



# 3 The Square, Stockley Park, UB11 1ET

## Economic Benefits Assessment

Iceni Projects Limited on behalf of F&C  
Commercial Property Holdings c/o  
Columbia Threadneedle Real Estate  
Partners

January 2024

ICENI PROJECTS LIMITED  
ON BEHALF OF F&C  
COMMERCIAL PROPERTY  
HOLDINGS C/O COLUMBIA  
THREADNEEDLE REAL  
ESTATE PARTNERS

**3 The Square, Stockley Park, UB11 1ET**  
**ECONOMIC BENEFITS ASSESSMENT**



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# 1. INTRODUCTION

- 1.1 This Economic Benefits Assessment has been prepared by Icen Projects Ltd on behalf of F&C Commercial Property Holdings c/o Columbia Threadneedle Real Estate Partners. The assessment has been prepared to highlight the anticipated economic benefits that could arise from the planning application for the change of use of 3 The Square, Stockley Park (the Application Site) of existing office building (Use Class E, formerly Use Class B1) to a post-operative care facility (Use Class C2) and the provision of landscaping and associated works.

## **Application Site and Background**

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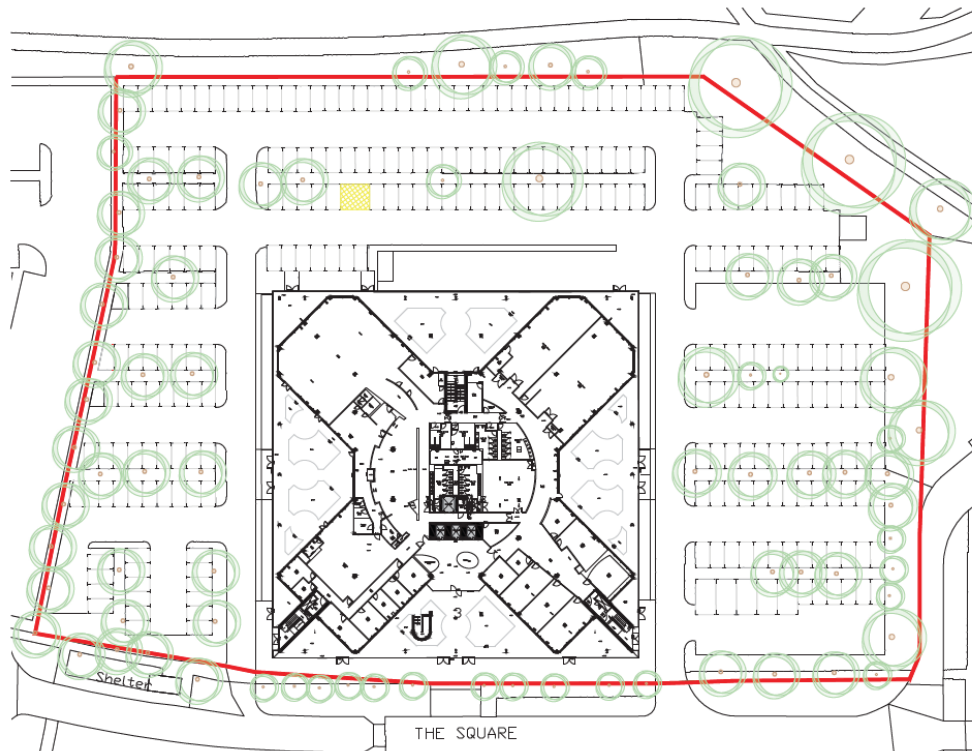
### **Site Description**

- 1.2 The Site is located in Stockley Park, an office / business estate and public country park located between Hayes, Yiewsley and West Drayton in the London Borough of Hillingdon. The Site is 1.37ha in size. The site currently accommodates a four storey office building, offering 93,055 sqft (c.8,650 sqm) of office floorspace. The entire building is currently vacant following the vacation of Canon who occupied the offices from 2009 to 2021.

### **Site Context**

- 1.3 In August 2020, Stockley Park was designated a Grade II listed Registered Park and Garden. The Park is managed by Stockley Park Estates Company Ltd. Stockley Park is recognised for the high-quality amenity space for staff to enjoy, enriching their wellbeing and lifestyle.
- 1.4 Phases I and II Stockley Park were built between 1984 and 1993 as part of a business estate masterplan which contains five office buildings in a landscaped area, desirable for suburban commuters. The Site is situated within Phase II Stockley Park, which is currently a vacant office.
- 1.5 The Site is very well connected to London's wider public transport network, being a 10-minute bus from Hayes & Harlington Tube and Rail Station. Alternatively, it is a 22-minute walk or 7-minute cycle via Grand Union Canal Walk from the site to the station. From here, it is approx. an 18-minute tube to Paddington Station on the Elizabeth Line. The site has a PTAL rating of 1-2.

