

Local Commerce, Employment, Skills & Job Creation in Hillingdon

**A review by Corporate Services, Commerce & Communities
Overview Committee**

Councillors on the Committee: Councillors Richard Mills (Chairman), Wayne Bridges (Vice-Chairman), Lindsay Bliss, Nicola Brightman, Farhad Choubedar, Alan Deville, Jazz Dhillon (Labour Lead Member), Scott Farley & Martin Goddard

2019/2020



HILLINGDON
LONDON

Contents

| | |
|--|-----------|
| Chairman's Foreword | 3 |
| Summary of Recommendations to Cabinet | 4 |
| Background to the Review | 5 |
| The Big Picture | 7 |
| Skills and the Future | 15 |
| The Local Picture | 23 |
| Findings & Conclusions | 34 |
| Recommendations | 36 |
| Terms of Reference | 42 |
| Witnesses & Committee Activity | 43 |
| References | 44 |

Chairman's Foreword

Hillingdon Council has always been committed to economic development across the Borough, and the importance of a strong economy can never be underestimated, be it at a local or national level.

This review gave the Committee the opportunity to dive deeper into what drives Hillingdon's economy and better understand the implications of new initiatives and developments across the Borough, allowing us to make a number of recommendations that we believe will benefit the community as a whole.

The Committee discussed a number of issues pertinent to the local economy, including how the Council's local economy was currently performing against other Councils both regionally and nationally, what work was taken alongside local partners and businesses to ensure the economy remained at a strong high level, and how young residents can be trained to ensure they are ready for employment.

With these considerations in mind, the Committee was able to get a good grasp on the drivers behind the local economy and what can be done to help the Council continue to advance economically and support the creation of jobs for local residents in the future. This was assisted by local business, skills and academic leaders who brought their expert witness testimony across a number of different disciplines. I would like to thank those who took the time to speak to us and provide important background on these matters.

It is hoped that the review will provide Cabinet and Councillors with a strong understanding of the current economic picture in Hillingdon, along with the future potential for the commercial sector and residents. The Committee has made six recommendations that look to support the successful and growing local economy in Hillingdon.

Councillor Richard Mills

**Chairman, Corporate Services, Commerce & Communities Policy Overview Committee
Councillor for the Brunel Ward**



Summary of recommendations to Cabinet

Through the witnesses and evidence received during the detailed review by the Committee, Members have agreed the following recommendations to Cabinet:

| | |
|---|--|
| 1 | That the Council recognise the good work undertaken by officers to date to identify and work alongside appropriate partners and provide the type of development that is required in Hillingdon, and request that, where practical, new developments also provide small employment units on the edges of the site, and developers of logistic sites are encouraged to provide small units. |
| 2 | That the Council ensures it takes full advantage of the unique opportunity it has to work with companies developing cutting edge technology at the Central Research Laboratory, Hayes, and, on a case-by-case basis, consider trialling these technologies if they can be used to assist the Council or its residents in day-to-day life. |
| 3 | That the Council continues to support the Town Centre Regeneration / Shop Front Grant Scheme, and promote the supply chain initiative to be delivered by Hillingdon Chamber of Commerce. |
| 4 | That the Council support Uxbridge College and promote its new Institute of Technology and T-Level flag bearer status, and the opportunities that it provides for residents, as well as looking to maximise the possibilities for Hillingdon residents to attend courses and leverage benefits to the local economy and skills base. |
| 5 | That Council officers study the local business support provisions available to local residents and consider whether the Council should provide more information and advice for residents who are looking to establish new businesses in the Borough. Furthermore, for older residents, to explore what wider role the Council and partners can play to provide advice to help them secure employment, retraining or apprenticeships and to report back to the Cabinet Member, then the Committee, for consideration. |
| 6 | That the Council support national and local climate change targets, provide a single online directory with information and promote good “green” business practices in the Borough to help future-proof smaller business owners in Hillingdon on the opportunities from a growing green economy. |

Background to the review

At the Committee meeting on 9 April 2019, it was unanimously agreed to further explore the issue of local commerce, employment, skills and job creation, and a review into this topic was agreed by the Committee at the following meeting on 18 June 2019.

This review sought to consider the current local economic environment, and better understand the implications of new developments and initiatives in Hillingdon, including their impact on local commerce and job creation.

The review heard from expert witnesses on key initiatives and how they impact upon Hillingdon, its economy and its residents, and also afforded the Committee an opportunity to undertake a visit to a local site that has become a hub of innovation and design in the Borough, the Central Research Laboratory at the Old Vinyl Factory Site in Hayes, which is driving the resurgence of design and innovation in the area.

In addition to the Central Research Laboratory, the review also heard from witnesses at the Uxbridge College, which is establishing itself as one of the country's first Institutes of Technology along with an update from business leaders on the large quantity of construction work currently taking place within the Borough.

It was agreed that the review be split into three sections, each looking at a different topic:

1. **The Big Picture** – to consider where Hillingdon Council is currently performing in the national / regional picture;
2. **Skills and the Future** – to consider the future of Hillingdon's economy and local residents, including education, skills and youth employment; and,
3. **The Local Picture** – to consider the work being taken alongside partners, the Chamber of Commerce and local businesses to ensure the local economy remains strong.

A strong local economy is vital to any national economy, and Hillingdon is no different. By understanding 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, it allowed the Committee to identify Hillingdon's strengths and weaknesses. This picture of the local economy and its diversity would then lend itself to the recommendations that will be laid out in the review.

Scoping of the Review

In scoping and agreeing the review's Terms of Reference, which are set out in the appendices, the Committee sought to gain an in-depth understanding of what action has been taken in the Borough with regards to local commerce, employment, skills and job creation.

During the information gathering and call-for-evidence sessions, the Committee considered it important to take into account a selection of views from Council Officers, partner agencies, local businesses, and outside bodies. The following sections will outline the evidence received and witness testimonies.

The Big Picture

Considering how the Council currently performs in the national and regional pictures was vital to the review, as these comparisons would give a snapshot of the local economy. Members reviewed detailed economic indicators, data and statistics, noting that within Hillingdon the picture was complex, dynamic and continually evolving.

In March 2018, figures from the Office for National Statistics showed that Hillingdon's business community stood at 15,315, which included all the Borough's businesses and its retail sector. Table 1 below demonstrated the makeup of Hillingdon's business community in terms of the number of employees, and included a comparison to the business sectors of the neighbouring boroughs of Hounslow and Harrow, as well as the difference in figures since 2015.

Table 1: Number of Businesses in Hillingdon, Hounslow and Harrow in 2015 and 2018

| 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 | 1,365 | 1,390 | 950 | 975 |
| Medium (49 - 249 employees) | 475 | 605 | 365 | 370 | 170 | 170 |
| Large (250+ employees) | 100 | 105 | 80 | 75 | 20 | 15 |
| Total | 13,520 | 15,315 | 13,605 | 14,775 | 13,300 | 14,775 |

The table above suggested that Hillingdon has a healthy business base in terms of the number of businesses, and also a good balance in terms of business size and the range of employment. Similarly to Hounslow and Harrow, Hillingdon has a solid micro-business base, and this made up the bulk of the Borough's economy, but unlike both Harrow and Hounslow, Hillingdon also has a strong large business base.

There is a consistent level of business activity within the Borough that is demonstrated by the number of businesses in Hillingdon. As the figures suggest, the majority of local residents are employed by small and medium enterprises, but Hillingdon also has significant numbers of large corporate organisations, particularly in comparison with the other West London boroughs.

There had also been strong growth in the number of business start-ups in Hillingdon, as can be seen in Table 2. These figures remain stable, following a peak in 2016, and local analysis revealed that start-ups from 2018 to May 2019 were most prevalent in the real estate, wholesale / retail, construction and transport sectors within Hillingdon. These figures are based upon residents and businesses opening commercial business accounts with the main high street banks.

Table 2: Number of Business Start-Ups in Hillingdon

| Year | Number of Start-Ups |
|------|---------------------|
| 2015 | 2,811 |
| 2016 | 2,911 |
| 2017 | 2,550 |
| 2018 | 2,511 |

Within the Borough, the most consistent wards in terms of start-ups were Northwood Hills, Townfield and West Ruislip, closely followed by West Drayton and Botwell wards.

Whilst it was to be expected in a Borough with two airports and excellent road and rail connections, the logistics, transport and storage sectors in Hillingdon were very strong. Heathrow Airport, situated in the Borough, will always lead to job opportunities too, while companies are also keen

to locate close to Heathrow. A study in 2013 estimated that the airport generated 84,000 jobs, both in the airport and commercial concerns associated with Heathrow.

