

PROMOTING ECONOMIC DEVELOPMENT AND REGENERATION IN HILLINGDON - UPDATE

Cabinet Member	Councillor Douglas Mills
Cabinet Portfolio	Community, Commerce and Regeneration
Officer Contact	Kevin Byrne, Administration Directorate, Paul Whaymand, Finance Directorate and James Rodger, Residents' Services
Papers with report	Annex 1: Table of Major Development Sites

1. HEADLINE INFORMATION

Summary	The paper provides an update on work to promote economic development, support business growth and increase employment and skills, following the approach outlined to Cabinet in December 2012.
Contribution to our plans and strategies	The approach to economic growth supports the Council's vision to put residents first and to support businesses in Hillingdon and supports the priority for strong financial management.
Financial Cost	There are no direct financial implications arising from the recommendations set out in this report and the cost of measures in support of the economic development agenda are either contained within existing revenue budgets or are included within the Council's draft budget proposals for 2014/15.
Relevant Policy Overview Committee	Corporate Services and Partnerships
Ward(s) affected	All

2. RECOMMENDATIONS

That Cabinet:

1. Notes the successes achieved by the Hillingdon Regeneration and Economic Development programme to support residents and businesses and;
2. Reaffirms the Council's commitment to working with partners to bring on stream new opportunities in the Borough for employment and economic development, resulting in increased Council Tax and Business Rate growth.

Reasons for recommendation

Hillingdon's economic situation remains strong in the face of continuing pressures affecting the national economy. External changes continue to create a need for robust responses to support residents and businesses.

Alternative options considered / risk management

The alternatives would involve reducing the focus on the importance of economic growth or proposing alternative priorities. These have been rejected as work on economic development and regeneration provides opportunities for residents and, ultimately, strengthens communities and creates income for the authority. The programme identified is considered to offer the greatest return on effort.

Policy Overview Committee comments

None at this stage.

3. INFORMATION

Supporting Information

- 3.1. In December 2012 Cabinet agreed a new approach to economic development and regeneration in Hillingdon which supported inward investment, helped facilitate business growth and offered additional support to residents to improve skills and move into employment. This report provides an update on the progress made to date and sets out proposals for further work.
- 3.2. In 2013, the Council continued to support residents and businesses in Hillingdon, maintaining the ongoing freeze on Council Tax, fees and charges, increasing the number of Green Flag award parks and open spaces and supporting residents and businesses including through the popular Hillingdon First Card.
- 3.3. The Council has also developed a range of initiatives designed to attract inward investment and has taken steps to ensure that the significant opportunities afforded by major investment and large infrastructure projects can be realised and opportunities made available to local people.
- 3.4. Hillingdon continues to be a thriving local economy, with substantial interest from developers being shown in key development sites including at St. Andrew's Park in Uxbridge. There are now advanced plans for a Hillingdon museum and a 1200 seat theatre on this site. Together with Hillingdon's unique investment in all its libraries, with extended opening hours and top class facilities, these initiatives will further enhance Hillingdon's reputation as a prime West London destination to live, work or do business.

Economic development work streams progress

3.5. Six work streams were agreed by Cabinet in December 2012. The approach was designed to build on Hillingdon's good economic track record, by further co-ordinating and improving our approach to business growth. Progress in each of the following areas is set out below.

