

London Borough of Hackney Skills Economy & Growth Scrutiny Commission Municipal Year: 2021/22 Date of Meeting: Monday 22<sup>nd</sup> November 2021 Minutes of the proceedings of the Skills Economy and growth Scrutiny Commission held from Hackney Town Hall, Mare Street, London E8 1EA

Chair Clare Potter

Councillors in Attendance

Cllr Steve Race, Cllr Richard Lufkin, Cllr Patrick Spence, Cllr Nick Sharman, Cllr Mete Coban (Cabinet Member for Energy, Waste, Transport

and Public Realm), Cllr Carole Williams (Cabinet Member for Employment, Skills and

**Human Resources**)

Officers in Attendance

Andrew Munk, Head of Employment, Skills & Adult Learning; Simone van Elk, Strategic Delivery Manager, London Borough of Hackney; Lucja Paulinska, Head of

Operations - Hackney Light and Power;

Other People in Attendance

Alison Arnaud, Principal: Hackney and Tower Hamlets Colleges, New City College Group; Jamie Stevenson, Group Executive Director: Apprenticeships & Business

**Development, New City College;** 

**Members of the Public** 

YouTube link

None

The meeting can be viewed at

https://www.voutube.com/watch?v=P

fZubKzLsSw&t=1033s

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### **Councillor Claire Potter in the Chair**

1.1 Cllr Polly Billington & Cllr Vincent Stops 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 & Growth Work Programme 2021/2022

- 4.1 Cllr Lufkin requested a future item on electric vehicle charging points. This was later noted to be within Living in Hackney's remit, not Skills Economy and Growth's.
- 4.2 The Work Programme was noted.

## 5 Transport for a Cleaner Greener Hackney

- 5.1 The chair introduced the item, stating that the session is to learn more about the demand for Net Zero skills, the creation of net zero jobs, and what the responsibility of the council is on that front. The session will particularly explore the construction, transport and energy sectors when discussing future skills, requirements and opportunities for residents as we move forward from the pandemic and aims to build back better and create quality opportunities for residents in the in the process.
- 5.2 Chair introduced the Head of Employment, Skills & Adult learning & the Strategic Delivery Manager to Present.
- 5.3 It was advised that there are 8 primary areas for net-zero focus:
- 5.4 Homes and buildings: Including retrofit, building new energy-efficient homes, heat pumps, smart devices and controls, heat networks and hydrogen boilers.
- 5.5 Low carbon transport: Including low or zero emission vehicles, aviation and maritime, rail, public transport and walking or cycling.
- 5.6 Power: Including renewables (such as wind, solar and hydropower), nuclear power, grid infrastructure, energy storage and smart systems technology.
- 5.7 Industrial decarbonisation, hydrogen and carbon capture and storage: Including hydrogen production and industrial use, carbon capture, utilisation & storage (CCUS) and industrial decarbonisation.
- 5.8 Green Finance: The concentration of financial activity in Central London means that in Hackney's context, Green Finance could be a key area to identify separately.

- 5.9 Climate change research & development: Including private sector, academic and public research.
- 5.10 Climate change strategy, policy, monitoring and planning: Including public, private and NGO sector strategy and policy, outreach to citizens, environmental monitoring and use of planning system to achieve net zero.
- 5.11 Climate adaptation: Including flood defences, retrofitting of buildings to be resilient to extreme climate events, nature-based solutions to reduce climate impacts and civil and mechanical engineering for infrastructure adaptation.
- 5.12 It was noted that broader environmental goals include:
- 5.13 Reducing localised pollution: Including air pollution, water pollution and noise; London has ambitious goals across all three of these areas.
- 5.14 Reduce, reuse, recycle: Including waste management and circular economy.
- 5.15 Green infrastructure: Within a London context this will focus on urban green infrastructure, and include activity aimed at increasing biodiversity directly or through offsetting.
- 5.16 It was noted that the term "green job" is directly related to policies aiming to deliver environmental goals, so we define green jobs as those jobs that facilitate meeting net zero and broader environmental goals.
- 5.17 Hackney estimates there were some 234,300 green jobs in the capital in 2020, 4.4% of total employment. The largest sectors were Power (83,000 jobs), Homes and Buildings (58,200) and Green Finance (50,700)
- 5.18 Green jobs in London are predominantly high-level managerial, professional and associate professional/technical roles. There is also an over-representation in skilled craft jobs (19%, compared with 6% of all jobs in London)
- 5.19 The green workforce is male dominated (66% as compared to 54% of all workers in London are men) and there is a lower proportion of workers from Black, Asian and Minority Ethnic backgrounds in comparison with all sectors in London (30% as compared with 36% of all workers).
- 5.20 The green workforce is highly qualified, and two thirds have first degrees or equivalent or higher qualifications. Among those with vocational qualifications the most common subject areas are building and civil engineering, and electricity and energy.
- 5.21 In terms of skills supply considerations, it was noted that Green sectors tend

