



Wirral Employment Land and Premises Study

Final Draft for Consultation, February 2021

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Status: Final

Date: February 2021

For and on behalf of Avison Young (UK) Limited

1. Introduction

Background

Avison Young were commissioned by Wirral Council to update on the previous Wirral Employment Land and Premises Study conducted by Lichfields and Lambert Smith Hampton in 2017 (2017 WELPS). The aim of this report is to guide the Local Plan by understanding the anticipated demand for employment land in the Borough over the Local Plan period to 2037; as well as identifying the potential employment sites that could address this requirement and a strategy for release of any surplus employment land. The report also builds on the Employment Land Options Study (ELOS) which was undertaken in 2019 and undertook a more detailed look at 35 employment sites and updated the employment land portfolio in the 2017 WELPS. This was consulted on with local stakeholders and was agreed that identified opportunity sites would be incorporated into this report.

This report will be an important part of the evidence base for the emerging Local Plan.

This report considers both the likely demand for employment land and the quality and availability of supply in terms of suitability, deliverability and viability.

This report has been prepared in line with the methodology set out in the National Planning Policy Framework [NPPF] and Planning Practice Guidance [PPG].

Scope of Study

The scope of the study set out to answer the following core questions facing the Council:

1. What sectors will be key to the economic future of Wirral due to existing economic strengths and competitive advantages, and what sectors do we want to attract and grow across the borough?
2. What broad locations are most appropriate to meet business occupier requirements in the future?
3. Are different types of property and sites going to become more sought after and how do we plan for this demand? Do we need to modernise our employment land and property supply to meet future business needs?
4. How will changing business practices affect space utilisation and land use efficiency?

5. Is employment development viable across Wirral and within key sub-market areas, and how can we ensure employment land is deliverable in the right locations and at sufficient quanta over the plan period?
6. Without intervention are we likely to see more businesses which may not want to move but due to market forces or regeneration pressures they are forced to relocate? How can we plan for this shift in the future and ensure business retention over the plan period?
7. What impact is anticipated from the brownfield-first residential delivery strategy on employment activities, development and viability of employment development in the future? Does it create new opportunities for mixed use development?
8. How can we deliver against both residential delivery and economic growth objectives over the plan period and beyond to protect the vibrancy and sustainability of the Wirral economy in the future?

This study is meant to be read as an update to the 2017 WELPS and therefore the scope is very much the same, save for the updated expected end date of the Local Plan in point 6. A key difference is that this report includes a new assessment of the demand for employment land in the Borough. The 2017 WELPS relies on demand forecasts included in the then emerging Liverpool City Region Strategic Housing and Employment Land Market Assessment (LCR SHELMA), which set out the requirement for employment land across the City Region. With the availability of more up to date growth forecasts from the LCR, the opportunity has been taken to provide a new assessment of demand for employment land in the Borough. It must be noted that this is a point-in-time assessment and the supply and demand of employment land is ever changing.

This study has taken into consideration the new Planning White Paper and the separate changes made to the Use classes Order which came into effect on 1st September 2020. This study was commissioned to consider the need for all B-class uses; however, whilst B2 and B8 remain. B1 uses have now been included in the new E use class for all kinds of commercial, business, retail and service uses. For clarity and consistency with previous work, this report has only considered the suitability of land for former B1 uses and not other uses within the new E use class and refers to B1 uses throughout.

Report Structure

The report is structured as follows

Section 2: Policy Context – sets out the national, regional and local policy with which this report and the economic land supply should have regard to.

Section 3: Economic Context – analyses Wirral’s economic performance compared to its neighbours and other boroughs of the Liverpool City Region

Section 4: Sub-Area Economic Context – more detailed economic analysis in the various sub-areas within Wirral.

Section 5: Market Context – an examination of the local property market and its performance which will guide the demand and viability analysis.

Section 6: Viability Analysis – an assessment of the likely land value achievable for various use types assessed, outlining the various assumptions used to calculate the viability.

Section 7: Stakeholder Engagement – analysis of the outcome of stakeholder engagement by way of a business survey

Section 8: Demand Analysis – Economic assessment of the likely demand for land for various employment use types, in order to estimate a likely land supply requirement across Wirral for the Local Plan period.

Section 9: Supply Analysis – Review of the quality of land supply across various identified potential employment development sites across Wirral.

Section 10: Conclusions and Next Steps – outlines the balance of demand and supply and its implications on employment land across the borough and the key considerations the Council need to take in their emerging Local Plan.

2. Policy and Strategy Context

This section provides a summary of the relevant policy documents relating to employment land and economic development in Wirral. The same context was provided in the previous Wirral Employment Land and Premises Study which was completed in 2017 (2017 WELPS).

As a comparison, the table below shows the documents that were included in the previous WELPS and the documents that have been included in this iteration. Additions and removals of documents, and updates to documents have been made where applicable.

Table 2.1: Document Overview

2017 WELPS	2020 WELPS
Planning Documents	Planning Documents
National Planning Policy Framework (NPPF)	National Planning Policy Framework (NPPF)
National Planning Policy Guidance (NPPG)	National Planning Policy Guidance (NPPG)
Liverpool City Region Strategic Housing and Employment Land Market Assessment (SHELMA) (Draft)	Planning White Paper – Planning for the Future
Wirral Adopted Unitary Development Plan (2000)	Town and Country Planning Use Classes Amendment 2020
Wirral Emerging Local Plan – Submission Draft Core Strategy (2012)	Liverpool City Region Strategic Housing and Employment Land Market Assessment (SHELMA) and Assessment of Large Scale B8 Sites (2018)
	Wirral Adopted Unitary Development Plan (2000) and Core Strategy (2006)
	Wirral Employment Land Options Study (Draft) (2019)
Economic Strategy Documents	Economic Strategy Documents
Building Industrial Strategy Green Paper	Building Industrial Strategy Green Paper
Northern Powerhouse Strategy	Northern Powerhouse Strategy
Liverpool City Region Growth Strategy	Liverpool City Region Growth Strategy
Wirral Plan: A 2020 Vision	Liverpool City Region Local Industrial Strategy (Draft)
Wirral Growth Plan	Wirral Council Plan for 2025
Wirral Strategic Regeneration Framework	Wirral Strategic Regeneration Framework
WELPS Refresh (2012)	Birkenhead Regeneration Framework (Draft)
	Birkenhead Delivery Action Plans (Draft)

Source: Avison Young (2021)

Planning Policy

National Planning Policy Framework (2019 Update)

The National Planning Policy Framework (NPPF) sets out the Government's economic, environmental and social planning policies for England. Paragraph 11 of the framework states that there should be a "presumption in favour of sustainable development" through both plan making and decision taking.

Paragraph 8 of the NPPF states that achieving sustainable development means that the planning system has three overarching objectives: economic, social and environmental. The objectives must contribute to help build a "strong, responsive and competitive economy", to support "strong, vibrant and healthy communities" and to "contribute to the protection and enhancement of the natural, built and historic environment".

The Framework makes it clear that it is for local planning authorities (LPAs) to proactively plan to meet the employment land and development needs of businesses in their Local Plans. Local land targets will be tested through the Local Plan process and LPAs must collect and use reliable information to justify employment land supply policies.

The Framework also indicates that LPAs are required to ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. LPAs should ensure that their assessment of strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.

Chapter 6 of the Framework states that 'significant weight' should be placed on the need to support economic growth and productivity through the planning system. To help achieve this economic growth, planning policies should:

- "Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth
- Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period
- Seek to address potential barriers to investment such as inadequate infrastructure, services or housing or a poor environment
- Be flexible to accommodate needs not previously anticipated in the plan, allow for new and flexible working practices and to enable a rapid response to economic changes"

Paragraph 120 states that planning policies and decisions need to reflect changes in the demand for land. They should be informed by regular reviews of the land allocated for development in plans, and of land availability." Therefore, where there is no reasonable prospect of development, allocated sites should not be protected in the long term. Proposals for alternative uses on such sites should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.

Chapter 7 of the NPPF states that planning policies should "support the role that town centres play at the heart of local communities, by taking a positive approach to their growth, management and adaptation." Offices are considered a 'main town centre use'; and as such, LPAs are required to apply a sequential test to planning applications for main town centre uses and when considering edge of centre and out of centre proposals, preference should be given to accessible sites that are well connected to the town centre.

The Framework states that local planning authorities and county councils (in two tier areas) are under a duty to cooperate with each other on planning issues that cross administrative boundaries. It also suggests that strategic policy making authorities should engage with their local communities and relevant bodies including Local Enterprise Partnerships, council councils, infrastructure providers and combined authorities. Paragraphs 24 to 27 require local authorities to demonstrate evidence of having effectively co-operated to plan for issues with cross-boundary impacts when their local plans are submitted for examination.

National Planning Policy Guidance (PPG)

The Practice Guidance sets out broad methodologies for assessing the demand for and supply of housing and economic development.

The Practice Guidance states that plan makers should liaise closely with the business community to understand their current and potential future requirements. Plan makers should also consider:

- "The recent pattern of employment land supply and loss to other uses;
- Market intelligence (from local data, discussions with developers and property agents and engagement with business and economic forums;
- Market signals such as changes in rental values and differentials between land values in different uses;
- Public information on employment land and premises required;

- Information held by other public sector bodies and utilities in relation to infrastructure constraints;
- The existing stock of employment land which should indicate the demand for and supply of employment land and determine the likely business needs and future market requirements;
- The locational and premises requirements of particular types of businesses;
- Identification of oversupply and evidence of market failure.”

When examining the recent take-up of employment land, the Practice Guidance advises that it is important to consider projections (based on past trends) and forecasts (based on future scenarios) and identify occurrences where sites have been developed for specialist economic uses.

In terms of forecasting future trends, the Practice Guidance advises that:

- “Plan makers should consider forecasts of quantitative and qualitative need i.e. the number of units and amount of floorspace but also its particular characteristics e.g. footprint of economic uses or proximity to infrastructure;
- Local authorities should develop an idea of future needs based on a range of data which is current and robust;
- Emerging sectors that are well suited to the area being covered by the analysis should be encouraged where possible;
- The available stock of land should be compared with the particular requirements of the area so that ‘gaps’ in local employment land provision can be identified.”

The Practice Guidance advises that plan makers should consider:

- “Sectoral and employment forecasts and projections (labour demand);
- Demographically derived assessments of future employment needs (labour supply techniques);
- Analyses based on the past take up of employment land and property and/or future property market requirements;
- Consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.”

In identifying the type of employment land needed the Practice Guidance advises that:

- “The need for rural employment should not be overlooked;

- Underlying population projections can be purely demographic or tied to future housing stock which needs to be assessed separately;
- Plan makers should be careful to consider that national economic trends may not automatically translate to particular areas with a distinct employment base.”

In order to derive employment land requirements, the Practice Guidance states that when translating employment and output forecasts into land requirements there are four key relationships which need to be quantified:

1. Standard Industrial Classification sectors to use classes
2. Standard Industrial Classification sectors to type of property
3. Employment to floorspace (employment density)
4. Floorspace to site area (plot ration based on industrial proxies)

Planning System White Paper - Planning for the Future

In August 2020, the government released its Planning for the Future White Paper which sets out a package of proposals to reform the planning system covering plan-making, development management, developer contributions and other policy interventions.

The overarching objective of the reforms is to streamline and modernise the planning process, ‘cutting red tape not standards’ and ensuring more land is available for development where it is needed. Emphasis is also placed on building environmentally friendly, sustainable homes, taking a digital-first approach to modernising the planning process, reviving town and city centres and improving the system of developer contributions towards infrastructure.

The reforms are encompassed within three ‘pillars’ each of which contain a number of individual proposals. The pillars are:

- Pillar One: Planning for Development
- Pillar Two: Planning for Beautiful and Sustainable
- Pillar Three: Planning for Infrastructure and Connected Places

Pillar One is centred around introducing a new approach to plan making. It includes proposals to set out all areas of land into one of three categories; Growth Areas, Renewal Areas and Areas that are Protected which would impact how the land can be brought forward for development. There are also plans for a new ‘sustainable development’ test which would replace the existing test of soundness in Local Plans. It

is also proposed to be a revised standard method for distribution of the national housebuilding target of 300,000 homes annually.

Pillar Two is centred around securing high-quality sustainable development. The proposals within this pillar include encouraging the development of locally produced design guides and codes, the introduction of a 'fast track for beauty' which would incentivise and accelerate high quality development which reflects local character and preferences and proposals for simpler assessments for environmental impacts.

Pillar Three is centred around reforming the approach to developer contributions to facilitate the delivery of infrastructure. It includes proposals to reform the Community Infrastructure Levy (CIL) including for it to become charges as fixed proportion of the development value, for local authorities to have more freedom on how to spend the CIL and that affordable housing provision should be raised through CIL.

The consultation on the White Paper closed on 29th October 2020.

Town and Country Planning Use Classes Amendment 2020

The Government on 21st July 2020 published The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020, which came into force on 1st September 2020.

The most significant change and most relevant to this report is the introduction of a new 'Commercial, Business and Service' Use Class, Use Class E. This subsumes A1, A2, A3, B1, D1, D2 into one single class. This means that planning permission will no longer be required for change of use between these former different use classes.

The residential (C classes), general industrial (B2) and storage and distribution (B8) use classes remain unchanged.

Liverpool City Region Strategic Housing and Employment Land Market Assessment (SHELMA)

The Liverpool City Region Strategic Housing and Employment Land Market Assessment (SHELMA) covers the Local Planning Authorities of Halton, Knowsley, Liverpool, Sefton, St Helens, Warrington (housing only), West Lancashire and Wirral over the period 2012-2037. It was completed in 2018.

The SHELMA considers issues related to future economic performance and the scale of growth in jobs to 2037; as well as the objectively assessed need for housing; and the need for B-Class employment land.

In considering employment land provision, consideration was particularly given to the future strategic

need for warehouse / distribution floorspace across the Functional Economic Market Area (FEMA), taking account of local demand drivers and the growth of the Port of Liverpool.

The SHELMA notes that the office market is dominated by Liverpool, and that supply was tight for both Grade A and B space. In addition, there is a shortage of larger warehousing and storage units across the Liverpool City Region, with demand for large sites to accommodate increased demand arising from the expansion of the Port of Liverpool and for large sites close to Jaguar Land Rover's Halewood Plant.

The SHELMA considers two scenarios for future economic growth potential; a 'Baseline Scenario' using Oxford Economics' model and a 'Growth Scenario' based on the Liverpool City Region LEP's growth ambitions and targets. The 'Baseline scenario' sets out a total growth over the period 2012 – 2037 of 58,900 jobs across the FEMA with a net job growth of 5,800 (+6,600 FTEs) for Wirral.

In the 'Growth Scenario', the total growth over the 2012 – 2037 period is 134,100 jobs across the whole FEMA and an increase of 11,400 jobs (11,500 FTEs) over the same 25-year period for Wirral. The 'Growth Scenario' takes into account existing available land and sites for strategic B8 development.

The SHELMA considers that the 'Growth Scenario' captures the overall scale of demand which is expected to arise from enhanced demand for large scale B8 warehouse development. Furthermore, the 'Growth Scenario' forecasts that a significant proportion of the transport, warehouse and postal jobs will be in St Helens considering potential future allocations.

The 'Baseline Scenario' for Wirral in the SHELMA is driven particularly by growth in professional and scientific services (+3,200 FTE jobs), construction (+2,500 FTEs) and health (+2,600 FTEs), with the most significant decreases being in wholesale and retail (-700 FTEs), public administration (-1,100 FTEs) and particularly education (-1,600). The 'Growth Scenario' for Wirral accelerates this forecasted growth in business services in particular, as well as manufacturing, and neutralises the decline in wholesale and retailing seen in the baseline scenario.

The table below indicates the need for housing and employment land across the SHELMA analysed areas.

Table 2.2: SHELMA Proposed Housing and Employment Land Needs 2012 - 37

	Housing OAN (dp)	Baseline Scenario (ha)		Growth Scenario (ha)		Completions Trend (ha)		
		B1	B2	B1	B2	B1	B2	Small Scale B8
Halton	326 – 565	28.1	20.9	9.8	21.1	63.0	62.3	26.2
Knowsley	280 – 373	24.4	33.0	26.8	33.0	20.7	88.0	15.7
Liverpool	1,739 – 1,791	39.7	29.4	70.0	29.4	79.2	117.8	12.7
Sefton	594 – 641	14.2	6.1	18.4	6.1	24.2	15.0	9.5
St Helens	416 – 855	11.6	13.7	28.8	27.3	6.3	44.8	10.3
Warrington	949 – 973	-	-	-	-	-	-	-
West Lancs	241 – 261	14.5	7.7	14.9	7.7	16.3	20.4	29.2
Wirral	730 - 803	27.6	29.1	33.8	30.1	26.1	89.0	14.5
FEMA	4,015 – 6,122	160.1	139.8	232.5	154.8	235.7	437.3	118.2

Source: GL Hearn

This shows that there is a need for B1 development of between 160 ha (baseline scenario) and 236 ha (based on the completions trend) across the FEMA. The 'Growth Scenario' is closer to the completions rate (232 ha) and suggest significantly stronger office floorspace demand in Liverpool. Wirral's B1 office need ranges from 26.1 ha based on past completions, to 28 ha under the baseline and 34 ha under the growth scenario.

As for B2 industrial floorspace, an overall need across the FEMA of 140 to 155 ha is identified in the 'Baseline and Growth Scenarios', rising to 437 ha based on past completions across the FEMA. This is an assessment of gross requirements to meet modern business needs and does not necessarily imply that poorer quality older industrial sites will meet these needs.

In Wirral, there is a wide range calculated in the need for B2 floorspace, with it being identified as between 29 and 89 ha. The SHELMA notes that this reflects the amount of new development which is not driven by any increase in labour demands i.e. existing companies vacating older stock and moving into more modern premises or expansions at existing sites.

For small scale B8 warehouse / distribution, a need for 118 ha of land across the FEMA in units of under 9,000 sqm is identified (i.e. sites of less than approx. 2.5 ha). Wirral has a need for 14.5 ha of small-scale B8.

The main SHELMA report identifies the need for large-scale B8 across the whole Liverpool City Region but does not disaggregate the demand to a local authority level. This was the subject of a separate Strategic Sites Assessment report which was published alongside the main SHELMA report in 2018. The need for large scale B8 warehousing development, over the period to 2037, is 308 ha of land for strategic B8

development as identified in the baseline/do minimum scenario and up to 397 ha in the Growth Strategy scenario. The SHELMA identifies that there is a shortage of large sites capable of accommodating large scale B8 development within the City Region, with a number of potential sites identified across the FEMA.

15 potential sites were appraised in Wirral. These sites are displayed in the table below. In total, 8 of the 15 sites appraised in the draft SHELMA are recommended for further consideration to meet strategic B8 needs, with the potential to accommodate 81.9 ha of 549 ha across the LCR (14.9%). A number of these sites have been assessed in more detail as part of this report.

Table 2.3: SHELMA Large Scale Employment Sites Appraisal for Wirral

Site	Conclusion
Birkenhead Dock Estate – Bidston Dock	<ul style="list-style-type: none"> • Suitable for strategic B8 development in the short/medium term • A prominent location and vacant and largely flat site • Proximity to the M53 and Birkenhead Docks • Potential to connect to the rail network
Birkenhead Dock Estate – Former RHM Mills and Canada Creek	<ul style="list-style-type: none"> • These sites have potential to support strategic B8 development in the short/medium term • Proximity to the M53 and Birkenhead Docks • Potential to connect to the rail network
Birkenhead Dock Estate – Land East of Wallasey Bridge Road	
Burtons Biscuits, Pasture Road	<ul style="list-style-type: none"> • Discounted from the available supply of strategic B8 • Development is dependent on decision making of Manor Bakeries, Typhoo Tea and Burtons Biscuits
Premier Brands, Reeds Lane	
Lever Faberge – Bromborough Road	<ul style="list-style-type: none"> • Discounted from the available supply of strategic B8 as they form part of Unilever’s operational site
Unilever Site – Former BOCM Silcock Animal Feeds	
Former Stone Manganese Site, Seacombe	<ul style="list-style-type: none"> • Suitable for strategic B8 development in the medium term • Location within existing industrial area • Proximity to the M53 and Kingsway Tunnel
Eastham Dock Estate – North Road Tank Farm	<ul style="list-style-type: none"> • Discounted from the available supply of strategic B8 as identified by Peel for the Port Wirral development
Eastham Dock Estate – Queen Elizabeth II Dock	<ul style="list-style-type: none"> • Suitable for strategic B8 development in the long term • Location adjacent to new port site
East of Lubrizol, Bromborough Coast	<ul style="list-style-type: none"> • Suitable for strategic B8 development in the short/medium term • Located within an established employment area • Potential to benefit from direct waterfront access
Former MOD Tank Farm, Old Hall Road	<ul style="list-style-type: none"> • Suitable for strategic B8 development in the short term • Location within existing employment area
Centuria Business Park, Stadium Road	<ul style="list-style-type: none"> • Suitable for strategic B8 development in the medium term subject to site preparation and remediation • Potential to benefit from direct waterfront access
Wirral Waters, South of Vittoria Dock	<ul style="list-style-type: none"> • Discounted from the future strategic B8 use as they are proposed to cease port-related uses as part of the Wirral Water proposals
Wirral Waters, North of Vittoria Dock	

Source: GL Hearn

As this study found that the supply of sites for large scale B8 across the city region fell short of the minimum forecast requirements in the main SHELMA, a further report, the Liverpool City Region Areas of Search Assessment, published in 2019 assessed a further number of areas of search considered to provide further development potential for strategic B8 requirements. No areas of search were identified in Wirral due to its position relative to logistics demand.

Adopted Wirral Local Plan

The Wirral Unitary Development Plan is an old-style development plan that was adopted in February 2000. It sets out the council's policies and proposals for the use of land within Wirral Borough and is an important factor in assessing and determining planning applications. It is the first district wide statutory development plan produced for Wirral and was completed after extensive public consultation.

The two main themes of the Plan were seeking continued urban regeneration and the protection of the Green Belt. The strategy seeks to focus investment into the existing urban areas of the Wirral, to maximise the re-use of previously developed land in the Borough and to support the regeneration and redevelopment of the more re-down areas of the Borough, which are mainly located in the east of Wirral around Birkenhead and Wallasey. Crucially, the system must protect the environment whilst delivering new homes and jobs. The UDP is also supported by Supplementary Planning Guidance which reinforced the need for good design.

Revitalising the local economy is a fundamental part of the UDP and is one of the main aims of the Council. Policy EMP1 of the UDP is the policy for the provision of employment land. A total of 185 ha was allocated for employment uses. This is made up of the following:

- Two special development opportunity sites in the Birkenhead area totalling 63.8 ha.
- 99 ha for general employment uses principally in the Birkenhead/ Wallasey/ Bromborough areas
- 21.6 ha for the expansion of existing firms.

A further 940 hectares of land were also designated as part of Primarily Industrial Areas on the Proposals Map.

The UDP was initially drawn up for the period April 1986 to March 2001 but was intended to continue to be in place until the plan could be formally reviewed and updated.

In 2006, the Council commenced work on a new Core Strategy which reached Regulation 19 stage in 2012. The Core Strategy is a legal document intended to set the overall framework for future land use

planning over 10 – 15 years and sets out the Council's view of what a sustainable pattern of development for Wirral must look like.

The spatial vision of the Core Strategy was that “by April 2028, Wirral will continue to offer a high quality of life, as an attractive place to live an active, sustainable, productive, safe and healthy lifestyle, to complement the attractiveness and economic competitiveness of the wider sub-region.”

Following consultation on two sets of proposed modifications it was determined that the Council should produce a full Local Plan.

Joint Waste Local Plan for Merseyside and Halton, 2013

Wirral Council, alongside the five authorities of Halton, Knowsley, Liverpool, Sefton and St Helens adopted a Joint Waste Local Plan for Merseyside and Halton in July 2013. The Joint Waste Local Plan provides a clear direction for future waste management development in terms of both site allocations and detailed development management policies across the Liverpool City Region. It forms part of the statutory development plans for each of the local authorities.

Emerging Local Plan

Wirral Council is currently preparing a new Local Plan. The plan will influence the supply of employment land for the period 2022 to 2037. The Local Plan is being prepared to accord with the NPPF and the NPPG. The Council consulted on a Regulation 18 stage Wirral Local Plan issues and Options consultation document between January and April 2020. The full draft Wirral Local Plan is currently in development and the Council intends to publish a Regulation 19 Submission Draft Local Plan during 2021.

Economic Strategy

Industrial Strategy: Building a Britain fit for the future

In November 2017, following consultation on the ‘Building Our Industrial Strategy’ Green Paper, the ‘Building a Britain fit for the future’ White Paper was released. The paper was to define a strategy which would help businesses create better, higher paying jobs with investment in the skills, industries and infrastructure of the future.