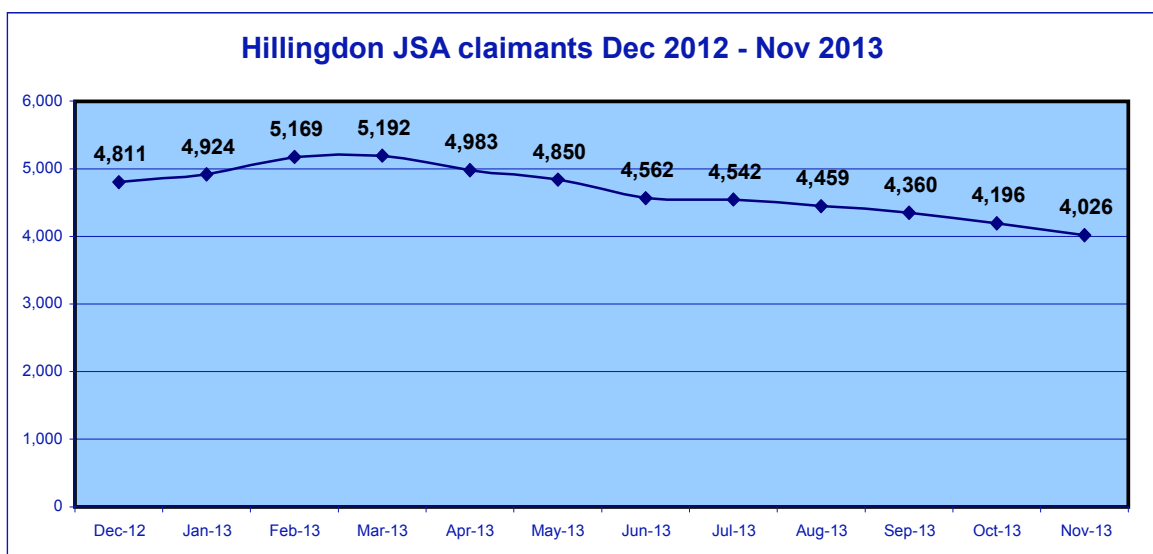
- Improved intelligence.
- Supporting development of major sites.
- A new approach to planning pre-applications.
- Improving skills and employment.
- Developing promotional opportunities and materials including website.
- Reviewing support to small business.

Improved intelligence

3.6. The report to Cabinet in December 2012 set out the Council's aim to develop greater intelligence on the local economy, rating base and key development sites for business growth.

3.7. The Council is now closely monitoring the impact of welfare reforms on our residents. The volume of applications for homelessness and use of bed and breakfast and temporary accommodation is being monitored monthly.

3.8. Numbers of Jobseekers' Allowance (JSA) claimants are continuing to fall. In the year Dec 2012 - Nov 2013, numbers claiming JSA fell by 16%. At 4,026, numbers claiming JSA are at their lowest in any month since October 2008. Numbers of young people aged 18-24 claiming JSA also fell over the year by 18%, down 200 to 890. The number of people unemployed for over a year also fell by 11%, to 935. Hillingdon's unemployment figures continue to be below the national and regional averages.



Source: NOMIS/ONS Jan 2014

3.9. Alongside tracking the impact of welfare reform, monitoring of both Council Tax and Business Rate (NNDR) revenues has been strengthened, with the latest position

reported to Cabinet on a monthly basis through the monthly budget monitoring report. Both Council Tax and NNDR collection rates continue to outperform targets, acting as an indicator for the wider economic position.

- 3.10. Demand for the newly introduced local Council Tax Reduction Scheme is being tracked through this monitoring process, alongside collection rates for the new debt raised as a result of the move from Council Tax Benefit. Overall demand for the scheme remains consistent with original assumptions, while collection of the new debt remains strong – although this will continue to be tracked to identify any longer-term trends in this area.
- 3.11. Work on business rate intelligence has focused on movements in the base and has identified a significant risk around abuse of empty property reliefs on vacant properties. In response to this work, the 2014/15 revenue budget includes £100k growth to support the Council's enforcement function in tackling this issue. In addition, closer working with the Valuation Office Agency has enabled the Council to strengthen its intelligence around movements in the rating base and the risks associated with potential appeals.

Supporting development of major sites

- 3.12. This workstream set out to identify up to 20 top sites because of their importance for the local economy. The aim was to be more proactive in promoting the availability of each site and what type of development was envisaged.
- 3.13. The Council has increased its activity to promote the opportunities for development afforded by major sites around Hillingdon. Clear information on over 20 major development sites has been developed. The Site Allocations Development Plan Document (SA DPD) identifies sites that will deliver growth in Hillingdon. The revised draft is designed to be much clearer and more helpful to developers considering sites in Hillingdon. Sites are clearly set out with information on whether there is planning permission, the potential capacity for new homes, employment land and school sites. This document was approved by Cabinet October 2013 and will soon be released for public consultation as part of the Hillingdon Local Plan.
- 3.14. Officers have also produced a table (Annex 1) showing details of each of the current major development sites. The table sets out sites according to the current stage reached in the development pipeline:
 - **Planning permission granted and work underway** or due to begin shortly (e.g. St Andrews Park - the former RAF Uxbridge site, the former Gas Works site in Cowley Mill Rd Uxbridge, The Old Vinyl Factory in Hayes);
 - **Planning permission granted, work not commenced**, investigation underway (e.g. sites in Hayes, South Ruislip and West Drayton);
 - **Planning applications currently under consideration at the Council** (sites in West Drayton, Yiewsley, Hayes and South Ruislip);
 - **Sites included through the Council's Site Allocations Development Plan Document** (sites in Hayes, Ruislip and Uxbridge)
 - **Other sites** (in Hillingdon and West Drayton) or those subject to discussions being progressed through the Council's Pre-Application Service (sites in Uxbridge, Hayes).