- to draw staff from other sectors, rather than straight from education: around 1% of the workforce enter straight from full-time education each year, compared with 3% across all sectors.
- 5.22 It was also noted that there is a substantial pool of relevant skills in other sectors, but this is lowest for homes and buildings and the associated skilled-craft occupations
- 5.23 In terms of Green Jobs in the future, it was noted that Hackney's central projection finds a potential for green jobs to increase to 505,000 by 2030 and over 1 million in 2050 in London if a net zero pathway is followed. Green jobs would increase by 8% per year this decade, which is double the rate of the fast-growing Information and Communication sector in the decade preceding the pandemic
- 5.24 There is substantial uncertainty in projecting green jobs; projections made in the report present a range of 0.6 to 1.8 million green jobs.
- 5.25 These are not net jobs as existing jobs may be lost and replaced with green jobs. However, Hackney finds that net jobs in London could increase by around 50,000 in 2030 due to positive macroeconomic impacts.
- 5.26 The central projection implies an increase of around 140% in skilled craft workers by 2030 (including electricians, gardeners and landscape gardeners, and plumbers and heating & ventilation engineers). Nationally, there are currently skills shortages for many of these occupations electricians, plumbers, and production managers in construction, In particular. We also project an increase of around 120% in managerial and professional employment; however, there is currently a greater pool of people with relevant skills in non-green jobs.
- 5.27 To ensure a sufficient supply for these new jobs, there is an urgent need to increase education provision in relevant subjects and courses, increase the proportion of those taking relevant courses who progress to green employment, and increase the flows from other, non-green, sectors into green sectors, including through re-skilling training. This is most urgent in skilled craft occupations.
- 5.28 In terms of jobs in carbon intensive sectors, it was noted that: The research finds that London has 390,000 jobs (7% of London employment) in carbon intensive sectors that will need to change substantially due to the transition. Construction, land transport and aviation account for the majority of these jobs.
- 5.29 38% of people in these sectors identify as non-White versus 11% nationally. However, this is in line with London employment more broadly, where 36% of employees identify as non-White. We also find that these sectors are likely to be male-dominated with female workers accounting for only 18% of the

- employees in these sectors nationally.
- 5.30 While this research is useful, it was noted that data gaps exist, including: Existing green businesses in Hackney, Impact of transition to net zero for businesses in Hackney, Need to distinguish between opportunities in green economy across London, and those in and near Hackney
- 5.31 In terms of the GLA and London Council's priorities, it was noted that the GLA Green New Deal recovery mission is designed to Tackle the climate and ecological emergencies and improve air quality by doubling the size of London's green economy by 2030 to accelerate job creation for all.
- 5.32 This will address inequalities by creating good quality jobs and targeting those most in need to tackle the inequality in society highlighted by the pandemic, and offer Green skills and training available to all Londoners, particularly the most vulnerable. This includes launching a London 'green skills academy'.
- 5.33 In terms of Hackney's own approach to green economy, risks and potential limitations were observed, including: Skills gaps in labour force could delay/disturb growth in green economy.
- 5.34 At the same, skills providers may be reluctant to invest in 'green' skills degrees and courses without some more certainty about demand in labour market.
- 5.35 Growth in green economy could exacerbate existing inequalities given industries where growth will be concentrated.
- 5.36 Government support for transition of SMEs may be limited/lacking.
- 5.37 Physical space and other market conditions will restrict types of green businesses that can operate in borough.
- 5.38 The next part of the presentation was concerned with Adult Education and skills. It was noted that: Since September 2020, the Council's Adult Learning Service has been fully integrated with the Council's wider employment & skills service - enabling delivery of a more joined up and holistic offer for our most disadvantaged residents
- 5.39 The Council has 3 key areas of strategic focus for Adult Learning delivery in Hackney, aligned to our Inclusive Economy aspirations which now frame all decision making around course delivery by the Council as well as providing a focus for partnership working and future funding decisions:
  - i) Training with a direct link to employment opportunities.