The intention was to boost productivity and earning power across the country by focusing on 5 foundations which align to the vision for a transformed economy. These are:

- Ideas – the world's most innovative economy
- People – good jobs and greater earning power for all

- Infrastructure – a major upgrade to the UK’s infrastructure
- Business Environment – the best place to start and grow a business
- Places – prosperous communities across the UK

Some of the key policies included in the Green Paper are:

- Raise total research and development investment to 2.4% of GDP by 2027
- Invest £72 million in new Industrial Strategy Challenge Fund programmes to capture the value of innovation
- Invest an additional £406 million in maths, digital and technical education, helping to address the shortage of science, technology, engineering and maths (STEM) skills
- Increase the National Productivity Investment Fund to £31 billion, supporting investments in transport, housing and digital infrastructure
- Boost digital infrastructure with over £1 billion of public investment, including £176 million for 5G and £200 million for local areas to encourage roll out full-fibre networks
- Drive over £20 billion of investment in innovative and high potential businesses, including through establishing a new £2.5 billion Investment Fund
- Agree Local Industrial Strategies that build on local strengths and deliver on economic opportunities
- Create a new Transforming Cities fund that provide £1.7 billion for intra-city transport. This will fund projects that drive productivity by improving connections within city regions

The Green Paper also sets Grand Challenges to put the UK at the forefront of industries in the future. These include putting the UK at the forefront of the artificial intelligence and data revolution, maximise the advantage for UK industry from the global shift to clean growth, becoming a world leader in the way that people, goods and services move and harness the power of innovation to help meet the needs of an ageing society.

Northern Powerhouse Strategy

The Northern Powerhouse is a vision for joining up the North’s great towns, cities and counties, pooling their strengths, and tackling major barriers to productivity to unleash the full economic potential of the North. The objective is to achieve a sustained increase in productivity across the whole of the North.

Published in 2006 by Central Government, The Northern Powerhouse strategy, explains how Central Government will work with local stakeholders to seek to tackle major barriers to productivity in the

region. This will be done by “improving connectivity both within and between towns, counties and city regions; addressing the disparity in skills between the North and some other parts of the country; ensuring the North is an excellent place to start and grow a business; and promoting trade and investment across the North.”

The North has significant strengths in a number of sectors and the Strategy aims to build on these existing sectoral strengths, most notably:

- Manufacturing – this sector was worth £46bn in the North in 2014, over a quarter of the UK’s total manufacturing output
- Pharmaceuticals – the Northern Powerhouse exported £7.3bn worth of pharmaceuticals products in 2015
- Energy – 31% of the UK’s total renewable electricity was generated in the Northern Powerhouse in 2015
- Digital – the North is home to seven of the UK’s 27 key tech clusters

Nevertheless, the North faces persistent barriers across a range of areas fundamental to productivity most markedly connectivity, skills, enterprise and innovation and trade and investment. Therefore, within the Strategy, identified support from the Government totalled over £17bn. In addition, Government support is re-stated for the 17 Enterprise Zones across the North including the Wirral Waters Employment Zone.

Liverpool City Region Growth Strategy

The Liverpool City Region Local Enterprise Partnership (LEP) published its Growth Strategy, ‘Building Our Future’, in 2016. This sets out the LEP’s economic strategy for the entire City Region, acknowledging the unique strengths and assets of each of the local authority areas and communities.

The Strategy notes that the City Region has transformed over the last 20 years, with a rising population and economic growth, an increasing number of high growth companies and a cultural resurgence. The City Region economy is worth £28.3 billion GVA, with output increasing by 8.4% in the five years up to 2014.

Liverpool City Region is identified as having “significant strengths and huge potential in innovative and globally competitive sectors: Advanced Manufacturing, Digital and Creative, Financial and Professional Services, Health and Life Sciences, Low Carbon Energy, Maritime and Logistics, and the Visitor Economy.”

This Strategy aims to capitalise on these sector strengths to “unlock growth, creating tens of thousands of new jobs and new businesses.” Despite these strengths, the report identified a number of remaining

challenges: "A historic skills gap, too few private sector jobs, high levels of worklessness and pockets of concentrated poverty and poor health." These are seen as the biggest barriers to growth. The Strategy aims to address these challenges.

A number of key targets are identified which include:

- The creation of over 100,000 additional jobs in the Liverpool City Region by 2040
- A net increase of 20,000 businesses over the next 25 years with an increased diversity of business ownership including a doubling of the number of women owning and running businesses
- The creation of an additional £22 billion in GVA by 2050
- Average productivity per worker to increase by 56% by 2040
- A substantial increase in the number of exporting businesses and the value of exports and a substantial increase in the commercialisation of research and development

Economic growth will be delivered by focusing on 3 growth pillars:

- "Productivity – to maximise the potential of the sector strengths and related assets and to focus on starting and growing more successful businesses by promoting innovations and entrepreneurial activity
- People – to improve and increase skills, developing existing talent and attracting new talent for sustainable growth
- Place – to improve our transport, energy and digital infrastructures, and protect and enhance the cultural and environmental assets. This will improve quality of life for residents and attract and retain investors, skilled workers and visitors who contribute to growth"

In particular, the first pillar to sustained economic growth is to maximise the potential of LCR's sectoral strengths and related assets and to focus on starting and growing more successful businesses by promoting innovation and entrepreneurial activity. Consideration needs to be given to Wirral's role within this and the core sectors identified.

Liverpool City Region Local Industrial Strategy (Draft)

The Local Industrial Strategy sets out Liverpool City Region's vision for transforming together: delivering a competitive, clean and inclusive City Region. It provides a framework for the investment decisions, and for the conversations with government about how to work together, through devolution, to maximise prosperity for all people and communities.

The Local Industrial Strategy articulates how to build on the City Region's distinctive economic strengths, tackle the challenges, and develop transformational policies to unlock growth and be a catalyst to the development of an inclusive economy.

Underpinned by evidence and aligned with the National Industrial Strategy's Grand Challenges, the Liverpool City Region Local Industrial Strategy is focused across a number of transformational opportunities that builds on key assets and competencies:

- Building a sustainable industrial future through utilisation of industrial digital technologies
- Open health innovation to improve health and wellbeing whilst developing new market opportunities
- Global cultural capital, through creating a City Region where culture creates prosperity for all
- Social innovation to solve society's deepest challenges
- Pioneers of the zero-carbon economy, to become a national leader in clean growth and a net zero carbon City Region by 2040
- Tech for good, which utilises the specialisms to use technology and data in a way that improves society and addresses global challenges.

To realise these opportunities, there needs to be further improvement in the performance against the five foundations of productivity:

- Thriving and distinctive places (places);
- The opportunity to turn potential into prosperity (people);
- A dynamic business base creating opportunity (business environment);
- Collaboration that translates innovation into impact (ideas);
- Connecting all of our communities to opportunity (infrastructure).
- Each of these are addressed in turn within the strategy.

The Local Industrial Strategy was agreed locally in March 2020. Since then, the COVID-19 pandemic has altered the landscape, and so the next stage will be to reframe the strategy to ensure that the fundamental changes within economy and society are fully reflected.

Wirral Council Plan for 2025

This Wirral Council Plan is a set of goals and objectives, which every everyone involved in Wirral Council owns and will strive to achieve over the next five years. They are a commitment to local people, a specific

and clear set of priorities we will achieve together. It follows on from the Wirral Plan for 2020 which produced in 2015 with a set of pledges to achieve.

The vision of the Plan is to secure the best opportunities and outcomes for residents. To achieve these there are a set of priorities listed below:

- Inclusive Economy: create jobs, support businesses and attract ethical investment, encourage, affordable homes, deliver an ambitious, high quality and inclusive culture events programme, promote Wirral regionally, nationally and internationally
- Brighter Futures: invest in young people and their future, provide access to a good education and opportunities for employment, enable families to access the support they need, help all children with special educational needs and ensure their families feel included
- Active and Healthy Lives: support more people with disabilities to live independent lives, promote healthy active lives, reduce loneliness and social isolation, promote wellbeing and improve mental health
- Safe and Pleasant Communities: tackling homelessness, reducing crime and anti-social behaviour, protect the most vulnerable residents and engage with communities
- Sustainable Environment: urgently tackle the environment emergency, protect biodiversity, improve street cleanliness, take forward the 'Cool Wirral' approach, support active travel networks that work for all

Wirral Strategic Regeneration Framework

The Wirral Strategic Regeneration Framework (SRF) sets out the priorities and challenges for economic growth in the borough, to help guide and proactively drive investment and activity across Wirral to deliver the Council's ambitions for the local economy. It sets out the "blueprint" for economic growth in Wirral 2017 – 2020" and was adopted by the Council in October 2017.

The SRF aligns the key development opportunities with relevant national, regional and local strategies to deliver sustainable and accelerated growth. It also provides further detail on spatial priorities and shows how the Council are integrating them into thematic actions in areas such as housing, tourism, transport, environment, employment and skills, and sustainability.

The SRF outlines the ambitions for the Borough's key investment opportunities at:

- Birkenhead Town Centre – to make it become a thriving town centre of choice again and cement it as a second-tier centre only behind Liverpool

- Hamilton Square - to be a unique sustainable residential neighbourhood for a new urban community within Birkenhead
- Woodside – to create a waterfront residential and commercial quarter of scale, style and built quality that reflects its positioning but respects and enhances the heritage assets within Birkenhead
- Wirral Waters Enterprise Zone – to create a new place to live, work and play using the unique water assets to drive growth across all sectors; for trade, for jobs, for energy, for transport, for play and for ‘placemaking’
- The A41 Corridor – to continue to accommodate employment growth in the key locations from Eastham through Bromborough up to Birkenhead Town Centre and the Waterfront
- Borough Wide Investment Opportunities – in New Brighton, New Ferry, Hoylake Golf Resort and Local Town Centres.

Wirral Employment Land Options Study (ELOS)

In 2019, Wirral Council reviewed its employment land supply to inform the emerging Local Plan for the Borough. The purpose of this was to ensure economic ambitions are reflected in policy and to identify the most appropriate sites to match the strategy and meet anticipated needs over the plan period.

The purpose of the ELOS was to consider the most appropriate land use strategy for each area, outlining the high-level outcomes which could be achieved, together with identifying the opportunities and challenges that would arise from taking forward any changes of use. A total of 35 employment sites were assessed with all but two of the sites coming from the Council’s Strategic Housing Land Availability Assessment (SHLAA).

The ELOS built on the recommendations in the 2017 WELPs and dependent on the recommendations, the impact was described and the difference calculated. In total, the ELOS recommended the following:

- A reduction of 4.61 ha of Employment Land
- An increase of 22.01 ha of Residential Land
- An increase of 2.28 ha of Safeguarded Land
- An increase of 1.99 ha Mixed Use Land
- A reduction of 23.89 ha net overall Land

Birkenhead 2040: Birkenhead Regeneration Framework (In Progress)

The comprehensive regeneration of Birkenhead is at the heart of the emerging Wirral Local Plan 2020 to 2037 Vision and Strategy and key to delivering its 'Preferred Urban Option'. The last comprehensive regeneration strategy for Birkenhead was published in 2010. The Birkenhead 2040 Framework covers the main area of Birkenhead and its immediate urban environment. This includes for the purposes of the Framework the settlement of Seacombe.

The vision of the framework is centred on the reconnecting, reimagining, rediscovering and repopulating of Birkenhead, as an urban garden town at the heart of the LeftBank regeneration programme and as a key part of the wider offer of the Liverpool City Region – a complementary urban centre, a sister to Liverpool within the same city core divided only by a river.

The vision is underpinned by a series of objectives. These objectives capture the commitments and expectations and are intended to inform decision making, development and investment over the next 15 years and beyond. The objectives are:

- Birkenhead by Design – to deliver high quality design across the built environment
- An Urban Garden Town – to create a vibrant, viable housing market, meeting housing needs and supporting economic growth, a provision of sufficient and appropriate social, health and community infrastructure and the creation of an integrated high quality and function green and blue public realm
- An Industrious Birkenhead – to deliver clean employment growth, improved productivity, to nurture the indigenous economy, to evolve and grow the infrastructure and imagination of spaces and consider meanwhile approaches to support long term change
- A Heritage Town – to celebrate the built heritage, respect the history of the place and create heritage assets of the future
- A Waterfront Town – the creation of an iconic and world class waterfront mixed use neighbourhood, delivering a view to be proud of and maximising the potential of the space
- A Connected Birkenhead – the simplification of infrastructure by removing physical barriers to sustainable movement, the creation of ultra-sustainable neighbourhoods and an urban environment embracing digital change and influences
- A Sustainable Town – to produce cleaner and leaner energy, to promote cleaner travel, to promote carbon storage and the adaptation of new and existing buildings to be more 'green'

- A Healthy Town – to create an accessible urban area and an active town, promoting healthy lifestyles for all
- An Inclusive Town – to leverage maximum social value for local communities, to have positive impacts on protected groups and to have representative community involvement to promote pride and ownership
- A Resilient Town – the promotion of a safe town and a legacy to be proud of and a ‘living framework’ responding to changing circumstances

Delivery Action Plans (In Progress)

Avison Young are currently developing Delivery Action Plans (DAPs) for several neighbourhoods within Birkenhead. Four DAPs are currently under development which align to the vision and objectives of the Birkenhead Regeneration Framework. These are:

- Central Birkenhead
- Hamilton Park
- Birkenhead Waterfront
- Hind Street

A further three DAPs are to be commissioned and brought forward in line with the vision and objectives of the Birkenhead 2040 Framework:

- Kelvinside
- Scotts Quay
- Seacombe Riverside

In preparing each of the DAPs, the neighbourhoods have been considered in the context of:

- The Birkenhead Regeneration Framework supporting baseline analysis context for future development within the neighbourhoods
- The vision and principles for future development and investment across all the neighbourhood areas
- Alternative land use and development options considered and an option appraisal exercise informing the preferred option for change within the neighbourhoods

- The preferred land use and development option for the neighbourhoods including illustrative masterplan, development outputs, scale and massing, open space, environmental enhancement, and movement and connectivity
- The delivery strategy associated with the preferred option including consideration of land ownership, phasing and funding strategy

The DAPs currently in development, are expected to be completed in line with timescales for the Local Plan.

3. Economic Context

Introduction

This section outlines Wirral's economic context and draws comparisons with the wider region, both comparing Wirral to neighbouring local authorities and regions (North West and Wales). The context is important for identifying strengths, weaknesses and changing dynamics in the local economy and the factors that influence the need for future employment space.

Wirral's economic context is reflective of its industrial and maritime past. The Borough has witnessed slower economic growth over the last decades compared to the rest of the country and North West Region. This has been driven by a decline in traditional local industries such as ship building and heavy industry more generally. Consequently, large swathes of brownfield land remain available for redevelopment.

Population

Understanding the demographic context of an area is critical to understand its future economic growth prospects.

Data published by the ONS, including 2011 Census data, Annual Population Survey or ONS Mid-Year Population Estimates, enables us to understand how the Wirral population has evolved over the past years and critically allows us to draw conclusions on the likely size of the labour force willing and able to take up the jobs available in the Borough.

The latest statistics record a population of 324,011 people in the Wirral in 2019. This represents a steady increase of 5.71% since 2001, slightly below the 6.02% population growth experienced in the broader North West region. The population growth in the Wirral is generally one of the slower rates of growth across the dataset.

Table 3.1: Population Growth by Local Region

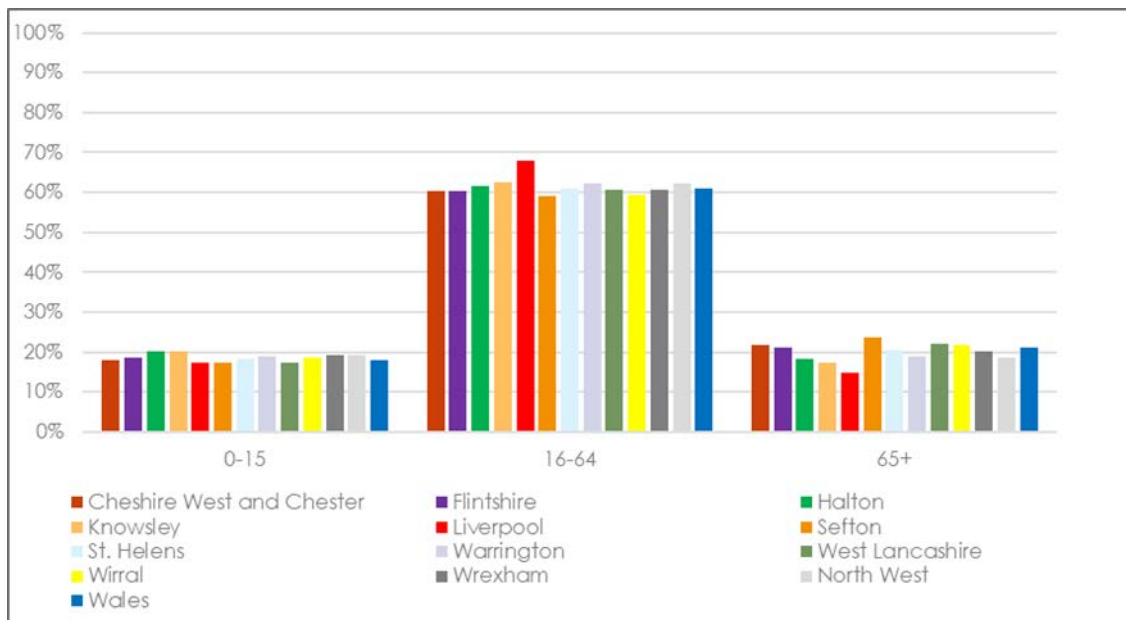
	2001	2019	CAGR*
Cheshire West and Chester	322,154	343,071	5.92%
Flintshire	148,629	156,100	5.83%
Halton	118,559	129,410	6.06%
Knowsley	151,238	150,862	5.54%
Liverpool	441,858	498,042	6.26%
Sefton	282,884	276,410	5.43%
St. Helens	176,826	180,585	5.67%
Warrington	191,202	210,014	6.10%
West Lancashire	108,480	114,306	5.85%
Wirral	315,004	324,011	5.71%
Wrexham	128,540	135,957	5.88%
North West	6,772,985	7,341,196	6.02%
Wales	2,910,232	3,152,879	6.02%

Source: Nomis (2020)

* Compound Annual Growth Rate

The Wirral presents similar population distribution trends to surrounding boroughs, with 60% of residents aged between 16 and 64. This falls slightly below the 62% seen in the North West more broadly. The Wirral also presents similar trends with regards to 0-15 and 65+ figures, with figures of 19% and 22% respectively, compared with the North West’s 19% and 19%.

Figure 3.1: Age Distribution by Local Region (2019)

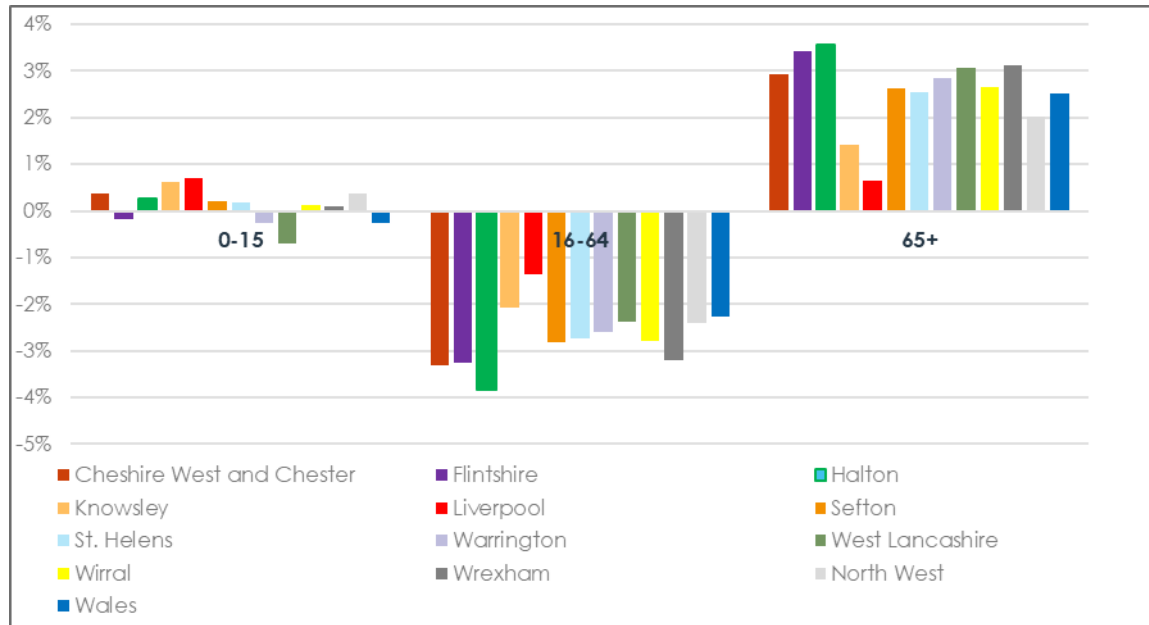


Source: Nomis (2020)

Since 2011, the proportion of working age persons has decreased by 3% in the Wirral (proportionally to the total population). This is generally in line with neighbouring boroughs, presenting a c.0.4% greater decrease than has been experienced in the North West region. The majority of the shift in Wirral is

towards residents within older age bands, with the 65+ population experiencing 3% growth, as a proportion of the total population. This trend is similar to observations made in the benchmark areas.

Figure 3.2: Age Distribution Proportional Change by Local Region (2011-2019)



Source: Nomis (2020)

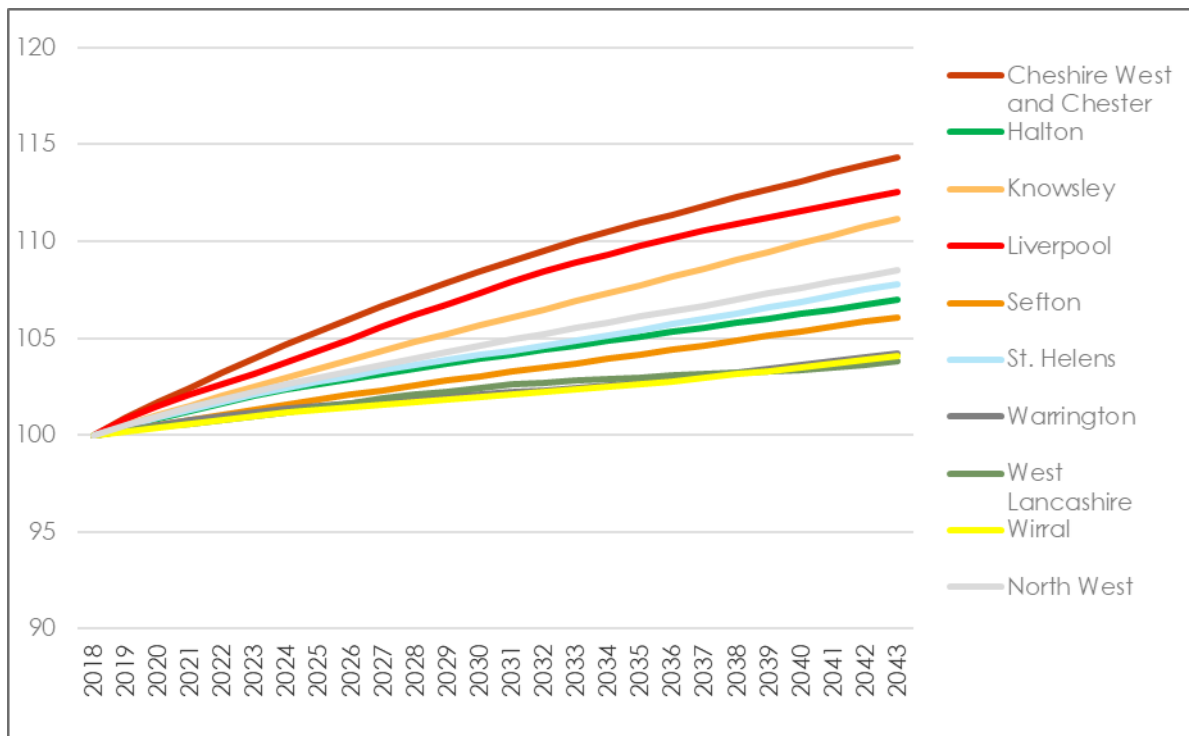
If such population trends continue, Wirral will see an increasingly ageing population, with a shrinking pool of available labour supply.

Figure 3.3 shows that the population forecast for the Wirral shows one of the slowest rates of growth of all surrounding Councils. There was no data available for Wales, and consequently, the dataset has been slightly narrowed for this particular indicator.

Whilst growth is below 5% for the Wirral, the North West more broadly is projected to see population growth of c.8%.

Population in Wirral is expected to grow from 323,235 in 2018 to 329,608 in 2030; 331,724 in 2035 and reach 334,513 in 2040.