- 3.15. To support the delivery of these and of major development sites within the Borough, a new Major Applications Planning Committee has been established to improve processes.
- 3.16. Development on targeted sites is expected to contribute significantly towards growth in the Borough's rating income, with income growth to 2018/19 estimated at £35m, with Hillingdon's share being around £5m. This growth was included in the draft budget approved by Cabinet on 19 December 2013 and will continue to be monitored through the Council's MTF process.

A new approach to planning pre-applications

- 3.17. This workstream was established to improve the way in which interest from developers in Hillingdon's key development sites is handled and to improve pre-application support.
- 3.18. The Council has built on the improved information on major sites by providing better access to advice, improve the management of pre-applications and create stronger relationships with developers. A dedicated post has been created for this purpose. The post holder is based in Hillingdon's Planning Team and works closely with the Economic Development Team.
- 3.19. There is now a process in place to secure more local employment agreements with developers taking forward major sites. Such agreements commit developers to the use of local suppliers and employment for local people - both during construction phases and once the development comes into use, where the site includes employment land.
- 3.20. As part of the review of the existing pre-application process, the Council is reviewing the charges for the service, the delivery and quality of advice provided and also proposes to hold a Developer Forum early in 2014 to seek the views of the users of the pre-application service to inform further improvements.

Developing promotional opportunities and materials including online

- 3.21. Through this workstream the Council has promoted the Borough as 'open for business', including through improving the Council website business pages and promoting Hillingdon's key development opportunities more effectively.
- 3.22. The business pages on the Council website have been re-styled and are regularly updated to improve promotion of Hillingdon as '*Connected for Business...Made for Living*'. A new section has been developed to promote access to business support, funding and advice, with a wide range of information and links to additional resources:
- Starting a business
 - Local business support and funding opportunities
 - Business continuity
 - Apprenticeship grants of £1500
 - Business event listings
 - An interactive directory of local businesses – giving details of Hillingdon's key development sites.

- 3.23. The site also includes information and resources for local businesses, including information on licences and permits, land and property, tenders and contracts (including doing business with the Council), business rates and trading standards.
- 3.24. The Council is working with a private sector partner to produce an inward investment magazine and supporting web page to promote regeneration and redevelopment opportunities throughout the Borough. The organisation specialises in site development promotional material and is currently producing inward investment brochures for a range of other local authorities.
- 3.25. The Hillingdon regeneration brochure will be a high quality product which will be distributed to a large number of developers and investors. The first edition of the magazine will be produced in Spring 2014 and will focus heavily on the key development sites within the Borough, including for example The Old Vinyl Factory, St Andrews Park and Hyde Park Hayes. The publication will detail the Council's investment in improving the Borough's infrastructure, leisure and green spaces and schools.