- ii) Building general and transferable skills.
- iii) Supporting our resident's wellbeing and positive mental health
- 5.40 The service has now adopted an outcomes-based approach aligned to the GLA's strategic aims (funder for Adult Learning) and Ofsted requirement.
- 5.41 The set of outcomes adopted include not only progression into employment and higher-level training; but also increased levels of confidence and improved mental wellbeing.
- 5.42 The Council's Adult Education provision (budget of £2.2 million) is a cog in a far wider local adult education eco-system. Eg: New City College has a significantly larger budget for its Adult Education provision in Hackney.
- 5.43 Alongside direct and commissioned delivery, the Council has played a key leadership role, establishing and bringing together providers based around 3 working groups:
  - Vocational skills
  - Functional skills (Maths; English)
  - ESOL and community learning
- 5.44 Work is underway with key local education partners to develop a shared borough-wide:
  - evidence base;
  - approach to curriculum planning;
  - set of outcomes measures
- 5.45 With the aim of a delivering a borough wide adult education offer which responds to local needs, challenges and shared priorities including around green skills.
- 5.46 In terms of procurement and planning, it was observed that Employment and Skills Plans (ESPs) are part of S106 obligations, estate regeneration programmes and new procurements.
- 5.47 Targets set by developers and contractors include commitment to promote roles in the green economy and sustainable recovery.

- 5.48 Ensure the impacts of procurement activities benefit the local economy and contribute to green recovery:
  - Engagement with local suppliers and businesses to aid green recovery.
  - Identifying roles in the green economy e.g. using renewable energy or sustainable technologies.
  - Pay the London Living Wage (LLW) to employees and apprentices.
- 5.49 In terms of Area Regeneration & Economic Development, it was noted that: Area based approach to regeneration encompassing physical, social and economic regeneration and interventions on an area basis in consultation with local residents, businesses, community groups and other stakeholders.
- 5.50 Working in partnership to maximise opportunities for the boroughs residents, businesses and places by ensuring regeneration and economic development is inclusive and delivers social value.
- 5.51 Developing and delivering regeneration plans for areas in partnership with local communities and stakeholders such as the Dalston Plan and Hackney Central Town Centre Strategy) and delivering on the priorities set out in these plans.
- 5.52 Working with relevant teams across the Council to ensure that Council land and property assets generate wider social value for the borough via capital receipts from disposals and via building social value requirements into property leases.
- 5.53 Unlocking sites for redevelopment (both Council-owned and privately owned) and ensuring the development of sites offers benefits for the borough (e.g. more homes, affordable housing, workspace, new jobs). Where feasible will ensure the redevelopment of sites supports the growth of green jobs and skills.
- 5.54 Business communications and engagement: Working collaboratively with local businesses to encourage them to deliver social value outputs via their business operations in the borough, connecting businesses with the Employment and Skills team/Hackney Works and other relevant internal to maximise social value opportunities.
- 5.55 New Economic Development function: Ensuring the borough's economic evidence base is up to date and devising an economic development strategy, working strategically with businesses to deliver social value for the borough, encouraging inward investment, protecting and delivering new workspace.

