variance of opinion across business and political minds is so great, that the right approach toward recovery is not clear, but stating that the redesigning and reengineering of Hackney's spaces is a great opportunity.

Referencing the Square Mile, Cllr Nicholson observed that looking at that as a space for small business, and the thinking of the City of London Corporation, suggests that the culture mile will be a source of new ideas in arts & tech and economy around the arts. The close working alignment with the corporation will be crucial but it was also cautioned that the corporation has historically been misunderstood as a home for very large institutions only, and that they are also the largest cluster of small businesses in London. Cllr Nicholson advised that as an incubator of talent and economic development, that their rethinking of their own policies, their planned movement toward a more diverse model, particular with the square mile, is something to be supported by the council.

6.9.1 Cllr Lufkin asked whether Cllr Nicholson has a sense of how many hospitality businesses are actually closed for good as opposed to simply closed during lockdown, what percentage of hospitality businesses in the borough that represents, and what will happen to the staff and buildings. As a supplementary

- question, Cllr Lufkin also asked about the large number of EU workers leaving London (7%-8% of London workers) has been observed by Cllr Nicholson and his peers.
- 6.9.2 Cllr Nicholson first responded to the former question. It was stated that the information is not available to either the administration or organisation, and that the national statistics, while acknowledged to not necessarily reflect the local situation, are the closest we have in terms of these numbers. Cllr Nicholson advised that using a number around businesses closed without factoring in which sectors are experiencing growth would not be feasible.
 - Cllr Nicholson advised that some of the figures around the exodus of EU workers may be down to those relocating for other reasons but that the sheer volume of those leaving will certainly have an effect on supply chains and movement of goods and services. It was stated that the impact on the borough remains to be understood, but the hospitality, agriculture, and hotel industries are likely to be significantly impacted.
- 6.10 Chair thanked Cllr Nicholson for his responses and invited Cllr Williams to speak.
- 6.11.1 By way on an update, Cllr Williams observed that there has been an increase in demand for the services run by Employment and Skills, and that Brexit will continue to present barriers.
- 6.11.2 Cllr Williams advised that government funding will continue top provide a challenge to providing services in terms of which programmes will continue to the future.
- 6.11.3 The apprenticeship programme has had an increase year on year, including an increase in those over 25 using the scheme. A greater number of women, including older women, are also joining the programme. Of the 24 ICT apprentices recruited, 46% are women. Cllr Williams stated that clearly Hackney cannot deliver an apprenticeship scheme that delivers on the needs of the whole borough, but that the offer must be broadened through partnership working with other organisations. As an example of a broader offer, the kickstart scheme, which offers paid apprenticeships for 16–24-year-olds in receipt of Universal Credit, was cited.
- 6.11.4 Cllr Williams advised her team are in the process of delivering on their STEM manifesto commitment, and that a new officer is working on delivering that. It was noted that the whole process has been quite delayed by COVID.
- 6.11.5 Cllr Williams noted that the last time she spoke with the commission, the integration of adult learning and skills service was mentioned, and that the integration has now taken place. The next step is to develop the adult education programme to ensure adults in Hackney have access to services to assist them with training & education to lead into work or volunteering.
- 6.11.6 Cllr Williams advised there has been a recent success in securing GLA funding relating to COVID-19 recovery, and the funding will be partly used to provide Chromebooks to adult learners.
 - It was noted that in the week prior, members had received a briefing from Cllr

- McKenzie on the work done by him, including affordable broadband to priority groups across Hackney estates. There as also been a focus on addressing digital exclusion and improving digital literacy.
- 6.12 The chair thanked Cllr Williams for the update and opened the meeting to questions.
- 6.13.1 Vice Chair Billington advised she wanted to ask questions around COVID recovery and deal with the skills gap, asking how Cllr Williams sees Hackney being able to shape any local skills improvement plan at London level. Secondly, it was asked in relation to level-3 equivalent education, whether the cabinet would support adult learners to learn the skills they want in the arts and culture sector, or whether this area would be deemed of lesser economic importance.
- 6.13.2 To answer the question about recovery, Cllr Williams advised that, as one of the 12 Central London Forward boroughs, Hackney makes up a part of the critical national economy, highlighting that the borough holds 1 in 10 of the county's jobs, and therefore recovery is key.
- 6.13.3 Cllr Billington clarified that the response she sought was more to do with the white paper published in this area and the possibility of shaping the skills programme.
- 6.13.4 Cllr Williams advised the borough plays a key role in the delivery of what is emerging from the Central London Forward boroughs. It was advised that to provide a more thorough response, Cllr Williams would have to consult the most recent post-16 education papers available and come back on this point.

6.13.4 – Cllr Williams to consult recent papers around reshaping the skills programme and come back to the commission with a more detailed response.
commission with a more detailed response.

- 6.13.5 Regarding level 3 qualifications and arts-related qualifications, Cllr Williams advised that looking at all the sectors impacted by Coronavirus and Brexit would be necessary to identify areas of strength in the borough. In relation to STEM, Cllr Williams advised this commitment is not just about the digital creative economy, but also construction, health, but also the creative economy. There is a piece of work to be done around level 3 and the arts, but the Cllr stated that there is a looming question around funding provisions, and learners may struggle regardless of the level-3 offer. It was clarified that a crucial strand of work will be trying to achieve sustainable funding.
- 6.14.1 Cllr Smyth posed a question around digital employment opportunities, asking what the council is doing to push digital skills in preparation for emerging job markets.
- 6.14.2 Cllr Williams advised the STEM manifesto commitment has a significant focus in this area and is presently underway. The approaches to working with schools and FE (further education) institutions are in development, and so is the adult education offer. Cllr Williams offered to provide a more detailed response at a later date.

