
London Borough of Hackney
Skills, Economy and Growth Scrutiny Commission
Municipal Year 2021/22
Date of Meeting Monday 24 January 2022

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

Chair	Councillor Polly Billington
Councillors in Attendance	Cllr Clare Potter (Vice-Chair), Cllr Richard Lufkin and Cllr Nick Sharman
Apologies:	Cllr Sam Pallis, Cllr Steve Race and Cllr Patrick Spence
Officers In Attendance	
Other People in Attendance	Cllr Guy Nicholson Deputy Mayor for housing supply, planning, culture and inclusive economy
Members of the Public	
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Councillor Polly Billington in the Chair

- 1 Apologies for Absence**
 - 1.1 Note: Cllr Gilbert Smyth & Cllr Vincent Stops attended the meeting virtually.
 - 1.2 Cllr Sam Pallis, Cllr Patrick Spence & Cllr Steve Race sent apologies.
- 2 Urgent Items / Order of Business**
 - 2.1 There were no urgent items of business.
- 3 Declarations of Interest**
 - 3.1 There were no declarations of interest.
- 4 Skills, Economy and Growth Scrutiny Commission 2021/22 Work Programme**
 - 4.1 The work programme was noted.
- 5 Cabinet Question Time**

- 5.1 The chair introduced the item noting that as the commission has looked at Cllr Williams & Cllr Coban's portfolio areas recently, that the session would focus primarily of CM Nicholson's portfolio.
- 5.2 The chair cordially welcomed the deputy mayor to the session.
- 5.3 The first question provided asked Cllr Nicholson to outline the investment in Hackney's future from larger borough-based businesses. What real opportunities have been created for residents? What assurances do you have that the opportunities created are primarily for residents rather than commuters?
- 5.4 Cllr Nicholson advised that it's been an interesting two years where the relationship between businesses and the council has changed. Large businesses in the borough are very much connected with the council and its employment and skills services.
- 5.5 Cllr Nicholson advised that the primary relationship is through the employment agenda that those relationships with larger businesses are really concerned about channelling residents, whether they be apprentices, or those in longer term work, into some position in those businesses.
- 5.6 Cllr Nicholson advised that those relationships with larger businesses tend to be the ones the administration active seeks investment in – that is very much about them coming to the borough rather than the borough attracting them here.
- 5.7 Cllr Nicholson advised that its difficult to quantify how many residents are employed by large businesses and the information around that isn't available.
- 5.8 Cllr Nicholson advised that some of that absence of data is tied up with the legalities of data sharing.
- 5.9 It was advised that the new economic development unit is suited to the task for re-establishing that relationship with larger businesses, certainly in their role as employers in the borough.
- 5.10 It was advised that there is a larger strand here with larger employers which has to do with supply chain, and its through the Hackney Business Network, but it was noted that relationships with the community of businesses include many which are smaller businesses.
- 5.11 It was advised that trying to ensure that there are trading pathways that businesses can collaborate and contract have been disrupted over the last two years.
- 5.12 The deputy mayor advised that there is anecdotal evidence that the economy is reopening and is returning.
- 5.13 In addition to the various national restrictions that were placed on some of those businesses, the issues around lockdown, and the behaviour changes and cultural shifts, a lot of that now seems to be subsiding, and customer are returning.
- 5.14 DM Nicholson advised that 'customer' is really important because there are many businesses in the borough involved with hospitality, and cultural industries, and they revolve around attracting customer footfall to ensure their businesses models can be sustained.
- 5.15 Chair asked about employment data.