- 5.56 The Net Zero Energy Strategy Initiatives were also provided:
- 5.57 Decarbonisation through energy efficiency, retrofitting and replacement of fossil fuel technologies in our buildings.
- 5.58 Deployment of low carbon technology and infrastructure for our existing buildings, future developments and our fleet replacement.
- 5.59 Decarbonisation of fleet through EV technology
- 5.60 Reducing embodied carbon of our developments.
- 5.61 Encourage and support borough wide engagement in the net zero agenda and promote benefits of engaging and investing in energy efficiency and low carbon energy production and utilization.
- 5.62 It was advised that Implementation of the Net Zero Energy Strategy will provide opportunities in the green economy.
- 5.63 Across these initiatives, jobs will be created and skills required within the Green Economy to reach zero carbon targets.
- 5.64 Development of courses is needed across the value chain to respond to emerging technologies.
- 5.65 It was noted that collaboration will be needed to support green jobs:
- 5.66 Planning now for the skills demand of young people who are yet to enter the labour market.
- 5.67 Supporting existing workers at risk of job losses to move into new employment in a zero-carbon economy in the future.
- 5.68 Supporting workers already in the labour market with skills valuable in a zero carbon economy but who will need to upskill.
- 5.69 The chair thanked the speakers for their presentation and invited the Principal of Hackney and Tower Hamlets Colleges & the Group Executive Director for Apprenticeships & Business Development to present.
- 5.70 The presentation opened with some facts about why New City College (NCC) should be interested in skills.
- 5.71 It was noted that 16-34 year old demographic are the most worried about climate change, 28/32 London boroughs have declared a climate emergency, and The majority of our young people's working lives will be impacted by FNZ strategy- or failure to meet it.

- 5.72 NCC has a Green Strategy, which was launched in January 2021. It is aligned with the UK climate roadmap that was developed specifically to help colleges become greener.
- 5.73 To help make sure NCC does what we said it would in its strategy, and it has a Green Committee. Student Environmental Officers are part of the Green Committee.
- 5.74 They help NCC decide on the next steps to take and promote the work on environmental sustainability at NCC.
- 5.75 Involved in employer boards and hold us to account.
- 5.76 NCC also needs to reduce the college's carbon footprint.
- 5.77 They own 10 buildings in total and most of them need work to make them more environmentally sustainable.
- 5.78 Arbour Square for instance is heated by gas boilers and as it's an old building, it is not well insulated, so a lot of heat is lost through the walls, roof and windows. This makes Arbour Square inefficient in its energy use and increases its carbon footprint,
- 5.79 NCC can change this in two ways: By reducing the amount of energy they use: they can all help by closing windows if the radiators are on or switching the lights off when we leave an empty room & by changing the way they heat the building and improving its insulation. This will take a long time and is expensive, but they have started work on this.
- 5.80 NCC works with hundreds of organisations every year.
- 5.81 They have power to influence their work to make sure it becomes greener.
- 5.82 They have already started this work
- 5.83 For instance, their food offer at the college is provided by a company called Aramark. From the start of this academic year, they have made sure every Monday is a Meat Free Monday to make increase their offer of environmentally sustainable food options for students.
- 5.84 They have also recently signed three contracts for 100% renewable energy for some of their campuses. Over time, they want all the their electricity contracts to be based on 100% renewable energy.
- 5.85 In terms of why employers should work with NCC, it was observed that Customers will be looking at their supply chain to make sure they are

- working with responsible partners otherwise it effects their own efforts to reach net zero.
- 5.86 Not showing commitment can affect their ability to borrow from banks.
- 5.87 Staff and clients want to work with a responsible company.
- 5.88 Reducing Carbon emission should be part of their CSR and ESG policy.
- 5.89 European competitors are in all likelihood already on the FNZ path
- 5.90 You can no longer bid for government contracts over £5m without a demonstrable carbon reduction roadmap getting started with carbon reporting will help.
- 5.91 There are entrances from other sectors to the green sector, which makes up about 6% of the workforce, and the labour and skills that are going into green, a lot of them are coming from the manufacturing sectors as those areas sort of decarbonize that said, they don't have a huge pool of those within Hackney.
- 5.92 If you look at the Further Education (FE) sector, just over 20,000 learners are in relevant courses in FE currently, this has been relatively stable over about the last three years, but there has been a large increase in numbers in building construction courses. New City College has exceeded their target numbers for building and construction by somewhere between 20 and 32%, depending on the campus, it's a real growth industry.
- 5.93 NCC outlined the aims and actions for 21/22:
- 5.94 Professionalize perceptions of some SSAs (e.g. Construction).
- 5.95 Honestly address gender and racial disparity in applications, opportunities and ambition.
- 5.96 Engender ownership and consequences (reduced access to copying, clear budget choices for students and staff.)
- 5.97 Explore FE opportunities and internal HE progression into expanding sectors.
- 5.98 Hold partners and employers to account as we already do about LLW or DDA.
- 5.99 Work in collaboration with councils and others to provide a more cohesive approach.