However, it should not be forgotten that in addition to the aviation sector, the professional scientific and technical sectors, as well as the service sectors, are major employers in Hillingdon too. There is also ongoing investment in many sectors of the economy, and a large number of residential developments now also contain commercial elements in their design. Additionally, there is considerable interest from the providers of 5G and full-fibre broadband technology in Hillingdon, and the Borough is well served to provide shared spaces and flexible office accommodation, which are becoming increasingly popular as the way people work changes.

As a consequence of having such a broad-based economy, Hillingdon has one of the lowest Job Seekers Allowance levels in London. Furthermore, there is a ratio of 1.05 jobs to each resident, and this is helped by Hillingdon having the highest concentration of large employers or corporate headquarters.

Job Seekers Allowance claimant levels, seen as a traditional indicator of an economy's success, were, as of May 2019, at 3,830 claimants. This is a small increase on the previous figure of 2,645 in December 2018, but compares favourably with the rest of London and the UK average, which remains higher at 2.7%. These consistent levels of low JSA seekers suggest unemployment is low in Hillingdon, and one reason for this is that there are high numbers of job vacancies, and more jobs available that residents seeking employment.

However, Employment Support Allowance (ESA) figures – the benefit which has replaced

Incapacity Benefit for those seeking work but facing additional barriers to employment, such as health and disability challenges – was last published at 7,910 in May 2019, showed a rise from 7,510 in May 2018.

There are also pressures on employment land from residential developments. The financial returns from these developments are, in the short-term, much more attractive and may have longer-term impacts for residents who are seeking local employment, while the conversion of office to residential accommodation under the Government’s ‘prior approval’ legislation has also had a significant impact on the Borough’s office accommodation offer.

In addition, Hillingdon’s notable office sector is facing significant competition from other attractive employment destinations, and new office developments in Chiswick, Hammersmith (Old Oak Common) and White City will offer increased competition.

The global nature of investment is also having an impact, and decisions on where to invest in London are increasingly being taken by non-UK based management. The long-term associations that businesses have for particular towns and areas are being superseded by real estate prices and attractiveness in terms of workforce recruitment.

In relation to Brexit, Members noted that uncertainty or cautiousness in terms of investment was difficult to quantify at the present time. However, Members were made aware of a survey from the regional Chamber of Commerce and the CBI which included potential difficulties in recruiting key and qualified staff from other European countries, in particular for construction and potential challenges in terms of exporting and importing goods, in light of the UK leaving the European Union.

There has also been a noticeable drop in the number of major planning applications submitted to the Council, and it was considered that one reason for this could be due to delays in the completion of the Elizabeth Line Crossrail development, which was predicted to have a positive impact on the local economy when finished. The figures in Table 3 outline this drop.

Table 3: Number of Major Planning Applications Submitted to the Council

| Date | Applications Received | Applications Received in May of this Year |
|------|-----------------------|---|
| 2018 | 279 | 20 |
| 2019 | 252 | 20 |
| 2020 | 92 | 14 |

With regards to employment, the shift within the economy to more automation and the use of technology in key employment areas, such as aviation and logistics, will potentially lead to a decline in employment numbers. Hillingdon has traditionally benefited from a proliferation of relatively well-paid jobs that do not require anything above entry-level qualifications. When technology changes, residents with lower skills levels tend to be more vulnerable.

Nevertheless, the high profile, high quality educational establishments that are situated in Brunel University, HCUC (formerly Uxbridge College) and New Bucks University within the Borough serve to secure resources, new training and employment opportunities for our residents. Hillingdon is also beginning to attract new innovation, such as the Central Research Laboratory, and there are potential new commercial sectors, such as the film industry, that can also have an impact on the future of the Borough and its residents' skills.

One of the country's first Institutes of Technology (IoT) will also be established at Uxbridge College, with Brunel University London as the higher education provider in the partnership, and as such, government investment in the area and the IoT could also be considered.

There are also a number of 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 is important to understand what attracted the investment in the Borough, and the Council must harness this information to understand how it can be explored in the future.

Testimony from U+I and The Old Vinyl Factory

Richard Upton, Deputy Chief Executive of U+I, and Becki Selby, Old Vinyl Factory Development Manager, presented to the Committee. U+I work across 46 local authorities in England and Northern Ireland, with the primary aim of regeneration and transformation of communities through redeveloping brownfield and underutilised sites and buildings. The Committee was informed that there was a lot of value in understanding what a local authority would like in its towns or borough, and early engagement with a council is vital to regeneration schemes.

U+I were keen to work with local authorities, as often, Councils are the only long-term anchor tenants within a Borough, and, as such, had a vested interest from a socioeconomic perspective in supporting place changing development. The Council's involvement, in turn, helps encourage regeneration projects with local businesses.

U+I found the opportunity to speak to the local Council a huge help to the planned projects, and the levels of engagement with Hillingdon Council made the opportunity to work alongside them more appealing and increased levels of confidence in the project, as they were aware that they were working on a similar wavelength.

The Council saw the Old Vinyl Factory site as an important opportunity to draw employment back to the Hayes area, and U+I were excited about the potential the site had for the local area. With strong public transport links and the emerging Crossrail project, this project aimed to stimulate the economy and return close to the 4,000 jobs in the local area that had been lost.

Representatives from U+I, a property developer, addressed the Committee regarding their work at the Old Vinyl Factory Site, and outlined their aims to regenerate the area, which sat in a valuable part of the Borough and required renovation. Economic growth through partnerships, particularly through mixed-use applications, was the aim, and this site was one example of U+I's work in this area.

At the Old Vinyl Factory site, U+I confirmed they hoped to build 600 homes, but developments could easily be left un-let without the right design. The Old Vinyl Site required amenity space to attract tenants, and the Shipping Building, the largest building on the site, was now fully let with 1,000 people working on the site, largely due to the way the Shipping building was managed and operated. U+I confirmed that it was committed to delivering the same bespoke quality with regard to the other commercial and community aspects of the Old Vinyl site.

Additionally, the development was home to a successful residential scheme. The site was dense with very mixed uses, with over 1,500 jobs on the site; a number that may rise to closer to 4,000 once the Powerhouse building was completed. Amenities, such as a cinema, were expected in 2021 also, and this would attract more people to the area, in addition to pleasing residents of the development.

The Committee was informed by U+I that the jobs on the site would probably be well-paid roles relative to the local area, but the majority of opportunities to help residents most in need would come through projects and training at the site. The residential properties at the site would also be a mix of rental and for sale, including Help to Buy properties, and it was likely that residents who wished to commute into Central London using Crossrail would also consider properties at the development.

Prior to embarking on a scheme, U+I had a number of meetings with Hillingdon Council, local businesses and neighbouring residents to understand the comparative views of this diverse group, and this could lead to better schemes that suit many people across the board. In the case of Hillingdon, there was a good record of growing small businesses, and the Council and U+I shared a vision for the site at The Old Vinyl Factory which included unusual architecture. However, while the design was not considered standard, there was a sense of trust between U+I and the Council, and U+I noted that it often takes a brave design to help the rebirth of an area. The hope was that the project at The Old Vinyl Factory would bring life and growth to the local area, and that was what the project would be measured by in 15 years' time.

The Committee was delighted to see the passion on show for this regeneration project, and U+I confirmed that while sites had a bearing on the projects that they take, at The Old Vinyl Factory, driving productivity would be important and the Council’s role as an enabler played a big part in this. The consistency of Councillors and their vision was very important to U+I and a strong working relationship is key to a great project, but the relationship also meant that U+I will continue to look at Hillingdon in the future for further regeneration projects.

The project at the Old Vinyl Factory was due to be completed in 2022 and U+I ensured they keep an open dialogue with the local residents so they were aware of what work is taking place at the site. A lot of engagement has already taken place with residents and office tenants who occupied the site, and they were aware that works will be ongoing on the site for the foreseeable future. By mid-2023 it was intended that the scheme had full occupancy of both commercial and residential properties. A site plan for the Old Vinyl Factory site can be seen below:



The Old Vinyl Factory site was situated next to Uxbridge College, a music academy was in place there, as well as having an innovation factory on site and a number of outreach programs from Brunel University and the CRL that will increase college involvement, so there were a number of

opportunities for local people and students in the area. Furthermore, the project also supported a charity, the Chandran Foundation, which helped children who were falling behind at school with homework clubs. U+I noted that if there were opportunities to benefit less advantaged residents, then they would be considered.

One of the most pleasing aspects of the Old Vinyl Factory was the diverse range of facilities the site both offered and that were proposed, which would result in a truly mixed use development. In addition to the employment and residential elements of the site, the Old Vinyl Factory was already home to the Global media academy and the Central Research Laboratory, London's fastest growing hardware development facility. Even during the construction phase, U+I had been supporting residents through direct employment or support to children falling behind in their education, via the Chandra foundation initiative.