- 5.16 DM Nicholson advised that this falls outside of his portfolio but added that there is a compartmentalized element to what he's saying. In terms of business engagement, one to one engagement, which doesn't necessarily focus on the employment statistic, but focuses more on the flow of information and data, and through the business network this is made possible.
- 5.17 The chair asked how the effectiveness of what the council does with larger businesses is measured.
- 5.18 DM Nicholson advised that it is beyond something as binary and as basic and business rates. There is no measurement in place, but in autumn the council brought forward some additional resource for the area regeneration team in which sits the economic development unit.
- 5.19 Cllr Nick Sharman asked to speak and stated that he agreed with the chair's initial comments, which were cut from the public broadcast of this meeting as they book place while an adjournment was in place, that it is extraordinary that cabinet was scheduled closely to SEG and caused the deputy mayor's lateness, and generally complained about inappropriate use of time or discourtesy.
- 5.20 Cllr Sharman when asked about the framework of things, i.e., what is all this work that's being described for?
- 5.21 DM Nicholson advised that it is another part of the council and another portfolio that is concerned with metrics around jobs and job creation. It was noted that the inclusive economy objectives that were set out have two major strands. One is local employment opportunities, and that's not just with larger businesses, but businesses of all sizes.
- 5.22 It was advised that some of that may be to do with skills development and apprenticeships, or full-time opportunities. Building relationships where there is a degree of trust between council and company is important.
- 5.23 It was advised that there is another aspect to it which is about businesses support, signposting to advice, finance, growth opportunities, as well as the corporate relationships.
- 5.24 It was advised that asking for a levy from businesses to pay and collecting that on behalf of central government is one factor, but the other aspect is about business support.
- 5.25 Cllr Sharman interjected offering a clarification on the question stating that investing in helping individuals to work isn't the same in investing in local businesses to create jobs; Cllr Sharman said it seems there's no set of objectives around putting money into businesses. He advised that he is struggling to see a relationship between how we measure things and the investment in business.
- 5.26 Cllr Nicholson advised this is why the Economic Development Unit has been created.
- 5.27 Cllr Sharman continued, asking whether there is a clear relationship between a clear view of our objectives and what the benefit is in terms of what we want to measure in terms of resources put in.
- 5.28 DM Nicholson advised that this is down to the Regeneration Lead, not the Economic Development Lead, and again that's why the Economic Development Unit has been created. A distinction was made that under the

current model, the council is investing into town centres rather than individual businesses per se.

- 5.29 Cllr Sharman questioned the measuring of success.
- 5.30 DM Nicholson advised it has been measured in physical outcomes, for example – by affordable workspace or to do with square meterage. By bringing in the Economic Development Unit, there is now the opportunity to recast that important though it is to be able to understand how much how many square meters of affordable workspace have been delivered.
- 5.31 The chair requested that the meeting moves on from this line of questioning.
- 5.32 The next question submitted in advance was “Please update us on the review into affordable rents. How have the financial pressures of coronavirus & Brexit impacted community organisations, voluntary sector organisations, start-ups, microbusiness and social enterprises and their ability to rent commercial space in the borough?”
- 5.33 DM Nicholson advised that such businesses can only function in some form of lower-cost space, but they're not able to afford market rent. This presents a challenge for the sector which is why the council's own voluntary and community sector property portfolio is so important in this discussion.
- 5.34 For the voluntary and community sector, we've made sure that the council has remained committed to that portfolio and investing into that portfolio as well to ensure that property is fit for purpose. Councillor Kennedy's bringing forward a comprehensive review and renewal of the relationship between the voluntary and community sector and the council; at the heart of that sits property and access to spaces to work from and operate from.
- 5.35 The chair made an observation that it is important that the qualities of that affordable rent are also factored into contributing, otherwise there's only a measure of hard quality, inclusive growth.
- 5.36 DM Nicholson responded by saying he concurs and that the voluntary and community sector in the borough are major economic contributors, and not just to individuals in terms of their life changes and opportunities, but also to the wider borough economy.
- 5.37 It was stated that the executive recognises that it's about making money to keep businesses going, whether it's a social enterprise, voluntary sector organisation, or whether it's commercial business, but the different is – what happens to the returns of those businesses in terms of reinvestment.
- 5.38 The chair notes that a possible recommendation of the commission would be to make sure that economic development really does think about that kind of economic value retention with the community, because, in the sense that you are investing in the community by subsidizing those rents – that has an economic value and economic benefit to be incorporated into what constitutes 'effective measure'.
- 5.39 DM Nicholson agreed and noted that the next 4 years are going to be difficult for the council to manage and balance its books due to reducing income. It was noted that it was announced in cabinet that a decision has been made to release over £2.5m worth of investment into the voluntary and community sector.
- 5.40 The chair asked to move on from this line of questioning.