**Figure 1.1 Red Line Boundary of the Proposed Development Site**



### **Description of Development**

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- 1.6 The planning application seeks permission for the following:

**Full planning permission for the change of use of existing office building (Use Class E, formerly Use Class B1) to a post-operative care facility (Use Class C2) and the provision of landscaping and associated works.**

### **Background to Site and the Proposed Development**

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#### **About the Proposed Development**

- 1.7 The redevelopment will involve a new internal layout within the existing building, comprising of post-operative care facilities. This will provide medical wings comprising multiple one-bed units, totalling 100 long-stay medical rooms with accompanying en-suites, located on the second and third floor.
- 1.8 Other facilities provided include new post-operative care facilities including examination rooms, MRI and radiology equipment and hydrotherapy pools;

## Structure of this Report

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1.9 The remaining sections of the report are structured as follows:

- **Section 2** – outlines the methodology used for this assessment.
- **Section 3** – provides an overview of the economic policy context.
- **Section 4** – outlines the economic context of LB Hillingdon.
- **Section 5** – identifies the construction phase economic impacts.
- **Section 6** – identifies the operational phase economic impacts.
- **Section 7** – summaries the wider economic and social benefits.
- **Section 8** – provides a summary and conclusion.

## 2. ASSESSMENT METHODOLOGY

2.1 This assessment will measure the estimate the economic impacts of the Proposed Development:

- In **quantitative terms** such as by the number and type of jobs supported directly and indirectly, Gross Value Added (GVA) and fiscal benefits.
- In **qualitative terms** including the local community benefits, regeneration impacts and improvements to the perception of an area, attractiveness and appeal to residents and wider economic competitiveness.

### Scope of Assessment

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2.2 First, a high-level policy review will be completed to understand what economic priorities are at play at the national, regional, and local levels.

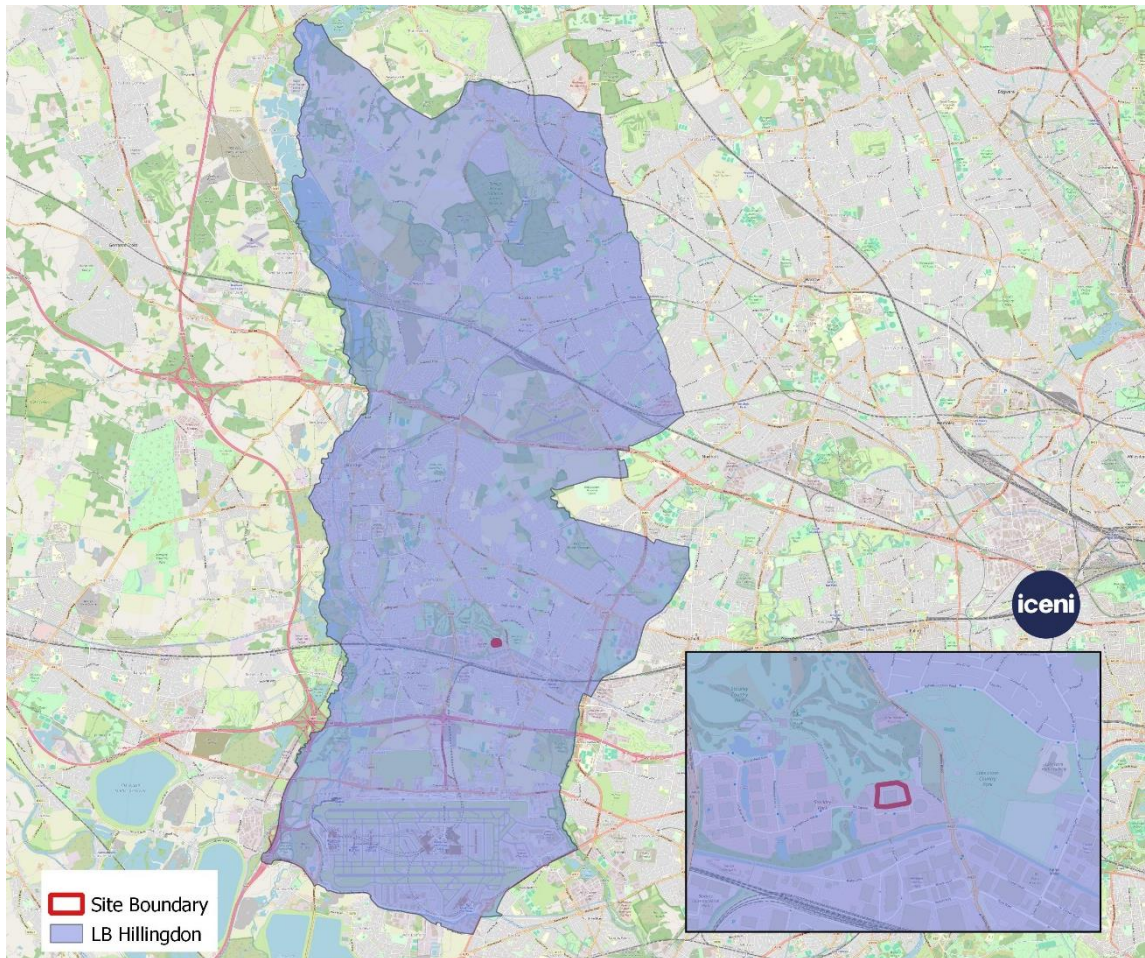
2.3 Following this, a baseline profile of the population and economic context of LB Hillingdon, London and England will be presented using publicly accessible data from the Office of National Statistics (ONS), LB Hillingdon and other recognised sources.