Figure 3.3: Population Projection Index by Local Region (2018 = 100)

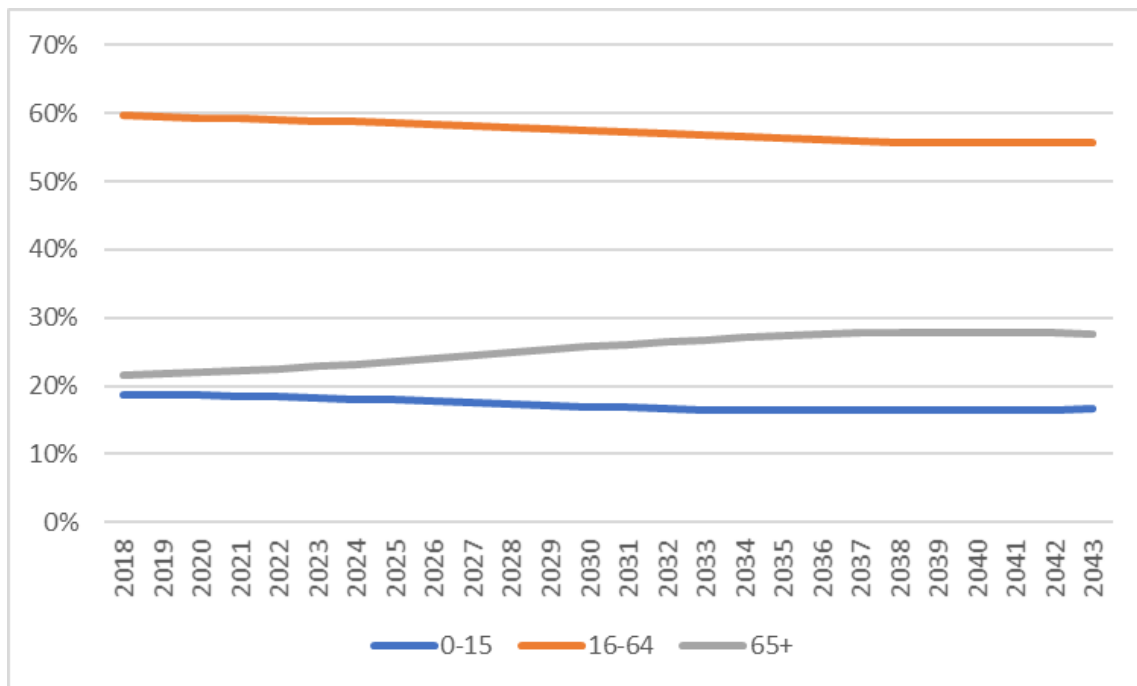


Source: Nomis (2020)

However, as can be seen in Figure 3.4, the increase in population will be exclusively driven by a sharp increase in the 65+ year old population. Indeed, the population aged 0 to 15 is expected to decrease by 8.9% in Wirral between 2020 and 2040; the population aged 16 to 64 is expected to decrease by 3.2%; the population aged 65 and over is the only segment of the population expecting to grow, at a rate of 30.1% between 2020 and 2040.

These trends could have significant longer-term implications for the ability to maintain the current number of jobs in Wirral without significant levels of in-migration/in-commuting or reducing the levels of unemployment and economic inactivity in the Borough; whilst presenting an opportunity to create additional jobs in personal service and social care activities (particularly to the elderly).

Figure 3.4: Population Projection by Age Group as Percentage of Total Population



Source: Nomis (2020)

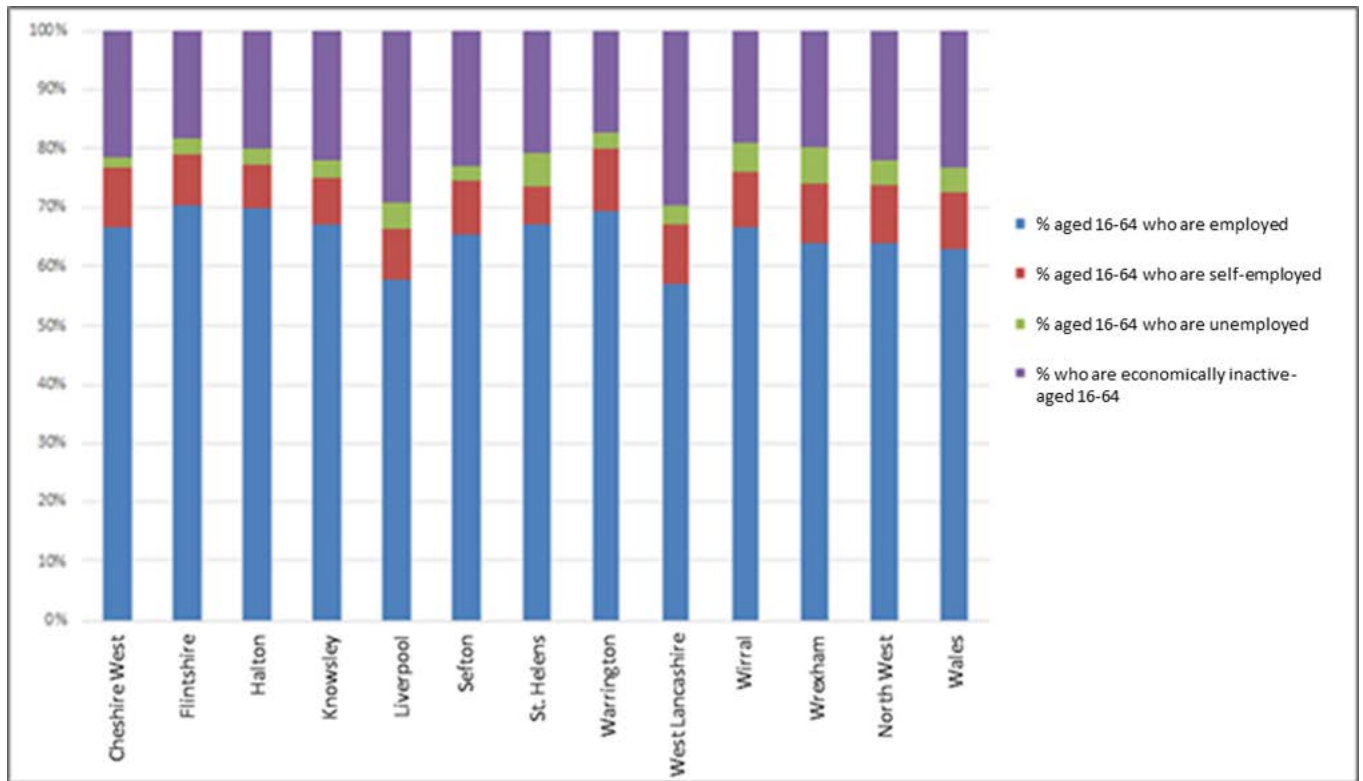
Labour Market

Figure 3.5 presents a snapshot of the economic activity and employment related indicators for the Wirral and the wider area in 2018 (latest data currently available). Persons who are economically active are persons who are in employment (employees and self-employed) and in unemployment. Persons who are economically inactive are formed by the rest of the population (not in employment and not looking currently for employment).

The figure shows employment rates (employees and self-employed) of 77% in the Wirral, which is one of the higher rates when compared to all the benchmark areas.

The rate of people in unemployment (16-64) is also one of the highest amongst the comparable areas. The decline in working age population could therefore be an opportunity for Wirral to reduce the rate of people in unemployment by encouraging greater take up of local jobs by local people.

Figure 3.5: Economic Status and Employment by Local Region (16-64, 2018)



Source: Nomis (2020)

However, historical data, as presented in Table 3.2, shows that the position in 2018 represents an improvement on that in 2011, with an increase of the number of people in employment (+8% of people employed, +1% of people self-employed) and a decrease of people in unemployment (-4%) or inactive (-6%).

Table 3.2: Economic Status and Employment Change by Local Region (2011-2018)

	% aged 16-64 who are employees	% aged 16-64 who are self employed	% aged 16-64 who are unemployed	% who are economically inactive - aged 16-64
Cheshire West and Chester	2%	3%	-4%	-2%
Flintshire	6%	1%	-2%	-5%
Halton	8%	1%	-6%	-5%
Knowsley	11%	1%	-10%	-4%
Liverpool	4%	4%	-7%	-3%
Sefton	7%	1%	-7%	-2%
St. Helens	8%	1%	-3%	-7%
Warrington	3%	3%	-4%	-3%
West Lancashire	-5%	0%	-3%	8%
Wirral	8%	1%	-4%	-6%
Wrexham	-1%	3%	-1%	-2%
North West	5%	2%	-4%	-3%
Wales	5%	1%	-4%	-3%

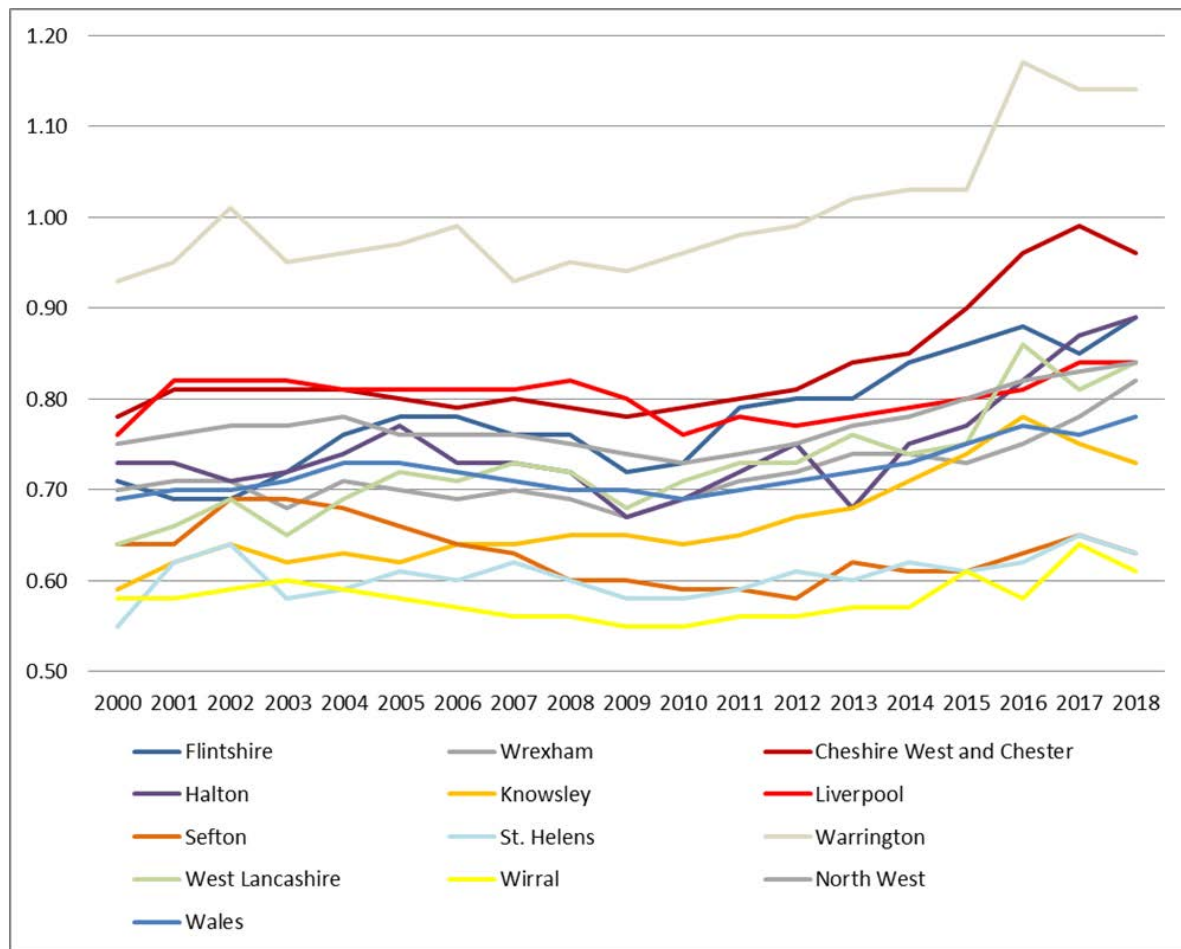
Source: Nomis (2020)

The unemployment rate in Wirral was 8.6% in 2011, compared to 4.7% in 2018. This however remains one of the higher unemployment rates across the benchmark areas.

The level of job density, which is defined as the number of filled jobs in an area divided by the number of working age people resident in that area, indicates a poor performance of Wirral in comparison to other benchmark areas.

As shown in Figure 3.6 the job density ratio of Wirral is 0.61 in 2018 which is the lowest among all benchmark areas. The low job density in Wirral is a structural issue, principally due to its large proportion of older people (retired), which is not likely to improve over the coming years based on the population forecasts presented above.

Figure 3.6: Job Density by Local Region



Source: Nomis (2020)

Skills and learning are central to economic growth and global competitiveness. Figure 3.7 shows the qualification profile¹ in Wirral in 2011² compared with the benchmark areas.

Wirral has relatively high skill levels, when compared to the other benchmark areas, with 39% of the working age (aged 16 - 65) having Level 3 or 4 qualifications (the 3rd out of 11 highest).

It also has a significantly low proportion of its population with No Qualification or Level 1 qualifications, although it still has about 23% of people with no qualification, which is below the regional average but slightly above the England and Wales average of 22%.

¹ **No Qualifications:** No academic or professional qualifications

Level 1 qualifications: 1-4 O Levels/CSE/GCSEs (any grades), Entry Level, Foundation Diploma, NVQ level 1, Foundation GNVQ, Basic/Essential Skills

Level 2 qualifications: 5+ O Level (Passes)/CSEs (Grade 1)/GCSEs (Grades A*- C), School Certificate, 1 A Level/ 2-3 AS Levels/VCEs, Intermediate/Higher Diploma, Welsh Baccalaureate Intermediate Diploma, NVQ level 2, Intermediate GNVQ, City and Guilds Craft, BTEC First/General Diploma, RSA Diploma

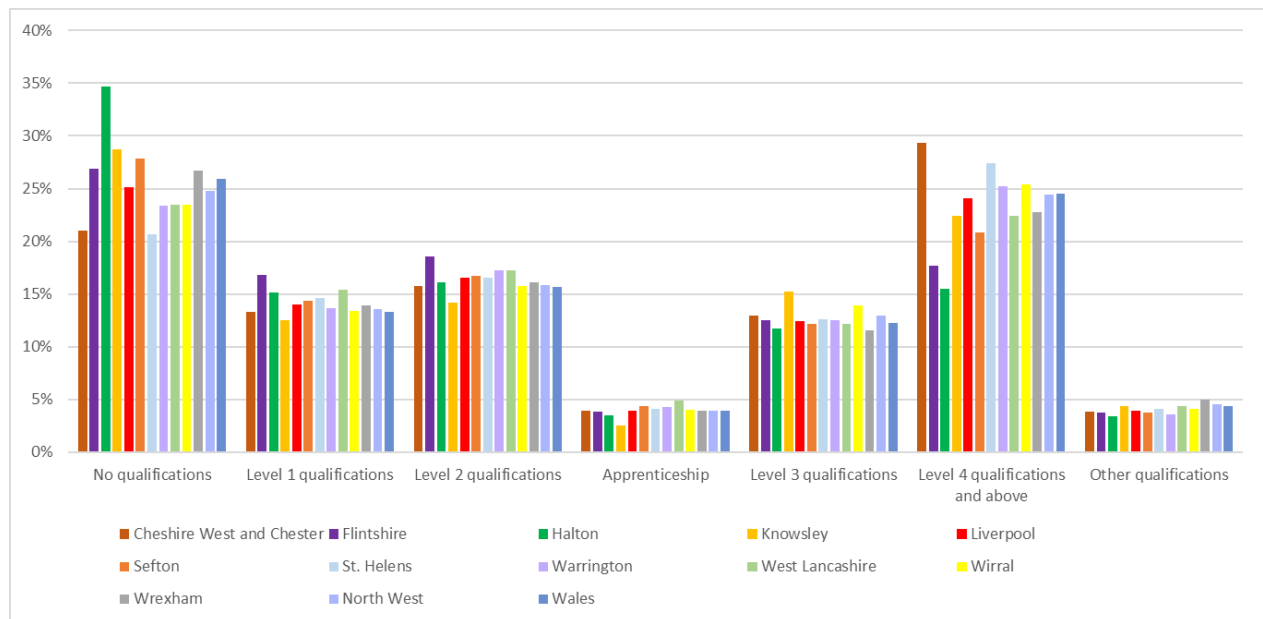
Level 3 qualifications: 2+ A Levels/VCEs, 4+ AS Levels, Higher School Certificate, Progression/Advanced Diploma, Welsh Baccalaureate Advanced Diploma, NVQ Level 3; Advanced GNVQ, City and Guilds Advanced Craft, ONC, OND, BTEC National, RSA Advanced Diploma

Level 4+ qualifications: Degree (for example BA, BSc), Higher Degree (for example MA, PhD, PGCE), NVQ Level 4-5, HNC, HND, RSA Higher Diploma, BTEC Higher level, Foundation degree (NI), Professional qualifications (for example teaching, nursing, accountancy)

Other qualifications: Vocational/Work-related Qualifications, Foreign Qualifications (Not stated/ level unknown).

² Latest Census available. Next Census will be published in 2021

Figure 3.7: Qualification Levels by Local Region (2011)



Source: ONS Census (2011)

Despite a high level of qualification of residents in Wirral, the Borough has an average level of people working in managerial positions (managers, directors and senior officials), demonstrating a lack of alignment between education level and employment level. As shown in Table 3.3, Wirral residents are mainly engaged in mid to high range occupations in comparison to the benchmark areas, but not the very top managerial positions. This is despite the level of highly educated residents is higher than in benchmark area, indicating a slight difference between qualification levels and expected job role attainment.

Most people in Wirral are engaged in mid-range occupations such as professional occupations (18%), associate professional and technical (12%) and administrative and secretarial (13%), when compared to the benchmarks, these proportions are in the median to high range. After the regional areas (North West and Wales), Wirral (c.140,000) is only third to Cheshire West and Chester (c.160,000) then Liverpool (c.190,000) in regard to the number of people employed suggesting Wirral has high employment numbers.

Table 3.3: Occupation Type by Local Region (2011)

	managers, directors and senior officials	professional occupations	associate prof & tech	administrative and secretarial	skilled trades	caring, leisure and other service	sales and customer service	process, plant and machine operatives	elementary occupations
Cheshire West and Chester	12%	18%	12%	11%	11%	9%	9%	7%	11%
Flintshire	9%	14%	11%	11%	14%	10%	9%	11%	12%
Halton	8%	12%	11%	12%	11%	9%	12%	11%	14%
Knowsley	7%	12%	10%	13%	11%	12%	11%	11%	13%
Liverpool	8%	17%	11%	13%	9%	11%	11%	7%	13%
Sefton	10%	16%	12%	14%	11%	11%	10%	7%	10%
St. Helens	9%	15%	11%	12%	12%	11%	9%	9%	13%
Warrington	11%	18%	13%	12%	10%	9%	10%	7%	12%
West Lancashire	11%	17%	11%	11%	12%	10%	8%	8%	12%
Wirral	9%	18%	12%	13%	11%	11%	9%	8%	10%
Wrexham	8%	14%	10%	10%	13%	11%	8%	12%	12%
Wales	9%	16%	11%	11%	14%	10%	9%	8%	12%
North West	10%	16%	12%	12%	11%	10%	9%	8%	12%

Source: ONS Census (2011)

The high level of education combined with a high proportion of mid-range occupations translates into higher earnings. Wirral has the 3rd highest average and 4th highest median salary amongst the comparison boroughs, as shown in Table 3.4.

The annual salary in Wirral also grew positively between 2012 and 2018, with the average salary progressing at the fastest pace amongst all the comparative areas, which could indicate an improvement of the economic situation in the Borough.

However, the median salary progressed less rapidly over the same period, demonstrating an increase in inequalities in the Borough (widening gap between higher salaries and lower salaries).

Table 3.4: Annual Average Gross Pay by Local Region

	Median	Change 2012-2018(%)	Mean	Change 2012-2018(%)
Cheshire West and Chester	£25,451	5.1	£30,557	4.7
Flintshire	£22,781	5.3	£26,248	4.3
Halton	£22,695	3.4	£26,304	-0.1
Knowsley	£22,695	1.8	£25,844	3
Liverpool	£23,314	4.4	£26,687	4.4
St. Helens	£24,644	7.8	£27,151	4.9
Sefton	£23,520	4	£26,995	4.2
Warrington	£25,177	-0.8	£30,720	2.9
West Lancashire	£24,120	6.4	£28,560	-0.9
Wirral	£24,172	5.3	£29,043	8.5
Wrexham	£23,928	4.7	£26,664	0.5
North West	£23,686	4.4	£27,908	3.8
Wales	£23,002	4.1	£26,267	3.2

Source: ONS Annual Survey of Hours and Earnings – Resident Analysis

Commuting Patterns

Travel to work areas can help identify where the bulk of resident population works. We have analysed the commuting patterns of the residents and workers in the Wirral based on Office of National Statistics (ONS) Census data. The latest census was organised in 2011.

Figure 3.8: Wirral Commuting Patterns (2011)



Source: ONS Census (2011)

Overall, Wirral is losing a substantial share of its working population as a result of out-commuting, with a net change of -27,734 people.

It is clear from the figures that the main boroughs on which Wirral relies for employment (both in terms of providing workforce and providing employment) are Liverpool and Cheshire West and Chester (characterising a Functional Economic Market Area).

Out of the 17,291 people in 2011 that commuted into the Borough for work, 35% were Cheshire West and Chester residents, followed by Liverpool (24%). The remainder came from Sefton (7%), Knowsley (6%), and Flintshire (6%).

Out-commuting from the Wirral totalled 45,025, demonstrating a net –out-commuting trend. Out-commuters typically travel to work in Liverpool (40%) and Cheshire and Chester West (23%). Other areas include Flintshire, Sefton, Knowsley, Warrington, Halton and Manchester (all between 2% and 6% only).

Economic Performance

Table 3.5 provides a list of industries by sector and the percentage of employment in each industry in 2018. It shows that human health and social work activities are the biggest employer in Wirral attributing to 22.8% of all employment, followed by Knowsley with 20%, then Liverpool with 18%.

Wholesale and retail trade; repair of motor vehicles and motorcycles (G) have the highest average across all broad industries with an average of 15.7% across all benchmark areas. The second highest average across all benchmark areas is Human health and social work activities (Q) accounting for an average of 14.6%.

Conversely, Wirral has a relatively low proportion of employment in financial and insurance activities (1%), Agriculture, forestry and fishing (0.2%) and Administrative and support service activities (6.9%) compared to the North West (2.6%, 0.5% and 9% respectively).

Wirral shows relative strength in Public administration and defence; compulsory social security (5%) compared to the North West average (4.4%) and some of its neighbouring boroughs (although not all).

Table 3.5: Employment by Industrial Sector by Local Region (% , 2018)

	Cheshire West and Chester	Flintshire	Halton	Knowsley	Liverpool	Sefton	St. Helens	Warrington	West Lancashire	Wirral	Wrexham	Wales	North West
A: Agriculture, forestry and fishing	0.9	0.7	0.1	0.1	0	0.2	0.4	0.1	4	0.2	1	1.2	0.5
B: Mining and quarrying	0.2	0.4	0.5	0	0	0	0	0	0	0	0.1	0.1	0.1
C: Manufacturing	8.2	29.3	12.5	18.8	4	4.9	9.8	5.2	16	7.9	19	11.3	9.6
D: Electricity, gas, steam and air conditioning supply	0.1	0.3	0.2	0.1	0.2	0.1	0.1	0.7	0	0.4	0.7	0.5	0.5
E: Water supply; sewerage, waste management and remediation activities	0.7	0.7	1.4	0.9	0.4	0.3	0.7	1.3	1	0.7	1.6	0.9	0.6
F: Construction	4.1	4.7	4.7	5.5	2.8	4.4	5.7	6	5	4	3.4	5	4.7
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	18.8	12	15.6	15.6	14.8	18.7	16.4	16.4	16	15.8	13.8	13.9	16.9
H: Transportation and storage	4.1	3.3	9.4	6.2	5.2	4.4	9.8	6.7	6	3.5	3	3.3	5.4
I: Accommodation and food service activities	7.6	6	3.9	3.1	8.8	7.7	5.7	5.2	9	6.9	5.2	7.9	7.1
J: Information and communication	2.4	1.3	2.3	1.1	3.2	1.4	1.3	3	1.2	1.5	1.7	2	2.7
K: Financial and insurance activities	5.9	1.2	0.7	2	3.2	4.9	0.8	1.3	1.8	1	0.7	2.6	2.6
L: Real estate activities	1.5	0.9	0.8	0.7	2	1	1.6	0.9	0.7	1.5	0.7	1.6	1.5
M: Professional, scientific and technical activities	10	8	9.4	5.5	6.8	5.5	5.7	17.2	6	7.9	3.4	5.6	8.3
N: Administrative and support service activities	8.2	10.7	10.9	7.8	8	5.5	13.1	14.2	7	6.9	8.6	6.8	9
O: Public administration and defence; compulsory social security	3.5	4.7	3.1	2.7	7.2	9.9	4.1	3.7	1.8	5	5.2	7.1	4.4
P: Education	8.2	5.3	6.2	6.2	10.4	9.9	8.2	5.2	10	9.9	7.8	9	8.5
Q: Human health and social work activities	10	8	12.5	20.3	18	16.5	11.5	9.7	12	22.8	19	16.7	13.3
R: Arts, entertainment and recreation	2.9	1.2	1.6	2	4	2.5	2.5	1.5	1.4	2.5	1.7	2.4	2.4
S: Other service activities	2.1	0.9	2.7	1.6	1.8	2.2	2	1.5	2	2.5	2.2	1.8	1.9

Source: BRES

Human health and social work activities (providing 23,000 jobs in Wirral) is the largest employer, however this industry has not increased from 2015 to 2018, as shown in Table 3.6.