- 5.41 The next question submitted in advance was ‘What plans does the council have to rejuvenate the struggling night-time economy in the borough, particularly in areas dominated by NTE businesses like Stoke Newington & Shoreditch?’
- 5.42 DM Nicholson referred to the anecdotal evidence he already mentioned that footfall is returning to these areas and noted that this is important for Dalston and Shoreditch. At the moment, it is not easy to predict recovery – it will be difficult to re-establish cultural businesses in the borough.
- 5.43 Cllr Lufkin asked if there is a plan for if the NTE never fully recovers.
- 5.44 DM Nicholson advised this is also hard to predict but he had requested that the Shoreditch area plan be paused due to the uncertainty. Large scale development, housing need, and the delivery of new homes will impact how the area continues to develop, and the plan will be months ahead to restart it.
- 5.45 Cllr Smyth asked what COVID measures do we have separate to national government measures.
- 5.46 DM Nicholson advised that the council is still processing all of the plans and bringing figures together. It was noted that there’s been quite a lot of support that’s been brought forward to tenants of the council, be they commercial tenants or tenants associated with social enterprise.
- 5.47 It was noted there have been a lot of rent deferrals, and payment plans have been put into effect with some, and the variance of measures that are in place for different tenants makes it a challenging proposition to put a finger on what will happen in the future.
- 5.48 DM Nicholson stressed that the council hasn’t been forcing businesses into any one position, but it’s been a collaborative process, and we’ve made sure that council officers have been talking to tenants about creating bespoke plans for their businesses in terms of their future relationship with the council.
- 5.49 The Primary objective overall was to keep council premises alive with people working from them in whichever sector it was that they happen to be working in. So, whether it’s to do with the voluntary and community sectors, social enterprise sectors, or indeed the commercial company activity, this approach seems to have worked.
- 5.50 Cllr Stops asked a question around enforcement activity, how successful the council’s response has been, and what more can be done.
- 5.51 DM Nicholson advised that the employment and skills team would be able to answer better about Section 106 agreements, but that we should be reassured by the council’s employment team being involved in those conversations that led to those agreements at the outset of pandemic.
- 5.52 Cllr Stops asked about the Church St road closures stating that some businesses are making claims against loss of income. He asked how this closure initiative is being supported.
- 5.53 DM Nicholson advised that Cllr Stops is right, that the area regeneration team has been working closely with those businesses during the implementation of road closures.
- 5.54 DM Nicholson did acknowledge that there has been concern among some businesses. The council has tried to reassure these businesses that the council is there to promote businesses on Church St and bring in additional footfall.

- 5.55 Cllr Stops asked that a proper record be kept of the work that is going on to use as an example in a similar situation, should it arise in the future.
- 5.56 Cllr Lufkin advised that while footfall isn't everything, that it may be useful to try and measure it in different areas.
- 5.57 DM Nicholson agreed this would be useful but isn't in a position to comment on whether its possible.
- 5.58 Cllr Potter asked what changed have been implemented in planning policy to support local businesses to meet their net zero objectives.
- 5.59 DM Nicholson acknowledged the challenging nature of the net-zero objectives for businesses. He advised that smaller businesses may have a larger time of it, potentially due to not holding the knowledge of how to achieve these objectives, but also fundamental barriers that are restricting them from fully embracing net zero.
- 5.60 In terms of business practice, when a business moves into a building that's just been built, it can put in a set of conditions, or an emission portfolio, from the new development. That is one example where planning actively promotes the use of sustainable and net zero carbon building materials as part of the construction process itself.
- 5.61 DM Nicholson acknowledged some of the good work done by Cllr Coban, the relevant cabinet member, but added that the council needs to be more ambitious, adding that the construction sector is really catching up with all of this as well. It's all heading in the right direction, but the delivery of net-zero is challenging. An example was given of retrofitting the council's ~30k properties will be a great injection into the local economy.
- 5.62 Cllr Potter asked about best practice for planning and how planning policy has been informed by the developments so far.
- 5.63 DM Nicholson advised that for in terms of guidance around sustainable business practice and how you change your business practice, to in effect become net zero. That has been explored through one of the most recent initiatives that is just going live as we speak. The council is investing just under 600,000 pounds into a business support contract, which is focused on smaller businesses, which will start to unpack exactly what those issues and challenges barriers are whatever they may be the smaller businesses are confronted with when it comes to moving toward net zero.
- 5.64 DM Nicholson advised that he is not saying it's any less challenging for bigger business, but they have that resource there to do it, and they can bring in the skillset to realise it for them. smaller businesses aren't in that space. They don't have resource to that that sorry, recourse to that level of resource or skill sets and they need that advice.
- 5.65 DM Nicholson advised that the council needs to look at this with colleagues in City Hall and the GLA, as well as the mayor of London to make sure everyone's net zero objectives align and noted that Cllrs unlocked a £600k contract to bring that about, which can be a feature of SEG's upcoming meeting on 'Economic Stocktake'.
- 5.66 Cllr Potter asked what has been gained and learned from post-occupancy evaluations.
- 5.67 DM Nicholson advised that this is monitored by different teams across the council, all with a different focus. He noted that such evaluations are important

because they can play a significant part in shaping policy, and they play an important role in informing negotiations and dialogues with council partners going forward.