2.4 The geographies that form the study area and justification are presented in **Table 2.1** and mapped in **Figure 2.1** below.

**Table 2.1 Data Collection Geographies**

Area Name	Geographical Area	Justification
Local Impact Area	LB Hillingdon	The application Site is within LB Hillingdon administrative boundary. The scheme is therefore subject to the planning policy objectives and strategies for the Borough. Additionally, the immediate economic benefits of the scheme are most likely to be felt within the Borough.
Wider Impact Area	London	The application is located in Greater London. It is likely that many of the economic effects will be felt across the wider region.
National Impact Area	Great Britain	Where appropriate the national economic data is provided for comparison purposes.

Figure 2.1: Study Areas



Source: Icen Analysis, 2024

- 2.5 The report then details how the Proposed Development will deliver significant economic benefits during both its construction and operational phases.
- 2.6 The assessment will include looking at direct economic impacts such as new job creation, an increase in expenditure and an increase in the fiscal value.
- 2.7 Indirect effects will be considered including additionality, which is the real increase in socio-economic value that, in this case, would not have occurred without the proposed development. There are three relevant components to additionality.
- **Leakage** – the extent to which impacts 'leak out' of a target area into others. The relevant target area considered here is LB Hillingdon but overall impacts across a wider area (i.e. London and the UK as a whole) have also been presented.



- **Displacement** – the extent to which an increase in economic activity or other desired outcome is offset by reductions in economic activity or other desired outcome in the area under consideration or in areas close by.
- **Multiplier effects** – Knock-on impacts created through supply chain spending (indirect effects) and through additional income expenditure (induced effects).

2.8 When providing an economic benefit, the geographic level of effect will be stated to show the local and regional effect the Proposed Development will have upon the economy.

2.9 The impacts on the economy and social benefits will be quantified and stated accordingly. Finally, a conclusion will be drawn from the assessment with the infographic presenting an overall summary.

### **Limitations and Assumptions**

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2.10 Assumptions and limitations are highlighted where relevant throughout this assessment however, the key points of note are identified in this section.

2.11 Data sources are referenced. The latest available data has been used; however, it should be noted that many data sources are frequently updated and could be subject to change from the time of the planning application process.

2.12 This assessment draws on the information set out in other planning application documents and other technical documents available at the time of authoring this report.

### 3. ECONOMIC POLICY CONTEXT

- 3.1 This section reviews the policy context relating to the economic aspects of the Proposed Development scheme at the national, regional, and local levels. A more detailed policy review is provided in the Planning Statement supporting the application.

#### National Policy

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##### National Planning Policy Framework (2023)

- 3.2 The National Planning Policy Framework (NPPF) was last amended in December 2023. The main objective of the NPPF is to increase the delivery of sustainable growth and development. The Framework includes several policies of relevance for this assessment which are outlined below:

<b>Paragraph 8: The Economic Objective</b>	The economic objective of achieving sustainable development should help to build a strong, responsive, and competitive economy, by ensuring the right type of land is available to support growth.
<b>Paragraph 11: Presumption in favour of sustainable development</b>	All plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; and mitigate climate change.
<b>Paragraph 82: Building a strong, competitive economy</b>	Planning policies should set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth.