It was noted that during the construction phase, the Council also pursued construction training agreements wherever practical and that these provided local employment and training. Furthermore, the Old Vinyl Factory would act as a catalyst for developing commercial concerns and future employment opportunities that would ultimately benefit local residents. The CRL would help to put Hayes on the map and create jobs. Over the past four years, the initial six start-up companies had expanded to 48 small businesses, which had resulted in the CRL needing to expand.

It was also anticipated that many of these new commercial organisations would ultimately move on from the CRL but stay in the Borough and take advantage of the new commercial space that was being created in the Hayes area. The Head of Planning, Transportation and Recycling also confirmed that the benefit from the project was huge, with more jobs provided than were ever envisioned, and this had been a big difference in comparison with other mixed-use sites within the Borough. Therefore, the foundations were being laid to ensure that the project was a big success.

The Council's proximity to Heathrow was a big driver for developers and businesses to move to Hillingdon, as many like to situate their headquarters nearby. This led to a large number of managerial jobs in the Borough, as well as support services, and a growing logistics sector, and it was something the Council can take advantage of.

However, one challenge faced by the Council was the ability to encourage small businesses to move to Hillingdon, as available sites were so valuable for residential developers. This has led to a ripple effect throughout the area, including outside of the Borough in Ealing and Hounslow. U+I confirmed that they were also building small commercial units to compliment the residential elements of the bigger sites, and that this could help to deliver a balanced, cohesive development for the community.

U+I also confirmed that projects were hard to future-proof considering the UK's climate ambitions

for 2050, but they followed the advice of the Council and Greater London Authority on environmental factors that may impact schemes. However, the reuse of sites and buildings was a good way of preventing the unnecessary use of embedded carbon, as the manufacture of building materials makes up 11% of total greenhouse gas emissions. Therefore, reusing a site and the buildings on that site would be a major benefit to the environment and help combat carbon emissions, something that was key to the long-term aims of Hillingdon Council, following its declaration of a Climate Change Emergency in January 2020.

The Central Research Laboratory

The Central Research Laboratory (CRL), situated in the Shipping Building at The Old Vinyl Factory site, was a co-working space and Hardware Accelerator that was originally established by Brunel University in conjunction with U+I, with a view to supporting Brunel graduates who wished to turn their research and postgraduate prototypes and ideas into commercially viable projects and businesses.

The CRL was driving the resurgence of design and innovation in manufacturing in Hayes. Three years ago, it was home to a handful of fledgling businesses, but now hosts over a hundred organisations, has created fifty jobs and produced four thousand prototypes, secured £2.8 million development grants and has links with over fifty manufacturing organisations worldwide.

The growth of the number of businesses operating out of the CRL has led to the CRL committing to move to the Powerhouse building on the Old Vinyl site. The development will see a new purpose-built facility within one of the Old Vinyl Factory site's most iconic buildings. The new CRL will provide expanded facilities and a greater capacity, as well as providing all of the current support programmes, such as business mentoring and financial and legal advice.

The output of the CRL had been measured at over 50 times the economic benefit of a standard office over five years, as it cultivated innovation to create jobs.

The Committee visited the Central Research Laboratory and were afforded the opportunity to meet with and see some of the businesses currently operating from this venue. Members also had the chance to hear about and experience some of the hardware prototypes that are being designed and trialled at the CRL.

CRL directors told Members that the operation was the inspiration for a number of similar facilities that were being developed across the country under the brand name Plus X, and took the Committee through their plans to expand the capacity and facilities of the CRL. This would be achieved by moving from the Shipping Building to the refurbished and expanded Powerhouse Building on the site, and a new facility would provide 350 work stations, an exhibition and conference space, café, and enhanced research and development facilities. Work on the site had already started, and the new facility will be operational in 2021.

Skills & The Future

The future of the Hillingdon economy and its local residents must also be considered, so it was important that the review focused on education, skills and youth employment to see its impact on the Borough's economy.

To help the Committee understand these elements, witness testimonies were received from Dr Darrell DeSouza, CEO and Group Principal at Harrow College and Uxbridge College (HCUC) and Mr Neil Impiazzi, Partnership Developer Director at SEGRO. Both HCUC and SEGRO have, and will continue to have, a considerable influence on the future shape of Hillingdon's local economy.

The Committee considered the future of the local economy and the direction it was headed. Understanding how the Council can support a thriving economy and helping to prepare its young residents for a working life were considered vital for the future of the Borough.

The witness sessions considered how educational facilities and qualifications were increasingly used to provide employers with a skilled, job-ready workforce, and students with a clear route to technical employment.

In addition, with so many major construction projects in the Borough, it was important to ensure young people have the opportunities to work in the Borough, and the construction sector offered one of these routes into work.

Testimony from Uxbridge College

Uxbridge College plays a vital part in preparing young residents for future employment, and Dr Darrell DeSouza, Group Principal at Harrow College & Uxbridge College (HCUC) spoke to the Committee about the work of the college and what the future may hold.

In partnership with Brunel University and with the support from commercial partners, Fujitsu and Heathrow Airport, HCUC have secured Institute of Technology (IoT) status. This means that from 2021, the college will be delivering higher technical education at Levels 4 and 5, with a focus on the STEM subjects: science, technology, engineering and mathematics.

HCUC was awarded permission to establish one of twelve IoTs in the UK by the Department of Education. Based in STEM provision, the IoT would have over 3,000 learner involvements and would focus on Level 4 and 5 higher technical qualifications, including apprenticeships, with a small percentage at both Level 3 and Level 6 (degree) level.

HCUC is just one of three colleges in London, and the only college in the central and west London area, to have secured IoT status, and the intention is that IoTs will focus on specific technical skills required in the local area to help provide employers with a skilled workforce and students with a clear route to technical employment. At HCUC, these specific technical areas will be in the form of subjects such as Engineering, Digital Production and Construction.

HCUC supported the drive for high value higher technical skills to begin changing the national mindset regarding non-degree options in education and the IoT aimed to target under-represented groups in order to gain wide participation in the scheme. By encouraging employers and specialists to engage with HCUC, it was hoped that a dynamic process would be developed to construct the course programme, and employers would be able to help design the program of assessment panels.

The idea of “employer champions” for programmes had led to interest and support in the scheme from local employers, although at this stage interest had largely been drummed up by the HCUC by approaching employers to widen its reach, and not from employers directly approaching the HCUC.



From September 2020, the college would also be leading on delivering the new T-level qualifications. T-Levels are a qualification designed for 16 – 19 year olds, with a mixture of classroom learning and work placements. T-Levels are a two-year qualification, developed in collaboration with employers and businesses to ensure content meets the needs of industry and prepares students for work.

As with IoT status, HCUC was trialling the new introduction of the T-Level qualification. As one of just four institutions in London chosen to deliver T-Level courses, HCUC will be introducing subject areas such as Digital Production, Design and Development, and Education and Childcare. Further education was beginning to be recognised for its role in skills [development](#), and the introduction of the T-Levels were one example of this.

In addition to the College’s standard academic, vocational and technical provision, T-Levels would be provided via a pilot scheme, as well as higher T-Levels through the IoT apprenticeship reform and various projects in partnership with Brunel University, the Borough’s commercial sector and

Hillingdon Council.

HCUC would be part of the first tranche pilot for T-Levels in 2020/21, which would offer T-Levels in Digital and Early Years Education, with a planned expansion in 2021.22 which included a big for four more subjects: Science – Lab Technician, Healthcare Science, Pharmacy Services and Second Digital T-Levels.

These T-Level schemes, when fully rolled out, would offer specific employment focused qualifications in 15 sector areas.

These T-Level schemes would require substantial employment placements to aid workplace skills, offering 45-60 day placements to help make students ready for work. Furthermore, there was a planned pilot transition program to build a pipeline for Level 2 learning.

Uxbridge College (UC) was seen to have a very good record over the last ten years or more, and this was largely due to the breadth and width of the curriculum that was offered, with varied levels to suit individual students. Over 70% of higher education learners at HCUC were in STEM subjects, but there was a significant variety in the level of education at the colleges. HCUC aimed to re-engage a very diverse number of students and help them with their career progression, and the investment in campuses had helped provide a great environment for students to learn in.

Due to the nature of the STEM subjects provided, full-time students were predominantly male. While efforts were being made to encourage females into these subjects, some of this gender imbalance came from early-age mind-sets and stereotypes, and it has also resulted in other subjects, such as health and beauty, being predominantly female. However, HCUC was hoping to tackle these stereotypes and rebalance mind-sets on the issue.