Improving skills and employment

- 3.26. This workstream recognised the importance of promoting paid employment and improving skills, to provide residents with more help to find work and compete for local jobs.
- 3.27. During 2013 the government introduced various national reforms to welfare benefits. These changes affected support for housing costs and required the introduction of the Council Tax Reduction Scheme, the Local Welfare Support Scheme and in August 2013 the implementation of the benefit cap. All these reforms have now been implemented locally and the Council is closely monitoring the impacts on residents and on Council finances.
- 3.28. Increased demand has been generated for Council services by welfare reforms. Additional pressure has been apparent in housing need for people on lower incomes, with increases in private and Council rent arrears and the use of temporary accommodation and households in Bed & Breakfast accommodation. The Council is taking action to address immediate pressures on housing, including through a generous rent deposit scheme for landlords, measures to increase the supply of private sector housing, and increasing the supply of affordable housing.
- 3.29. The Council has entered into a Partnership Agreement with Jobcentre Plus and all local DWP Work Programme providers. The agreement seeks to further strengthen relationships and working practices. Effective partnership working between the Council and Jobcentre Plus (JCP) has helped to mitigate the impact of the benefit cap on Hillingdon residents, and is supporting further work.
- 3.30. The benefit cap limits the amount of benefit a couple with or without children can receive to £500 per week, or £26,000 per year. Single people may receive up to £350 per week in benefit payments. Only about half the number of households expected to be subject to the cap have in fact had a cap applied.
- As at May 2013, 601 households in receipt of benefit, at that time, were identified as potentially liable to the benefit cap

- By the end of December 2013, 304 households, currently in receipt of benefit, have an active benefit cap in place.
- 3.31. The reduction in anticipated impact reflects partnership working to provide support and assistance. All residents who were potentially affected were contacted by letter, with follow-up visits and phone calls to explore employment and housing options, carried out jointly between JCP and the Council. Information from Jobcentre Plus shows that by December 2013:
- 216 people had moved into employment (this represents 29% of the 745 people JCP had identified as subject to the benefit cap. JCP figures related to people. The Council analysed housing benefit data to remove exempt households, so the true number moving into employment is slightly lower).
 - 361 people (more than half) had participated in some form of employment support
 - 83 people were referred to the Council for housing support
 - 204 joint Council/JCP visits had been carried out.
- 3.32. Two Jobcentre Plus staff have been working from the Civic Centre in the second half of 2013 to provide direct employment support for residents, including those identified through the 'Troubled Families' initiative.
- 3.33. The 'Work Pays – Better Off in Work' project has been launched, also with the full involvement of JCP and with help from Uxbridge College. The project aims to better equip front line staff to support residents in receipt of benefits to access appropriate employment support. The intention is to:
- increase the promotion of employment with a structured approach to reduce unemployment and reduce reliance on Jobseekers Allowance and other 'out of work' benefits.
 - increase the number of jobs available to and taken up by residents.
 - reduce longer-term reliance on a range of welfare benefits
- 3.34. The initial focus for Work Pays has been on lone parents; those termed 'troubled families' and those affected by welfare reforms. Work to date has delivered well-attended, bite-sized training for front-line staff. The training aims to equip staff working with lone parents, families and young people and people affected by welfare reforms with knowledge and information on how residents can find work or access training. This is supported with a new section on the Council intranet, Horizon. A software tool which offers calculations to show how individual residents and families circumstances could improve by increasing paid employment has been trialled and implementation agreed for February 2014.
- 3.35. Information on the employment support, information and guidance available to young people has been updated on the Council website. This will help young people to access support from the Fountains Mill Young People's Centre, Jobcentre Plus, Uxbridge College, P3, Asphaleia, Heathrow Academy, Hillingdon Training, Skidz and other providers.

- 3.36. The Council has provided support funding for new plumbing workshops opened as part of Uxbridge College's new campus facilities. The workshops include a series of 'mini bathrooms' where students can learn practical skills and achieve vocational qualifications.
- 3.37. The Council is already committed to using the planning process to support local employment and training through construction projects in the Borough. A new structured approach to construction training has been adopted by securing the services of a dedicated Construction Workplace Coordinator. The main purpose of this role is to provide expertise and support to developers to help them set up efficient and cost-effective training arrangements, which deliver tangible learning and employment outcomes for residents.
- 3.38. This approach will help address the shortfall in construction skills training and employment opportunities available to residents, particularly for young people leaving full-time education and seize the opportunities presented by key major developments and construction projects. A preferred supplier has been selected following tender approval by the Leader and Cabinet Member in December 2013.
- 3.39. The Council is in discussion with neighbouring West London Boroughs in relation to a potential 'Whole Place Community Budget' bid to central government. This work is exploring ways in which employment and skills and support for business could be improved at the sub-regional level.