#### Regional Policy

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##### London Plan (2021)

- 3.3 The first chapter of the London Plan (2021) is all about promoting good growth in the City. Specifically for the economy, this means the following in policy terms:

<b>Policy E1: Offices</b>	<p>A. Improvements to the quality, flexibility and adaptability of office space should be supported by new office provision, refurbishment and mixed-use development.</p> <p>B. Increases in the current stock of offices should be supported in the locations in Parts C and D below.</p>
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	<p>D. Diverse office markets in outer and inner London should be consolidated and – where viable – extended. This includes existing urban business parks such as Stockley Park.</p> <p>E. Existing viable office floorspace capacity in locations outside the areas identified in Part C should be retained, supported by borough Article 4 Directions to remove permitted development rights where appropriate, facilitating the redevelopment, renewal and re-provision of office space where viable and releasing surplus office capacity to other uses</p> <p>G. Development proposals related to new or existing offices should take into account the need for a range of suitable workspace including lower cost and affordable workspace.</p> <p>H. The scope for the re-use of otherwise surplus large office spaces for smaller office units should be explored.</p> <p>I. The redevelopment, intensification and change of use of surplus office space to other uses including housing is supported, subject to the provisions of Parts G and H.</p>
<b>E2: Providing Suitable Business Space</b>	<p>A. Development proposals that involve the loss of existing B Use Class business space (including creative and artists' workspace) in areas identified in a local Development Plan Document where there is a shortage of lower-cost space or workspace of particular types, uses or sizes, should:</p> <ol style="list-style-type: none"> <li>1. Demonstrated that there is no reasonable prospect of the site being used for business purposes or</li> <li>2. ensure that an equivalent amount of B Use Class business space is re-provided in the proposal which is appropriate in terms of type, use and size, incorporating existing businesses where possible, and include affordable workspace where appropriate</li> </ol>
<b>GG3: Creating a healthy city</b>	<p>To improve Londoners' health and reduce health inequalities, those involved in planning and development must:</p> <p>A. ensure that the wider determinants of health are addressed in an integrated and co-ordinated way, taking a systematic approach to improving the mental and physical health of all Londoners and reducing health inequalities...</p> <p>E. Plan for appropriate health and care infrastructure to address the needs of London's changing and growing population</p>
<b>Policy GG5: Growing a Good Economy</b>	<p>To conserve and enhance London's global economic competitiveness and ensure that economic success is shared among all Londoners, those involved in planning and development must:</p>

	<p>A. Promote the strength and potential of the wider city region</p> <p>B. Seek to ensure that London's economy is diversified and that the benefits of economic success are shared more equitably across London</p> <p>C. Plan for sufficient employment and industrial space in the right locations to support economic development and regeneration</p> <p>D. Ensure that sufficient high-quality and affordable housing, as well as physical and social infrastructure, is provided to support London's growth</p> <p>E. Ensure that London continues to provide leadership in innovation, research, policy, and ideas, supporting its role as an international incubator and centre for learning</p> <p>F. Promote and support London's rich heritage and cultural assets and its role as a 24-hour city</p> <p>G. Make the fullest use of London's existing and future public transport, walking and cycling network as well as its network of town centres, to support agglomeration and economic activity</p> <p>H. Recognise and promote the benefits of a transition to low carbon circular economy to strengthen London's economic success</p>
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- 3.4 The site is within the Heathrow Opportunity Area which is identified for 13,000 new homes and 11,000 jobs by 2041.

#### **LB Hillingdon Local Policy**

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##### **LB Hillingdon Local Plan: Part 1, Adopted 2012**

- 3.5 The current Local Plan for LB Hillingdon was adopted in 2012. The Local Plan: Part 1 is the key strategic planning document for the borough, setting out the long-term vision and objectives for the Borough. The Part 1 includes broad policies for steering and shaping development to 2026. Guidelines for planning applications decisions and site allocations are within Part 2.

<b>Policy E1</b>	The Council will accommodate growth by protecting Strategic Industrial Locations and the designation of Locally Significant Industrial Sites (LSIS) and Locally Significant Employment Locations (LSEL).
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<b>Policy E2</b>	<p>The Council will accommodate 9,000 new jobs during the plan period. Most of this employment growth will be directed towards suitable sites in the <b>Heathrow Opportunity Area</b>, Strategic Industrial Locations (SILs), <b>Locally Significant Employment Locations (LSEL)</b>, Locally Significant Industrial Sites (LSIS), Uxbridge Town Centre and Hayes Town Centre with a particular focus around transport nodes. The Council will promote development in highly accessible locations that delivers sustainable travel patterns and contributes to the improvement of existing networks to reduce emissions and impacts on air quality.</p>
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#### LB Hillingdon Local Plan: Part 2, Adopted 2012

- 3.6 Part 2 of LB Hillingdon's Local Plan provides the Development Management Policies, forming the basis of the Council's decisions on individual planning applications in addition to Site Allocations and Designations.
- 3.7 The Site falls within a Local Significant Employment Location (LSEL) which are intended to have a light industrial, office and R&D role.