The second largest industry is Wholesale and retail trade; repair of motor vehicles and motorcycles (providing 16,000 jobs).

Other major industrial sectors include Education (providing 10,000 jobs) decreasing by 9% over the 3-year period; Professional, scientific and technical activities (providing 8,000 jobs) increasing by 14% and Manufacturing (providing 8,000 jobs) remaining constant over the 3-year period.

The Transportation and storage industry, whilst being the fastest growing industry in Wirral, is slightly below the North West employment growth rate for the same industry (17% against 23% respectively).

Table 3.6: Average Annual Change in Employment by Industrial Sector (2015-2018)

	Wirral		North West	
	2018	CAGR	2018	CAGR
A: Agriculture, forestry and fishing	175	-22%	150,00	0%
B: Mining and quarrying	0	N/A	2,250	50%
C: Manufacturing	8,000	0%	318,000	4%
D: Electricity, gas, steam and air conditioning supply	400	0%	18,000	50%
E: Water supply; sewerage, waste management and remediation activities	700	0%	21,000	-5%
F: Construction	4,000	0%	156,000	12%
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	16,000	7%	561,000	9%
H: Transportation and storage	3,500	17%	181,000	23%
I: Accommodation and food service activities	7,000	0%	236,000	1%
J: Information and communication	1,500	-33%	90,000	-13%
K: Financial and insurance activities	1,000	0%	88,000	6%
L: Real estate activities	1,500	0%	49,000	-2%
M: Professional, scientific and technical activities	8,000	14%	275,000	20%
N: Administrative and support service activities	7,000	0%	300,000	6%
O: Public administration and defence; compulsory social security	5,000	0%	148,000	1%
P: Education	10,000	-9%	282,000	1%
Q: Human health and social work activities	23,000	0%	444,000	-3%
R: Arts, entertainment and recreation	2,500	11%	81,000	5%
S: Other service activities	2,500	0%	62,000	-7%

Source: BRES

* Average Annual Change Between 2015 and 2018

Generally, the trend shows that Wirral's employment rates for most of its sectors has remained constant or reduced between 2015-2018.

Data shows that arts, entertainment and recreation is proportionally employing an additional circa 11% of all employment in Wirral, while the proportion has increased by 5% in the North West. But sectors such as Information and communication has reduced the most (33%) which follows the North West trend

of 13%, whilst Agriculture, forestry and fishing has reduced the second most in Wirral (22%) between 2015-2018.

Table 3.7 looks at the employment by industry in the Borough against the wider comparator areas through the Location Quotient (LQs) analysis. LQs provide a simple yet powerful tool to compare places and employment activity. A LQ of 1 shows that employment in a sector is proportionately the same as the benchmark geography (i.e., there is no sector specialism), a LQ greater than 1 shows that a sector is proportionately more strongly represented in the Wirral than the benchmark areas (i.e. there is a specialisation, and a LQ less than that shows a sector is under-represented in the Wirral).

A gradient of colours has been used to define the strength specialism. The gradient goes from red to show a low concentration, going from dark red for very low and lightening as it increases, to orange to show moderate concentration, and green to show strong concentration, going from light green to darker green as concentration increases.

For greater clarity, industries for which there is no workforce in Wirral have been removed. LQs are provided for Wirral in relation to Wirral and the regions, both in 2015 and 2018.

Between 2015 and 2018 Wirral's industries are generally inclined (an average score above 1) towards activities like Human health and social work activities; Education; Other service activities; Professional, scientific and technical activities.

In 2018, in relation to Wales, Wirral has common sectoral strength in the following sectors:

- Arts, entertainment and recreation (2015 had a slightly lower concentration of 0.8)
- Administrative and support service activities (2015 had a higher concentration of 1.1)

In 2018, in relation to the North West region, Wirral has common sectoral strength (1) in the following sectors:

- Accommodation and food service activities (2015 had a slightly lower concentration of 0.9)
- Professional, scientific and technical activities (2015 had the same level of 1)
- Arts, entertainment and recreation (2015 had a slightly lower concentration of 0.9)
- Real estate activities (2015 had a slightly lower concentration of 0.9)
- Employment by Industrial Sector by Local Region (% , 2018)

Table 3.7: Employment, Location Quotient

	Wirral vs North West		Wirral vs Wales	
	2015	2018	2015	2018
A: Agriculture, forestry and fishing	0.4	0.4	0.1	0.2
C: Manufacturing	0.8	0.8	0.7	0.7
D: Electricity, gas, steam and air conditioning supply	1	0.8	0.4	0.8
E: Water supply; sewerage, waste management and remediation activities	1	1.2	0.6	0.8
F: Construction	0.9	0.9	0.9	0.8
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	0.9	0.9	0.9	1.1
H: Transportation and storage	0.6	0.6	0.8	1.1
I: Accommodation and food service activities	0.9	1	0.9	0.9
J: Information and communication	0.7	0.6	1.4	0.8
K: Financial and insurance activities	0.4	0.4	0.4	0.4
L: Real estate activities	0.9	1	1.2	0.9
M: Professional, scientific and technical activities	1	1	1.4	1.4
N: Administrative and support service activities	0.8	0.8	1.1	1
O: Public administration and defence; compulsory social security	1.1	1.1	0.7	0.7
P: Education	1.2	1.2	1.1	1.1
Q: Human health and social work activities	1.6	1.7	1.4	1.4
R: Arts, entertainment and recreation	0.9	1	0.8	1
S: Other service activities	1.2	1.3	1.5	1.4

Source: BRES

It should be noted that Wirral Council recently published a paper on the future of the creative and digital industries in the Borough³. This report identified a demand for workspace in the Wirral for the creative and digital industries. The Wirral has an emerging creative and digital industry, with circa 2,000 people employed in the industry. The proportion of employment in this industry is in line with the average for the Liverpool City Region (2%). The creative industry in the Wirral is dominated by 'IT, software and computer services employment' (37.5%) followed by architecture, 'film TV, radio and photography'. The industry as a whole is dominated by micro-businesses, with 98% of creative & digital businesses in the Wirral employing less than 10 people. The nature of those businesses requires flexible and affordable workspaces without the constraints of long leases – often delivered through the repurposing of older existing stock.

Figure 3.9 shows the business stock in the Wirral and the benchmark areas from 2010 to 2019. The data provides context for the make-up of the existing business community and dynamics of change within the areas.

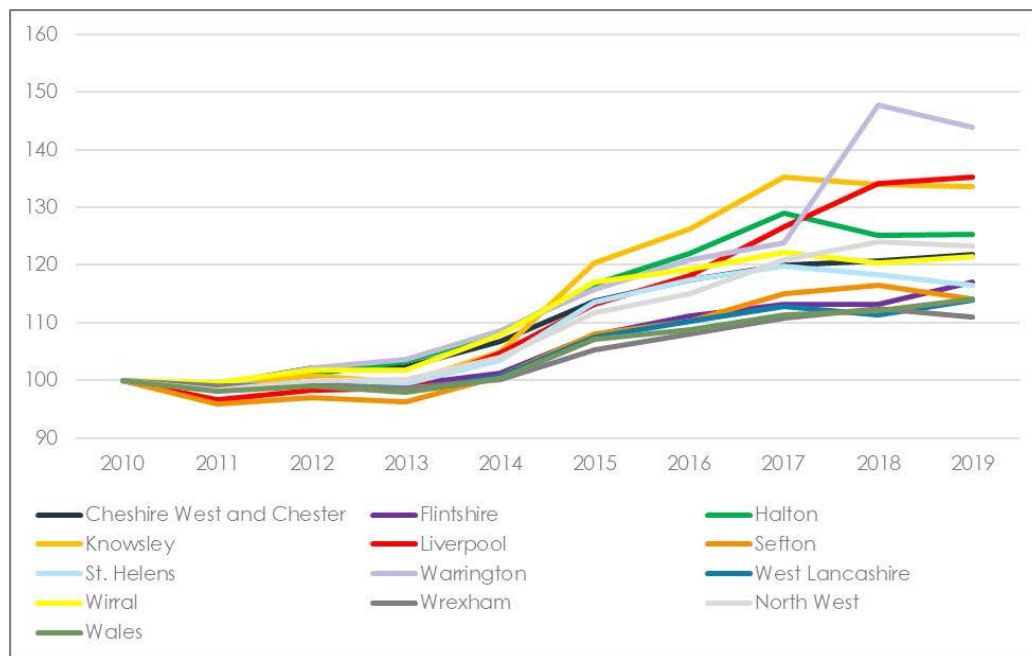
³ Creative and Digital Market Demand Study, December 2019

The Wirral has shown reasonable growth in its business stock (21%) between 2010 and 2018. When compared against benchmark areas, this represents the 7th highest rate of growth in the dataset, indicating an average level of performance. The broader North West region demonstrated similar levels of stock growth, operating at 23% growth.

Growth in the Wirral was particularly marked between 2013 and 2015, where stock increased by 17%. In the ensuing years, in spite of some degree of fluctuation, stock has continued to experience steady growth to its 2019 level, 21% above the base year (2010).

In terms of absolute numbers, the Wirral has seen growth of business stock from 8,605 in 2010 to 10,445 in 2019.

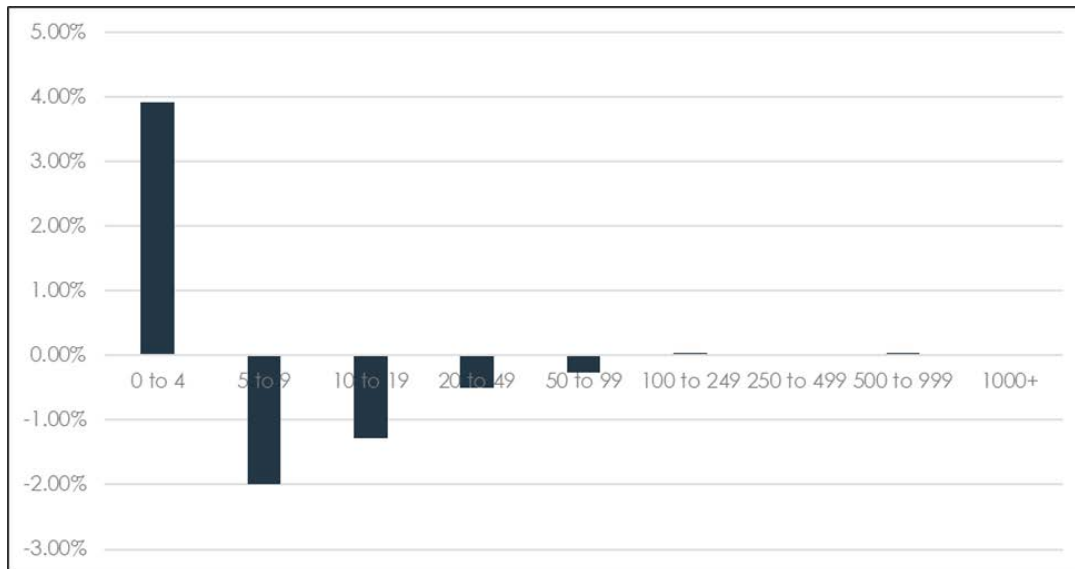
Figure 3.9: Change in Business Stock by Region (2010 = 100)



Source: Business Count, ONS

The smallest micro-businesses (1 to 4 employees) are the only business employment size band to have proportionally increased (in comparison to the total business stock) in the Wirral between 2010 and 2018.

Figure 3.10: Change in Proportion of Wirral Businesses by Number of Employees (2010-2018)



Source: Business Count, ONS

Wirral follows the trend of benchmark areas (increasing share of micro-businesses and reducing share of small, medium and large businesses). The amplitude of the change is slightly more pronounced than is the case in the North West more broadly, with a growth of micro-businesses by 2.8%, relative to 2% in the North West since 2010, and a cumulative reduction in small, medium and large businesses of -2.7%, relative to -2.1% in the North West.

Table 3.8: Change in Proportion of Business by Number of Employees for Local Regions

	Micro (1-9)		Small (10-49)		Medium (50-249)		Large (250+)	
	2019	Change from 2010	2019	Change from 2010	2019	Change from 2010	2019	Change from 2010
Cheshire West and Chester	83.50%	0.80%	13.40%	-0.70%	2.80%	0.00%	0.30%	-0.10%
Flintshire	82.60%	1.40%	13.70%	-1.30%	3.10%	-0.20%	0.60%	0.20%
Halton	78.40%	2.90%	16.50%	-2.50%	4.50%	-0.40%	0.70%	0.10%
Knowsley	80.10%	5.40%	15.10%	-3.60%	4.00%	-1.50%	0.70%	-0.20%
Liverpool	81.00%	4.00%	14.60%	-3.10%	3.70%	-0.70%	0.70%	-0.20%
Sefton	83.30%	2.90%	13.50%	-2.50%	2.80%	-0.30%	0.40%	0.00%
St. Helens	80.70%	3.30%	15.60%	-2.00%	3.20%	-1.20%	0.50%	-0.20%
Warrington	83.40%	3.70%	12.90%	-2.40%	3.10%	-1.00%	0.60%	-0.30%
West Lancashire	83.40%	0.70%	13.50%	-0.50%	2.80%	-0.20%	0.40%	-0.10%
Wirral	83.50%	2.80%	13.50%	-2.30%	2.50%	-0.30%	0.40%	-0.10%
Wrexham	81.90%	0.90%	14.20%	-1.10%	3.30%	0.30%	0.50%	-0.20%
North West	83.30%	2.00%	13.40%	-1.60%	2.90%	-0.40%	0.40%	-0.10%
Wales	83.20%	0.70%	13.80%	-0.40%	2.60%	-0.20%	0.40%	-0.10%

Source: Business Count, ONS

The majority of additional businesses, between 2010 and 2019, are micro companies (less than 10 employees).

Four industrial sectors generated 65% of the total business stock growth in Wirral between 2010 and 2019:

- Professional, scientific and technical activities
- Construction
- Information and communication
- Administrative and support service activities

Table 3.9: Change in Business Stock by Sector and Number of Employees (2010-2018)

	Micro (1-9)	Small (10-49)	Medium (50-249)	Large (250+)
1: Agriculture, forestry & fishing (A)	5	0	0	0
2: Mining, quarrying & utilities (B, D and E)	0	5	5	0
3: Manufacturing (C)	70	-20	-10	0
4: Construction (F)	180	5	0	0
5: Motor trades (Part G)	20	-5	0	0
6: Wholesale (Part G)	-25	15	0	0
7: Retail (Part G)	-60	40	-5	0
8: Transport & storage (incl. postal) (H)	165	-5	5	0
9: Accommodation & food services (I)	115	20	5	0
10: Information & communication (J)	170	5	0	0
11: Financial & insurance (K)	55	-10	0	0
12: Property (L)	60	-5	0	0
13: Professional, scientific & technical (M)	515	5	0	5
14: Business administration & support services (N)	280	20	0	0
15: Public administration & defence (O)	0	-5	-5	-5
16: Education (P)	5	-5	0	0
17: Health (Q)	100	-15	20	5
18: Arts, entertainment, recreation & other services (R and S)	125	5	0	0
Total	1,775	50	20	0

Source: Business Count, ONS

The change in business stock as discussed above reflects the survival rates of new businesses starting in the Wirral.

Business births have experienced steady decline in the Wirral between 2015 and 2018, falling from 1,315 to 1,195 over the period. By comparison, the North West region has seen growth of business births, from 36,500 to 42,975, outlining the poor performance of business births in the Wirral.

In line with a steady decline in business births, the Wirral has experienced a small increase in business deaths between 2015 and 2018 (c.4%). By comparison, the North West has experienced a c.8% increase in business deaths.

The Wirral's 2015 business survival rates have been higher than is the case in the North West more broadly.

Table 3.10: Business Births, Deaths and Survival Rates

Area	Year	Births	Deaths	Survival Rates (2015)		
				1 Year (%)	2 Year (%)	3 Year (%)
Wirral	2015	1,315	1,050	93.2	73	55.9
	2016	1,320	1,040			
	2017	1,230	1,200			
	2018	1,195	1,095			
North West	2015	36,500	7,710	90.7	70.8	54.6
	2016	42,035	7,820			
	2017	47,465	9,045			
	2018	42,975	8,345			

Source: Business Demographics, ONS

Table 3.11 examines the total Gross Value Added (GVA)⁴ levels and its rate of change in the last decade for the Wirral and its neighbouring boroughs. As shown in the table the Wirral had a reasonably sized economy in terms of GVA output in 2016 (£4,895 million) relative to the benchmark areas.

⁴ Gross Value Added (GVA) measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom

Table 3.11: Gross Value Added (£m)

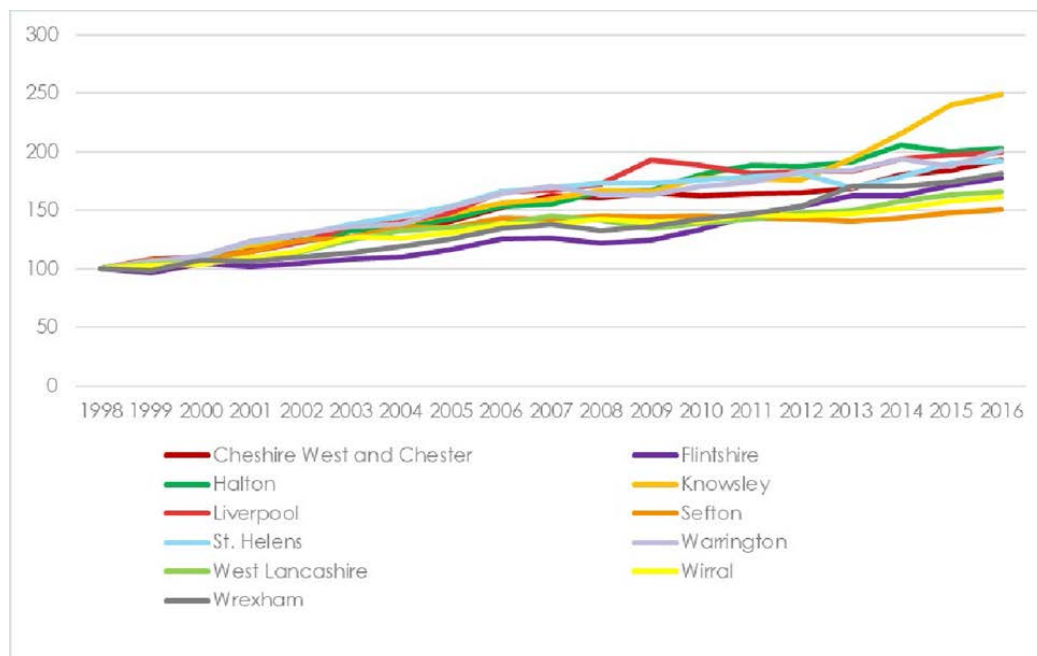
	GVA Output (£ million) - 2016	CAGR (1998-2016)	CAGR (2007-2016)
Cheshire West and Chester	9,677	3.73%	1.97%
Flintshire	4,073	3.24%	3.89%
Halton	3,244	4.02%	3.01%
Knowsley	3,999	5.20%	5.02%
Liverpool	11,334	3.90%	1.95%
Sefton	4,314	2.32%	0.64%
St. Helens	3,072	3.71%	1.43%
Warrington	6,598	3.96%	1.87%
West Lancashire	2,386	2.86%	1.50%
Wirral	4,895	2.71%	1.74%

Source: ONS

However, over time, GVA growth was also one of the lowest in the Wirral, with an average annual growth (compounded) of 2.7% between 1998 and 2016 and 1.7% between 2007 and 2016

Wirral's performance was relatively weak next to neighbouring boroughs, only outperforming Sefton.

Figure 3.11: Proportional Change in Gross Value Added by Region (1998 = 100)



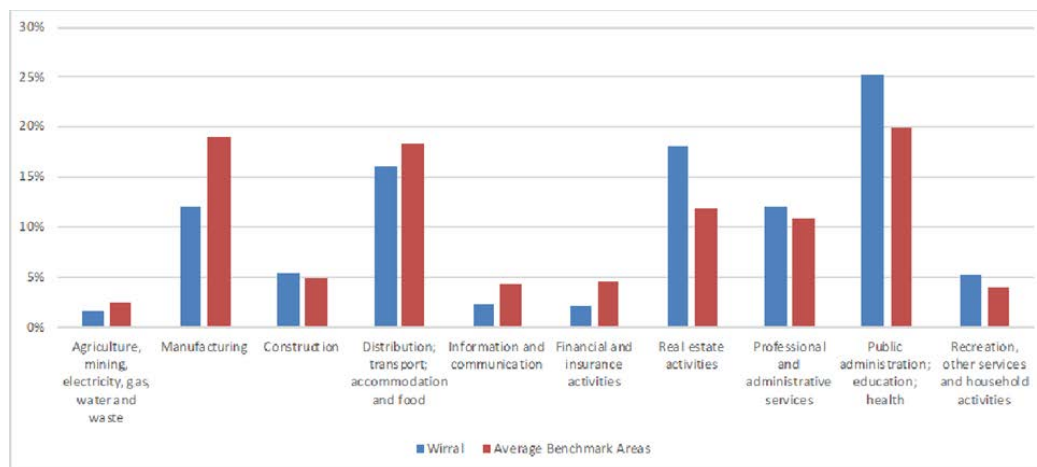
Source: ONS

Figure 3.12 compares GVA contribution of broad sectors in Wirral, against the total average of all benchmark areas at the local authority level.

It shows that Public Administration and Education; Health (25%), Real Estate Activities (18%), and Distribution; Transport; Accommodation and Food (16%) are the top contributing sectors for the Wirral's economy.

Relative to the benchmark areas, it's interesting to note the proportionally low contribution of manufacturing to the Wirral's economy. Agriculture, Mining, Electricity, Gas, Water and Waste (2%), Information and Communication (5%) and Financial and insurance activities (2%) generally performed poorly both in Wirral and the benchmark areas.

Figure 3.12: GVA Contribution by Broad Sectors (2016)



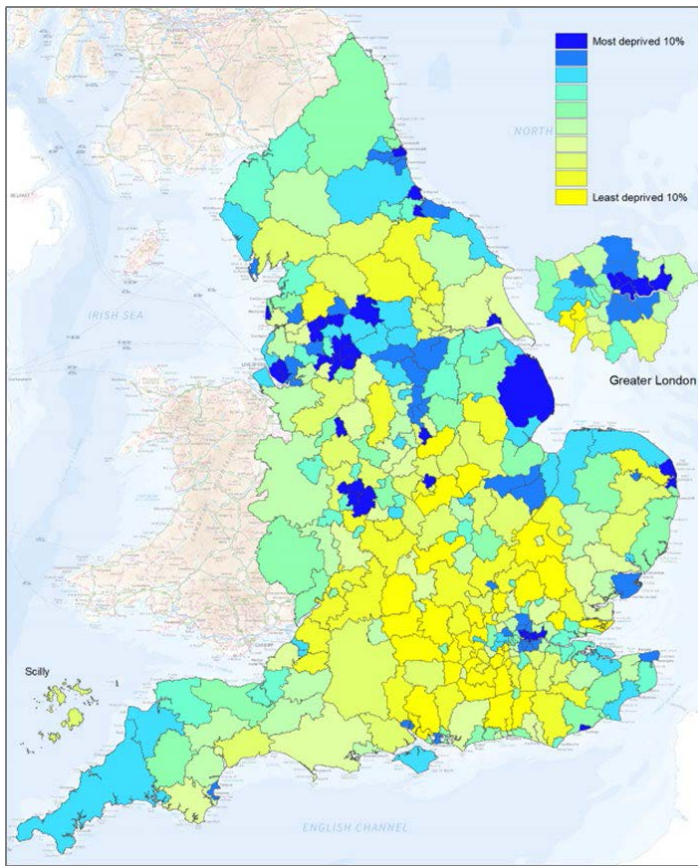
Source: ONS

Deprivation

In 2019, Wirral was ranked the 77th most deprived authority (of 317 authorities) in England (1 the being most deprived, 317 the least deprived). Whilst as a whole Wirral ranks at 77, there is a high variability within the Wirral as a place and the ranking does not reflect the concentration of deprivation towards the east of Wirral. According to the Index of Multiple Deprivation, 25% of Wirral falls within the 10% most deprived areas of the country with the majority of these locations in Birkenhead, Bidston, Seacombe and Rock Ferry.

Figure 3.13 shows the ranking of all of England's boroughs for deprivation. Looking specifically at the North West region, it shows that the Wirral presents similar levels of deprivation to that found in Sefton. Liverpool and Knowsley present more severe levels of deprivation, whilst Warrington is significantly less deprived.

