



HILLINGDON
LONDON

Corporate Services, Commerce & Communities Policy Overview (Scrutiny) Committee Review Scoping Report

Working Title: Local Commerce, Employment, Skills & Job Creation

1. REVIEW OBJECTIVES

Aim and Background to Review

This review seeks to consider the current local economic environment, and better understand the implications of new developments and initiatives in Hillingdon.

The review will hear from expert witnesses on key initiatives and how they will impact on Hillingdon, its economy and residents, and also affords the Committee an opportunity to undertake site visits to the Old Vinyl factory and, in particular, the Central Research Laboratory, which is driving the resurgence of design and innovation in manufacturing in Hayes.

At the Committee meeting on 9 April 2019, it was unanimously agreed to further explore Local Commerce, Employment, Skills and Job Creation as a potential review topic, and officers were requested to provide a scoping report that set out the guidelines and timelines to investigate the issue.

It is proposed that the review looks at **three different elements** of this review topic, as follows:

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Corporate Services, Commerce & Communities Policy Overview Committee – 18 June 2019

I. “The Big Picture”

This section of the review will consider where Hillingdon Council is currently performing on the national / regional picture. The following information gives an initial snapshot of the local economy, and officers will provide further observations on the local economy at the Committee meeting.

Hillingdon’s Business Base - the March 2018 NOMIS figures from the Office for National Statistics show that Hillingdon's business community stood at 15,315. This is the total number of businesses in Hillingdon, including the Borough’s retail sector. The makeup of Hillingdon's business community in terms of number of employees can be seen below (a comparison the business sector statistics for Hounslow and Harrow boroughs are included, as well as a comparison with 2015 figures):

Business type	Hillingdon		Hounslow		Harrow	
	2015	2018	2015	2018	2015	2018
Micro (0-9 employees)	11,380	13,035	11,795	12,940	12,160	14,340
Small (9-49 employees)	1,565	1,675	1365	1390	950	975
Medium (49 - 249 employees)	475	605	365	370	170	170
Large (250+ employees)	100	105	80	75	20	15
	13,520	15,315	13,605	14,775	13,300	14,775

From the NOMIS figures, there are a number of issues worthy of note. Whilst Hillingdon has a healthy business base in terms of the numbers of businesses, it also has a good balance in terms of business size and the range of employment. Like Hounslow and Harrow, Hillingdon has a solid micro business base, which makes up the bulk of our economy, but unlike Harrow and Hounslow, Hillingdon also has a strong large business base.

As is to be expected with such a quantum of businesses, the range and diversity of business activity in Hillingdon is significant. Whilst it is to be expected that a Borough with two airports and excellent road and rail connections, the logistics, transport and storage sector is strong. However, the Professional Scientific and technical sector, and the service sectors are also both major employers. It comes as little surprise that as a consequence of having such a broad based economy, Hillingdon has one of the lowest Job Seekers Allowance levels in London. Furthermore, Hillingdon supports a jobs density ratio of 1.05 (ratio of total jobs to population). Outside of central London, Hillingdon has the highest concentration of large employers or corporate headquarters.

Business start-ups in Hillingdon - Latest information on business start-ups shows the healthy growth but down from a peak in 2016:

Year	Number of Start-ups
2015	2811
2016	2911

Classification: Public

Corporate Services, Commerce & Communities Policy Overview Committee – 18 June 2019

2017	2550
2018	2511

JSA claimant levels in Hillingdon remain low. The September 2018 figures showed claimant levels at just 2,555. December 2018 figures were at 2,645, or 1.3% of Hillingdon's working age population. The London and national averages remain higher at 2.4%.

The latest Employment Support Allowance figures (ESA – the benefit which has replaced Incapacity Benefit) are not published as frequently as the JSA figures, but the latest figures from May 2018 show claimants numbers of 7510.

Changing economic profile

Updates and commentary on the local economy can be provided, and major national projects that affect the Borough's economy, such as Cross Rail, should also be considered.

It is suggested that, as one of the country's first Institute of Technology (IoT) centres will be established at Uxbridge College, with Brunel University London as the higher education provider in the partnership, government investment in this area and the IoT could also be considered.

It will also be helpful to consider major areas within the Borough that have received significant investment, such as The Old Vinyl Factory, and the former Nestles Factory in Nestles Avenue it may be helpful to see what attracted the investment in the Borough and how it can be explored in the future.

The Committee may also choose to invite representatives from the Central Research Laboratory (CRL) to partake in the review. The CRL is driving the resurgence of design and innovation in manufacturing in Hayes, and having come from modest beginnings in the basement of the Shipping building only three years ago, when the CRL was home to a handful of fledgling businesses, the initiative now:

- Hosts a hundred plus organisations
- Has created fifty jobs;
- Produced four thousand prototypes;
- Has secured £2.8m development grants;
- Has links with over fifty manufacturing organisations worldwide; and,
- Has outgrown its current facilities and requires additional space to expand.

II. “Skills and the Future”

The future of the Council's economy and its local residents must also be considered, and it is important that the review focuses on education, skills and youth employment to see its impact on the Borough's economy. Potential witnesses could include Uxbridge College, Brunel University

and Adult and Community Learning, and the West London Film studios could also be considered as a local success story.

The role of Job-Centre Plus, a key partner to Hillingdon Council, Uxbridge College and major local employers is an important one as JCP lead on employment support for Hillingdon residents. Again, this organisation could be a useful potential witness in terms of assisting members to understand how Hillingdon's economy is evolving.

The construction sector is one area that may also have relevance here. With so many major projects in the Borough, it is important to ensure young people have an opportunity to work in the sector. The Committee might also consider how the Council uses the section 106 planning process to support residents' access careers and secure skills training in major construction sites across the borough. Qualify Me (the Council's construction training support organisation) and Uxbridge College could be considered as potential witnesses.