<b>Policy DME1: Employment Uses on Designated Employment Sites</b>	<p>The Council will support light industrial, office and research &amp; development activities (B1 (a) (b) (c) Use Classes) within Locally Significant Employment Locations (LSEs). The Council expects proposals in LSEs to promote a high quality business environment that respects local amenity.</p> <p>Proposals for other uses will be acceptable in SILs, LSEs and on LSIS only where:</p> <ul style="list-style-type: none"> <li>i) There is no realistic prospect of the land being developed in accordance with criterion A, B or C; or</li> <li>ii) Sites have been vacant and consistently marketed for a period of 2 years; and</li> <li>iii) The proposed alternative use does not conflict with the policies and objectives of this Plan.</li> </ul>
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<b>Policy DME: Office Development</b>	<p>Proposals involving loss of office floorspace in preferred locations for office growth, which fall outside of existing permitted development procedures, should include information to demonstrate that:</p> <ul style="list-style-type: none"> <li>i) the site has been actively marketed for two years;</li> <li>ii) the site is no longer viable for office use, taking account of the potential for internal and external refurbishment; and</li> <li>iii) surrounding employment uses will not be undermined.</li> </ul>
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### Economic Policy Context Summary

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- 3.8 The NPPF aims to promote sustainable growth and development, focusing on building a strong, competitive economy by ensuring appropriate land use and addressing environmental and climate concerns.
- 3.9 The London Plan promotes economic growth by diversifying London's economy, ensuring equitable distribution of economic success, providing employment, supporting affordable housing and infrastructure, encouraging innovation, and transitioning to a low-carbon circular economy. Regarding office space, it supports the redevelopment or change of use of office space if all other options have been explored and discounted.
- 3.10 The LB Hillingdon Local Plan protects Locally Significant Employment Locations, of which the Site falls within, accepting proposals for other uses sites have remained vacant after 2 years of marketing, the site is no longer viable for office use and it will not impact on surrounding uses.

## 4. ECONOMIC CONTEXT

- 4.1 This section provides an overview of the economic context of LB Hillingdon. There is also a specific focus on housing at the local and national levels.
- 4.2 Local labour market indicators, using the latest available data from the ONS, are summarised in **Table 4.1**.
- 4.3 The economic activity rate measures the proportion of the working-age population who are active members of the labour market. LB Hillingdon has a lower proportion of the population who are working age (73.8%) (aged between 16 and 64) when compared to London (78.6%) and Great Britain (78.8%).
- 4.4 The unemployment rate in LB Hillingdon, as of September 2023, was above the national and regional levels at 12.1%. Furthermore, as of September 2023, LB Hillingdon had 4.3% of residents claiming universal credit. This shows that there is flexibility within the job market to accommodate new employment opportunities.
- 4.5 In LB Hillingdon, most jobs are in tier 1-3 occupations, (58.2%) which is lower than London (63.5%) but higher than England (52.4%). This is seen as a positive economic factor as tier 1-3 typically involves the highest paying jobs (managers, directors, professionals, and technical experts), meaning LB Hillingdon has a higher proportion of residents receiving higher incomes than these jobs demand in comparison the UK.
- 4.6 Gross weekly wages are somewhat lower than the London median earnings but higher than national levels. Within the Borough, average resident earnings amount to £776 per week compared to £796 across London but £683 nationally.

**Table 4.1 Labour Market Indicators**

	<b>LB Hillingdon</b>	<b>London</b>	<b>Great Britain</b>
<i>Employment and unemployment (Oct 2022 – Sept 2023), aged between 16 to 64</i>			
Economically Active	73.8%	78.6%	78.8%
Economically Inactive	26.2%	21.4%	21.2%
Unemployed	12.1%	4.9%	3.8%
<i>Claimant Count (December 2023)</i>			
Claimant Count	4.3%	3.7%	5.0%
Management/ Professional/ Technical	58.2%	63.5%	52.4%
Admin /Skilled Trades	14.4%	15.1%	18.3%
Leisure / Sales	14.4%	11.3%	14.0%

	LB Hillingdon	London	Great Britain
Process / Elementary	12.9%	9.7%	14.9%
Weekly Pay	£776.40	£796.30	£682.60

Source: ONS, 2023

- 4.7 Within LB Hillingdon, there are 197,400 people employed in jobs. Around 72% are in full-time jobs and 18% are in part-time jobs, this is just above the national average of 69% in full-time jobs.
- 4.8 The Business Register and Employment Survey (BRES), provides information of the sectors which make up employee jobs in Hillingdon (compared with London and Great Britain). This data shows that 25.6% of employment is in office-based sectors<sup>1</sup>, this is significantly lower than the London average of 40.8%.
- 4.9 The construction sector employs 7,000 people in LB Hillingdon which is equivalent to 3.6% of employees. Across London, the sector represents 3.4% of employment. It should be noted that the construction sector typically includes a high representation of self-employed workers which means that in reality job numbers in the sector are likely to be higher.
- 4.10 In 2023, 14,120 businesses were operating in LB Hillingdon. Most of these businesses (90.9%) were micro-employing up to 9 people with only 0.6% (or 80 businesses) employing over 250 people.
- 4.11 The job density in LB Hillingdon is 1.02 meaning that per working-age person in LB Hillingdon, there are 1.02 jobs, this is equal to London's jobs density. Having a job density above one represents an area with more jobs than the working-age population which may result in people commuting into LB Hillingdon for work.

