



# HILLINGDON

LONDON

## **CORPORATE SERVICES & PARTNERSHIPS POLICY OVERVIEW COMMITTEE**

**2009/10**

### **IMPACT OF PUBLIC FUNDED BUSINESS SUPPORT AND THE SUCCESS OF NEW BUSINESS START UP WITHIN HILLINGDON**

### **HOW THE COUNCIL COULD IMPROVE BUSINESS TO BUSINESS SUPPORT WITHIN THE BOROUGH'S INDUSTRIAL ESTATES**

#### ***Members of the Committee***

Cllr Richard Lewis (Chairman)

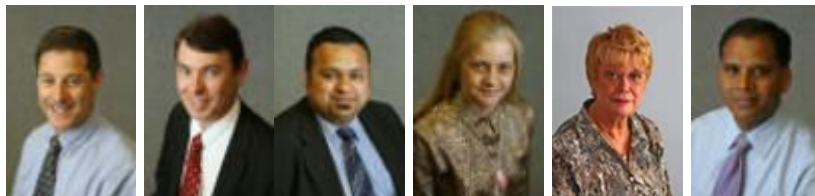
Cllr Michael White (Vice Chairman)

Cllr Sid Garg (Member of the Committee in  
2009/10)

Cllr Elizabeth Kemp (Member of the Council until 6  
May 2010)

Cllr Carol Melvin

Cllr Robin Sansarpuri



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## CHAIRMAN'S FOREWORD



The review was undertaken at a time when the business world, and in particular SMEs were being affected by the world-wide economic recession. The Council with its key strategic partners has a role to play in mitigating the impact of the recession on local businesses and ultimately the residents of the Borough.

The aim of the review was to focus on the impact of Public Funded Business Support and the success of New Business Start up, with a particular focus on Hayes Business (HB) Studios. These studios were built from funding secured from the London Development Agency and the Hillingdon Community Trust and have been a great success supporting new business start ups. The recommendations of the review will hopefully add more value to an already excellent facility which could be replicated in other areas of the Borough.

The second area of the review looked at how the Council could improve business-to-business support within the Borough's Industrial Estates. It was clear that the Council could do more to improve its links with businesses on the Industrial Estates within the Borough and the review, concentrating on the North Uxbridge Industrial Estate, looked at measures the Council and its partners could introduce to support these businesses which create significant employment and to facilitate business to business support on Industrial Estates.

The review heard evidence from a representative from Business Link in London and SEGRO (Slough Estates Group) and one of the recommendations of the review is a proposal for the Council to work in partnership with SEGRO, one of the leading commercial property investment and development companies, to look at piloting various initiatives which could improve business support for businesses on North Uxbridge Industrial Estate.

A handwritten signature in blue ink, appearing to read 'A.A. Lewis'. The signature is written in a cursive style with a horizontal line underneath.

## **CONCLUSIONS AND RECOMMENDATIONS**

The review found that the Council and its strategic partners provided a variety of measures to support businesses. The model used at Hayes Business Studios provided an excellent facility for micro-businesses and it was a sustainable model which could be used in other areas of the Borough.

The review was provided with positive messages from SEGRO (Slough Estates Group) in relation to North Uxbridge Industrial Estate and a variety of initiatives were discussed which will form the basis of further discussions between the Council and SEGRO.

### **RECOMMENDATION 1**

**That the London Development Agency when reviewing business support funding be asked to give consideration to how business networks can be facilitated at local level.**

### **RECOMMENDATION 2**

**That consideration be given to providing a core central service facility, possibly located at the Studios, which would provide professional support to the new business start ups.**

### **RECOMMENDATION 3**

**That Uxbridge College be asked to look at providing business networking events at the Studios which would facilitate greater interaction between businesses and lead to possibly business to business support.**

### **RECOMMENDATION 4**

**That further funding opportunities for new business start ups be explored and in particular investigations take place into the possibility of grants being available from UK Trade Investment to help those new start up businesses wishing to export from the UK.**