Figure 3.13: Indices of Multiple Deprivation, Overall Score (2019)



Source: Indices of Multiple Deprivation (2019)

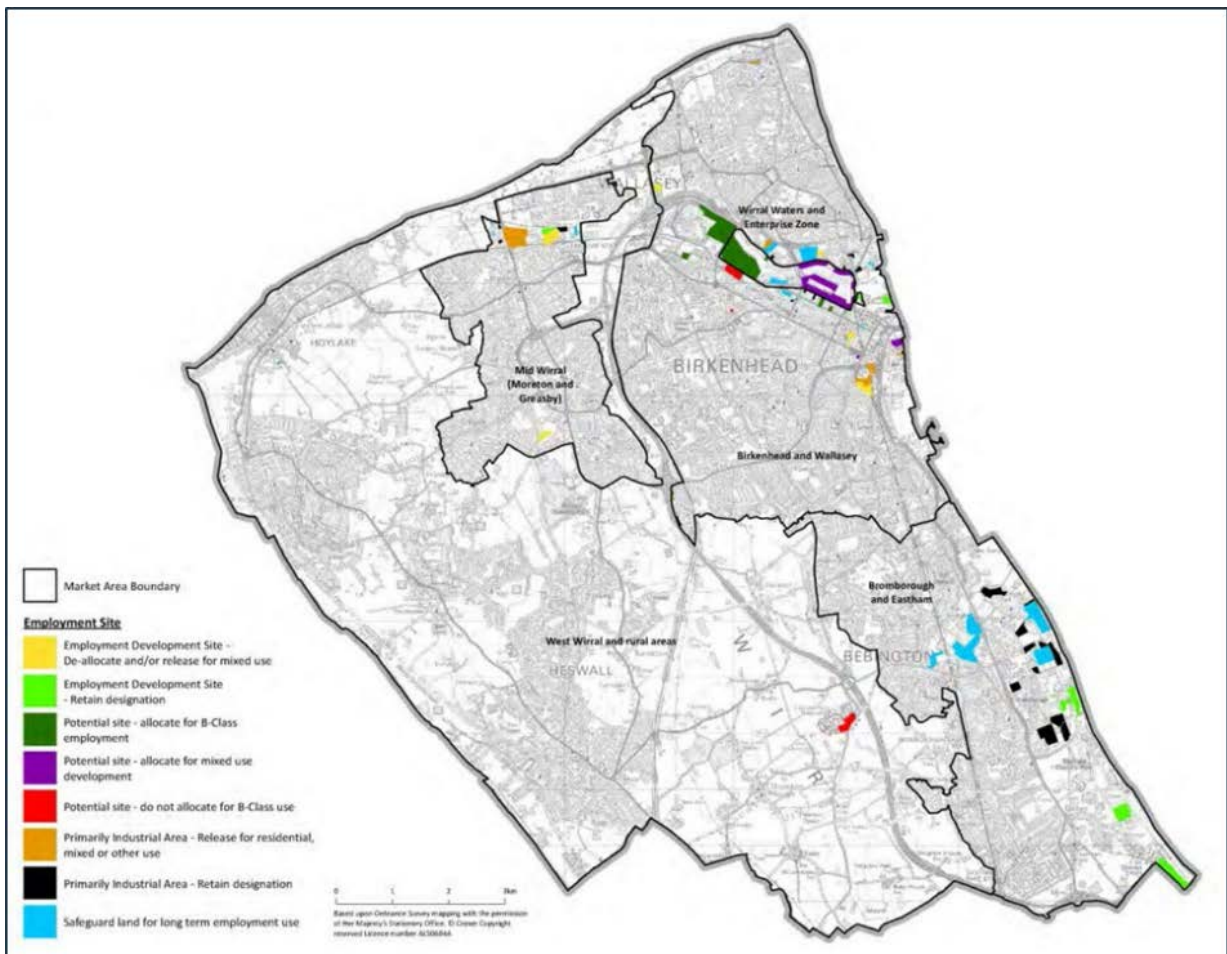
The Index of Multiple Deprivation in Wirral is particularly driven down by the low performance in terms of health, employment and living environment and to a lesser extent to the performance in terms of education and crime; whilst the performance in terms of barriers to housing is good overall (despite pockets of low performing areas within the borough).

4. Sub-Area Baseline Economic Analysis

Having looked at the Wirral-wide picture in Section 3, this section provides an analysis of the Wirral at a sub-area level to understand the dynamics within the Borough.

The starting point of this analysis is to define the sub-areas within the Borough. For ease of comparison, the boundaries considered for the sub-areas are aligned with the ones adopted in the Wirral Employment Land and Premises Study (WELPS) 2017.

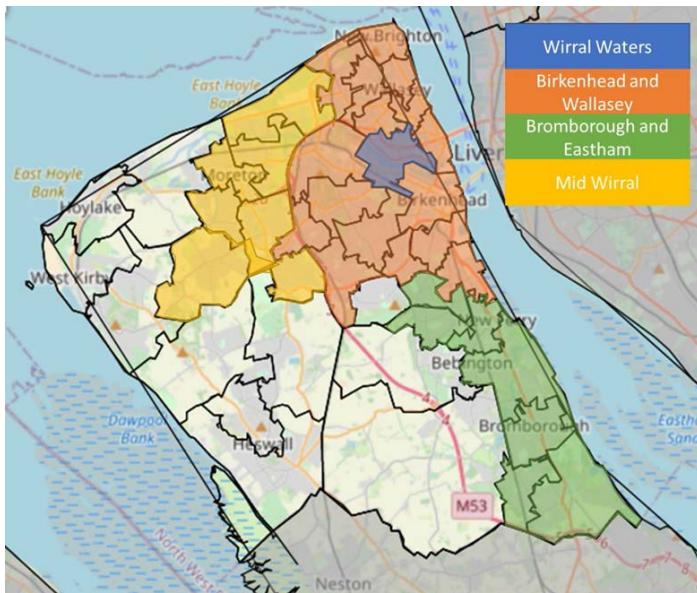
Figure 4.1: Sub-Area Map



Source: Lichfields, WELPS (2017)

However, the most refined socio-economic data is available at the Lower Super Output Area (LSOA) or Mid Super Output Area (MSOA) at best and do not allow us to match the data to the exact boundaries defined in the WELPS 2017. We have replicated the WELPS sub-areas as closely as possible using the MSOA areas. The proxy boundaries for the sub-areas are presented in Figure 4.2.

Figure 4.2: Sub-Area Map by MSOA (All unhighlighted areas are in West Wirral)



Source: Avison Young (2021)

Business by Size

Figures from the ONS on business counts show that the Wirral economy is heavily supported by micro-businesses, which account for 84% of all businesses. Unsurprisingly, this share is lower in areas which focus on heavy industrial activities, such as Wirral Waters and Bromborough than the other sub-areas.

The rest of the economy is mainly made up of small businesses (14%), whilst medium-size and large businesses represent a very small share of businesses in the Wirral.

It should be noted that this is relatively comparable to the regional figures, with 83% of micro-businesses, 13% of small businesses, and 3% of medium businesses in the North West in comparison. However, Liverpool attracts 81% of micro-businesses, 15% of small businesses, 4% of medium-size businesses, and 1% of large businesses.

Table 4.1: Proportion of Businesses by Number of Employees for Each Sub-Area (2019)

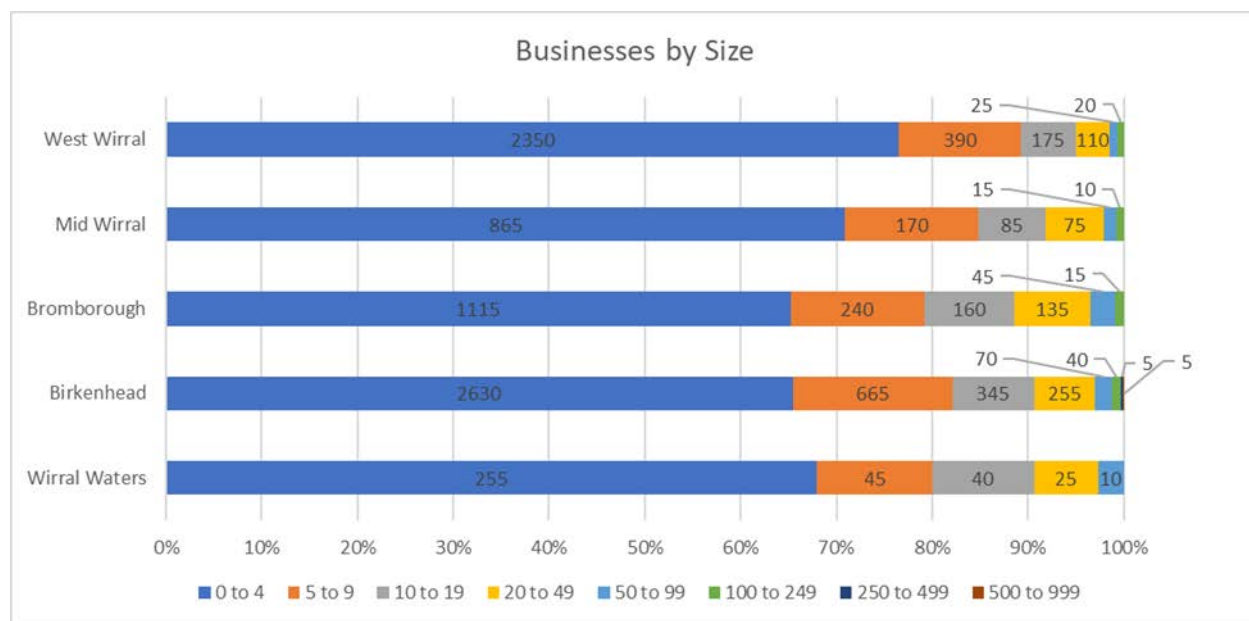
	Micro (1-9)	Small (10-49)	Medium (50-249)	Large (250+)
Wirral Waters	80%	17%	3%	0%
Birkenhead	82%	15%	3%	0%
Bromborough	79%	17%	4%	0%
Mid-Wirral	85%	13%	2%	0%
West Wirral	89%	9%	1%	0%
Wirral (Total)	84%	14%	2%	0%

Source: Nomis, Business Count (2019)

In term of absolute numbers, Birkenhead hosts the highest number of businesses, with a total number of 5,230 businesses in this sub-area. This is far more than the second sub-area, West Wirral, with 3,725 businesses and the third area, Bromborough, with 2,230 businesses.

Mid-Wirral had 1,540 businesses in 2019 and Wirral Waters (by far the smallest sub-area) had 485 businesses.

Figure 4.3: Number of Businesses by Size (2019)



Source: Nomis, Business Count (2019)

Growth by Size

Overall, the number of businesses has increased in the Wirral, by 2% between 2016 and 2019. However, there are variations within the different size bands, with the number of micro and medium businesses both increasing by 2%, whilst the number of small businesses decreased by 2% and the number of large businesses decreased by 33%.

The overall loss of large businesses is driven by the reduction in the number of large businesses in Birkenhead (- 3% of a large base number of businesses).

The number of micro-businesses increased in all sub-areas whilst the number of small businesses decreased in most sub-areas.

Table 4.2: Growth in Number of Businesses by Number of Employees for Each Sub-Area (2016-2019)

	Micro (1-9)	Small (10-49)	Medium (50-249)	Large (250+)	ALL
Wirral Waters	18%	-15%	8%	17%	9%
Birkenhead	4%	0%	-4%	-3%	2%
Bromborough	0%	-7%	-2%	6%	-1%
Mid-Wirral	0%	4%	14%	0%	2%
West Wirral	0%	-7%	-7%	4%	-1%
Wirral (Total)	2%	-2%	2%	-33%	2%

Source: Nomis, Business Count

Growth by Industry

The following table shows the growth in total number of businesses (all sizes) by sub-area and by industry.

This table shows that the number of businesses in the agriculture, forestry and fishing has contracted between 2016 and 2019 in all sub-areas where this industry was present.

The number of businesses in manufacturing has contracted in Mid-Wirral, whilst expanding in all other sub- areas (and overall, in the Wirral).

Transportation and storage is an industry in expansion, in terms of number of businesses, however, with a shift of businesses from Bromborough and West Wirral (losing businesses) to Wirral Waters, Birkenhead and Mid-Wirral (gaining businesses).

Information and communication and Finance and insurance activities has contracted in the Wirral despite performing well in Wirral Waters.

Professional, scientific and technical activities is contracting in all sub-areas with the exception of Bromborough and West Wirral.

Table 4.3: Growth in Type of Businesses by Number of Employees for Each Sub-Area (2016-2019)

	Wirral Waters	Birkenhead	Bromborough	Mid-Wirral	West Wirral	Wirral (Total)
A: Agriculture, forestry and fishing				-33%	-10%	-15%
C: Manufacturing	9%	8%	5%	-18%	9%	5%
E: Water supply; sewerage, waste management and remediation activities	0%	100%	-33%			0%
F: Construction	0%	11%	8%	0%	6%	7%
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	-8%	1%	5%	0%	-4%	0%
H: Transportation and storage	75%	38%	-13%	38%	-13%	16%
I: Accommodation and food service activities	50%	3%	14%	-6%	-3%	3%
J: Information and communication	50%	0%	0%	-10%	-4%	-2%
K: Financial and insurance activities	100%	-7%	40%	0%	-26%	-7%
L: Real estate activities		17%	-25%	-20%	18%	10%
M: Professional, scientific and technical activities	-25%	-7%	4%	-3%	4%	-1%
N: Administrative and support service activities	17%	8%	-3%	5%	-4%	2%
O: Public administration and defence; compulsory social security		-29%	0%	0%		-22%
P: Education	0%	-8%	11%	-27%	0%	-6%
Q: Human health and social work activities	0%	-20%	-8%	-6%	-6%	-13%
R: Arts, entertainment and recreation	0%	7%	0%	13%	-6%	3%
S: Other service activities	0%	-9%	0%	7%	3%	-2%

Source: Nomis, Business Count

Location Quotients

The LQ analysis is a simple, yet effective way of assessing the relative concentration of businesses in one area compared to another area.

In this case, we have compared the concentration of businesses, by industry, in each sub-area, to the concentration in the Wirral in general. This allows us to identify clusters of activities at the sub-area level.

The analysis shows that Wirral Waters has a strong focus on manufacturing activities.

Bromborough also has a focus on manufacturing, although not as pronounced as observed in Wirral Waters.

Mid-Wirral and West Wirral have a focus on agricultural, forestry and fishing activities.

West Wirral also has a small agglomeration of information and communication activities, real estate activities and professional, scientific and technical activities.

Birkenhead is by far the most diverse sub-area with agglomerations of a series of industries including (in order of concentration): public administration; arts, entertainment and recreation; human health and social work; other service activities; education; administrative and support services; real estate activities. This sub-area focuses mainly on public and personal services.

Table 4.4: Location Quotient Analysis by Business Type – Sub-Area vs Wirral (2019)

LQ Business	Wirral Waters	Birkenhead	Bromborough	Mid-Wirral	West Wirral
A: Agriculture, forestry and fishing	-	-	-	1.6	2.8
C: Manufacturing	3.2	1.0	1.1	0.7	0.8
E: Water supply; sewerage, waste management and remediation activities	0.9	0.7	1.1	-	-
F: Construction	0.2	0.6	0.5	0.4	0.6
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	0.1	0.8	0.5	0.4	0.5
H: Transportation and storage	0.4	1.0	0.6	0.5	0.4
I: Accommodation and food service activities	0.2	1.0	0.6	0.4	0.6
J: Information and communication	0.1	0.8	0.5	0.3	1.1
K: Financial and insurance activities	0.2	0.9	0.6	0.4	1.0
L: Real estate activities	0.1	1.1	0.3	0.2	1.1
M: Professional, scientific and technical activities	0.1	0.9	0.6	0.5	1.1
N: Administrative and support service activities	0.2	1.2	0.7	0.6	1.0
O: Public administration and defence; compulsory social security	-	2.6	0.6	0.6	-
P: Education	0.1	1.3	0.7	0.6	0.7
Q: Human health and social work activities	0.1	1.5	0.7	0.5	0.7
R: Arts, entertainment and recreation	0.0	1.8	0.7	0.7	0.6
S: Other service activities	0.0	1.5	0.9	0.6	0.7

Source: Nomis, Business Count (2019)

Sub-Areas Growth

Wirral Waters

The below information is presented in terms of the current/historic position and trends. It is worth bearing in mind when reading this sub-section that this particular sub-area is expected to change significantly as Peel deliver their Wirral Waters development, which includes significant amounts of commercial space.

Historically, irrespective of the proposed Wirral Waters development, the main industries of growth include:

- Manufacturing (driven by micro-businesses)
- Transportation and storage
- Accommodation and food services
- Information and communication
- Financial and insurance activities
- Administrative and support services

Note that the number of businesses has grown in Wirral Waters between 2016 and 2019 by 11% overall. This is driven by a growth of micro-businesses – in fact, the number of small and medium size businesses has decreased over the same period.

Table 4.5: Business Growth by Industry, Wirral Waters (2016-2019)

Wirral Waters	Micro	Small	Medium	Large	Total	2019 Total Count
C: Manufacturing	33%	-25%	0%		9%	60
E: Water supply; sewerage, waste management and remediation activities	0%				0%	5
F: Construction	0%	0%			0%	40
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	-9%	0%			-8%	60
H: Transportation and storage	100%	0%			75%	35
I: Accommodation and food service activities	50%				50%	30
J: Information and communication	200%	-100%			50%	15
K: Financial and insurance activities	100%				100%	10
M: Professional, scientific and technical activities	-25%				-25%	30
N: Administrative and support service activities	20%	0%			17%	35
P: Education	-100%	0%	-100%		0%	10
Q: Human health and social work activities	0%	0%			0%	15
R: Arts, entertainment and recreation	0%				0%	5
S: Other service activities	0%				0%	10
TOTAL	15%	-8%	-50%		11%	365

Source: Nomis, Business Count (2019)

Birkenhead

The main industries of growth include:

- Manufacturing
- Water supply; sewerage, waste management
- Construction
- Transportation and storage
- Real estate activities
- Administrative and support services
- Arts, entertainment and recreation

Note that the total number of businesses in Birkenhead hasn't changed between 2016 and 2019 despite some growth in some specific industries. It can also be noted that the number of micro and medium businesses has increased, whilst the number of small businesses has decreased.

Table 4.6: Business Growth by Industry, Birkenhead (2016-2019)

Birkenhead	Micro	Small	Medium	Large	Total	2019 Total Count
C: Manufacturing	21%	-33%	0%		8%	210
E: Water supply; sewerage, waste management and remediation activities	0%				100%	10
F: Construction	23%	-33%			11%	405
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	0%	0%	100%		1%	815
H: Transportation and storage	58%	-50%			38%	165
I: Accommodation and food service activities	0%	18%			3%	335
J: Information and communication	-3%	0%			0%	165
K: Financial and insurance activities	0%	-33%			-7%	70
L: Real estate activities	9%	0%			17%	135
M: Professional, scientific and technical activities	-6%	-29%	0%		-7%	545
N: Administrative and support service activities	12%	50%	-100%		8%	320
O: Public administration and defence; compulsory social security	0%	0%	0%	0%	-29%	25
P: Education	11%	-14%	0%		-8%	115
Q: Human health and social work activities	-26%	-17%	67%		-20%	315
R: Arts, entertainment and recreation	5%	0%			7%	145
S: Other service activities	-5%	100%			-9%	215
TOTAL	3%	-9%	29%	0%	0%	3990

Source: Nomis, Business Count (2019)

Bromborough

Bromborough overall has performed relatively well with growth in the following sectors:

- Manufacturing
- Construction
- Wholesale and retail trade
- Accommodation and food services
- Financial and insurance activities
- Professional, scientific and technical activities
- Education

Growth is visible across all business sizes.

Table 4.7: Business Growth by Industry, Bromborough (2016-2019)

Bromborough	Micro	Small	Medium	Large	Total	2019 Total Count
C: Manufacturing	0%	33%	100%		5%	100
E: Water supply; sewerage, waste management and remediation activities	0%				-33%	10
F: Construction	9%	0%			8%	195
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	2%	7%	0%		5%	335
H: Transportation and storage	-10%	50%			-13%	65
I: Accommodation and food service activities	29%	-14%			14%	125
J: Information and communication	0%	-100%			0%	75
K: Financial and insurance activities	40%				40%	35
L: Real estate activities	-25%				-25%	30
M: Professional, scientific and technical activities	2%	33%	0%		4%	270
N: Administrative and support service activities	-8%	0%	100%		-3%	145
O: Public administration and defence; compulsory social security		0%			0%	5
P: Education	150%	0%			11%	50
Q: Human health and social work activities	7%	-11%			-8%	120
R: Arts, entertainment and recreation	0%	0%			0%	45
S: Other service activities	0%	0%			0%	105
TOTAL	4%	2%	100%		2%	1710

Source: Nomis, Business Count (2019)

Mid-Wirral

The main industries of growth include:

- Transportation and storage
- Administrative and support services
- Arts, entertainment and recreation
- Other service activities

Mid-Wirral is the worst sub-area in terms of business growth, with a decline of the number of businesses and a loss of businesses across micro and medium size (whilst the number of small businesses increased but not sufficiently to compensate the loss across the other band sizes).

Table 4.8: Business Growth by Industry, Mid-Wirral (2016-2019)

Mid-Wirral	Micro	Small	Medium	Large	Total	2019 Total Count
A: Agriculture, forestry and fishing	0%				-33%	10
C: Manufacturing	-11%				-18%	45
F: Construction	4%				0%	150
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	-8%	17%			0%	215
H: Transportation and storage	57%				38%	55
I: Accommodation and food service activities	8%	0%			-6%	85
J: Information and communication	-10%				-10%	45
K: Financial and insurance activities	0%				0%	20
L: Real estate activities	-20%				-20%	20
M: Professional, scientific and technical activities	-10%				-3%	190
N: Administrative and support service activities	5%	-100%			5%	110
P: Education	0%	0%	-33%		-27%	40
Q: Human health and social work activities	-17%	20%			-6%	85
R: Arts, entertainment and recreation	13%				13%	45
S: Other service activities	17%				7%	75
TOTAL	-1%	25%	-33%		-2%	1195

Source: Nomis, Business Count (2019)

West Wirral

The main industries of growth include:

- Manufacturing
- Construction
- Real estate
- Professional, scientific and technical activities
- Other service activities

West Wirral is the second worst sub-area in terms of business growth, with a decline of the number of businesses and a loss of businesses across all size bands.

Table 4.9: Business Growth by Industry, West Wirral (2016-2019)

West Wirral	Micro	Small	Medium	Large	Total	2019 Total Count
A: Agriculture, forestry and fishing	-11%				-10%	45
C: Manufacturing	5%	0%			9%	120
F: Construction	7%	0%			6%	330
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	-10%	-9%			-4%	435
H: Transportation and storage	-7%				-13%	70
I: Accommodation and food service activities	-4%	-9%	0%		-3%	180
J: Information and communication	-2%				-4%	215
K: Financial and insurance activities	-37%	0%			-26%	70
L: Real estate activities	14%	-100%			18%	130
M: Professional, scientific and technical activities	5%	0%			4%	650
N: Administrative and support service activities	0%	-67%			-4%	255
P: Education	0%	-33%	-67%		0%	85
Q: Human health and social work activities	-9%	-23%	0%	0%	-6%	220
R: Arts, entertainment and recreation	0%	0%			-6%	80
S: Other service activities	-3%	0%			3%	165
TOTAL	-2%	-18%	-33%	0%	-1%	3050

Source: Nomis, Business Count (2019)

Back-casting

This section replicates our methodology to assess future floorspace and land requirement but applied to historical employment figures (in place of forecast employment). This shows the theoretical change in floorspace and land requirement between 2016 and 2019 in each of the sub-areas and can help us understand the demand for different type of use-class.

Table 4.10 shows that, based on the change in the number of jobs (FTEs) in each sub-area (by industry) and applying our methodology, the requirement for B Use Class land would have reduced in Birkenhead, Mid-Wirral and West Wirral between 2016 and 2019; whilst increasing in Bromborough and Wirral Waters.

The data also shows a shift of employment type of space:

- Greater focus on B8 space in Birkenhead, whilst losing demand for B1 and B2 space
- Greater focus on B1b/c, B2 space in Mid-Wirral, whilst losing demand for B1a and B8 space
- Demand for all types of space in Bromborough
- Increase demand for B1b/c, B2 and B8 space in Wirral Waters, whilst losing marginal demand for B1a space.