## Summary

- Hillingdon has a lower proportion of working age residents (73.8%) compared to London and the UK.
- The unemployment rate in LB Hillingdon is 12.1% showing that there is flexibility within the job market to accommodate new employment opportunities.
- Hillingdon has a high proportion of high tier occupations (58.2%) in comparison to the UK.
- Hillingdon has a job density over 1, resulting in in-commuting to the Borough.

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<sup>1</sup> ICT, Financial and Insurance. Professional, scientific and technical & Business administration & support services



## 5. CONSTRUCTION PHASE IMPACTS

- 5.1 This section considers the economic benefits linked to the construction and fit-out phase of the Proposed Development. It is expected that the Proposed Development will have a construction period of 18-24 months. The primary benefits relate to the level of private sector investment, employment opportunities created, and the additional economic output generated.

### Construction Investment

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- 5.2 Estimates provided indicate that the build cost for the redevelopment of the site would cost a total of £53.3 million, which includes works to the shell and core and the fit out. The estimated build period is 18-24 months. Based on a build period of 2 years, the redevelopment of 3 The Square would lead to a significant private-sector construction investment amounting to **£22.1 million**. This consists of a direct GVA of £15.8 million and an induced and indirect GVA of £6.2 million. This represents a significant injection of private-sector investment within LB Hillingdon and across London in the short term.

### Construction Employment

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#### Direct Employment

- 5.3 To estimate the number of construction jobs supported during the 2-year construction period, a turnover-to-employment ratio for the construction sector has been used. This draws on the Office for National Statistics (ONS) Annual Business Survey<sup>2</sup> data for London resulting in a ratio of one job per £137,018 of construction output.
- 5.4 Applying this ratio to the construction cost results in **389 construction jobs on-site**, equivalent to **195 construction jobs** supported per annum. The number of construction workers on-site at any one time will vary as the development phases progress.
- 5.5 Construction involves a wide range of trades and sub-sectors who are involved with the Site as it develops. Construction labour is typically mobile, nevertheless, it can be expected that the Proposed Development will help support existing local trades and contractors. There is a potential that the Proposed Development will to opportunities for new employment, apprenticeships, and training.

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<sup>2</sup> ONS (2020) Annual Business Survey 2022

### Indirect Employment

- 5.6 Several additional effects need to be considered when calculating the economic benefits of the construction phase, in line with the HCA Additionality Guide (2014).
- 5.7 In terms of construction employment, the level of displacement is the number of the 389 direct jobs that would be supported elsewhere in London if the Proposed Development did not take place. Labour resources are finite and therefore labour requirements can lead to a reduction in economic activity elsewhere.
- 5.8 The level of leakage is the proportion of jobs which are taken by those not residents in the Region. Based on the HCA Additionality Guide ready reckoners a low-level leakage has been applied at 10%. This implies that a reasonably high proportion of the benefits will be retained within London with a proportion also being retained within LB Hillingdon.
- 5.9 Construction labour tends to be highly mobile and flexible meaning levels of displacement tend to be lower than for employment in general. Displacement in construction tends to mean a delay in alternate economic activity rather than it not taking place at all. On this basis, it is considered appropriate to apply a medium discount for displacement (25%) for London.
- 5.10 Multiplier effects relate to the further economic activity (such as jobs, expenditure or income) associated with additional income, local supplier purchases and longer-term development effects. In terms of redevelopment, the scale of the multiplier effects will depend on the extent to which local sub-contractors (with their own local labour) and local suppliers (for materials and services) are used in construction. To deduce the indirect employment effect a multiplier of 1.5 for the construction sector has been applied. This suggests that for every direct construction job, a further 0.5 jobs are supported in the supply chain and through additional income expenditure.

**Table 5.1 Summary of Indirect Employment Supported by the Construction Phase**

	Outputs	Impact Across London
A	Gross Direct Employment	389
B	Leakage	10%
C	$C = A \times (1 - B)$	350
D	Displacement	25%
E	$E = C \times (1 - D)$	263
F	Multiplier	1.5
G	$G = (F \times E) - E$ Total Net Additional Employment	394
H	$H = G / 2$ Per Year of Construction	197

Source: Icen Analysis

- 5.11 Applying the additionality assumptions to the gross direct construction jobs, the Proposed Development could support a further **131 indirect and induced jobs** for residents across London

during the construction phase. Overall, the redevelopment of the Proposed Site will result in a total net additional employment of **394 jobs**.