### **RECOMMENDATION 5**

**That, subject to resources, consideration be given to replicating the Hayes Business Studios model on other sites within the Borough.**

### **RECOMMENDATION 6**

**That officers be asked to explore a partnership with SEGRO on the North Uxbridge Industrial Estate looking at introducing initiatives which would provide support to the businesses on the estate.**

## **INTRODUCTION**

The Corporate Services & Partnerships Policy Overview Committee at its meeting on 10 February 2010 agreed to undertake a review into the impact of public funded business support and the success of new business start up within Hillingdon. Included with this was also looking at how the Council could improve business to business support within the Borough's industrial estates.

The dramatic economic downturn during the last year has made it a testing time for anyone to be in business. Arguably because of this there has never been a more important time to ensure that the relevant support is there from the Council and its partners.

Discussion took place at the Policy Overview Committee meetings in January and February on the areas the review should focus on. Issues raised by Members covered a wide ranging number of issues which were linked and overlapped and it was agreed to focus the review's attentions on the impact of public funded business support and the success of new business start up in the Borough.

Particular focus was on micro-businesses such as those located at Hayes Business Studios. These studios are located on Uxbridge College Hayes Campus and provide business start up units supporting local entrepreneurs. The studios were funded from the London Development Agency, Hillingdon Community Trust and the Council through planning gain (Section 106) funding. They consist of a £1m ten unit facility for new start up businesses.

Another area the review covered was Industrial Estates, and in particular North Uxbridge Industrial area, which provides an estimated 2,200 jobs. The Council does not have particularly good links with the many businesses on the Borough's Industrial Estates and the review looked into how the Council could improve this relationship. In addition the review sought the views of SEGRO (Slough Estates Group) to look at how larger organisations could help smaller businesses in terms of business to business support, mentoring and increasing the profile of these businesses.

### **AIM OF THE REVIEW**

To look at the impact of Public Funded Business Support and the success of New Business Start Up within Hillingdon, with particular focus on micro businesses such as those within Hayes Business Studios.

To look at how the Council could improve links with the Borough's Industrial Estates and improve business to business support on these estates.

## **TERMS OF REFERENCE**

### **Impact of Public Funded Business Support**

1. To examine the extent of business support in Hillingdon and whether there are gaps in the services offered.
2. What can be done by the Council and its partners to improve / increase the availability of services / quality of services?
3. To look at the measures which have been undertaken for Public Funded Business Support for start-up businesses.
4. To examine the success or otherwise of the work carried out at Hayes Business Studios and to assess the gaps and needs in this service offered.
5. To assess the affordable space available for new business start ups within the Borough.
6. To consider possible partnership work with IT companies to help businesses in relation to the promotion of their businesses through their websites

### **Industrial Estates**

7. To examine the initiatives which SEGRO (Slough Estate Group) have undertaken in relation to providing additional support to their business tenants on Industrial Estates.
8. To examine how the Council could improve its links with businesses on North Uxbridge Industrial Estate
9. What business support could the Council offer businesses on North Uxbridge Industrial Estate?
10. To look at the measures which could be introduced to create business to business support which could reduce operating costs for businesses
11. To facilitate partnership working between larger business organisation and smaller businesses which could provide business to business support and mentoring services on Industrial Estates.

12. To examine the feasibility of promoting businesses on North Uxbridge Industrial Estate with the use of a website.
13. To make recommendations from the above investigations, in relation to the support the Council can give to these businesses.

## **REASONS FOR THE REVIEW**

The world is presently in the grips of an economic recession which is having a major impact across the whole of society. The Council with its key strategic partners has a role to play in mitigating the impact of the recession on local businesses and ultimately the residents of the Borough. The Council needs to provide a strategic role to respond to the challenges brought on by the economic recession.

The Council and its key strategic partners have undertaken a wide range of measures aimed at supporting residents and businesses with a focus on town centre improvements and this review looked at the support and funding which is provided to new businesses in the Borough.