- 6.14.3 Cllr Smyth posed a further question around digital connectivity and whether its being sufficiently promoted in the council's work.
- 6.14.4 Cllr Williams agreed, stating that pieces of work by Cllrs. McKenzie & Maxwell are leading on pieces of work around digital connectivity and underlined the importance of it. It was stated that the work required lies across a number of portfolios within cabinet.
- 6.15.1 Cllr Lufkin asked how Hackney's apprenticeship program is going and how the participants of that programme are faring amid the complications imposed by COVID, and how the council is supporting them.
- 6.15.2 Cllr Williams advised that the apprenticeship team worked to ensure that interns, adult trainees, and apprentices have the support they need to complete their training programmes. It was stated that both Cllr Williams and Mayor Glanville have met all the apprentices, interns and trainees, and attended their graduations. Cllr Williams advised there has been a wide amount of gratitude expressed by those in the programme, particularly for the fact the programme is paid, and for where devices were provided to make access to learning materials easier.
- 6.15.3 Cllr Williams advised there is growing demand for the apprenticeship programme, and that she hopes to organise a briefing for members to look at statistics around number of completions, the breakdown of apprenticeships across directorates, and other pertinent statistics. Cllr Williams added that the apprenticeship programme is key to achieving the goal of the council as being a significant source of employment for residents.
- 6.16.1 Cllr Race posed a question asking how the relationship with Hackney's employers has fared under COVID, whether they remain enthusiastic, or whether there has been a reduction in the opportunities they can provide.
- 6.16.2 Cllr Williams requested to come back on that point in writing as the work in that area is underway presently.

ACTION:	6.16.2 – Cllr Williams to come back in writing with a
	response.

- 6.17.1 Cllr Pallis posed a question around resident participation, asking whether there is updates around future collaborations between cabinet & the resident participation teams, particular in terms of the skills & adult learning offer. An example was given of Hackney Housing residents being referred to other services by the resident participation team, specifically young people on housing estates seeking learning opportunities.
- 6.17.2 Cllr Williams requested to take this point away and continue the discussion offline.

ACTION:	6.17.2 – Cllr Williams to respond at later date, possibly
	offline.

- 6.18 The Chair brought the item to a close, thanking the cabinet members for their attendance. Both cabinet members reciprocated that thanks.
- 6.19 Cllr Race requested that it be minuted for the scrutiny officer to type up the actions from the meeting, circulate them, and ensure to include them in the minutes.

6.19 – Scrutiny Officer to type up and circulate action
points from this meeting.

7 Work Programme 2020/21

- 7.1 The chair noted that the commission should be mindful that local elections are taking place in May and the Purdah period will commence from 23rd of March, but that the commission would have one further meeting on the 10th of March.
- 7.2 Chair requested the scrutiny officer outline the existing plans for the March meeting.
- 7.3 Overview and Scrutiny officer advised that the provisional plans were to examine 'Building Back Better Post COVID-19', 'Economic Strategy', and 'Resilience Strategy.'
- 7.4 Cllr Smyth suggested those items could all be under the umbrella of a COVID-19 recovery plan.
- 7.5 Chair advised that learning will probably happen retroactively and may therefore be premature, suggesting a focus on gathering lived experiences from residents during COVID instead, suggesting an evidence gathering session take place.
- 7.6 Cllr Pallis suggested that having the Young Futures Commission attend would be valuable.
- 7.8 Chair agreed but noted the commission would do well to reach out to residents whose voices are heard less often than young people actively engaged in societal discourse. Chair suggested the meeting could be similar to previous nighttime economy summits or other business engagement events.
- 7.9 Cllr Coban suggested using Zoom and it's breakout function to facilitate such a discussion.
- 7.10 Cllr Race observed that freelancers who are experiencing a lack of support would be a useful source of experience.
- 7.11 Cllr Billington added that hearing from Excluded UK around freelancers would be useful, as well as members of the gig economy, giving the specific example of

Deliveroo, asking how such companies protect their workforce from COVID risk.

- 7.12 Cllr Race agreed suggesting Amazon would be a good candidate for a similar discussion.
- 7.13 Vice Chair expressed interest in bringing in key workers in the private sector, and the tension between the private economy and public health.
- 7.14 Chair requested agreement from the commission.
- 7.15 Vice Chair requested there also be an item on the economic impact of mental health.
- 7.16 Chair agreed and requested to discuss it further offline.
- 7.17 Cllr Pallis requested the commission seek a date for the metrics around CIL by way of a letter to Cllr Nicholson.

ACTION:	7.17 - Commission to write letter to Cllr Nicholson
	seeking a date for metrics around CIL.

- 7.18 Chair agreed, asking the scrutiny officer to note that as an action.
- 7.19 Chair drew the item to a close.

RESOLVED: That the updated work programme be noted.

- 8 Any Other Business
- 8.1 There was none.

Duration of the meeting: 7.00-8.45 pm