To ensure the HCUC reached all residents of the Borough, the college supported students with learning difficulties, and this could include anything from an internship, appropriately sourced work experience that suited the level of engagement required, work placement coaches, or work in the student shop to help those students who needed a higher level of support. Most students with extra needs were on the usual vocational programs and the courses aimed to develop their skills while they learned at HCUC, however, others went on to further studies or apprenticeships.

All students at HCUC would receive careers advice and help with CV production in an attempt to prepare students for interviews and the working world. Additionally, HCUC does have a childcare provision and the college is committed to supporting parent learners to enable them to participate and complete courses like anyone else.

HCUC liaised constantly with local schools to get their messages out, and while this would help identify future students from schools and academies, it was often the case that learners came to

HCUC after trying something different that they decided was not for them. By approaching students before this happened, they would be able to prevent any wasted years for students. It was important to get this message out to students, as the default mind-set in the UK is for young people to study and take GCSEs and A-Levels. New exams such as T-Levels may be ideal for many students, but a recent study found that only 27% of those questioned knew they even existed, which suggested further promotion of the qualification was required.

Testimony from SEGRO

SEGRO are one of the UK's largest logistic and employment site providers, and Partnership Development Director, Mr Neil Impiazzi, attended a Committee meeting to discuss their work in the Borough.

Mr Impiazza explained that SEGRO started in Slough over a century ago as a developer of warehouse and industrial property throughout Europe, and now has 1,150 customers. SEGRO was responsible for building large industrial warehouses up to one million square feet, urban and light industrial business parks, and airport-related properties. West London continued to be a key area for the company, and SEGRO had holdings in Uxbridge, West Drayton and, principally, Heathrow.

SEGRO also supported a lot of different sectors with major customers and well-known brands, but also through the supply-chain to these customers.

Similarly to Uxbridge College, SEGRO has been a long-standing partner of Hillingdon Council and have worked effectively with the Council on a number of key projects in Hillingdon, including the delivery of Bosch's national training centre and the adjacent Premier Inn on the Uxbridge employment park, as well as the Ocado delivery centre in Stockley Park.

Due to the Council's pragmatic approach, a change of use of the site was allowed, which helped secure both a Premier Inn and Beefeater restaurant on the Riverside Way site south of the town centre, and this facility not only supported the Bosch development, but also assisted other companies in the Uxbridge area.

Most recently, SEGRO worked with Barratt London to secure planning permission for the major mixed-use development at the former Nestle factory site in Hayes.

The experience gained working in Hillingdon was invaluable in terms of assisting SEGRO's overall approach to employment. For example, in the Stockley Close development, SEGRO had previously just paid travel expenses for those on work experience, but as a result of the development, SEGRO now have a policy of paying a salary to those people on work experience, and SEGRO continue to support opportunities for local people, either through work experience or paid employment through their schemes.

The logistics / last mile delivery sector had become an increasingly important component of Hillingdon's economy, in terms of both land use and employment, and it was clear from recent acquisitions, such as the Prologis purchase of sites at Stockley Park, that the logistics sector's appetite for land in Hillingdon showed little sign of abating.

It is considered a difficult time for employment space providers in London due to homebuilding, and the de-designation of industrial land for housing has failed to recognise a demand for services and industry. As such, a new, more sustainable approach to the delivery of employment space has been required. The result of this new approach had been an increase in multi-storey industrial schemes, electrical vehicles, low-carbon schemes, renewable energy, "smart" buildings and cities, and the transformation of existing buildings.

Multi-storey industrial schemes can be useful to unlock urban areas, and while costs associated with ramps needed at these buildings were high, the schemes created more floorspace on the plot.

"Smart Cities" technologies had also become more popular, and these had created sustainable places to both live and work. The innovative use of land, such as the mixed-use scheme at the former Nestle Site in Hayes, was considered the future by Mr Impiazzi.

At the Nestle Site, London's first industrial housing scheme was agreed, including a business park and 1,300 new homes, with 35% affordable housing and a green space for all local residents and not just those who lived on the site. The project delivered both homes and jobs together, and due to good design, it reduced issues that can arise from such a development, such as noise and traffic. The employment park is scheduled for completion next year, but the first phase of housing at the site has already been completed, although it would take over six years to be fully delivered. Mr Impiazzi noted that SEGRO were very grateful to the Council for their support in the project, and that the scheme, considering its size, did not receive many objections from residents, which was a testament to their work, and it should be considered a project that both the developer and the Council can be very proud of.

SEGRO acquired the site and planned the scheme before taking it to the market, and once the planning application was approved, the site was sold, in this case to Barrett Homes. Furthermore, due to funding from the Mayor's Office, 40% affordable housing was now included in the scheme, with a mixture of homes and tenures with high environmental credentials. The Council's Head of Planning, Transportation and Regeneration stated that SEGRO were very positive on air quality issues and had strong electric charging initiatives and green credentials.

In addition to large schemes like Stockley Park, SEGRO were still building smaller warehouse units, down to the size of 500 square foot, but the decision to build larger commercial units was based on what the market demanded. In most cases, the construction phase of projects was very quick.

Some developments were also prefabricated buildings, and a lot of the development was constructed off-site elsewhere, which increased green credentials as very little was built on-site itself. However, SEGRO was keen to ensure it was known for creating thriving locations, regardless of size.

With regards to traffic and air quality, the Council questioned whether better use of the canals in the Borough could be part of Hillingdon's future. SEGRO hoped to look at the use of the Thames first, but serious conversations were taking place about how to deliver sustainably to a city of London's size. While electric vehicles provided cleaner air, they continued to cause congestion, so different means to deliver goods had to be considered, and water or rail networks could both be alternatives to the roads. However, there was little doubt that the Thames was currently underutilised.

In addition to the future of developments and logistics, it is vital to focus on the next generational skills to ensure that there are opportunities to drive innovation, and a focus on a digital agenda is one way to do this. Digital agendas must inspire young people, and SEGRO agreed that it was very helpful to work alongside schools to give students exposure to opportunities and look at career path options.

SEGRO were committed to supporting local residents, supply chains and assisting local businesses to secure contracts on their sites. During the construction phases of a project, every vacancy was advertised locally by SEGRO via Job Centre Plus, and local schools are engaged to speak to young people about construction career opportunities. SEGRO not only offered paid work experience, but those young people who were taken on to do this paid work experience were also given their kit and allowed to keep it at the end of their placement.

For every phase of the Nestles site development, SEGRO had committed funding to ensure that local people had the opportunity to secure employment. SEGRO would work with the sites end users and HCUC to ensure that local people had the skills required to compete with the employment opportunities provided on the site. Additionally, SEGRO took the step to guarantee an interview to everyone who met the basic criteria for a job, which was above and beyond S106 requirements.

Community funds were also made available through S106 agreements, with up to £10-15,000 available each year to invest in local community projects. The Head of Planning, Transportation and Recycling confirmed that, with regards to the Nestles site, S106 money was tied up in local elements by some 25 separate Heads of Terms, with most of this money reinvested locally.

SEGRO confirmed they were always looking to work with local communities, and were investing in areas of deprivation and looking after local communities, and acknowledged that this was helped by their strong working relationship with local authorities. SEGRO were very proud to push the

point that this was part of their working DNA, and they wanted to be known as a transformative business for local residents.

SEGRO also noted that they would like to do more work in Hillingdon, and the Committee agreed that it was vital to ensure businesses in the Borough can continue to collaborate more to create opportunities for local communities.

The “Green” Economy

The Green Economy is defined by the Government in a 2011 paper as *“one in which value and growth are maximised across the whole economy, while natural assets are managed sustainably. such an economy would be supported and enabled by a thriving low carbon and environmental goods and services sector”*.

There is huge, long-term potential in a green economy in both environmental stability and financial growth. While it is widely accepted that any transition to a greener economy will not be easy for local governments or businesses, the benefits of moving in this direction are very evident. Increasing resource efficiency can increase profits and competitiveness, and this in turn will make industries stronger and more resilient.

Investment in the green economy would lead to long-term benefits, and ultimately new economic growth and job opportunities. The re-use of materials, such as the use of existing buildings, can bring savings and using renewable energy or environmentally-friendly measures will also result in savings.

Innovation and development of green and low-carbon technologies will benefit the economy, as well as reduce carbon emissions, including the creation of new jobs, so it is important that local businesses or innovators who are interested in green innovation are encouraged to do so. Investing in clean energy leads to improved energy security and greater environmental and public health, shorter-term benefits such as cleaner technology and associated investment create faster job growth opportunities. However, an improvement in public health can also lead to higher levels of productivity and reduce the cost of health care.

The Council should, therefore, consider fostering an environment for the development of entrepreneurs and SMEs through various support measures, and should also ensure that these SMEs and residents are aware of the best practice and available grants and tax breaks to make the most out of the opportunity to be environmentally friendly.