In relation to Industrial Estates, the Council does not have regular engagement with businesses on the Borough's Industrial Estates, so examining the support given to businesses on North Uxbridge Industrial Estate would provide an insight into the issues and problems which affect businesses on these estates and provide an opportunity to see where potentially the Council can work in partnership to facilitate support to businesses.

## **METHODOLOGY**

For the review, witness sessions took place on 10 February, 23 March and 14 April 2010 and involved the following witnesses:

### **10 February 2010**

Nigel Cramb – Partnerships and Business Engagement Manager – LBH  
Helena Webster – Economic Development Manager

### **23 March 2010**

Martin Blandy – Manager of Hayes Business Studios  
Lorraine Collins – Uxbridge College  
Nas Khan – Businessman, Hayes Business Studios

**14 April 2010**

Rob Grover – Partnership Manager – Business Link in London  
Neil Impiazzi – Partnership Manager – SEGRO (Slough Estate Group)

In addition to hearing evidence from witnesses, Members were provided with the following material which provided useful background information to the review

- Economic Impacts Dashboard – This document gathered data from across the Council to track yearly and monthly changes and highlight potential impacts
- Solutions for Business – Key points from London Council briefing for London Boroughs – 19 May 2009
- Industrial Business Areas Audit 2008
- Hayes Business Studios Newsletter – Spring 2010

One of the review meetings took place at Hayes Business Studios, which enabled Members to look at the affordable, managed, business start up units which supported local entrepreneurship.



## **EVIDENCE AND FINDINGS**

### **What is currently available in terms of business support?**

The most generic service this organisation offers in terms of support to small business is available under the Business London Service. This is delivered by Gateway Business Consultants for Hillingdon and Ealing on behalf of West London Business. Funding for this service is provided by London Development Agency and also supplemented by funding from the Department of Work and Pensions to support unemployed people to become self employed.

### **Business Link in London**

Business Link in London is a free, impartial business advisory service available to anyone starting or running a small or medium sized business (SME). This is funded by the London Development Agency (LDA) and managed by Serco, using the Business Link in London branding.

Business Links work includes:

- Face to face advice from a team of experienced business advisers, practical workshops and networking events
- A 24 hour, 7 day a week helpline
- Access to nearly 900 practical guides and dozens of useful tools
- Connecting businesses to the right specialist help, when and where they need it
- Working in partnership with the private, voluntary and public sectors to ensure business receive the most suitable support

Rob Grover, Partnership Manager for Business Link in London informed the review that the role of Business Link was to help business start ups and established businesses to survive, prosper and grow. This was achieved through the provision of high quality and practical advice and information as well as providing businesses with access to other sources of business support.

In the 12 month period from January 2009 to December 2009, over 3,600 Hillingdon based businesses were helped by Business Link. This help and support ranged from businesses registering for the newsletter, making use of the on-line support tools, attending information and networking events, through to receiving intensive personal assistance through a full Business Review.

Business Link worked with mainly micro-businesses (70%) but in the present economic climate, the organisation was pushing to help those SMEs that employed 5+ staff and which could grow and employ more staff. Filtering of businesses took place to assess how serious businesses were and this would ensure a higher success rate.

### **Solutions for Business**

Nationally there have been some 3,000 different public sector business support schemes available, all with different eligibility criteria. This has caused confusion to businesses.

Solutions for Business has streamlined these business support schemes into a core offer of 30 products ranging from Train to Gain through to Finance for Business and Innovation vouchers. The solutions for Business definition of business is *“Any publicly funded activity that benefits a business or a person considering creating a business such as through grant, loan, subsidy, advice or service.*

### **London Development Agency**

London Development Agency (LDA) aims to address the issues that prevent London’s firms performing as efficiently and effectively as possible and identify areas that justify public sector intervention. LDA objectives are to:

- Address barriers to enterprise start-up, growth and competitiveness
- Maintain London’s position as a key enterprise and trading location
- Improve the skills of the workforce
- Maximise the productivity and innovation potential of London’s enterprises

One of the major roles of the LDA is being the strategic leader of business support in London managing the Business Link in London support service for entrepreneurs and SMEs. The LDA’s work complements other established regional and national schemes and they have a strong record of helping small-to-medium-sized enterprises (SMEs) to access finance for their expansion and growth, as well as offering a number of loan and grant schemes.