- 5.100 Chair thanked NCC for their presentation and opened the floor to questions.
- 5.101 Cllr Nick Sharman asked, considering that this is a climate emergency, are we (the council) still taking this step by step as though we have a lot of time.
- 5.102 Cllr Coban responded saying this council is doing everything it can to tackle the climate emergency; it has set out an air quality action plan, setting out 47 ways in which we can tackle toxic air pollution. 2,500 street trees with 11,000 more in our parks and green spaces have been introduced, and we've installed 15 low traffic neighbourhood schemes. We switched our council energy supply to 100% renewable energy, and we've just recently actually got voted as the third greenest borough in the UK.
- 5.103 The Head of Employment, Skills & Adult Learning added that they feel we've really moved that pace here during a pandemic where we have aligned what adult education in the council and boroughs do with corporate priorities.
- 5.104 It was noted that this wasn't the case 18 months ago. Cllr Williams reported on that over the summer cabinet so that when we do have a situation of great complexity, like the climate emergency, we've got everything arranged to say we are going to focus on Council priorities and Council resources on tackling this corporate priority.
- 5.105 Cllr Race asked what is needed from Cllrs.
- 5.106 The Principal of Hackney and Tower Hamlets colleges responded saying that there is always communication that goes out to schools, because the borough has a legal obligation and oversight of schools. It's good when the college included in those conversations.
- 5.107 The Group Executive Director for Apprenticeships & Business Development added that they absolutely do believe they (the NCC) are leading and paving the way. They think the big piece of work that's needed now is about working with employers; 95% of employers that have a business plan and letting them know what skills they can need to stay tomorrow and moving forwards. This is still that piece of work of trying to articulate what are the immediate needs, around skills needs.
- 5.108 Cllr Smyth asked whether leadership skills are needed to drive cultural change for a green economy and whether NCC is doing anything along those lines.
- 5.109 The Principal of Hackney and Tower Hamlets colleges advised that they run a digital curriculum that starts at level one and goes through to level three, level three being the equivalent of a level and then progress is on to work posts, level three, so the undergraduate level and then graduate level and for their adults, they run something called Essential digital skills. It was a

new qualification the government rolled out in 2020. They are one of the highest providers in the country and Entry Level and Level One were results last year about 92% less than for level two, that has to do with people's capacity to stay online and finish during the pandemic.

- 5.110 The Group Executive Director for Apprenticeships & Business Development added that over the pandemic, they supported 1,200 unemployed individuals. They also supported over 200 people to actually achieve the level free Teaching Award, which 97% achieved. From that, if they passed, they then had a guaranteed interview to then take them on directly.
- 5.111 Cllr Potter asked what they think needs to change with these mentioned sectors, to enable young people to feel much more inspired to work in them.
- 5.112 The Principal of Hackney and Tower Hamlets Colleges advised that when we look at young people today, they think one of the things we need to do culturally is move away from a very linear view of what education is. What they're trying to do is reconcile the parity of esteem between vocational and academic courses. It is also about expansion of horizons. If you think of something like construction, and you look at the advocacy and the marketing for it, it seems we still live in a situation where 90% of those adverts will involve a hardhat, or trowel. It was advised that that's not representative of the industry, the industry is at least 50% sitting in offices doing jobs that do not require PPE and are not based on some of these physical build at all.
- 5.113 The Head of Employment, Skills & Adult Learning advised that they agree with a lot of what was just said. They advised that careers advice is incredibly important. This is an area where the council isn't necessarily getting things quite right yet.
- 5.114 It was advised that there is work behind the scenes going on around green economy which provides a really useful "rocket booster" to moving ahead with some of that much needed focus on career advice.
- 5.115 It was advised that the best approach is building that change gradually, and the best way of getting people into apprenticeships, is to get other apprentices talking about it.
- 5.116 The chair thanked all speakers and closed the meeting.
- 6 Minutes of the previous meeting.
- 6.1 The minutes were approved.

# 7 Any Other Business

7.1	Cllr Sharman expressed an interest in having another formal meeting with Stephe	n
	Haynes and his team.	