Low, middle and high-skilled job creation is a benefit of the transition to a green economy. However, one major challenge of transitioning to a green economy is ensuring the workforce has the right skills to take advantage of these upcoming opportunities. This means that the workforce

will require skills in the low carbon and environmental goods and services sector, and also skills needed to help businesses use resources sustainably.

Areas of innovation, such as that at the CRL, have a crucial role to play in the shift to sustainable systems, such as energy, transport, logistics and buildings. The Council should therefore do its best to offer help and guidance to those individuals and businesses who are looking at innovative and environmentally-friendly ways of working. Environments conducive to green business and technology will overlap with the education of a skilled and agile workforce, and these drivers will help deliver the green economy.

With Hillingdon Council declaring a climate change emergency in January 2020, there is an increased importance placed on sustainable developments and “green business” in the Borough. It is therefore important that local businesses are supported to operate in a “greener” way and this will help future-proof businesses. Therefore, the Council must ensure that local businesses and individuals are aware of best practice and how they can get the most out of operating in a more environmentally-friendly way.

The Local Picture

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

For the Council's part, it sought to support local business through initiatives such 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.

Whilst SEGRO tended to provide facilities which host large commercial enterprises (companies employing more than 250 employees were classed as large), the bulk of Hillingdon's economy is made up of micro, small and medium-sized enterprises. As well as making up the majority of Hillingdon's business, they are also the largest employment providers. Table 4 highlights the structure of Hillingdon's business sector:

Table 4: Structure of Hillingdon's Business Sector (Figures provided by NOMIS, 2019)

| Business description | Number of Employees | 2018 figure |
|-----------------------------|---------------------|---------------|
| Micro (0-9 employees) | 0 – 9 | 13,035 |
| Small (9-49 employees) | 10 – 49 | 1,675 |
| Medium (49 - 249 employees) | 50 – 249 | 605 |
| Large (250+ employees) | 250+ | 105 |
| Total | | 15,315 |

With regards to new business, the most recent statistics showed that 196 business started up in August 2019, which was 30 fewer than the previous month, and four fewer than the previous year in August 2018. West Ruislip ward saw the most start-ups, while Harefield wards saw the least. Hillingdon also accounted for 3.2% of all start-ups across London. On average, limited companies account for approximately 82% of all start-ups, with sole traders being 13.3%.

Table 5 below details how business start-ups in the Borough remained consistent, and set out the latest information available (until August 2019).

Table 5: Business Start-Ups in Hillingdon

| Date | Start-ups in Hillingdon | Limited Companies | Sole traders / Partnerships | Non-profit organisations | Start-ups across London |
|-------------|-------------------------|-------------------|-----------------------------|--------------------------|-------------------------|
| March 2019 | 212 | 177 | 28 | 7 | 7,799 |
| May 2019 | 206 | 169 | 34 | 3 | 7,617 |
| August 2019 | 196 | 159 | 29 | 8 | 6,095 |

There were 1.7% fewer business start-ups in Hillingdon during the first eight months of 2019, compared with the corresponding period of last year, according to the latest data from a BankSearch survey. This growth rate ranks Hillingdon at 189 out of the 326 English districts, and the top three sectors, accounting for approximately 64% of start-ups were real estate, professional and support services, wholesale and retail, and construction.

According to the Small Business Association (SBA), 30% of new businesses fail during the first two years of opening, and this figure increases to 50% during the first five years and 66% during the first ten. The figures detailed in Table 6 below broadly corroborate these findings in Hillingdon, although the two year survival rate does appear to be slightly stronger.

Table 6: Business Start-Ups and Survival Rates in Hillingdon

| Year | Start-Ups | Business Survival Rates in Hillingdon | | | | |
|----------------|--------------|---------------------------------------|-------------------|------------------|----------------|----------------|
| | | 1 Year | 2 Year | 3 Year | 4 Year | 5 Year |
| 2011 | 1,520 | 1,445 (95.1%) | 1,165 (76.6%) | 925 (60.9%) | 770 (50.7%) | 690 (45.4%) |
| 2012 | 1,495 | 1,380 (92.3%) | 1,110 (74.2%) | 895 (60%) | 780 (52.2%) | - |
| 2013 | 1,920 | 1,795 (93.5%) | 1,440 (75%) | 1,175 (61.2%) | - | - |
| 2014 | 2,075 | 1,935 (93.3%) | 1,600 (77.11%) | - | - | - |
| 2015 | 2,310 | 2,105 (91.1%) | - | - | - | - |
| Average | 1,864 | 93.06% | 75.72% | 60.7% | 51.45% | 45.4% |

Business start-up and survival rates in Hillingdon were broadly comparable to those of some surrounding Boroughs; for example, Richmond, Harrow and Hounslow were in keeping with sector indicators from organisations such as the SBA.

If business survival rates at year two in Hillingdon were compared against the SBA figures, Hillingdon's survival rates are higher, i.e. Hillingdon had in excess of 75% businesses surviving, compared with the national average of 70%.

Similar figures were reported in Richmond, Harrow and Hounslow, which points to a strong economy across the West London region.

There were no local / regional studies available to explain why businesses fail, but it was noted

that the first five years in a business' life were the most risky. In fact, indicators suggest that 50% of all business start-ups will fail within this period.

Anecdotally, there were a number of reasons why businesses fail within the first five years of their inception, including: no proven business case, starting a business for the wrong reason, lack of proper business planning, poor choice of location, lack of management capacity, lack of cash flow, minimal use of technology and underestimating the competition.

From the available statistics, on average, a total of 1,864 businesses start up in Hillingdon each year and commence trading, which helps make for a thriving economy if at least 50% survive and continue to grow.

Boosting Town Centre Retail and Improvements

One of the ways that the Council actively supports the Borough's small business sector is via its town centre improvement and shop front grants schemes. These have been successfully delivered in various parts of the Borough, including Ruislip Manor, Harefield and Hayes.

Within Hillingdon, the Council's motivation for investing in town centres and local shopping parades is threefold:

- Delivering what residents, local businesses, retailers and the public want from vibrant and successful commercial centres;
- Enhancing community facilities that improve the quality of life for local people; and,
- Support for local businesses which result in economic uplift in the area.



Since launching in 2011, over 230 shop front grants have been awarded at a value of £827k. The shopkeepers themselves have invested a total of £313k as their 20% contribution, which going forward will be invested to support further rollout.

The new budget includes a further £3m Council investment to support a further five local shopping parades and two town centres, with shop front grants and public realm upgrades up until 2023.

Revitalising Local Shopping Parades

Well-designed and quality public space is vital to the success of town centres and unappealing places often become underused, with serious detrimental impacts on local businesses, including small, independent shopkeepers.

Investment in town centres is a key Council priority, as it is known residents and customers notice and like improvements to shop fronts and displays, while businesses themselves report increased footfall and profits as a result of this initiative.

This ongoing investment by the Council is planned to give town centres and local shopping parades across the Borough the boost they need. Neighbourhood parades provide for the day-to-day needs of local residents and are mainly focussed around convenience retail and everyday services, supplementing the facilities available in other large shopping centres and providing goods from journeys that would often be made without a car. Local parades are of particular benefit to the elderly, residents with mobility limitations, and to those people without the use of a car who cannot easily reach the larger centres. The loss of these shops could result in hardship and inconvenience to residents.

For some older people, the small shop in their local parade is also their only form of regular social contact. Similarly, local communities could be disadvantaged by the loss of their small shopping parades in terms of community activity, employment and vital goods and services.

For these reasons, it is important that local parades are maintained to ensure that the less mobile members of the community have access to a range of shops and services. Parades also perform an important role encouraging employment and entrepreneurship as they are often more cost-effective places for new businesses to start than the traditional town centre venues.

Proposed rollouts of the shop front grant scheme, complemented with public realm upgrades, give local shopping parades the boost they need to thrive, both now and in the future. Improvements to local shopping parades include, but are not limited to, resurfacing footpaths, replacing landscaping, upgrading lamp columns and introducing new street furniture.

Hillingdon Council's Shop Front Grant Scheme

Since being piloted in 2011 in Hayes Town Centre, the Council's Shop Front Grant scheme has gone from strength to strength, and over 227 small independent businesses now benefit from the scheme, which is widely regarded as one of the most successful of its kind in the UK.

The appearance and quality of shop fronts are vital for attracting customers in and around town centres, increasing sales and investment, and contributing to the unique character and vibrancy of

the local parade. ‘Designed by Good People’ have been specifically contracted to provide their branding expertise to the individual shops, as well as overall branding for the parade or town centre. This can include murals, ‘ghost’ signage and tote bags, to add interest and promote football.