The Committee can also consider the future of the local economy, and the direction that it is heading. It may be helpful to hear evidence regarding the work the Council is doing to ensure the economy remains strong in the future, and what economic areas, industries, partnerships and investments are considered vital for the future of the Borough.

III. “The Local Picture”

The final section of the review can explore the work that is being taken alongside partners, the Chamber of Commerce, and local businesses, to ensure the local economy remains strong.

The Council's support of local business through such initiatives as;

- “Stop and shop” schemes, the town centre improvements programme and shop front improvement grant scheme;
- The support the Borough's small businesses can expect from the forthcoming local supply chain initiative;
- The role of the annual Hillingdon EXPO - a unique, free event that brings together Hillingdon businesses and encourage networking, collaboration and trading;
- The way the Council uses its Local Plan to support and encourage mixed-use development; and,
- The promotion of the Borough to external investors.

Terms of Reference

The following Terms of Reference are suggested for the review, subject to any changes agreed by the Committee:

- 1. To consider the current local economic environment, and better understand the implications of new developments and initiatives in Hillingdon;*

2. *To examine where Hillingdon Council is currently performing within the regional economic picture and identify any gaps or weaknesses or areas for improvement;*
3. *To consider the future of the Council's economy and its local residents, with a focus on education, skills and youth employment to understand their impact on the Borough's economy and identify any gaps or weaknesses;*
4. *To explore the work that is being taken alongside partners, the Chamber of Commerce, and local businesses, to ensure the local economy remains strong and identify areas for action or improvement; and,*
5. *Subject to the Committee's findings, to make any conclusions and/or recommendations to the Cabinet to strengthen the local economy, that are cost-effective and through existing partnership arrangements.*

2. INFORMATION AND ANALYSIS

Current Context

A strong economy is vital to any local authority, and Hillingdon is no different. This review seeks to look at the where Hillingdon's stands within the regional economic picture, what is driving the local economy, and how the Council can best utilise the opportunities available to it to continue to advance economically and create jobs for local residents.

Once a picture of the local economy and its diversity has been established, it will then be possible to see how the Council is moving the economy forward, and what are its strengths and weaknesses.

The Council's Local Plan and "Open for Business" strategy may also be considered, as well as the impact that they are having on the Borough.

Responsibilities

The portfolio Cabinet Member responsible for economic development is Councillor Jonathan Bianco, as Cabinet Member for Finance, Property and Business Services. Where this relates to Town Centre improvements, it is Councillor Douglas Mills, Cabinet Member for Communities, Commerce and Regeneration.

Connected Activity

- Streamlined Major Applications Process

Current Intelligence, Best Practice and Research

- Updates on Local Economy – published three times per year

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Corporate Services, Commerce & Communities Policy Overview Committee – 18 June 2019

Further Information

London Borough of Hillingdon website, “*Connected for Business*” (online):

<https://www.hillingdon.gov.uk/article/26700/Connected-for-business>

Brunel University, London, “*Skills training in West London to be boosted by new Institute of Technology*”, 10 April 2019 (online):

<https://www.brunel.ac.uk/news-and-events/news/articles/Skills-training-in-West-London-to-be-boosted-by-new-Institute-of-Technology>

3. EVIDENCE & ENQUIRY

Witness Testimony

Lines of enquiry will need to be worked up in due course.

Potential witnesses, among others, could include:

- Testimony from LBH Officers;
- Testimony from the Institute of Technology, Uxbridge College;
- Testimony from Brunel University London;
- Testimony from a representative of Stockley Park, such as SEGRO - a major logistics operator in borough;
- Testimony from a representative of U+I PLC;
- Testimony from a representative of Job Centre Plus;
- Testimony from the local Chamber of Commerce; and,
- Testimony from the Central Research Laboratory.

Site visits to West London Film Studios, local construction sites for major developments, or innovative local businesses may also be arranged if they are deemed necessary.

Members may wish to suggest alternative witnesses.

Emerging Conclusions or Themes for Development

These will emerge and become apparent as the review progresses.

4. REVIEW PLANNING & ASSESSMENT

As Policy Overview Committees now operate under a multi-year work programme, the Committee has scope to undertake a more detailed review.

It is advised that witnesses attend in themed sessions. Draft timeframe & milestones are set out below and can be extended or reduced as the Committee sees fit:

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Meeting Date	Action	Purpose / Outcome
18 June 2019	Agree Scoping Report	Information and analysis
23 July 2019	Witness Session 1	Evidence & enquiry - "The Big Picture"
19 September 2019	Witness Session 2	Evidence & enquiry - "Skills & the Future"
10 October 2019	Witness Session 3	Evidence & enquiry - "The Local Picture"
5 November 2019	Findings	To discuss findings and draft recommendations
4 February 2020	Draft Final Report	Proposals – agree recommendations and final draft report
April 2020	Cabinet - Consider Final Report	Agree recommendations and final report
November 2020 (date TBC)	Monitoring of implementation of recommendations	

* *Specific meetings can be shortened or extended to suit the review topic and needs of the Committee*

Financial Assessment

This review is not expected to require a financial assessment at this stage.

Generally, Committees should seek to ensure any recommendations are cost-effective or save the Council money. However, any early findings or recommendations by the Committee which may result in a call on Council budgets should be discussed at the earliest opportunity by the Chairman, relevant Cabinet Member and Leader of the Council to assess viability.

Resource Requirements

None at this stage.

Equalities Impact

None at this stage.

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Corporate Services, Commerce & Communities Policy Overview Committee – 18 June 2019