### **Chambers of Commerce and Local Trade Associations**

The review when receiving evidence noted the importance of Business Link’s relationships with Chambers of Commerce and local trade associations or business networks as a means of engaging with businesses. In Hillingdon Borough there were a number of towns that did not have the presence of a Chamber of Commerce.

Chambers of Commerce and local trade associations can help businesses, particularly SMEs by bringing exclusive access to business networking meetings and provide opportunities to promote inter-chamber trade. They can provide strength in unity; they can campaign at the highest level on issues that matter to businesses. Chambers of Commerce can offer advice and support in resolving business problems which can occur for SMEs.

The review agreed that the setting up of local trade associations in a number of towns in the Borough would provide a useful resource for businesses and this could be an area of work which Business Link could get involved in. Members were aware that the LDA commissioned Business Link in London's work programme and this would have resources implications.

**RECOMMENDATION 1**

**That the London Development Agency when reviewing business support funding be asked to give consideration to how business networks can be facilitated at local level.**

**Hayes Business Studios**

One of the witness sessions for the review was held at Hayes Business Studios and provided Members with an opportunity to have a look at successful micro-businesses within the Borough.

Hayes Business Studios are located on Uxbridge College Hayes Campus and are affordable, managed business start up units which support local entrepreneurship. They were built from funding secured from the London Development Agency (£750,000), Hillingdon Community Trust (£45,000) and the London Borough of Hillingdon (£215,000 from Section 106 funding).

The facility consists of £1m ten unit premises for new start up businesses and has been a great success story during these difficult economic times.

Achievements have been:

- Securing extensive external funding from the LDA. The London Borough of Hillingdon was the first of three boroughs (Ealing, Hillingdon & Hounslow) to deliver
- Appointing a dedicated manager to ensure that tenants receive business support to start and grow their businesses
- Completing the capital build on budget and on time, resolving snagging issues in order to attain high quality specification
- Achieving 80% occupancy ahead of schedule despite the economic downturn

- Hayes Business Studios meeting room being increasingly used by community groups and for external meetings
- Established a good working relationship with Business Link in London to provide one to one business support and advice
- To date 8 new businesses have been created since the studios opened
- The Studios have become a local focus for entrepreneurship, through participating in national programmes such as Striding Out (The Big Leap) etc

The review was provided with evidence provided by Martin Blandy, the manager of the Studios, together with Nas Khan, a business tenant of one of the studios.

As part of taking up a studio, a business start up was given ongoing professional support and advice which was delivered free by qualified and professional trained business advisers in a way which suited and met the needs of the business. A range of training and support was offered which included:

- Leadership and Management Programme delivered by Uxbridge College with up to £1,000 of grant support available
- “Train to Gain” – this helped businesses get the training they need to succeed and stay successful
- Business seminars and Business Start up Open Days

### **Free Business Banking**

One of the major advantages for start up businesses at the Studios is the initiative of free business banking for 2 years with Natwest Bank. This service provides new businesses with support and packages which help them during their set up period.

- A named, dedicated local Business Manager with a wealth of knowledge and experience to provide help and guidance for a business
- Access to one of the largest branch networks in the country
- Options to do banking on-line, on the telephone or through the mobile banking service
- Huge variety of products from savings, to loans, insurances etc
- Access to added value business partners which includes Streamline, Mentor and Lombard who can provide services to support, protect and grow businesses
- Start up packs which provide powerful business planning software and useful business guides
- Exclusive selection of discounts and offers

## **Mentoring and Support**

Business tenants for the Studios went through a strict interview process and had to produce a Business Plan which provided details of the businesses future plans and vision. The initial support for tenants consisted of an interview with the local Business Link representative.