For small businesses, the shop front grant and professional design advice provides a practical and economic way of attracting new customers and boosting revenue. Recently, the scheme was rolled out concurrently within Ruislip Town Centre and local parades at Kingshill Avenue and Hayes End in Uxbridge Road, with a further 80 – 90 small businesses hoping to participate in the scheme in the future.

The table below outlines the number of grants and amount awarded to each location within the Borough to improve Shop Fronts.

Table 7: Hillingdon Shop Front Grant Scheme Tally

| Location | Year Launched | Year Completed | No of Grants | Shop Owner Contributions (£) | Total Value Grant Awards (£) |
|-----------------|---------------|----------------|--------------|------------------------------|------------------------------|
| Hayes | 2011 | 2012 | 35 | 61,330 | 163,284 |
| Ruislip Manor | 2012 | 2015 | 66 | 82,912 | 234,648 |
| Northwood Hills | 2012 | 2015 | 36 | 62,852 | 134,423 |
| Harefield | 2014 | 2016 | 24 | 14,672 | 62,768 |

| | | | | | |
|----------------------|------|------|------------|----------------|----------------|
| Windsor St, Uxbridge | 2016 | 2018 | 28 | 20,626 | 81,058 |
| Ryefield Avenue | 2016 | 2018 | 13 | 8,317 | 26,933 |
| Eastcote | 2016 | n/a | 26 | 56,444 | 111,448 |
| Kingshill Avenue | 2018 | n/a | 1 | 652 | 2,607 |
| Hayes End Parade | 2018 | 2020 | 3 | 5,438 | 9,450 |
| Ruislip | 2019 | n/a | 0 | n/a | n/a |
| Totals | | | 232 | 313,243 | 826,646 |

By putting frameworks in place with building contractors, the shops were supported to maximise value for money by facilitating a quick and efficient way of tendering low-value building works with the confidence that the contractors have been vetted on both cost and quality. This allowed the work to be taken quickly and economically.

The Borough's high streets are more than just centres for retail. Residents, across all age groups, live, work, socialise and access a wide range of goods and services on local high streets, and this means that the appearance and quality of shop fronts are vital to attract customers, increase sales and contribute to the character and vibrancy of the area.



In addition to this, shop fronts and signage are the most visible aspects of a high street. Signage, window displays and shop fronts should easily communicate the business brand and values and collectively maximise the impact and perception of an area.

The Chamber of Commerce had been very supportive of the Council's shop front / town centres initiative, and recognised that by introducing vibrant and interesting shop fronts for local businesses, they will attract more customers, high streets will benefit from increased footfall and turnover that is derived from this initiative. In turn, this will not only be of benefit to local businesses, but also local residents due to increased revenue in the local area.

Hillingdon Chamber of Commerce

Mr Mike Langan, Chairman of Hillingdon Chamber of Commerce, and Mr Jonathan Seymour, Treasurer of Hillingdon Chamber of Commerce, both gave evidence to the Committee on the work of the Chamber and some of the challenges faced by the Borough's small business sector.

The Chamber of Commerce was established in 1908, and currently has nine people sitting on the Committee in a voluntary capacity, fulfilling various roles. Currently there are over 300 members of the Chamber, including affiliated members (roughly 16 in Hayes and 30-40 in Ruislip Manor), which was a good proportion of members, while it also encouraged other Chambers to work alongside them.

The Chamber works in partnership with local businesses to provide access to a wide variety of networking events and seminars of interest to the business community. Offering businesses advice, support, and access to a range of training opportunities, they aim to keep members informed of key planning and investment programmes.

Hillingdon Council has worked alongside the Chamber of Commerce on a number of issues over the years, including the decision to introduce 30 minutes of free parking in the high streets across the Borough and a special rate for Hillingdon First card holders. The Chamber holds an annual review every November, as well as running a number of networking events with partners and seminars on various topics. It has also been involved in the Heathrow summit, which is a supply chain for businesses that has obtained contracts from the airlines and airports and been running for 26 years.

The Chamber also supports an annual event with West London Film Studios, based in the south of the Borough, and an annual barbeque at Brunel University, of which proceeds are donated to the Mayor's Charity, in addition to a yearly visit to the Mayor's Charity.

However, the Chamber of Commerce's flagship event is the annual Hillingdon Expo, which has run for five years. This unique, free event brings together Hillingdon businesses and encourages networking, collaboration and trading. The sixth annual event, scheduled for May 2020, is now being organised by the Chamber with support from the Council, Brunel University and a range of Hillingdon businesses.

With Hillingdon, the economy is made up of 99.3% small and medium-sized enterprises (SMEs) and the benefits of developing a strong local supply chain were enormous. The Chamber believes it is important to prioritise local SMEs to ensure they received work, and this in turn helped to build strong local businesses in the Borough. Additionally, a strong local supply chain leads to more economic growth and minimises the impact on the environment, as local business involvement means that the supply chain requires less travel.

The visibility of future projects may help improve the supply chain, as it would allow local businesses to see where large projects take place and who they would be working with, while the ability for local SMEs to engage and work together would also help the supply chain's development.

The Chamber hoped that the supply chain would bring together the 13,000 plus microbusinesses in the Borough, and encourage them to look for bigger contracts. The Heathrow Airport supply chain has been helpful in doing this, as it has been used to introduce businesses together, but as the Chamber of Commerce was funded by modest subscriptions, its reach was limited and there is no opportunity to develop right now.

There was a close working relationship between the Chamber and the Council, and recent work undertaken to improve shop fronts in town centres was an example of this, along with work done to help train inexperienced shopkeepers to help them run their businesses.

The Chamber commented that planning policy benefitted big stores, and local high streets suffered as a result of this. Furthermore, due to the increase in internet shopping, high streets were under threat and it was difficult to compete with online sellers. In general, Hillingdon was still doing well despite the threat, but if this were to change, Hillingdon would require a strategy to help the high streets regenerate, and one way to do this would be to drive traffic and local residents into the high streets. However, while the introduction of 30-minutes free parking in Hillingdon had helped hugely, if services such as the doctors or dentists were encouraged to be on high streets via planning policy, it would bring more footfall to the high street and thus, shops would benefit from the increased local activity and foot traffic. By moving people towards the high streets, the Council could help the survival of local stores if such action was required.

The Chamber noted that the most common concern raised by members on the high streets was business rates. This had been a topic of concern for twenty years, as shops had paid rent and business rates while big online delivery companies for example have avoided paying them, so there is not a level playing field. A further concern was stores getting people to work for them, and the Chamber of Commerce work to help get people ready to work in retail through work alongside Brunel University and others. Due to low rates of unemployment in Hillingdon, shops often had to look further afield for staff and roughly 50% of shopkeepers lived outside the Borough.

The largest skills shortage in the area was in construction, and while it was clear that a lot on construction would be taking place across the UK in the last ten years, which led to an influx of overseas workers in the industry, the lack of investment in colleges to train local people with the skills in construction has had an impact. The Chamber noted that a construction academy, supported for the region by the Greater London Authority, had been established on the Southall Waterside development. With the added uncertainty of Brexit, it was agreed that it would be helpful if steps were taken to ensure the resource was accessible for Hillingdon residents, as there was still a large amount of construction taking place within the Borough.

The Chamber of Commerce retained a strong relationship with a number of schools though the Hayes and Ruislip business forums, but in the rest of the Borough, schools tended to act independently. On occasions, the Chamber of Commerce has gone into schools, but there is a lack of careers advice in some schools. Currently, this was not a priority for the Chamber, but it would still help wherever possible and remained closely engaged with Brunel University and the Central Research Laboratory in this regard.

With regards to attracting people to come to the Borough, the Chamber noted it was important to look outside the high street and focus on initiatives, such as the CRL. If this formula could be replicated across the Borough, it would lead to a very vibrant economy and a more engaging business community in Hillingdon.

Supply Chain Initiative

During the planning process regarding the Nestles Avenue development, both SEGRO and Barratt London were keen to ensure that local businesses benefited from the development. Discussions took place between the applicant, Hillingdon Chamber of Commerce and the Council to understand the potential for Hillingdon-based businesses to benefit from the development.

The Hillingdon Chamber of Commerce undertook a consultation with its members to understand what services its members wanted the Chamber to deliver, and top of the list was a request for support in accessing supply chains, as well as a website providing advice and guidance on commercial opportunities.

The Nestles development was of a scale that would generate significant opportunities for local procurement. Both SEGRO and Barrett's were committed to supporting local companies to gain access to these opportunities, and it was agreed that this would be delivered by the development of a supply chain initiative, led by the Hillingdon Chamber of Commerce.