### **Economic Output**

- 5.12 The contribution of the construction sector to the economy can be measured by Gross Value Added (GVA). GVA only considers the added value of the industry and excludes costs incurred in the construction process. The average GVA in London's construction industry is £60,205 per worker. Applying this to the direct employment impact of the Proposed Development results in a **GVA output of £15.8m over the construction period**.
- 5.13 Based on a 79 additional indirect and induced jobs, the Proposed Development could generate around **£6.3m in indirect GVA over the construction period**. The impact of which is likely to extend over a wider spatial area.
- 5.14 Overall, the scheme is estimated to deliver a total of **£22.1m in GVA from the direct construction and indirect GVA**.

## 6. OPERATIONAL PHASE IMPACTS

- 6.1 This section estimates the economic contribution that 100 beds at 3 The Square will have once the scheme is complete, occupied, and operational.

### Post-operative Healthcare Benefits

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- 6.2 The potential operator suggests that a 100 bed post-operative care facility at the Application Site would employ around 157 part-time and 57 full-time staff which is equivalent to 130-135 full-time equivalents (FTEs). They also suggest that the facility would also work with around 17 freelance staff such as: hairdressers, chiropodists, masseurs, physios, occupational therapists, nutritionists, yoga teachers and meditation teachers. We have assumed **direct on-site employment of 145 FTEs**.
- 6.3 It is important to consider the impact in terms of the level of increased employment in the local area. In line with government guidance we have applied a 25% discount for displacement of economic activity that would taken place in the absence of the provision of the post-operative care facility. This results in the provision of around 109 net additional direct FTE jobs in the LB Hillingdon.
- 6.4 This net additional direct employment will support supply chain employment and induced (employee spending driven) employment across the Borough. Green Book guidance suggests that direct jobs in tradable sectors of the economy (enterprises which compete with suppliers of the local area and/or mainly sell to consumers outside of the local area) will support around a further 1.3 times the number of direct jobs. The post-operative care services will be sold to a national and international market and therefore are deemed to be in the tradable sector. Therefore, it has been estimated that a post-operative care facility at the Application Site would support **around 141 net additional supply chain and induced FTE jobs in the LB Hillingdon**.
- 6.5 Overall, it is estimated that a 100 bed post-operative care facility at the Application Site would support **around 250 net additional FTE jobs in the LB Hillingdon**.
- 6.6 Overall, it is estimated that a 70 bed post-operative care facility at the Application Site would support **around 164 net additional FTE jobs in the LB Hillingdon**. This would contribute **around £15.3 in Gross Value Added per annum to the local economy**.

### Summary

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- 6.7 The table below summarises the key quantified economic benefits of the provision of a post-operative care facility and a data centre at the Application Site.

**Table 6.1 Summary of Economic Benefits**

Benefit	Post-operative care facility
Construction jobs (during yearlong re-development period)	394
Direct on-site jobs	145
Net additional jobs in LB Hillingdon (considering direct, supply chain and induced jobs)	141
Net additional GVA in LB Hillingdon	£15.3 million

## **Fiscal Benefits**

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### **Economic Output**

- 6.8 The operational phase will also generate significant levels of GVA which can be measured based on the amount of employment generated (i.e. total headcount) and the average levels of GVA per worker. Average GVA per worker for health and social activities in London is £35,024. Based on the employed generated, the Proposed Development is likely to generate around £3.8m per annum in direct GVA.
- 6.9 Based on the indirect and induced employment generated, the Proposed Development could generate £11.5m per annum. It should be noted that the indirect GVA impacts are likely to be extended across a wider spatial area.
- 6.10 Overall, the direct and indirect GVA combined is estimated to be around **£15.3m per annum**.

## 7. WIDER BENEFITS

- 7.1 The Proposed Development has the potential to deliver a range of wider economic benefits to LB Hillingdon and across London.

### Labour Market

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- 7.2 As seen in the Construction Phase section, the construction industry offers many opportunities for training and employment. It is anticipated that a proportion of these opportunities will be for training and employment, which aim to get young people into the industry via apprenticeship schemes. This not only helps to reduce unemployment rates but also helps to improve the skills of the future construction industry.

### Unlocking NHS Capacity

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- 7.3 The provision of a post-operative care facility would also have the potential to release NHS capacity and reduce NHS costs:
- Recent NHS England data reveals that delayed discharges in England are at an all-time high with only around 45% of patients discharged when were ready in December 2023<sup>3</sup>. This percentage rises to 47% when just considering London. Around 24% of delayed discharge days in England are the result of a lack of appropriate downstream bed, rising to 28% in London. Therefore, whilst only around 13% private post-operative patients have their surgery at an NHS hospital and the rehabilitation stay would not be paid for by the NHS, the provision of the facility will allow for earlier discharge than might otherwise be possible for these patients, freeing up hospital capacity and beds.
  - Given the size of the proposed facility, there is also potential for a contract with the NHS to accommodate selected 'step-down' patients.
  - 'Bed blocking' poses a serious cost to the NHS – An NHS bed costs between £500 and £1000 per day (compared to £360 at one of the prospective occupiers current facilities). This cost does not take into account the cost of missed operations (beds are required to perform operations) which can be £1000s per hour. Bed blocking can also leave ambulances waiting to hand over patients delaying them from further calls.