Table 4.10: Floorspace/Land Requirement Assessment, Back-Casting (2016-19)

Change 2016-2019					
Employment (FTEs)	Birkenhead	Mid Wirral	Bromborough	Wirral Waters	West Wirral
Office (B1a)	-545	-80	295	-175	-70
Other Business Space (B1b/c, B2)	-435	265	100	160	-10
Warehouse (B8)	135	-110	85	30	-5
Non-B-Class	-1,665	-1,265	550	1,635	-60
Total B-Use	-845	75	480	15	-85
Floorspace (sqm)	Birkenhead	Mid Wirral	Bromborough	Wirral Waters	West Wirral
Office (B1a)	-6,540	-960	3,540	-2,100	-840
Other Business Space (B1b/c, B2)	-16,095	9,805	3,700	5,920	-370
Warehouse (B8)	12,150	-9,900	7,650	2,700	-450
Non-B-Class	-41,625	-31,625	13,750	40,875	-1,500
Total B-Use	-10,485	-1,055	14,890	6,520	-1,660
Land (ha)	Birkenhead	Mid Wirral	Bromborough	Wirral Waters	West Wirral
Office (B1a)	-0.4	-0.1	0.2	-0.1	-0.1
Other Business Space (B1b/c, B2)	-4.0	2.5	0.9	1.5	-0.1
Warehouse (B8)	3.0	-2.5	1.9	0.7	-0.1
Non-B-Class	-2.8	-2.1	0.9	2.7	-0.1
Total B-Use	-1.4	-0.1	3.1	2.0	-0.3

Source: Avison Young (2021), based on BRES data

Key Findings

- Aging population and low population growth forecasted over the Plan Period could lead to a shortage of workforce in Wirral, with businesses progressively relocating in other areas. This could be overcome by:
 - an increase of in-migration level
 - an increase of in-commuting level
 - increasing the level of economic activity
 - reducing the level of economic unemployment

- Low job density is a structural issue in Wirral with 0.61 job per working age person in the Borough. This forces a fair proportion of residents to find employment in other areas.
- Wirral heavily relies on Liverpool, and to a lesser extent West Cheshire and Chester, to provide employment to its residents. Wirral as a net loss of working population, with 45,000 commuting out of the Borough for work and only 17,000 commuting in.
- A large proportion of the population has a high level of qualification (level 4 and above). However, Wirral tend to have a higher share of mid-level employment type, showing a slight misalignment between education and employment level and therefore missed opportunities for the Borough.
- There has been an increase of the importance of micro businesses for the Wirral economy, partly a function of growth, but also the consequence of the loss of large employers in the Borough. This will have an influence on the future of land portfolio.
- The satisfactory level of business survival rates but low proportion of medium-sized businesses could also indicate an issue with the current property portfolio (difficulty to scale activities up) and find the right premises to do so.
- There also has been a sectoral shift of the economy, away from traditional sectors such as manufacturing and primary activities towards personal and professional services as well as non-b class activities (leisure, accommodation, food, human care).

5. Market Context

The previous WELPS report undertook a review of the property market at the point in time of the previous report. However, it is important to undertake an up-to-date review of the latest data to understand how things may or may not have changed between the previous report and the time of this report. Therefore, the below section sets out the latest market transactions in each of the use classes being assessed as part of this report.

National Economy

At the time of writing, there is considerable uncertainty regarding the economy in the wake of the COVID-19 pandemic and the subsequent lockdown, and what this may mean for the strength of Wirral Borough's industrial and commercial market going forward.

The impact of COVID-19 will be the main driver of economic performance in the near term and the UK GDP is estimated to have fallen by a record 20.4% in Quarter 2 of 2020, marking the second consecutive quarterly decline after it fell by 2.2% in Quarter 1 of 2020. As a result, the UK officially entered a recession.

There were record falls in service, production and construction output in Q2, which have been particularly prevalent in those industries that have been most exposed to government restrictions. Despite the weakness in Q2, there was some pick up in June as government restrictions on movement started to ease.

Growth is expected in Q3, partially due to initiatives such as 'Eat Out to Help Out' in August but the trajectory of the economy after this bounce is much more difficult to predict with much depending on the further spread of COVID-19, whether consumers will reign in spending amid rising unemployment and the threat of any further lockdowns.

Beyond COVID-19, the UK is in the next phase of Brexit negotiations following the official departure from the EU on 31st January 2020. Businesses now appear to be more confident, albeit they remain wary of the potential headwinds facing the UK, particularly in terms of trading with the EU.

The labour market had remained buoyant for much of last year with the employment rate reaching a record high of 76.5% at the end of 2019. However, COVID-19 has impacted the labour market, with the unemployment rate grew to 4.5% in the three months to August 2020, an increase of 0.4% from the previous 3 months. Young people were hard hit with those aged 16 to 24 suffering the largest drop in employment. It was forecast expected that the unemployment rate would rise to

approximately 6% with the furlough scheme ending at the end of October; however, the impact of its extension to the end of March 2021 remains to be seen. The latest unemployment data (ONS, November 2020) estimates the UK unemployment rate to be 4.8%, 0.9% higher than a year earlier. The Bank of England cut interest rates to 0.1% following earlier cuts as exceptional measures to combat the negative impact of COVID-19 and they are seeking to overcome obstacles to negative interest rates that would allow further cuts from the current rate.

The Markit / CIPS Purchasing Managers Indices for services declined at the fastest rate since the measure was introduced, falling to 34.7 from 53.2 March to February. Construction PMI scores fell considerably, down to 39.3 for March from 52.6 in February due to site closures and near-absent new starts. The manufacturing PMI was also down in March, decreasing to 47.8 from 51.7 in February. These falls come off the back of positive growth earlier in the year.

Investment activity in the UK commercial market achieved £13.4 billion in Q1 2020 which although down on the 5 year quarterly average, this figure was marginally up on the same period in 2019. Currently, while some deals which were already in their late stages have completed, there is likely to be a slowdown in new investments, until the economic outlook is clearer, with many investors adopting a wait and see attitude.

Office Market

Total take-up across the Big Nine office markets amounted to 8.8 million sq. ft. in 2019, 3% above the ten-year average albeit below the 10 million sq. ft. achieved in the previous two years. The heightened uncertainty surrounding Brexit and false deadlines resulted in the total being down on the previous two years but comparable to 2016.

However, the COVID-19 pandemic has meant that many offices have implemented remote and flexible working methods; therefore, how this impacts demand and changes in the office market over the next year is something that should be monitored.

Industrial Market

Demand for the industrial property continued to rise, albeit at a slower pace last year. In the early stages of the pandemic, supermarkets and discounters had set significant requirements for logistical facilities across the UK to cope with the additional demand from COVID-19. However, it is expected that overall, the industrial and warehouse sectors will be impacted by COVID-19 due to supply chain disruptions.

Longer term, the sector continues to be underpinned by the growth in e-commerce and last mile logistics and transportation, which could be further accelerated by trends adopted during the lockdown. However, the slowdown in the global economy and Brexit uncertainty have weighed on the sector to some extent. Average rental growth increased by 3.1% in the 12 months to December (MSCI Monthly Index). This is robust but it's a slowdown from the approximate 4% per annum growth seen in the previous three years.

Liverpool City Region Economy

Wirral is one of the six authorities which makes up the Liverpool City Region. The population of the City Region equals about 1.5 million people, with over 960,000 of working age population.

The economy of the City Region is worth about £30 billion GVA and has experienced average annual growth of 4.3% since 1997. The City Region is internationally renowned with an outstanding physical environment, more listed buildings of architectural importance than anywhere outside London and recognised as a culture of vibrant and energetic people.

The Liverpool City Region have significant strengths and huge potential in innovative and globally competitive sectors:

- **Advanced Manufacturing** – The industry employs nearly 50,000 people and 3,000 companies who directly £3.2 billion to the economy. There is a diverse mix of companies in this sector including Jaguar Land Rover, Unilever, Pilkington, INEOS and Astra Zeneca.
- **Digital and Creative** – The sector employs about 19,000 people in 3,500 businesses. The universities sustain many spin-off industries from their world lead research projects as well as many SMEs who operate in this space.
- **Financial and Professional Services** – There are about 2,500 businesses and 80,000 people employed in this sector that is worth £5 billion GVA. Liverpool City Centre is the prime location for this sector, with secondary clusters in Southport, Bootle and Birkenhead.
- **Health and Life Sciences** – The sector employs over 100,000 people and is worth over £1.7 billion in GVA. The region is a global for R&D in bio-pharmaceutical manufacturing with companies such as Astra Zeneca, Eli Lilly and Actavis all active locally in this sector.
- **Low Carbon Energy** – The sector employs over 20,000 people with 1,400 businesses and a contribution of over £2 billion to the economy.

- Maritime and Logistics – The investment into the Liverpool2 deep water container terminal gives the city region the ability to accommodate 95% of the world's largest container freight ships which will drive the logistics sector and create opportunity all over the region. Wirral also has a long history in the maritime sector and the presence of Cammell Laird ship building provides significant employment and prestige in the area, including the recent construction of the RRS David Attenborough polar research ship.
- Visitor Economy – The City of Liverpool has a world-wide reputation as a visitor destination due to its culture and heritage and the Wirral Peninsula boasts a number of visitor attractions due to its coastline and ability to host international events such as the Open Championship.

The economy of Liverpool City Region is going through a sharp and significant contraction due to the coronavirus outbreak and as a result Liverpool looks set to enter recession in 2020 for the first time since 2009. The Liverpool City Region was the first Local Authority to be placed in the highest of three tiers of restrictions including banning household mixing and closing pubs and bars. As a result, the Liverpool City Region have implemented a £40 million support package for the hospitality sector as well as piloting mass testing across the city of Liverpool.

The Avison Young City Recovery Index has been monitoring the diversity of market activity and the speed and trajectory of city recovery following the ongoing impact as a result of COVID-19. The index has looked at sectors including commercial activity, hotels and leisure, mobility, residential, retail and returning to office.

The Recovery Index suggests that Liverpool City Region has shown resilience during the crisis and that the strength of commercial and residential activity have supported the city region during this period, although the newer local restrictions have had a notable impact. In fact, whilst the commercial activity had remained steady, there has been a constant expansion in residential activity, in line with what has been seen in other cities.

Retail and the hotel and leisure sectors remain some of the hardest hit indices. The impact of tighter restrictions has seen footfall levels continue their decline in Liverpool as well as a decline in retail and recreational visits as well as a less marked decline in trips for essentials. Additionally, with the end of the 'Eat Out to Help Out' scheme, the hotel and leisure sector also saw a decline, although overall it remains higher than the national figure produced by the Recovery Index.

In addition, return to office is at just over 60% of the capacity seen before the lockdown in March. This is a minor decline on what was seen before the introduction of tougher local measures which had come after a period of consistent increases during August and early September. The mobility sector

i.e. journeys by foot, air, train, bus and car, had bounced back to relative normality at the end of September, however the new local restrictions have produced a notable decline in journeys taken.

Office Market

The Liverpool City Region has over 20 million square foot of office space making it one of the largest office markets in the North West region. Whilst activity slowed following the beginning of lockdown in March, but prior to the COVID-19 outbreak, the market was looking healthy. Despite this, the city region as a whole suffers from a limited supply of good quality office space. Office development has not really taken place since 2011 but there are currently 2 notable projects due to deliver, subject to any delays arising from the pandemic.

Liverpool has undergone a transformation in the use of space in recent years, driven by a flurry of office-to-residential and alternative use conversions equalling about 1.2 million square foot. As a result, the loss of office stock, combined with growing occupier demand and the absence of new construction had compressed vacancies to the lowest levels in more than a decade. The current vacancy rate is 4.4%. However, vacancies across the City Region vary, from over 8% in the Liverpool City Docks to less than 1% in St Helens, mainly due to the small inventory and absence of new activity.

Some of the significant sales of office buildings across the City Region in the last 12 months are the sale of 20 Chapel Street in Liverpool city centre. The transaction was for the 165,000 sq. ft. building for a total of £40 million with a net initial yield of 6.3%. Other high-profile sales include The Gostin Building on Hanover Street and Great Western House at Woodside Ferry in the last 12 months.

Some of the significant leases of office buildings across the City Region in the last 12 months are the lease of a 105,000 sq. ft. building known as Link 23 in St Helens, a 35,000 sq. ft. building at Aintree Racecourse Business Park in Sefton and the lease of 85,000 sq. ft. space at 101 Old Hall Street.

Industrial Market

The Liverpool City Region industrial market has faced a number of challenges in 2020, as businesses and consumers suffer from the impact of the COVID-19 pandemic. Prior to the crisis, industrial vacancies had eased a little following the delivery of new space into the market and strong demand and rental growth in recent years has encouraged further development.

Despite the pandemic, industrial landlords and investors look relatively well positioned to sustain levels of activity, especially in comparison to other property types, with many of the industrial

occupiers requiring increased space to satisfy a surge in online orders. Whilst some of this increase may be temporary, the City Region is well placed for both international and regional distribution.

Developers are responding to the increasing demand, but the majority of developments have been built to suit, which has helped keep vacancy levels low. This includes the development of Venus 210 industrial space and the Tritax development in 2019. Conversely, about 250,000 sq. ft. of industrial stock has been demolished in the last two years including a 170,000 sq. ft. warehouse at Knowsley Industrial Park.

Some significant sales of industrial properties within the last 12 months include the sale of Haydock Green D&B, a 377,000 sq. ft. unit for £45.3 million with a net initial yield of 4.8%. There has also been several sales of industrial units at Triumph Way which range from 93,000 sq. ft. to 500,000 sq. ft. with net initial yields of 9.0%.

Recent activity has been concentrated in Liverpool Core and Wirral with other major deals in St Helens and Knowsley with the majority of sizable deals taking place there. Significant industrial leases include Kellogg's leasing of 525,000 sq. ft. in St Helens, Benross Marketing leasing over 96,000 sq. ft. of space on Goodlass Road in Speke and Sun Valley Ltd leasing 33,000 sq. ft. of industrial land in Wirral.

Wirral Economy

Wirral's economic growth is reflective of its industrial and maritime past. Today, it relies heavily on the public sector which is the largest employer in Wirral. Civic functions are predominantly found in Wallasey and Birkenhead but Bromborough and Birkenhead are the areas of main commercial activity.

Wirral Borough Council occupy a number of buildings in Birkenhead and Wallasey including the old Cheshire Lines Building, Birkenhead Town Hall and Wallasey Town Hall. Other key employers in Wirral include Cammell Laird, Unilever and the NHS.

Birkenhead Town Centre is due to undergo a significant amount of regeneration within the next decade. Muse Developments have recently submitted a planning application for the development of a new commercial business district in the heart of the Town Centre. This includes the development of a new market, the creation of several new office buildings, a hotel and new leisure space.

In addition, Wirral Waters, to the north of Birkenhead Town Centre, is a 500-acre regeneration project with a mixture of residential and commercial projects. Within Wirral Waters there are a number of projects that would transform the docks area in Birkenhead:

- MEA Park – this will be the industrial heart of Wirral Waters; a waterside manufacturing, logistics, research and development and assembly campus totalling 1 million sq. ft. of industrial space.
- Maritime Knowledge Hub – it will provide a national base for marine engineering research and development as well as business accelerator space and conference facilities to the marine sector and to the local business community.
- No 1 Tower Road South – 25,000 sq. ft. of flexible workspaces and office space.

Office Market

1.36 The office market in Wirral is relatively small and secondary to Liverpool within the City Region. Birkenhead and Wallasey are the main public administrative areas, whilst Birkenhead alone is home to over 55% of all the office stock in the borough, equivalent to over 1.5 million sq. ft. of office floor space. There is also office space located towards Bromborough predominantly found in Business Parks.

There have only been two major office developments in the past 5 years in Wirral. The first was the construction of 1 Tower Wharf in 2015, a 50,000 sq. ft. office building occupied by The Contact Company. The second was the 160,000 sq. ft. Unilever Research Building in Port Sunlight to replace the more aged existing buildings. However, there is also significant pipeline development as part of Wirral Waters and the Birkenhead Commercial District.

The majority of available units are in small suites above shops. The remainder are in purpose-built office buildings that have been vacated or partially vacated by long term occupiers or in serviced offices such as:

- Egerton Court, Tower Road, Birkenhead
- Price Street Business Centre, Birkenhead
- Woodside Business Park, Birkenhead
- Gateway House, Bromborough
- Moreton Street Police Station, Moreton

There is limited availability of large high-quality office buildings currently in Wirral. According to CoStar just 16% of the office properties in Wirral are over 10,000 sq. ft. In addition, there is limited high quality office properties in the Borough. Less than 10% of the properties are rated by CoStar as

either 4 or 5 stars and there is 0% vacancy on these properties. There is also only about 1% vacancy on properties rated 3 stars.

In the last three years, according to CoStar, there have been 4 sales of office properties within the Wirral borough with half located in Bromborough and the others located in Prenton and Eastham. Therefore, this suggests a lack of sales in Wirral in general but also in the prominent office locations. The most recent was the sale of 55 Arrowe Park Road, a nearly 6,000 sq. ft. office unit for £1.1 million which works out at £188 per sq. ft.

In addition, in the last 3 years, according to CoStar there have been 14 recorded lease transactions for office properties in Wirral. The majority of these offices were located in Birkenhead or Bromborough with a couple in Upton. The transactions are for small units ranging in size from 197 to 2,363 sq. ft. suggesting a secondary market in Wirral with little large transactions. Rents are low with the average rental value per annum at £9.52 per sq. ft; but this is also reflected of the secondary stock being transacted. With limited supply of good quality offices, it is expected that new higher quality offices would transact at a higher rental.

Industrial Market

The established industrial areas in Wirral include the Birkenhead Docks, the Cammell Laird Commercial Area, Bromborough and Moreton. There have been a small number of recent developments in Birkenhead including the Lightbox and Turbine Business Park in the last 4-5 years.

Aside from some cases of recent development, the industrial market is dominated by secondary stock. The quality of the stock is generally good in Bromborough and Wirral International Business Park, with most units built in the 1990s and 2000s whilst elsewhere across the Borough, the stock is generally older and of lower quality. Despite this the vacancy levels are low, particularly in specialised and light industrial. This is of particular note in locations such as Hamilton Park in Birkenhead where the quality of premises is low, but low rental values mean that there is limited vacancy. Any new and improved stock will need to balance an increased quality without significant rent increases.

In Bromborough there are several long-established industrial locations which include:

- Wirral International Business Park
- Croft Business Park
- Pool Lane Industrial Estate
- Dock Road South Industrial Estate

- Old Hall Industrial Estate

In the last 3 years, according to CoStar there have been 23 sales of industrial properties across the Wirral Borough. Of the sales, 11 were part of a portfolio sale and are all located in Wirral International Business Park in Bromborough with almost all of the additional sales also within the Bromborough area. This includes the sale of a 15,000 sq. ft. unit on Plantation Road for £1.1 million and a 130,000 sq. ft. unit on Old Hall Road for £3.85 million.

Additionally, according to CoStar in the last 3 years there have been 54 lease transactions of industrial units with the majority of these transactions located in Bromborough with an additional number in business parks in Moreton and Greasby. The size of the units range from 134 – 33,000 sq. ft. with the majority of units under 10,000 sq. ft. The average rental value for the units was £5.61 per sq. ft. per year.

6. Viability Analysis

Viability modelling has been undertaken as per the previous WELPS report. This is to establish an understanding of the viability challenges for different use types. The viability analysis has been done with reference to RICS Guidance Note 94/2012 (GN94) – Financial Viability in Planning. This is consistent with the planning policy guidance in England.

Methodology

For consistency and to enable meaningful comparisons, the methodology used is as per the previous WELPS report; appraising the same development typologies as set out in the previous report but with updated figures to reflect today's data. This is to understand whether a developer would get an acceptable level of return from different use types.

For consistency we have used the same eight development typologies and sizes as in 2017; these provide an appropriate assumption on the range of developments that may come forward with the Borough. These are as follows:

Table 6.1: Viability Building and Land Size Assumptions

Development Typologies		Development Size (Sq. ft)	Development Size (Sq. m)	Land Requirement (Acres)	Land Requirement (Ha)
1.	Small Industrial	5,000	465	0.19	0.08
2.	Medium Industrial	20,000	1,858	0.92	0.37
3.	Large Industrial	50,000	4,645	2.30	0.93
4.	Small Offices (Out of Centre/Out of Town)	2,000	186	0.05	0.02
5.	Medium Offices (Out of Centre/Out of Town)	10,000	929	0.23	0.09
6.	Large Offices (Out of Centre/Out of Town)	30,000	2,787	0.46	0.19
7.	Large in-centre Offices	40,000	3,716	0.29	0.12
8.	Large Distribution	100,000	9,290	4.59	1.86

Source: Lichfields, WELPS (2017)

As per the 2017 report we have assumed that not all typologies are likely to come forward in all of the 5 market areas. Table 6.2 below indicates the types of developments that we would expect in various areas, for example large industrial and distribution units are unlikely in West and Mid-Wirral as there is not the demand for units of this size. Meanwhile Large in-centre Offices are only likely in Birkenhead and Wirral Waters as the main office locations.

Table 6.2: Likely Location of Various Use Types by Sub-Area

Market Area		Development typology							
		1. Small Industrial	2. Medium Industrial	3. Large Industrial	4. Small Offices (out of centre/out of town)	5. Medium Offices (out of centre/out of town)	6. Large offices (out of centre/out of town)	7. Large in centre Offices	8. Large Distribution
A.	Wirral Waters Enterprise Zone	x	x	x	x	x	x	x	x
B.	Birkenhead and Wallasey	x	x	x	x	x	x	x	
C.	Bromborough and Eastham	x	x	x	x	x			x
D.	Mid-Wirral (Moreton, Greasby and Upton)	x	x		x				
E.	West Wirral and Rural Areas	x			x				

Source: Lichfields, WELPS (2017)

The Gross Development Value has been calculated on each of these use types and then development costs deducted; as well as an assumed land purchase cost of £250,000 per hectare which matches the 2017 appraisal as there is little evidence of increased land value from the previous report. This allows the calculation of the likely profit level that a developer would expect to achieve. Based on market evidence and conversations with local developers, the assumed profit level that developers are likely looking to achieve at present is around 20% on cost. Anything less than this level, is going to produce a lower level of return and would make the development unviable and limit the likelihood of speculative development.

Appraisal Assumptions

We have reviewed the assumptions used by Lambert Smith Hampton in the 2017 WELPS report and the following base assumptions are still reflective of what is currently seen in the market and have therefore been kept mostly the same in the updated appraisals. There is not enough information on likely s106/s278 contributions to input these into the appraisal as this is subject of separate ongoing work by the Council. Furthermore, it is assumed that for these hypothetical developments there is no demolition or abnormal costs and that the development is on a cleared, developable site. However, it must be noted that on any specific sites, were these costs to be required, then this would make the viability position worse.

These assumptions are as follows:

Table 6.3: Core Viability Assumptions

Item	Assumption
Land Purchase Costs	5.5%
Investigations and Planning Fees	Allowance for typology
S106/S278	Nil
Demolition and Site Clearance including decontamination and	Nil
Abnormal Costs	Nil
External Works including utilities	10% allowance
Contingency	3%
Professional Fees	10%
Sale Agents	1%
Sale Legals	0.5%
Letting Agents	10%
Letting Legals	5%

Source: Avison Young (2021)

The assumptions that have changed are in relation to the rental values and construction costs. Rental values have been updated to reflect the latest market data.

For construction costs, the latest BCIS data has been used. Median data has been used for most typologies. However, for medium and large industrial and large distribution the lower quartile figure has been used due to the economies of scale that are available at these larger unit types; as well as for out of town offices due to the lower finish expected in these buildings which is also reflected in the rental levels.

The updated rental levels and build costs are displayed in the table below. We have not found evidence to warrant updating any of the other figures in this table and so these have stayed the same from 2017.

Table 6.4: Viability Value Assumptions

	Development Typology	Rent (£psf)	Yield	Build Cost (£psf)	Land Price (per ha)	Development Size (sqm)	Land Requirement (ha)
1.	Small Industrial	£5.50	7.50%	£68.38	£250,000	465	0.08
2.	Medium Industrial	£5.50	7.50%	£50.26	£250,000	1,858	0.37
3.	Large Industrial	£5.50	7.50%	£50.26	£250,000	4,645	0.93
4.	Small Offices (Out of Centre/Out of Town)	£10.00	7.50%	£121.14	£250,000	186	0.02
5.	Medium Offices (Out of Centre/Out of Town)	£10.00	7.50%	£121.14	£250,000	929	0.09
6.	Large Offices (Out of Centre/Out of Town)	£10.00	7.50%	£121.14	£250,000	2,787	0.19
7.	Large in-centre Offices	£15.00	7.50%	£159.42	£250,000	3,716	0.12
8.	Large Distribution	£5.50	7.50%	£50.26	£250,000	9,290	1.86

Source: Avison Young (2021)

Appraisal Results

The appraisal outputs point to a very challenging viability position across all development types, in particular office development. There has been an improvement in the viability position in smaller industrial units since the 2017 WELPS report but still viability challenges exist; whilst a general worsening for larger units. This points to a need for gap funding to address any future development outputs as has been seen in the Birkenhead Commercial District and Redsun Developments in Bromborough.

Table 6.5: Viability Appraisal Results by Development Type

	Development Typology	Profit on Cost (%)
1.	Small Industrial	-18.60%
2.	Medium Industrial	-0.82%
3.	Large Industrial	-0.03%
4.	Small Offices (Out of Centre/Out of Town)	-31.39%
5.	Medium Offices (Out of Centre/Out of Town)	-31.88%
6.	Large Offices (Out of Centre/Out of Town)	-31.07%
7.	Large in-centre Offices	-21.10%
8.	Large Distribution	-1.25%

Source: Avison Young (2021)

The appraisals themselves are in Appendix 1.

7. Business Survey

Local Businesses

Local Businesses were consulted in September 2020 with an online survey distributed by Wirral Chamber of Commerce. 60 businesses from a variety of sectors and sizes engaged with the survey. The survey was used to gain a better understanding of the needs of local businesses and their future ambitions. The survey was also used to gain insight into how the COVID-19 pandemic has impacted the businesses and any changes they have made as a result.

A comparison was also made to the 2017 online survey that was also distributed by the Wirral Chamber of Commerce for the 2017 Wirral Employment Land Survey. There were 61 responses to that business survey which is a good comparison to the more recent survey completed for this report.