This initiative aimed to provide Hillingdon businesses, irrespective of their affiliation with the chamber, with a range of support including bespoke support to identify opportunities that were initially available via the Nestles site development, a website detailing commercial opportunities, a

series of business support and growth seminars, and the chance for SMEs to register their interest with the site's main contractors. To support the initiative, SEGRO and Barratt London committed £40,000 and £30,000 respectively via a Section 106 agreement to fund these resources.

Whilst the initial emphasis of the initiative will be on opportunities that exist via the Nestles factory site, due to its longevity, the project will also be available to support businesses in Hillingdon to pursue contracts and new leads on other sites.

In October 2019, the decision was made by the Leader of the Council and Cabinet Member for Finance, Property and Business Services to agree the allocation of the £70,000 in S106 funds towards the scheme that would enable Hillingdon SMEs within the construction sector to compete for supply chain opportunities that would arise from the redevelopment of the former Nestles Factory site.

The Council is currently in discussions with the Hillingdon Chamber of Commerce over the initial phases of the supply chain programme, and the initiative is likely to be launched in late spring to coincide with the annual Hillingdon EXPO event.

Uxbridge BID

The Uxbridge Business Improvement District (BID) is a non-profit organisation that represents the local business community and works to promote and improve their designated BID zone - Uxbridge Town Centre.

There are currently 324 BIDs operating throughout the United Kingdom, and each BID is an area in which a levy is charged on all business rate payers, in addition to the business rates bill. Businesses that are subject to the levy voted in a ballot which determined whether or not the scheme went ahead, and once the BID was in operation, all businesses within the zone were compelled to pay the levy, regardless of whether or how they voted in the ballot.

The district is a business-led partnership to deliver additional services to local businesses, and the levy is used to develop projects to benefit businesses in the local area. The Uxbridge BID is governed by a Board of Directors and funded by the levy-paying Uxbridge-based BID businesses, and will deliver over £2.5 million of investment into the area over a five-year period, funded and controlled by local business.

Local businesses can become directly involved in local activities through BID, and it allows the business community and local authorities to work together to improve the local trade environment. As well as operating as a powerful voice for the local business community, the BID also aims to boost the local economy by ensuring ease of access, improving the town centre environment, and marketing to a wider audience. There is no limit on what projects or services are provided through

a BID, but the only requirement is that it is something that is in addition to services provided by local authorities.

One such project launched by the Uxbridge BID was the “Love Uxbridge” loyalty card. This is an exclusive discount scheme for anyone who works within the Uxbridge Town Centre, rewarding Uxbridge employees with exclusive discounts on local shops and restaurants. The card aims to encourage a loyal customer base, increase footfall into participating businesses, and also reward local business employees.

Conclusions & Findings

Using the evidence provided by Council officers and witness sessions, the Committee were able to agree on a number of recommendations that were aimed at maintaining and improving the local economy.

Overall, the Committee concluded that the fundamental economic position of Hillingdon remained strong.

With 1.05 jobs to each resident in the Borough, levels of unemployment were low, with just over 3,800 claiming job seekers allowance. This figure was lower than both the London and UK average, and it has been helped significantly by a solid business base in Hillingdon.

In terms of the number of businesses within the Borough, Hillingdon was seen to have a very healthy local economy, and was home to significantly more small, medium and large businesses than neighbouring boroughs. This was one reason that the number of businesses in Hillingdon was higher than surrounding boroughs, such as Harrow and Hounslow, but there is also a much stronger large business base than in neighbouring areas.

This can largely be attributed to the number of transport connections within Borough, not just from Heathrow Airport, but also from both road and rail connections. These transport links have helped with the growing construction and logistics sectors in Hillingdon, but there were also strong real estate and retail sectors within the Borough also.

The review also recognised that the Borough had a good provision of shared space and flexible office accommodation, as well as a number of high-quality mixed use developments. These developments showed the ongoing investment in the Borough, and two major examples of this were at the Old Vinyl Factory and former Nestles site. These sustainable developments combined residential housing, including affordable homes, as well as green spaces and light industrial units that can provide jobs for local residents.

This witness testimonies also heard about strong working relationships between the Council and developers in the Borough. Both SEGRO and U+I commented that the support of the Council had led to a close working relationship, and in turn a clear vision about the developments that were being planned. The Council's openness to discuss these issues allowed the developers to come up with plans that worked for all, and this also helped to ease the concerns of local residents. By

liaising closely with developers, the Council were in a stronger position to increase affordable housing, ease air quality concerns and improve the green credentials of developments.

SEGRO and U+I also both confirmed that these working relationships encouraged them to do more work within Hillingdon, and they would be looking to operate in the Borough in the future should the right opportunity arise.

In addition to a strong local economy, skills and training were also being well-represented in the Borough, and a lot of this was due to the quality educational services provided, with Brunel University, Uxbridge College and New Bucks University all situated within Hillingdon.

These educational facilities not only help to secure resources and training for residents, but they also provide employment opportunities. The new provision for T-Levels at HCUC, albeit in a pilot scheme, further add to the reputation of the college and the training facilities provided for local young residents who may not wish to continue in academia.

The Central Research Laboratory also provides another opportunity for innovation, and allows University graduates to try and turn their ideas into new businesses. This has helped drive the manufacturing sector within Hayes, and has already created fifty jobs and secured nearly £3 million in developmental grants.

These positive developments within the Borough were welcomed by the review, and demonstrated that there were areas of the local economy that were currently working successfully. It was concluded that the Council should be proud of cultivating an atmosphere where innovation and learning can be delivered alongside a strong economic performance.

Recommendations

The Committee recognised that the Council was delivering a number of high-quality and important developments in the Borough, alongside partners including U+I and SEGRO, and officers should be commended for their work in helping to lay the foundations for such schemes.

The review considered that Planning officers, through their pre-application advice, may wish to promote work space for small and medium-sized enterprises in large and mixed-use and employment development sites, while big logistics providers could be encouraged to provide a range of mixed-use sites, instead of large warehouse or distribution facilities.

There was concern regarding the ongoing reduction in employment lands that were shifting to housing or mixed use, as they were vital to residential developers. While the Committee recognised the importance in providing housing for its residents, the need to provide homes could have a detrimental impact on land that could be used for commercial or industrial properties. In turn, this has had a particular impact on the loss of smaller employment sites, and the Committee was keen to ensure that smaller or medium sized businesses were also provided for. It was suggested that one way to achieve this could be to encourage development on the outskirts of sites where practicable. This would allow these smaller enterprises the opportunity to rent or buy units close to other developments, and allow them to prosper alongside either large enterprises or residential areas.

On that basis, it is recommended that the Council:

1

Recognise the good work undertaken by officers to date to identify and work alongside appropriate partners and provide the type of development that is required in Hillingdon, and request that, where practical, new developments also provide small employment units on the edges of the site, and developers of logistic sites are encouraged to provide small units.

The Committee was very impressed by the Central Research Laboratory and its work. The CRL's ability to offer alternative career options to academia and assessments offers a new potential path for residents of the Borough, and it could provide inspiration for young residents who may not wish to continue academic studies at school or college. It was considered that the Council would benefit from promoting the CRL and its work, and it would also be helpful to encourage the CRL's work to

inspire skills and offer a new role model for young people.

In addition, the opportunity to work with people locally should not be overlooked by the Council. There are many products developed at the CRL that the Council could benefit from in the long-term, and it was important that the Council should not miss out on any of these opportunities to use new technologies that are being developed on their doorstep, particularly if they can provide a service to residents or improve the way the Council works.

In this regard, it was agreed that the Council may wish to work with local people at the CRL to explore the option to test or trial some of these products at the Council, if they were seen to have the potential to help the Council's work. These products may provide financially viable alternatives to current operations, and it was important that the organisation did not miss out on these opportunities when they arise.

The possibility to trial technologies on a case-by-case basis would carry little risk for the Council, and the results of these technologies could ultimately enhance residents' day-to-day lives.

It is, therefore, recommended to:

2

Ensure the Council takes full advantage of the unique opportunity it has to work with companies developing cutting edge technology at the Central Research Laboratory, Hayes, and, on a case-by-case basis, consider trialling these technologies if they can be used to assist the Council or its residents in day-to-day life.

The Council has, for a number of years, worked alongside the Hillingdon Chamber of Commerce in a variety of ways; most prominently, the successful Hillingdon EXPO event, but also the Council's popular town centre improvements and Shop Front Grant scheme. The Shop Front Grants scheme is one of the most successful of its kind across the country, and the Chamber were very supportive of the initiative.

The success of previous shop front grant schemes and the interest they garnered in Ruislip and Hayes Town Centres, both gave strong indications that the Council should look to continue the scheme.