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<sup>3</sup> [Statistics » Discharge delays \(Acute\) \(england.nhs.uk\)](#)

- Post-operative care can result in reduced re-admissions which occur due to a lack of care at home. Readmission following hip surgery is a growing problem among elderly people in the UK. Nearly a quarter of these readmissions are due to a failure to rehabilitate<sup>4</sup>.
- 7.4 Accordingly, post-operative care and rehabilitation also results in better outcomes for patients including the acceleration of their return to independent living and work<sup>5</sup> and reduced admission to nursing homes and increased survival rates among geriatric patients<sup>6</sup>.
- 7.5 In addition to the NHS and health related benefits, there are significant employment benefits to be gained from the development and occupation of the site for post operative care which are typically high density employers.
- 7.6 In terms of sustainability Cushman Wakefield stated that *“whilst any healthcare operator is likely to have to invest significantly into the building, this will mean that they will seek a long dated lease of 15 to 25 years plus”* meaning that *“once the building is fitted out for healthcare, it is likely to remain in that use for the foreseeable future”* particularly given that demand for the use will only increase given the ageing population. This makes for a sustainable use of resources.
- 7.7 In terms of sustainability, given the significant investment required in the building, once the building is fitted out for healthcare it is likely to remain in this use for the foreseeable future making for a sustainable use of resources.

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<sup>4</sup> Hahnel J, Burdekin H, Anand S. Re-admissions following hip fracture surgery. Ann R Coll Surg Engl. 2009 Oct;91(7):591-5. doi: 10.1308/003588409X432374. Epub 2009 Jun 25. PMID: 19558764; PMCID: PMC2966164

<sup>5</sup> Baulig C, Grams M, Röhrig B, Linck-Eleftheriadis S, Krummenauer F. Clinical outcome and cost effectiveness of inpatient rehabilitation after total hip and knee arthroplasty. A multi-centre cohort benchmarking study between nine rehabilitation departments in Rhineland-Palatinate (Western Germany). Eur J Phys Rehabil Med. 2015 Dec;51(6):803-13. Epub 2015 May 26. PMID: 26006080.

<sup>6</sup> Bachmann S, Finger C, Huss A, Egger M, Stuck AE, Clough-Gorr KM. Inpatient rehabilitation specifically designed for geriatric patients: systematic review and meta-analysis of randomised controlled trials. BMJ [Internet]. 2010 Apr 20 [cited 2022 Jun 28];340(apr20 2):c1718–c1718. Available from: <https://www.bmj.com/lookup/doi/10.1136/bmj.c1718>

## 8. CONCLUSIONS

8.1 The purpose of this report has been to assess the quantitative and qualitative economic benefits that are expected to be generated by the Proposed Development at 3 The Square, Stockley Park to redevelop to change the existing office building to a post-operative care facility, providing 100 beds and high-quality landscaping of the remaining site.

8.2 LB Hillingdon has an economically active population of 73.8%, slightly lower than both the London and national averages. However, the relatively high unemployment rate of 12.1% and the 4.3% of residents claiming universal credit suggests flexibility in the job market.

8.3 Quantifiable Economic Benefits

8.4 The headline economic benefits can be summarised as follows, the scheme could:

- Lead to private sector construction investment amounting to approximately **£22.1 million**.
- Support **389 direct construction jobs** over the 2 year build period.
- Support around **131 indirect jobs** across London during the construction phase.
- Provide an estimated **145 direct jobs** on Site.
- Support around **141 indirect jobs** across London.
- Generate **£15.3m GVA** for London's economy.

### Social Benefits

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8.5 In addition to the quantifiable economic benefits, the Proposed Development will deliver social benefits by providing opportunities for apprenticeships during the construction phase and enhancing the local area.

8.6 Further, the Proposed Development presents an opportunity to release NHS capacity and reduce NHS costs through improving delayed discharge rates, accommodate 'step-down' patients, prevent bed-blocking and reducing re-admissions.

### Summary

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8.7 It is apparent that the benefits of the Proposed Development are wide-ranging and will make a meaningful contribution to achieving the economic objectives of LB Hillingdon. The delivery of the



redevelopment of 3 The Square to LB Hillingdon will generate significant employment in a currently vacant premises. Overall, the inward investment proposed will support the national, regional and local specific economic and wider sustainability policy objectives.