Reviewing support to small business

- 3.40. This workstream set out to find opportunities to support smaller businesses in a targeted and cost-effective way. The intention was to supplement the substantial programme of Council, Mayor of London and TfL investment in Hillingdon's town centres which continues to deliver major improvements designed to attract new businesses and create thriving local centres.
- 3.41. Together with partners, the Council has identified the available sources of support for smaller businesses, such as help and advice with business planning and accessing finance and has begun to deliver a series of events to support the growth and development of small businesses, providing access to a range of practical support for smaller businesses. The initial focus is on finance, marketing and social media and access to new markets.
- 3.42. The first two events were delivered; at the Civic Centre in conjunction with Barclays Bank on 16 October and on 26th November at Uxbridge College in partnership with Nat West and the Institute of Chartered Accountants. Both events were well attended, mainly by small newly established businesses based in Hillingdon. Following very encouraging feedback there is significant interest from all partners to stage similar events.
- 3.43. The Council has also made small grants available to Hillingdon's local Chambers of Commerce to support their work with local businesses and help develop their capacity locally. Locally, Chambers of Commerce are holding highly successful Fun Days and running 'Shop Local' campaigns, which build on the infrastructure investments, shop front grants and marketing support that the Council is providing across the Borough.

Investment in town centres

- 3.44. Hillingdon's programme of improvements and promotion across its 25 metropolitan centres, major and minor town centres and local centres is continuing, with further major improvements in the pipeline. Shop-front grants, pop-up shops, improved parking, free stop and shop parking alongside major infrastructure improvements are making a real difference. Businesses in each of these areas have reported increased takings and footfall as a result of the improvement programmes. Hillingdon's unique programme to revamp or rebuild all of its libraries is nearing completion with Uxbridge library planned to reopen this Spring.
- 3.45. Consultation continues to inform proposals for regenerating **Hayes Town Centre**. The major improvement scheme will re-open Station Road to through traffic, including buses, and make improvements to the Grand Union Canal bridge, together with improved access to cheap parking, better pavements and brighter street lights. This follows the confirmation that Hayes will receive £4.5m TfL funding as part of the Local Implementation Plan. The Council's shop front grants programme has brought in additional private sector investment from shopkeepers.
- 3.46. Improved plans have been agreed for the Hayes and Harlington Crossrail station. The Old Vinyl Factory site is making good progress, with £7.7m allocated from the GLA's Growing Places Fund to build a Central Research Laboratory, a pioneering facility to provide support for new hi-tech manufacturing businesses with technical infrastructure and business services.
- 3.47. Significant public realm improvement works started in **Ruislip Manor** in May 2013. The work has delivered the improvements requested by residents and businesses, including better pavements and street lighting, safer crossing points and reduced traffic speed, planting of new semi-mature trees in Victoria Road, Linden Avenue and Shenley Avenue, improved access to off-street car parks and improvements to the railway bridge and station area. The Ruislip Manor Post Office has been relocated to a central position in the High Street. It has undergone a complete shop refit and offers a wider range of services and longer opening hours. Shopfront grants have been welcomed by businesses, with 92% confirming that the investment had made a good difference to their business. 75% of businesses receiving a shop front grant have rated the difference made to the town centre as excellent.
- 3.48. Consultation with residents showed that people wanted **Northwood Hills** to be more vibrant and attractive with a wider range of shops and services. Infrastructure improvements started in August 2013 to reconfigure pavements and kerbs to create more parking. Further improvements will create a more attractive look and feel within Joel Street, including a central boulevard with trees and additional flowering trees along the pavement, new seating, cycle stands and litter bins.

Forward programme

- 3.49. There has been significant progress across all the workstreams described and it is proposed to extend the Hillingdon Economic Development and Regeneration Programme. All the current strands of work will continue and evolve and new ideas and proposals will be explored with a view to developing new workstreams to benefit residents and businesses in the Borough.

Town Centres

- 3.50. Hillingdon's programme of investment in all its town and district centres will continue with new areas benefiting from infrastructure improvements, shop front grants and other initiatives developed successfully already in the Borough's major town centres. There will be work to improve other centres and smaller parades, for example along the High Street in Uxbridge and the parade near the Oak Farm Library.