Additionally, the supply chain initiative, which was requested by members of the chamber in a consultation, will give help to local businesses when large-scale developments arise in the Borough.

By providing Hillingdon's small and medium sized businesses the opportunity to register their interest with a development's main contractor, these local enterprises have the prospect of becoming involved in the supply chain. This would allow local businesses to benefit from large developments within the Borough, where ordinarily the work could go to a business elsewhere, and may not help the local economy.

The initiative also provides support and advice for local businesses, whether they are affiliated with the Chamber or not, which may also be beneficial to a number of businesses within the Borough. Further to this, a website that details commercial opportunities for local enterprises, and a series of events and seminars that can support these organisations, are another way of engaging local businesses in Hillingdon's growing economy.

The initiative will originally focus on the Nestles Factory site, but following that, will be available to support businesses across Hillingdon to try and secure contracts and work on other sites as well.

The Council is currently discussing the initial phases of the supply chain initiative with the Hillingdon Chamber of Commerce, and it is hoped that the scheme is launched to coincide with the Hillingdon EXPO event in late spring. As such, it was recommended that the Council:

3

Continue to support the Town Centre Regeneration / Shop Front Grant Scheme, and promote the supply chain initiative to be delivered by Hillingdon Chamber of Commerce.

The evidence heard by the Committee presented a very encouraging view of the future of Uxbridge College. Members praised the College and its work, and noted that the involvement in both T-Levels and the Institute of Technology were very positive steps that could bring new opportunities for residents of the Borough.

With further education beginning to be recognised for its role in skills, as well as in academia, the introduction of T-Levels and the opportunity to pilot it within the Borough was a very positive step for the college and Hillingdon. Members agreed that alternatives to GCSEs and A-Levels would help local residents who did not wish to carry on studying academic subjects, and would help provide a more talented and diverse workforce. Additionally, the review was very complimentary on the work that Uxbridge College has done to provide opportunities for residents with disabilities.

The Committee also noted the very good record of Uxbridge College in delivering qualifications,

particularly over the last ten years or more and the variety of the curriculum offered was very helpful in attracting new students.

At the meeting, Dr DeSouza, Group Principal at Harrow College & Uxbridge College, noted that HCUC liaised constantly with local schools to get their messages out, and while this helps to identify future students from schools and academies, more could be done in this regard and he questioned whether the Council may be able to help in this regard. In addition to helping to get messages out to schools and students, Dr DeSouza stated it would be very helpful to encourage businesses to understand that HCUC was providing agendas to get students ready for work and that it was worthwhile to take a chance on young people.

The Committee noted during the witness session that a recent study found only 27% of those questioned even knew that T-Levels existed, and it was recognised that further promotion of the qualification was clearly required to ensure that young residents knew about the qualifications so that they can enrol if interested.

It was agreed that Hillingdon residents should be made aware of both the T-Levels and the new Institute of Technology, as both can be centrepieces of local education for many years to come.

By engaging with and supporting the work of the college and promoting the opportunities it provides to local residents, the Council can help residents improve their skills base and, in turn, the local economy would benefit in the future from a more skilled workforce. As a result, it was recommended that the Council:

4

Support Uxbridge College and promote its new Institute of Technology and T-Level flag bearer status, and the opportunities that it provides for residents, as well as looking to maximise the possibilities for Hillingdon residents to attend courses and leverage benefits to the local economy and skills base.

The Committee noted that it was important that residents were encouraged and supported when learning new skills that may help them in employment. In addition to younger residents, there were many residents of the Borough who were looking for work at an older age and it was important that the Council offer them support to help get back into work.

The review understood the need to get people back into employment, and sometimes it is helpful to improve skills for this, particularly if a person has been out of employment for a substantial period of time. In this case, it was vital to ensure that residents are aware of the help they can have to get back into work, in addition to the opportunities they have to train or retrain, to aid their search for

employment.

Another area of support that can be offered is for residents who may be looking to start their own business in the Borough. Start-ups have an important role in any local economy, and the Council must ensure that these new businesses have access to all the necessary information to help them in their attempts to run a successful local business.

It was suggested that officers consider where the Council can support local businesses, and how they can publicise the support that is currently available to local residents so that those starting new businesses are able to take advantage of the help they can be afforded.

Additionally, it was important to consider the needs of older generations who may be out of work but looking for employment again. In these scenarios, the Committee felt that the Council should actively provide information to such residents, whilst also highlighting some of the flexible work policies that were aimed at encouraging those of around, for example, 50+ years of age to learn new skills as well. With all of this in mind, it was agreed that the Council:

5

That officers study the local business support provisions available to local residents and consider whether the Council should provide more information and advice for residents who are looking to establish new businesses in the Borough. Furthermore, for older residents, to explore what wider role the Council and partners can play to provide advice to help them secure employment, retraining or apprenticeships and to report back to the Cabinet Member, then the Committee, for consideration.

Following Hillingdon Council's declaration of a climate change emergency at the full Council meeting in January 2020, the importance of sustainable developments and "green business" practice is greater than ever.

The review heard from SEGRO that sustainable developments were vital in the Council's approach to the delivery of employment space, and increasing multi-storey industrial schemes, with electric vehicles, low-carbon schemes and renewable energy would help to deliver more environmentally-friendly developments. Increasing the green credentials of all developments within the Borough, both industrial and residential, should therefore be encouraged in Hillingdon.

There is little doubt that the climate change commitments made by both the UK Government and Hillingdon Council will overtime affect businesses' practices, but there is plenty of support for local enterprises that can help them to run an environmentally-friendly business and prosper. On the

whole, it is accepted that big companies do tend to be “greener” than smaller or mid-sized businesses, but in some cases, it could be a lack of information that prevents SMEs from knowing how to go green in an affordable manner, as many do not have the same access to information that a large business would have.

The benefits of businesses moving towards a more environmentally-friendly way of working are clear, and by encouraging this behaviour, the Council will help businesses future-proof. Increasing resource efficiency can increase profits and competitiveness, which will help make industries stronger and more resilient to change in the future.

Additionally, by encouraging innovation in these areas, the results could include skills-creation and job growth in new green industries. This will in turn boost the local economy, while using more efficient energies will also reduce costs for businesses of all save, and these savings could prove very important to smaller businesses.

As part of the Council’s commitment to climate change, it is very important that Hillingdon encourage green grants for business, and it was proposed that the Council provide a “one-stop shop” that details all the best practice for running an environmentally-friendly business online.

This section on the website would help businesses go green by detailing best practice, available grants and tax breaks, and green and sustainable initiatives that could be used by local businesses to help them make the most out of the opportunity to be environmentally-friendly. Small and medium-sized business owners could then not only consult the Council’s website to see what green measures would suit their business, but also to understand how they can benefit from tackling climate change. It was therefore agreed to recommend that the Council:

6

To support national and local climate change targets, provide a single online directory with information and promote good “green” business practices in the Borough to help future-proof smaller business owners in Hillingdon on the opportunities from a growing green economy.

Terms of Reference of the review

The following Terms of Reference were agreed by the Committee from the outset of the review:

- 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.*

Witnesses and Committee activity

The Committee received evidence from the following sources and witnesses:

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| <p>Witness Session 1 – 23 July 2019</p> | <p>Mr Nigel Cramb, Partnerships and Business Engagement Manager, Hillingdon Council</p> <p>Mr James Rodger, Head of Planning, Transportation and Recycling, Hillingdon Council</p> <p>Ms Rebecca Selby, Senior Development Manager, U+I</p> <p>Mr Richard Upton, Chief Development Officer, U+I</p> |
| <p>Site Visit – 19 September 2019</p> | <p>Site Visit to Central Research Laboratory, The Shipping Building, The Old Vinyl Factory, Hayes</p> |
| <p>Witness Session 2 – 10 October 2019</p> | <p>Mr Nigel Cramb, Partnerships and Business Engagement Manager, Hillingdon Council</p> <p>Dr Darrell DeSouza, CEO and Group Principal, Harrow College & Uxbridge College</p> <p>Mr Neil Impiazzi, Partnership Development Director, SEGRO</p> <p>Mr James Rodger, Head of Planning, Transportation and Recycling, Hillingdon Council</p> |
| <p>Witness Session 3 – 5 November 2019</p> | <p>Ms Sheryl Dixon, Economic Development Officer, Hillingdon Council</p> <p>Mr David Knowles, Transport & Projects Senior Manager, Hillingdon Council</p> <p>Mr Mike Langan, Chairman of Hillingdon Chamber of Commerce</p> <p>Mr Jonathan Seymour, Treasurer of Hillingdon Chamber of Commerce</p> <p>Ms Inga Spencer, Senior Economic Development Officer, Hillingdon Council</p> |

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