Profile of Businesses

Table 7.1 compares the size of businesses in Full Time Equivalent employees [FTEs] between the survey responses and Wirral’s wider business population (ONS Inter-Departmental Business Survey, 2020). This indicated that’s there is an under representation of micro-sized businesses with 0-9 FTEs in the survey compared to the wider population and a larger representation of slightly larger businesses with 10-49 FTE employees.

Table 7.1: Comparison of Business Size

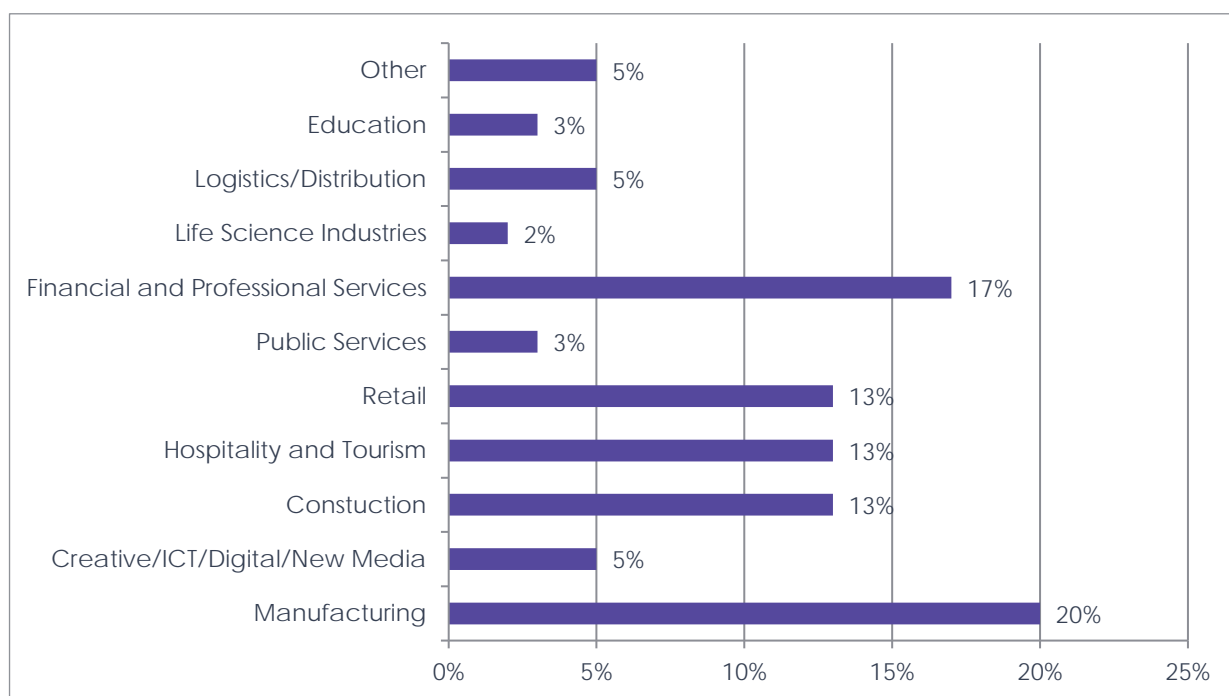
Size of Business	2020 Business Survey	Wirral Business Population
0 - 9 FTE	56.7%	88.7%
10 - 49 FTE	33.3%	9.5%
50 - 249 FTE	8.3%	1.5%
250+ FTE	1.7%	0.3%

Source: Avison Young (2021)

When comparing this engagement with the previous business engagement there has been a significant reduction in the number of large businesses (250+ FTE) responding to the 2020 survey compared with the 2017 survey, made up over 50% of the businesses who responded. More generally, there has been a small shift in the wider Wirral business population with the proportion of micro-sized businesses increasing from 83 – 89% suggesting a reduction in the size of workforce required.

Business respondents covered a broad range of sectors, though B-class industries such as manufacturing and financial and professional services were strongly represented, making up about 37% of the total respondent businesses. There was also a strong response rate from businesses in the construction industry (13%) and the retail and hospitality industries (13%). Figure 7.1 shows the sector distribution of respondent businesses.

Figure 7.1: Distribution of Business Sectors



Source: Avison Young (2021)

The respondents to the survey captured a mix of businesses which served different markets. Approximately 25% of the businesses who responded suggested they served international markets, 67% responded that they served the national UK market and 58% suggested they serve a local market. The local market figure is significantly higher than that in 2017, when it was just 15%.

Table 7.2: Comparison of Business Premises Occupancy

Time in Current Premises	2020 Business Survey %
Up to 3 Years	26.4%
3 – 9 Years	34.0%
10 – 14 Years	13.2%
15 + Years	26.4%

Source: Avison Young (2021)

The survey respondents included new and long-standing businesses in equal measure, 26% had been in the current premises for less than 3 years and 26% had been in the current premises for more than 15 years. One business that responded to the survey had been in the same premises for 50 years. 68% of those who responded work out of one premises on the Wirral.

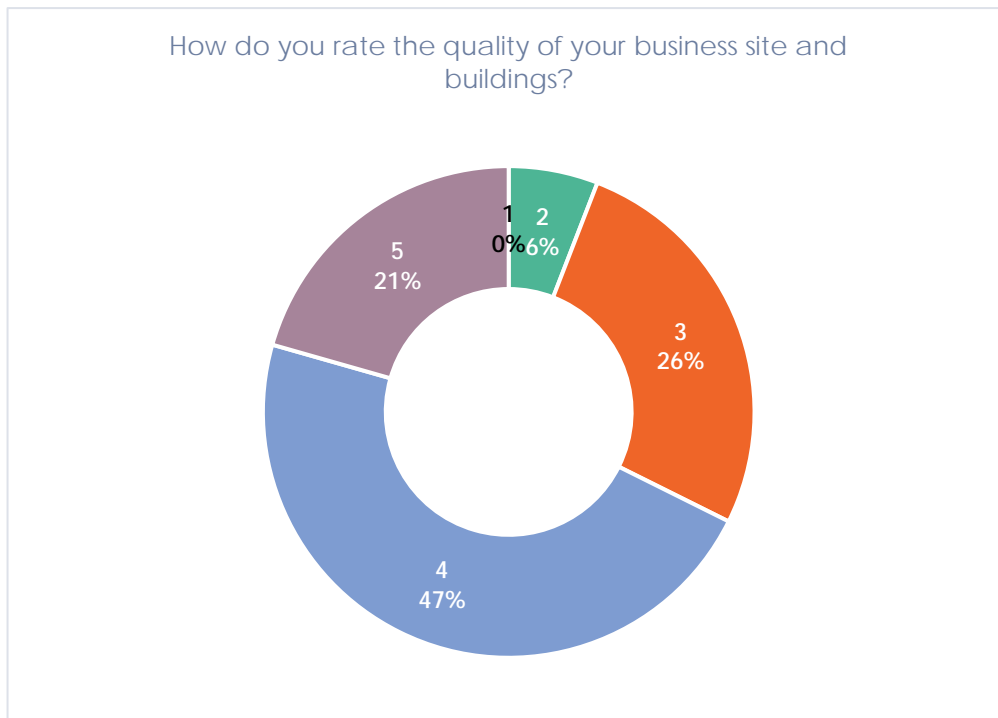
If the businesses had moved premises, the overwhelming majority had moved from other parts of the Wirral, making up 90% of the responses. Those who had relocated from outside Wirral had moved from Flintshire, Ellesmere Port and Northern Ireland.

Current and Required Premises

The following analysis of the business survey excludes answers from respondents in non-B-class sectors. Businesses were asked to describe their current premises and if they are planning to relocate, what their requirements for new premises would be. This generated both qualitative and quantitative insights into what businesses need.

When asked to rate the quality of their current premises (where 1 is poor and 5 is excellent), most businesses (68%) reported an above average score of 4 or 5 out of 5. More than one quarter rated it as an average 3 out of 5 whilst 6% rated it below average. This is displayed in Figure 7.2.

Figure 7.2: Quality of Premises



Source: Avison Young (2021)

The proportion of businesses who reported their premises to be above average has remained very similar to the responses from the 2017 survey. However, there was a decrease in those who had

rated their premises a score of '5.' Conversely, the proportion of businesses who rated their premises a '2' had doubled.

75% of respondents reported that their premises completely met their operational needs, 25% stated that they only partially met their needs and no business stated that that their current premises did not meet their needs. Reasons given for not meeting the full needs of the business included a need for more space and a need for less office space and/or to consolidate storage areas. This was significantly higher than in 2017, when 53% of respondents suggested that the premises fully met their needs and 10% suggested it did not meet their needs at all.

Table 7.3 displays the size of premises occupied by the respondent businesses. It shows that there was a good range of businesses that responded to the survey with the largest proportion of responses coming from businesses with premises between 2,500 – 5,000 sq. m. and 100 – 200 sq. m.

Table 7.3: Comparison of Premises Size

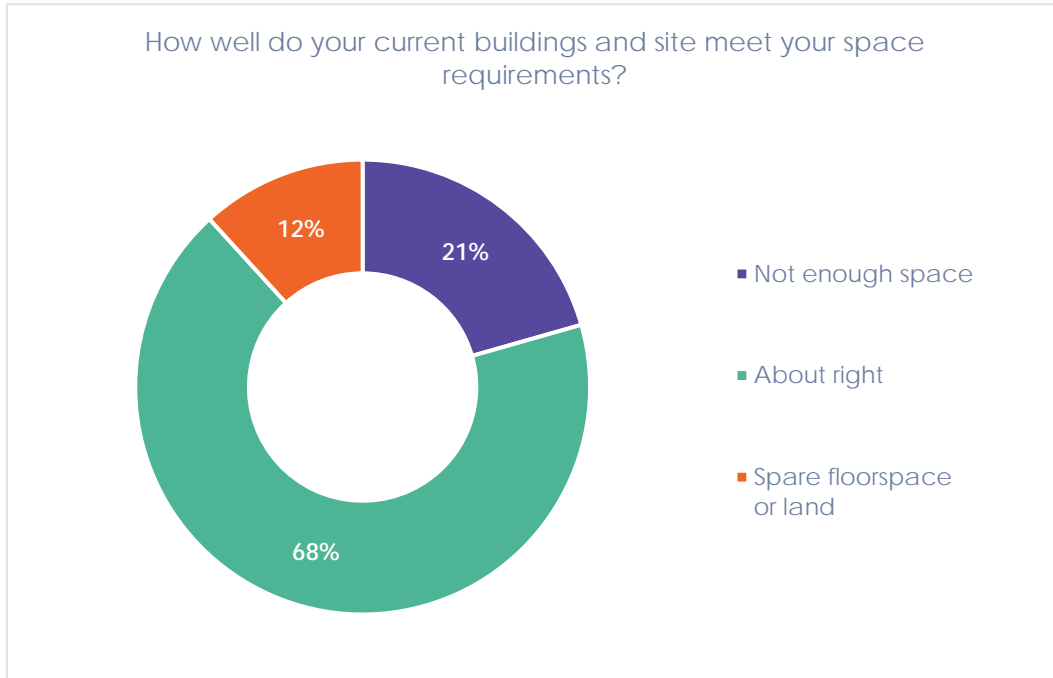
Premises Size	Respondent Businesses
0 - 100 sq m (0 - 1,075 sq ft)	5.9%
100 - 200 sq m (1,075 - 2,159 sq ft)	20.6%
200 - 500 sq m (2,150 - 5,380 sq ft)	17.6%
500 - 1000 sqm (5,380 - 10,760 sq ft)	17.6%
1000 - 2500 sq m (10,760 - 26,900 sq ft)	11.8%
2,500 - 5000 sq m (26,900 - 52,820 sq ft)	23.5%
Over 5000 sq m (53,820 sq ft)	2.9%

Source: Avison Young (2021)

Of those who responded, 68% of the businesses suggested that their premises met their space standards, 21% suggested they did not have enough space and 12% had spare floorspace or land (Figure 7.3). When specifically asked how much excess space the business premises had, those who responded suggesting they did have excess space was most frequently up to 20% vacancy. One business reported 65% excess floorspace.

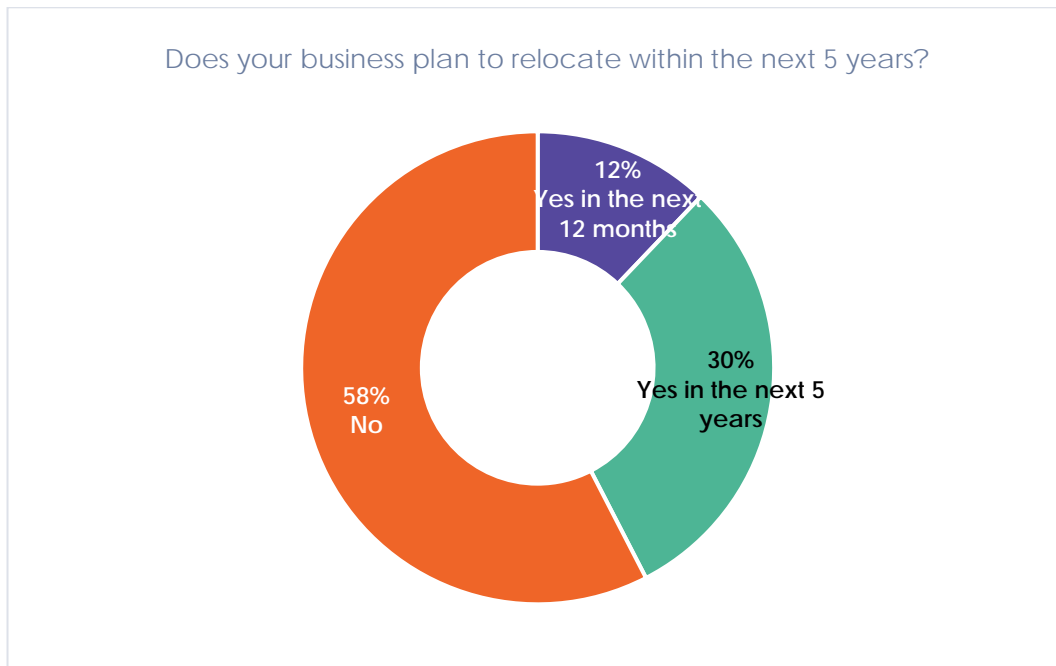
The businesses were also asked that where they had excess space, whether they consider letting it go for other uses, with the majority suggesting they would not want to do this. Those who did respond said that they hadn't previously considered foregoing excess space, citing a number of reasons for this including poor building quality and poor road provision, a lack of good space and it currently being in use by other businesses.

Figure 7.3: Space Requirements of Businesses



Source: Avison Young (2021)

Figure 7.4: Whether and When Businesses are Planning to Relocate



Source: Avison Young (2021)

The businesses were also asked if they intended to relocate from their current premises within the next 5 years (Figure 7.4). 12% of respondents suggested they wished to within the next 12 months, 30% within the next 5 years and 58% suggesting they had no intention of relocating. This is similar to the responses received in 2017, where 42% suggested they wished to relocate and 58% suggested they didn't, although that survey did not differentiate whether they wished to move within the next 12 months.

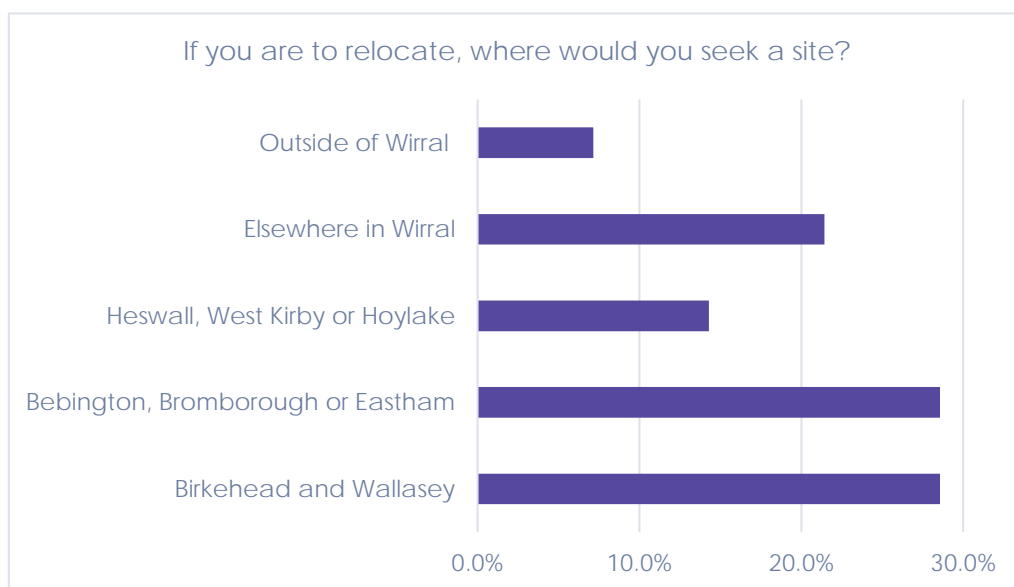
The main reasons given for needing to relocate was because they needed more space or a consolidation of facilities. The cost of the premises and the quality of the premises were also considered reasons for needing to relocate.

Of those who wish to relocate, the businesses were asked to suggest where they wished to relocate, with the overwhelming majority (93%) suggesting they wished to remain in Wirral. In addition, one business who wished to relocate outside of Wirral was doing so specifically to have an office close to a major client office and not related to Wirral as a place. This was significantly lower than the 2017 survey, where 25% suggested they wished to relocate outside of Wirral.

Within Wirral, nearly 30% of respondents wished to relocate to Birkenhead and Wallasey and 30% wished to relocate to Bebington, Bromborough or Eastham. About 15% of businesses were also considering a relocation to West Wirral, around Heswall and West Kirby (Figure 7.5). This aligns with the survey results from 2017 which suggested that Birkenhead and Wallasey and Bromborough were the most popular destinations if businesses were to relocate. However, as these are the main business areas within Birkenhead this should not come as a surprise.

The businesses were also asked the type of tenure they required if they were to relocate with 54% suggesting they wished to lease an existing site and 39% suggesting they wished to purchase an existing freehold (Figure 7.6). The 2017 survey found that 50% wished to lease and 28% wished to buy an existing freehold, with a larger proportion wanting alternative tenures such as the purchasing or leasing of land (12%) which was less popular in this study.

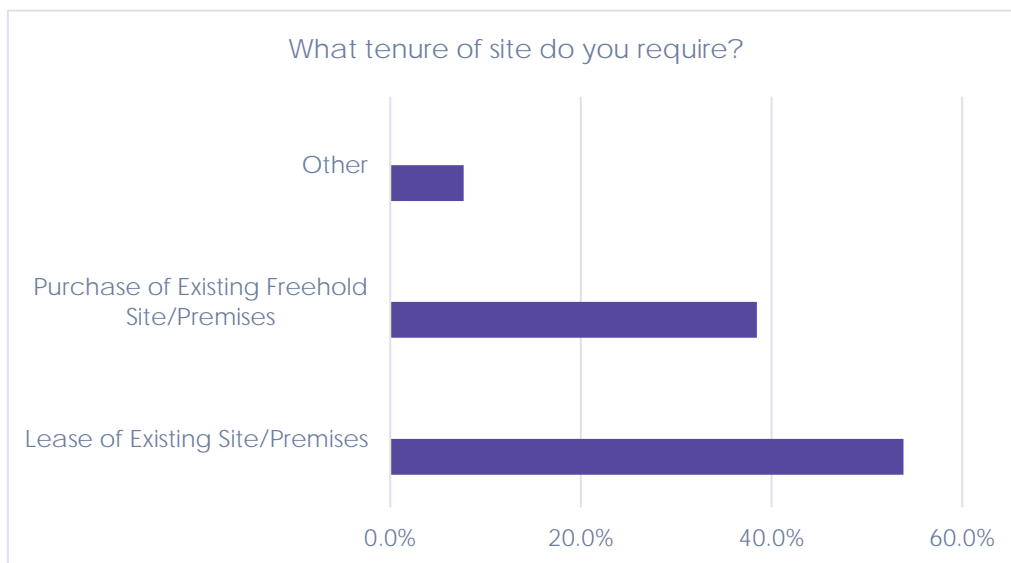
Figure 7.5: Locations Considered for Relocation



Source:

Avison Young (2021)

Figure 7.6: Tenures Considered for Relocating Businesses

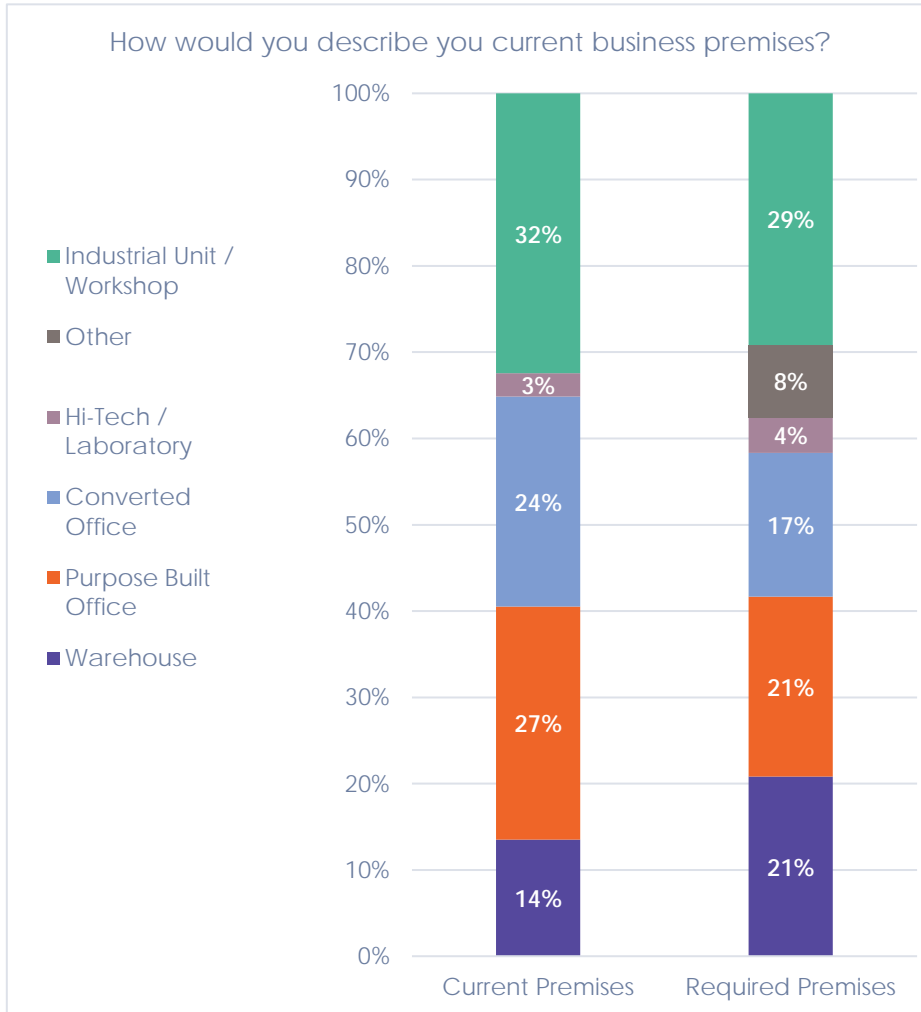


Source: Avison Young (2021)

When the respondents were asked how they would describe their current business premises 32% described their premises as an industrial unit / workshop, 14% described the premises as warehousing and 51% describing their premises as some form of office space (Figure 7.7). This approximately aligns with the 2017 responses although the warehousing is slightly higher, at only 9% in the previous survey.

If businesses were to relocate, 21% were seeking warehouse space, 21% seeking purpose-built offices, 17% seeking converted offices and 29% seeking industrial units or workshops. There was also a rise in the 'other' category with businesses choosing to relocate to more niche and bespoke premises. On the 2017 survey, 35% were seeking purpose-built office and 47% seeking industrial units or workshops, much larger proportions suggesting less of a range of possible relocations.

Figure 7.7: Types of Business Premises



Source: Avison Young (2021)

When asked if businesses wished to expand their current premises within the next 5 years, 44% responded that they would expand, slightly higher than the 2/5 of businesses that responded the same way in the 2017 survey. In addition, 34% of respondents suggested they would be making some refurbishments on the business premises over the next 5 years with plans including a new roof for the premises, converting offices to a working plan format and improving storage facilities.

Location Insights

The business survey highlighted a number of factors that businesses considered to be important when relocating, and the advantages and disadvantages of Wirral more generally. As with the previous section, the following analysis of the business survey excludes answers from respondents in non-B-class sectors.

When asked how satisfied businesses were with the local area as a place to do business, respondents were very positive with 62% scoring a 4 or a 5 out of 5 (where 5 is very satisfied) and only 6% scoring

less than a 3 (Figure 7.8). This suggests that businesses are more satisfied with the location than in 2017, when 55% scored a 4 or a 5 out of 5 and 11% scored below a 3.