Intelligence

- 3.51. This workstream will continue to refine monitoring of the local economy, with the monthly update to Cabinet on business rate revenues providing a regular update on growth over the coming years. With work now underway on a number of the targeted development sites, those sites coming on stream will form a key driver of business rate revenues within the Borough which will be factored into the monitoring position.
- 3.52. In addition the detailed tracking of progress on development sites will support the forecasting of revenues from both business rates and Council Tax, which will contribute to development the Council's Medium Term Financial Forecast.

Support for smaller businesses

- 3.53. The success of our recent partnership events held to provide a variety of support for local small businesses has shown the value of working closely with key local partners such as Uxbridge College, Brunel University, Jobcentre Plus and Hillingdon's Chamber of Commerce. Further events will be developed in conjunction with partners.
- 3.54. Officers also want to explore ways of providing local support for small businesses, joining up access to existing support and introducing an element of free face to face advice.
- 3.55. Officers will explore whether the planning and procurement processes can be adjusted to provide additional opportunity for local businesses. Work will focus on encouraging developers to use local suppliers and trades.

Promoting major sites

- 3.56. The Council will use the Hillingdon regeneration magazine, currently in preparation, to work with developers and attract further interest in Hillingdon's major development sites.
- 3.57. Officers will continue to develop the proactive approach to working with developers and extend activity to cover more of our key sites. This will include taking forward a proactive approach including an innovative and eye-catching interactive map, which will provide visual links with direct contact information for developers interested in finding out more about key development sites such as The Old Vinyl Factory in Hayes or St Andrew's Park in Uxbridge.
- 3.58. Officers will use the 'Sitematch' event in April 2014 to further promote some of the Borough's key development sites. Sitematch brings local authorities and developer partners together and potentially offers access to a range of new investors.

- 3.59. Arising from the Hillingdon Local Plan, which releases some employment land for mixed uses, the Council will work to maximise the potential for identified strategic sites which are proposed to provide new housing supported by the right infrastructure.

Employment and skills

- 3.60. Closer partnership working with Jobcentre Plus has proved to be very successful in limiting the impacts from the benefit cap, with co-location giving residents easy access to information and support. In the coming year, the Council's approach will explore opportunities for further co-location and collaborative initiatives to improve the support for residents looking for employment.
- 3.61. Following the 2013 Partnership Agreement between the Council, Jobcentre Plus and Work Programme providers in Hillingdon, officers will look to refresh and renegotiate an agreement for 2014/15.
- 3.62. Hillingdon's 'Work Pays' initiative seeks to build on the Council's partnership with Jobcentre Plus in order to deliver a step change in residents' reliance on benefits.
- 3.63. Phase one of 'Work Pays' is focussing on lone parents, families and those affected by the benefit cap and other welfare reforms. Work will continue to introduce practical measures to inform and support front-line staff working with residents receiving benefits. A web-based calculation tool will be rolled-out from February 2014, which will allow front-line staff to demonstrate clearly and quickly to residents that they will be better off in work. The tool will be available to staff who work with residents in receipt of benefits. Phase two of the initiative will focus on residents with specific needs such as physical disability; learning difficulties and mental health issues. The third phase will focus on the 'social justice' agenda including people with addiction issues and ex-offenders.

Financial Implications

There are no direct financial implications arising from the recommendations set out in this report, and the cost of measures in support of the economic development agenda are either contained within existing revenue budgets or are included within the Council's draft budget proposals for 2014/15.

4. EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

The aim of the economic development and regeneration programme is to encourage growth and regeneration in Hillingdon, to support residents to find and keep employment and to support businesses.

Consultation Carried Out or Required

The Hillingdon economic development and regeneration programme has been discussed with the Hillingdon Partners Executive and through the *Sustain; Renew; Prosper* theme group.

5. CORPORATE IMPLICATIONS

Corporate Finance

Corporate Finance has reviewed this report and notes that the full range of financial implications associated with the Council's economic development workstream are reflected in the draft budget for 2014/15 approved by Cabinet in December 2013.

In addition to the wider benefits to residents of promoting economic development within the Borough, the workstream enables the Council to adapt to recent changes to the local government finance system have resulted in significant transfer of financial risk and potential reward from central government.

Legal

There are no specific legal implications arising from this report.

6. BACKGROUND PAPERS

NIL