Nas Khan, who provided the review with his views on business start ups, informed the review that the first 12 months for a new start up business was critical and it was important that new businesses had the support and mentoring in place to ensure survival.

Reference was made to the early days of any business being chaotic, with the focus being on trying to build the business up and generating revenue. However, new start ups found the management of invoices, managing stock control, the practicalities of pay as you earn tax, public liability insurance and so on, overwhelming and time-consuming, and took business proprietors away from the main focus of selling their service and generating income.

A solution to this could be that a core central service facility be provided within the Studios which new business start ups could have the option of buying into and which could provide valuable professional support. This would enable businesses to concentrate on selling their service and providing maximum time to do this.

### **RECOMMENDATION 2**

**That consideration be given to providing a core central service facility, possibly located at the Studios, which would provide professional support to the new business start ups**

Nas Khan informed the review that in relation to support for new businesses, this could simply be having another person in business to talk to, to share thoughts and ideas with. There was not a great deal of interaction amongst the businesses within the studios and it was acknowledged that greater networking of these start up businesses would benefit all.

Details of the level of business support were reported and it was noted that this support was not as great as anticipated when the Studios were devised. Lorraine Collins from Uxbridge College reported that there was an element of business advice within some of the college's own training, especially within subject areas which might lead to self-employment or business start up i.e. Health & Beauty. The College's business students have also attended seminars to raise their awareness about start ups.

Opportunities were provided for businesses at the Studios to have “get togethers” such as breakfast meetings, but it was acknowledged that greater networking should take place which would benefit all the businesses. Greater knowledge of each others businesses may provide discount opportunities from business to business.

Events such as the recent Google event which was held at the Civic Centre at the London Borough of Hillingdon could be held at the Business Studios, with the involvement of West London Business and the Chambers of Commerce. In addition businesses could work closer with Uxbridge College, taking students on placement for work experience.

Business Case Studies, successes and failures were produced by the Studio’s manager and these could be used for training purposes at a Business event, utilising the Human Resources team at Uxbridge College.

**RECOMMENDATION 3**

**That Uxbridge College be asked to look at providing business networking events at the Studios which would facilitate greater interaction between businesses and lead to possible business to business support.**

**Other sources of funding**

Throughout the review Members were made aware of the limited resources which Business Link had at their disposal which limited the amount of support they could give to new businesses. There were organisations which could be contacted for possible funding and reference was made to Hillingdon Partnership Trust(**Helena is this correct?**) who were a charitable organisation who pulled together funding from businesses.

The UK Trade Investment (UKTI) is an organisation who helps businesses who want to export from the UK to overseas. UKTI can offer business start ups with business opportunities, expert trade advice and support to UK based companies wishing to expand their business overseas. This could be an area of opportunity for grant monies for new start businesses within the Studios.

**RECOMMENDATION 4**

**That further funding opportunities for new business start ups be explored and in particular investigations take place into the possibility of grants being available from UK Trade Investment to help those new start up businesses wishing to export from the UK**

Members were extremely impressed with the set up at Hayes Business Studios and the overall success of the project, and subject to resources, consideration should be given to replicating this model on other sites in the Borough. The model was sustainable and provided excellent facilities for new business start ups.

**RECOMMENDATION 5**

**That , subject to resources, consideration be given to replicating the Hayes Business Studios model on other sites within the Borough.**

**Industrial Estates**

A second area the review was interested in was looking at the Borough's Industrial Estates. The Council has tended to focus activity on town centres. This aspect of the review provided Members with an insight into the issues and problems which affect businesses on estates. Some 27,000 people are employed within industrial business areas across Hillingdon

From officer investigations prior to the review it was found that because the Council did not have an overview of businesses on estates it was difficult for officers to engage with businesses out there. The businesses located on the estates varied greatly, from major companies such as BMI, Xerox to micro businesses.

The most appropriate source of information the review used was from the Borough's Employment Land Study which was published in July 2009, as part of the evidence base for the Local Development Framework.