- 5.68 Cllr Smyth asked about a rule that would require new developments to generate at least 10% of their energy needs. He's been pushing for that to be raised to 50%. He asked whether Hackney's developments are complying with the 10% and could they be developed to reach 50%?
- 5.69 DM Nicholson advised that we as a council could attempt to impose such a thing, but that a third party could legally intervene. He advised that any such policy must be imbedded into the local plan, but that he foresees a compliance issue with enforcing the suggestion.
- 5.70 Chair observed that we need to be making turn that local plan into something practical by reforming our planning policy locally, including stipulations, perhaps not at the centre of capitalism to suggest but also across a whole range of technologies rather than simply ones that fulfill.
- 5.71 DM Nicholson clarified that he agrees with this position.
- 5.72 Cllr Sharman asked for a commitment to both a clear plan, a resource plan, and a management leadership.
- 5.73 DM Nicholson advised that the housing regeneration unit is very distinct, and within the property portfolio there are distinct teams throughout. We have a close alignment between employment & skills and area generation when you look at in in context. DM Nicholson advised that this may be unsustainable in the long run, and perhaps it isn't efficient, and it starts to dismantle the concept of place-based regeneration and the inclusive economy.
- 5.74 It was advised that place is very important in these discussions. It may be to do with open space, it might be to do with social spaces, cultural spaces, leisure spaces, workspaces, living spaces, goods and services, suddenly, the local place, whether it's an estate, whether it is a wider neighbourhood, whether it is a town centre becomes a priority, it becomes something very relevant.
- 5.75 DM Nicholson added that the council may not be fully delivering on place at the moment, but that is something that Cllrs will need to lead on in the new administration, citing a fragmented set of initiatives that exist currently.
- 5.76 Cllr Sharman alleged that there is no strategy and there is no working relationship between skills & Employment, policy, and the creation of jobs.
- 5.77 DM Nicholson advised that the council is acquiring homes for Hackney at living rent, that there is an emerging commercial waste company being established and said that Cllr Sharman's suggestion was an ambitious one and the new form of municipalism.
- 5.78 DM Nicholson advised that we have something in its infancy in the council at the moment and how is the time to reflect with a view to expanding these policies under the new administration. The backdrop of this is the council restructuring itself, and certainly as an administration, the changes discussed at this meeting need to be brought forward into the new manifesto.
- 5.79 Chair observed that they think the economic case, for much of what we're talking about, needs to be explicit and underpinning everything that we do, if we can demonstrate that we are retaining economic value in our community support people to be economically active, and social, because of these activities. It makes a case for what we're doing. And that's why we do this

because it creates an inclusive economy. Delivery is not engaging with the corporate strategy but taking those strategies into reality isn't being done presently.

- 5.80 Chair added that the council really does need to go back into the thinking about the dividing of the economic development, this restructuring of this Parliament thinking again, about how subjective revenue we've got to measure net zero was talked about again.
- 5.81 Cllr Sharman spoke about the Olympic development, suggesting that you will put businesses of if you rent them out at the commercial rate. He asked whether the council could do more to get a wider benefit from the spaces, and whether this could improve the social dividend.
- 5.82 DM Nicholson advised that a lot of that work is done through political advocacy at the moment, - there's no real leverage in place other than the leverage that's available through the Olympic Legacy Development Corporation.
- 5.83 It was advised local government must lead on this work, and that the commission should reflect and decide on whether or not it wishes to look at this work in more detail. It was noted that the London Legacy Development Corporation is very supportive of what the boroughs have proposed for Olympic Legacy work for the near future.
- 5.84 Cllr Sharman said there's no strategy yet and that we need one.

6 Minutes of Previous Meeting

- 6.1 The minutes of the last meeting held on the 15th of December 2021 were approved.

7 Any Other Business

- 7.1 There was no other business.
- 7.2 The Chair brought the meeting to a close.

Duration of the meeting: 7pm-9pm