**North Uxbridge Industrial Area and SEGRO**

For the purpose of the review it was agreed to focus on North Uxbridge Industrial Area. This estate has an estimated employment of 2,196, total floorspace of 67,000 sq.m with 47 sites/premises.

The site is predominantly a mix of offices, warehousing and distribution facilities and some industrial buildings. The key firms on the site are Rank Xerox, Arri Media, Beyer (Healthcare) Ltd and IBM.

One of the key owners of the Industrial Estate is SEGRO (Slough Estates). SEGRO is Europe's leading provider of flexible business space and operated from a network of 16 offices in 10 countries, serving businesses from start ups to global corporations.

Neil Impiazzi, Partnership Development Manager of SEGRO provided the review with details of the work his organisation was doing to support businesses on Industrial Estates, particularly during the present difficult economic climate. The main issue

Information provided included:

- Work had taken place on Slough Estate with clusters of businesses and SEGRO was building effective relationships with businesses and keeping close to them in these difficult economic times
- Cluster working had resulted in a re-negotiating of building insurance premiums which resulted in a 20% saving for customers. In Slough for example, 30-40 businesses working in a cluster had produced savings from jointly purchasing stationery
- SEGRO had around 80 customers within the Borough, with premises ranging from sizes of 500 sq feet to 250,000 sq feet
- Major challenges which faced customers included rents not being competitive in the current market, customers requiring less space to manage their liabilities, keeping down overhead costs and a lack of understanding of what support was out there for businesses
- Engagement with customers was the particular focus at present. This was important as 40-50% of SEGRO's business was repeat business
- SEGRO were working in partnership with their customers on marketing
- Building relationships with customers involved customer engagement programmes, a named contact for different issues, credit control, leasing and operations
- A particular emphasis from the organisation was to change the dynamic of tenants to customers, and to change the approach of SEGRO from a landlord to a supplier of services
- Reference was made to the work which was taking place with 75 customers with rent payment plans which will ease their cash flow problems and support the future survival of their businesses
- Work has taken place with Business Link to engage with Industrial Estate occupiers but they tended not to be the most interactive businesses
- 6 weekly business to business meetings took place with advisers who gave businesses professional advice
- SEGRO will continue to drive down occupier costs and improve efficiency by providing the option of leasing office furniture, IT equipment



## **Partnership with SEGRO**

The review focused on the partnership work which SEGRO was currently undertaking on Slough Trading Estate and the representative from SEGRO expressed an interest in working closely with LBH and possibly introducing some of those measures in the Borough.

Focusing on North Uxbridge Industrial Estate as a pilot, work could take place on providing support to businesses on this estate, similar to the initiatives which SEGRO have introduced in other areas.

Specific areas of interest could be the formation of a business club on North Uxbridge Industrial Estate, looking at the marketing of the businesses on the estate and constructing a website for the estate which could advertise businesses on there, providing information on rental opportunities and other initiatives to support businesses.

The cluster approach could be investigated in terms of buying initiatives for businesses and the possible introduction of some kind of discount card. This could enable businesses to source goods and services locally as well as providing discounts for the businesses.

The review was provided with details of SEGRO's "Vision for the future" and in particular the work which was being done on Slough Trading Estate. The Estate is home to world leading brands such as Mars, LG, Fiat, Ferrari and O2, as well as exciting local start ups. Employing 17,000 people across 400 companies, it provides a quarter of all jobs in Slough.

The Trading Estates success has been founded in its ability to adapt to the changing demands of business. With traditional manufacturing in decline, SEGRO is looking to the future and looking at initiatives which will retain and create jobs. The Estate Wide development plan called "Vision for the future" is aimed at helping Slough retain its competitive position in the Thames Valley and will create 4,000 new jobs and attract new companies to Slough Trading Estate, which in turn will contribute approximately £100m a year to the local economy.

### **RECOMMENDATION 5**

**That officers be asked to explore a partnership with SEGRO on the North Uxbridge Industrial Estate looking at introducing initiatives which would provide support to the businesses on the estate.**