Figure 7.8: Location Satisfaction



Source: Avison Young (2021)

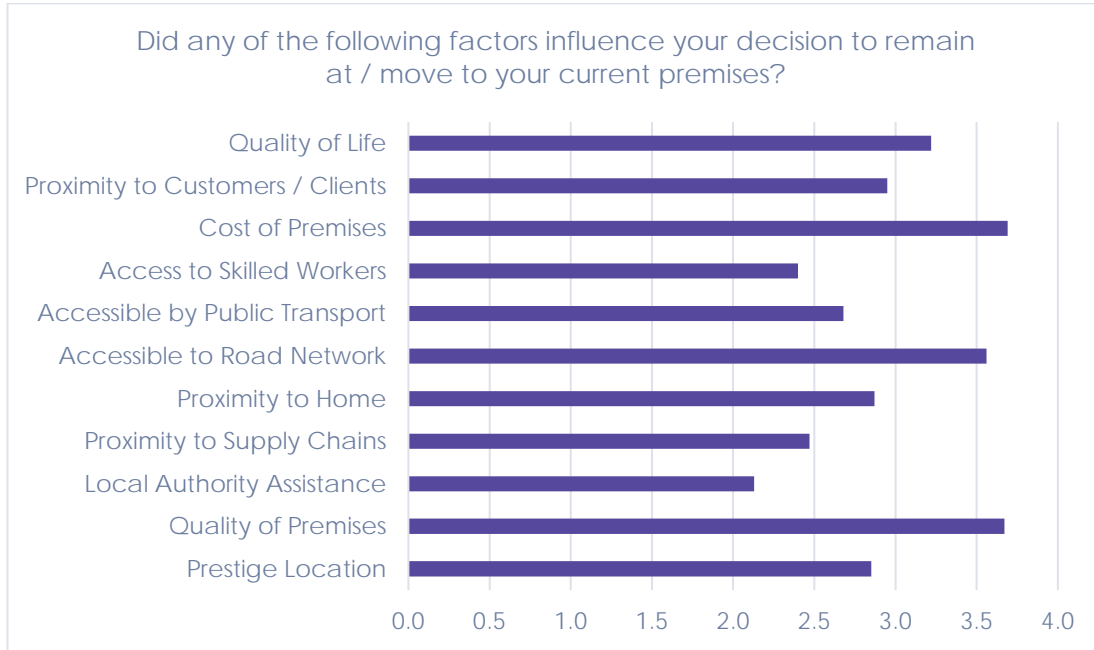
When asked what advantages Wirral has, as a place to do business, many businesses cited the good road and motorway network as a specific strength of the Wirral as well as proximity to major cities such as Liverpool, Chester and Manchester. Others noted the lower rents that they paid being in Wirral as well as being close to their customer base and suppliers.

Conversely, if asked what disadvantages Wirral has as a place to do business some of the responses included missing out on large portion of local business due to the ‘middle’ location between Liverpool and North Wales as well as some companies preferring to deal with companies with offices in larger city centres. In addition, businesses commented on a lack of local skills and high business rates and others noted more local issues such as a lack of local services such as cafes and restaurants, car parking issues and anti-social behaviour.

Businesses were asked to score how important different factors were in their decision to locate in Wirral, with 1 being the least important and 5 being the most important. This has been summarised in Figure 7.9 using the average score for each criterion across all the businesses.

There were three criteria that were considered the most important factors for Wirral as a location; quality of premises (3.7 average), cost of premises (3.7) and accessibility to the road network (3.6). Least important were local authority assistance (2.1) and access to skilled workers (2.4).

Figure 7.9: Factors Influencing Business Premises



Source: Avison Young (2021)

This does align with the 2017 survey where quality of premises (4.2) and cost of premises (3.9) were considered the most important factors however it is clear that the quality of premises had been ranked slightly lower on average on the most recent survey in comparison to 2017.

COVID-19 Impact

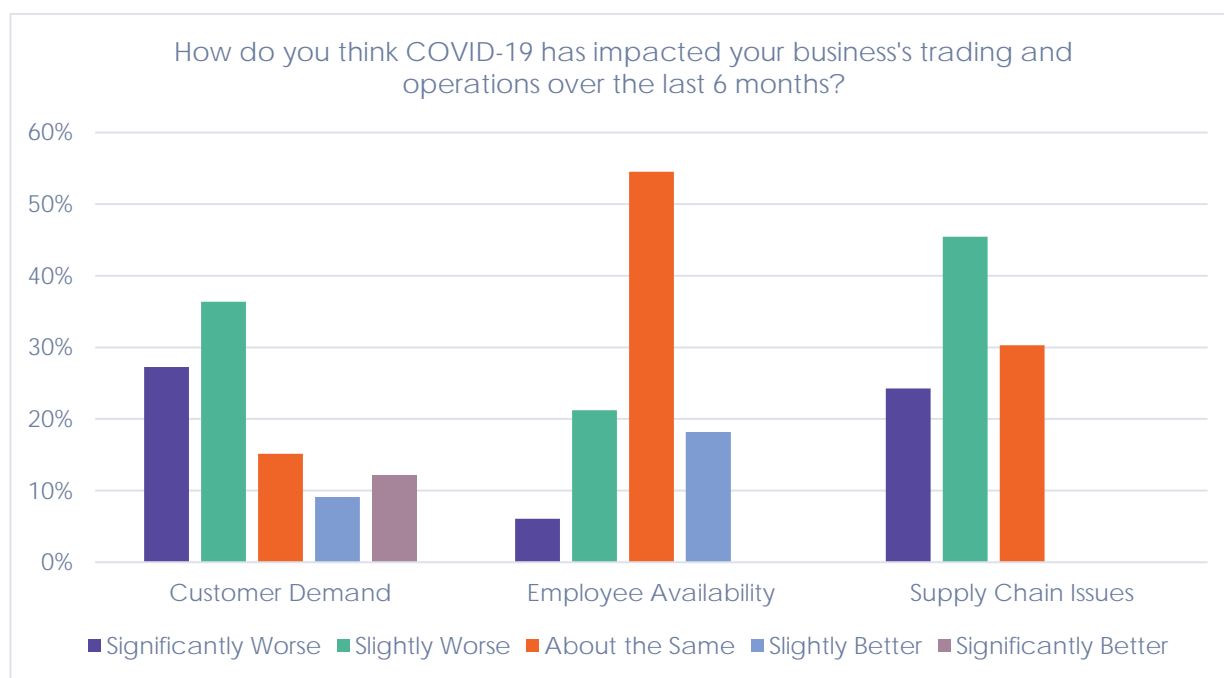
The business survey also probed into the impact the COVID-19 pandemic has had on their business and any changes in business practices that they had implemented as a result of the pandemic and the subsequent economic upheaval. These questions were additional in the 2020 survey so there is no comparison to the 2017 survey.

In response to the question about how the pandemic had impacted the business’s trading and operations in the last 6 months, the biggest impact for businesses had been on the supply chain and customer demand (Figure 7.10). Employee availability was steadier with 55% of businesses suggesting that employee availability had remained the same.

Of those surveyed, 63% suggested that customer demand had worsened with 27% suggesting it was significantly worse. In contrast, 12% suggested that customer demand had significantly improved. In addition, 69% of businesses suggested their supply chain had worsened with 24% suggested this was significantly worse. No business suggested that the supply chain improved as a result of the pandemic.

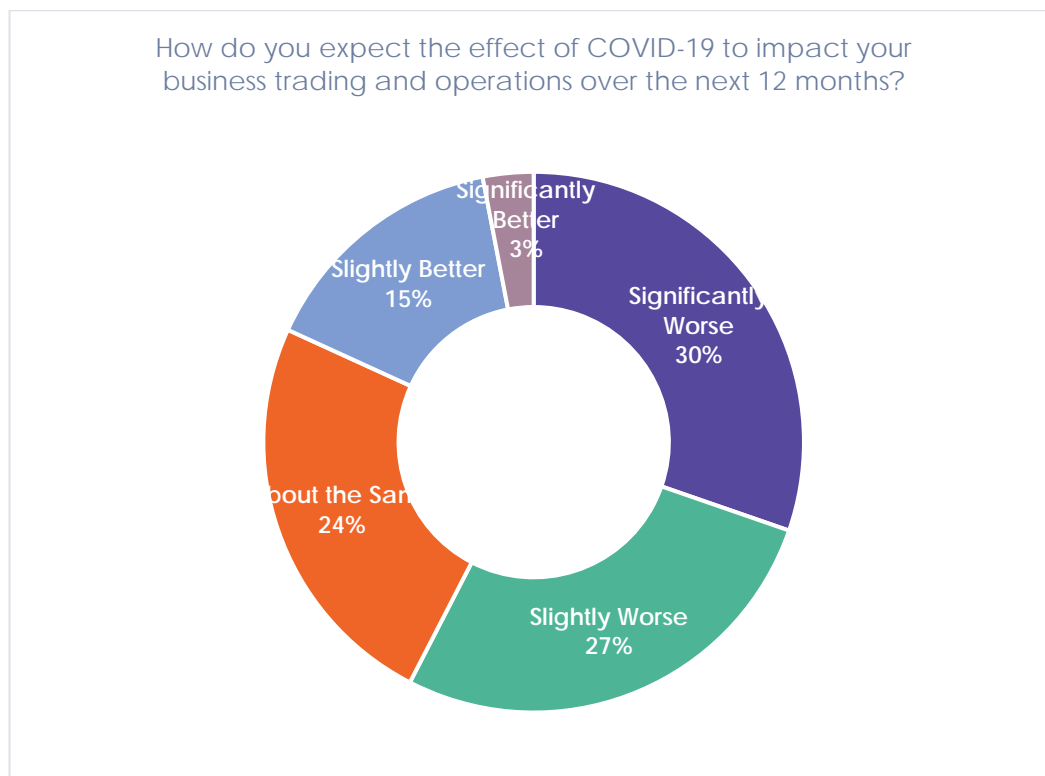
In addition, the businesses were asked to suggest how they expect the pandemic to impact their business in the next 6 months (Figure 7.11). The majority (57%) suggested that they expect the impact on their business to worsen in the next 6 months and 30% expecting it to worsen significantly with just under one quarter suggesting it would remain the same with a minority of 18% suggesting they expected their business to improve in the next 6 months.

Figure 7.10: COVID-19 Impact on Businesses in the Last 6 Months



Source: Avison Young (2021)

Figure 7.11: COVID-19 Impact on Businesses in the Next 12 Months



Source: Avison Young (2021)

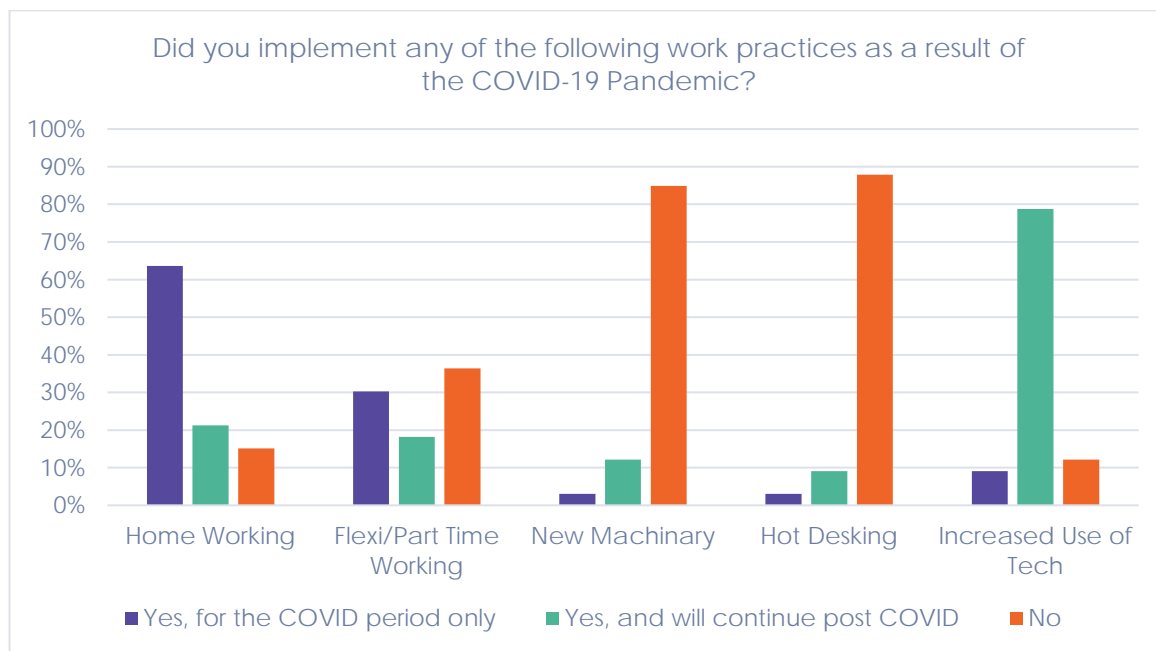
The businesses were also asked if they had made any changes to their work practices as a result of the pandemic and lockdown with 70% of the respondents suggesting they needed to make some adaptations to their premises to accommodate new COVID-19 guidelines.

Examples of the adaptations that were implemented by the businesses include limiting numbers of people, social distancing measures and one-way systems within the business premises, the provision of hand sanitiser and protective screens and reducing access to communal facilities.

In addition, there was a range of responses to what work practices have been implemented as a result of the pandemic, as well as whether these would be continued beyond the pandemic (Figure 7.12). The increased use of technology such as conference calls was implemented by nearly 90% of the businesses responded and just under 80% intend to continue with this when the business returns to more normality. Home working was also implemented by about 85% of the businesses, although only 20% intend to continue with this beyond the pandemic.

Conversely, hot desking and the implementation of new mechanisms or machinery were not implemented by many businesses at all. About 88% of the businesses did not implement hot desking and about 85% of businesses did not implement any new machinery/mechanisms. Flexible or part-time working was moderately taken up, potentially for cost-saving or child-care purposes.

Figure 7.12: Work Practices Implemented during COVID-19 Pandemic



Source: Avison Young (2021)

The businesses who had not implemented any changes during the pandemic were asked whether they would choose to voluntarily introduce the practices in the future. Over 30% of those businesses suggested they would not introduce any changes in the future. Conversely, nearly 50% suggested they would implement an increased use of technology with between 30 and 40% suggesting they would implement flexible or part-time working or home working.

Additionally, of the businesses who responded to the survey, just 9% had accessed public funding to support their businesses due to the pandemic. Those who had accessed public funding had received grant from the Local Authority Discretionary Fund.

8. Demand Analysis

Employment Growth Forecast Scenarios

In understanding the range and portfolio of future employment land and floorspace need it is important to understand the potential nature of employment growth within Wirral over the plan period (and beyond to 2040) to ensure sufficient provision is made and protected within the Borough's employment sites.

This section sets out the forecast scenarios used within this Study to understand the 'reasonable alternatives' for potential future growth, allowing a future strategy to move beyond Oxford Economics' trend-based modelling to understand the impact of other factors on growth. It provides a short description of the rationale for each scenario, the technical approach and the key outputs. It then goes on to identify a 'synthesis' forecast which should form the basis of future planning.

The testing of alternative scenarios is important in the development of policy. Wirral's economy has and will continue to restructure with the largest growth observed on personal and specific professional services industries whilst more traditional sectors have been contracting, such as primary activities and some manufacturing activities, contributing to a contraction of distribution industry (although we observed a new demand for third party logistics). The focus of policy should therefore be on maximising the opportunities presented, positively planning to manage growth and expansion.

Wider development and regeneration initiatives within Wirral will help to raise the growth potential, town centre regeneration will upgrade stock and trading environments, development of waterfront sites could provide new high-quality waterside employment and housing opportunities, etc.

Given this range of factors 'business as usual' is not an option for Wirral. Change will happen and the employment growth forecast needs to interpret this in a meaningful way, guiding future policy decisions through an economic model that is tailored to local circumstances.

The forecast model is based on the employment growth projections provided by Oxford Economics for the Liverpool City Region, which were finalised and published in August 2019. The Oxford Economics forecast factors in demographic trends and future expectations and changes. It therefore allows for expected shifts in age profiles, economic activity rates, migration and the impact of changes to the 'statutory' retirement age. The model uses a base population projection that is consistent with those used by DCLG/ONS and interprets their outputs to forecast the influence the complete 'basket' of demographic factors has on employment rates in any location.

The employment land requirement forecast delineates growth into major sectors which, in turn, are aggregated into land use types. This approach provides a land and floorspace requirement for office (B1a/b), industrial (B1c/B2) and warehousing (B8) activity. Whilst this approach aligns with the guidance provided by the NPPF and NPPG and provides a robust basis for planning purposes, it should be recognised that future delivery may not be as neatly categorised.

Increasingly, as business processes change, so too do the nature of spaces businesses require to support their operations. For example, within the manufacturing sector a much more significant element of work is computer-based and there is a much larger servicing requirement, driving up office space within 'industrial buildings. Similarly, many small manufacturers will seek to distribute directly (via third party logistics operators) from their plant, therefore also increasing the need for storage and distribution space.

Given these more complex activities it is clear that there is a need for buildings and sites to be planned flexibly, that occupiers in a sector may not need an office or an industrial unit but require a building that can offer them both. As such, the forecasts consider floorspace within the three broad use classes but (within these) recognises that the actual type of space may be mixed. The use of appropriate employment densities seeks to model these changing space requirements.

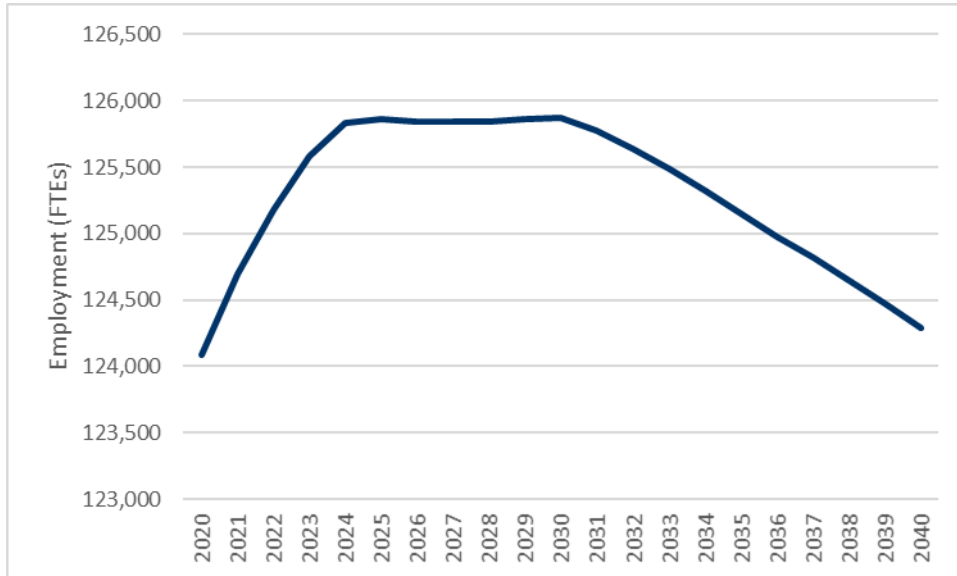
It should be noted that Oxford Economics' forecasts do not make an allowance for the re-provision of employment floorspace lost at key sites within the Borough.

Base Forecast

The base Oxford Economic forecast for Wirral sets out the 'business as usual' employment growth scenario for the Borough to 2040 across 38 economic sectors, figures are presented as Full Time Equivalent (FTE) to allow for direct translation into floorspace needs.

Figure 8.1 shows the evolution of total employment to 2040 in Wirral. Despite a short period of employment growth to 2024, employment is not expected to grow in Wirral over the period to 2040. Overall, employment is forecasted to increase from 124,082 to 124,289 FTEs between 2020 and 2040, an increase of only 206 FTEs or 0.2%.

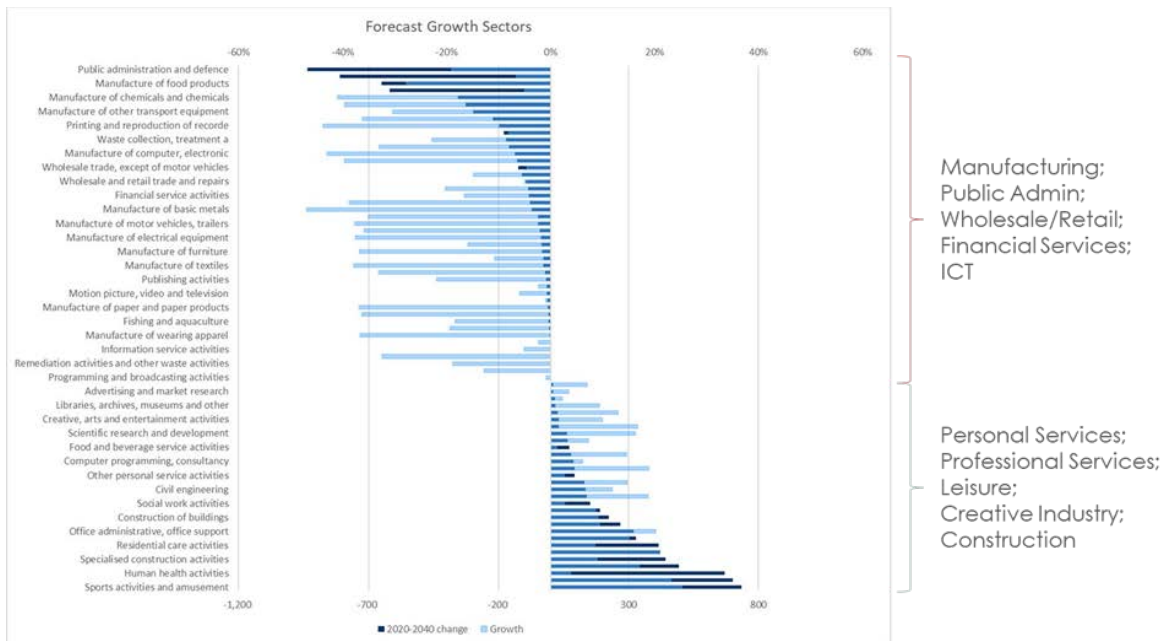
Figure 8.1: Baseline Position



Source: Oxford Economics Employment Forecast (August 2019)

The Oxford Economics employment forecast figures shows a shift in activities, away from more traditional sectors such as manufacturing, towards personal and professional services, as shown in Figure 8.2.

Figure 8.2: Baseline Position, Growth by Industry (2020-2040)

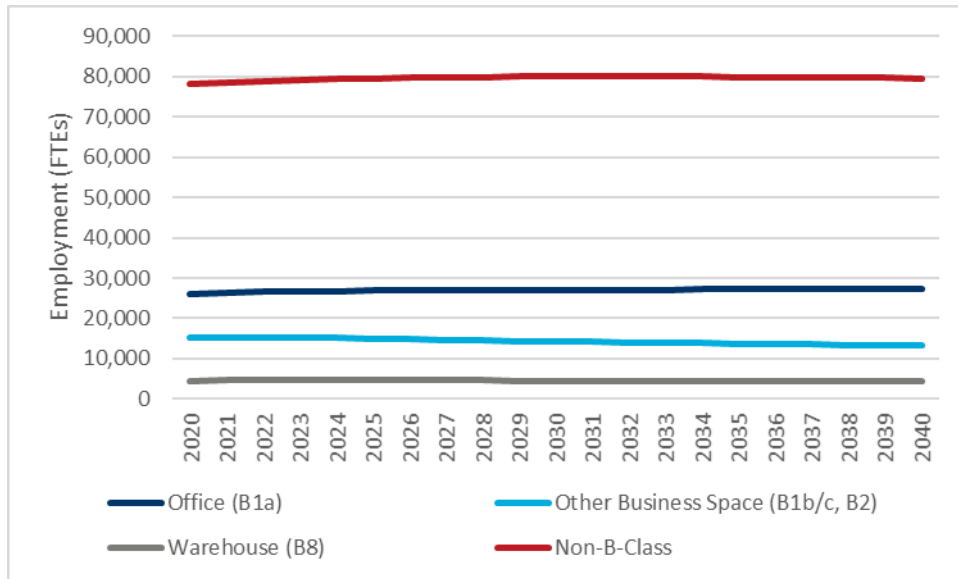


Source: Oxford Economics Employment Forecast (August 2019)

Translating this growth at a sector level into major use categories for planning purposes shows that ‘non-B class’ activities (such as retail and healthcare) represent the largest share of employment, followed by B1a class (office-based activities) and B1b/C, B2 (industrial activities). B8 class (warehouse activities) represents the smallest share of employment in Wirral.

Figure 8.3 also shows that all major use categories will see limited change in terms of employment level over the period 2020-2040.

Figure 8.3: Base Forecast Employment Growth



Source: Oxford Economics Employment Forecast (August 2019)

Non-B class activities are the main source of employment growth in Wirral, together with B1a activities. Other use categories (B1b/c and B2; B8) are both expected to see a reduction in number of jobs supported in Wirral by 2040, supporting the assumption of a shift of the economy away from traditional activities (primary and secondary sectors) towards services (tertiary sector).

Within 'B class' activities the base forecast shows an increase in office-based employment activities (+4.1%), however this is counter-balanced by a sharp decrease in industrial-based (B1b/c, B2) activities (-14.0%) and warehouse-based (B8) activities (-5.6%).

Table 8.1: Base Forecast Employment

	2020	2040	Change
Office (B1a)	26,167	27,236	1,069
Other Business Space (B1b/c, B2)	15,274	13,142	-2,133
Warehouse (B8)	4,542	4,290	-252
Non-B Class	78,100	79,622	1,522
Total	124,083	124,289	206

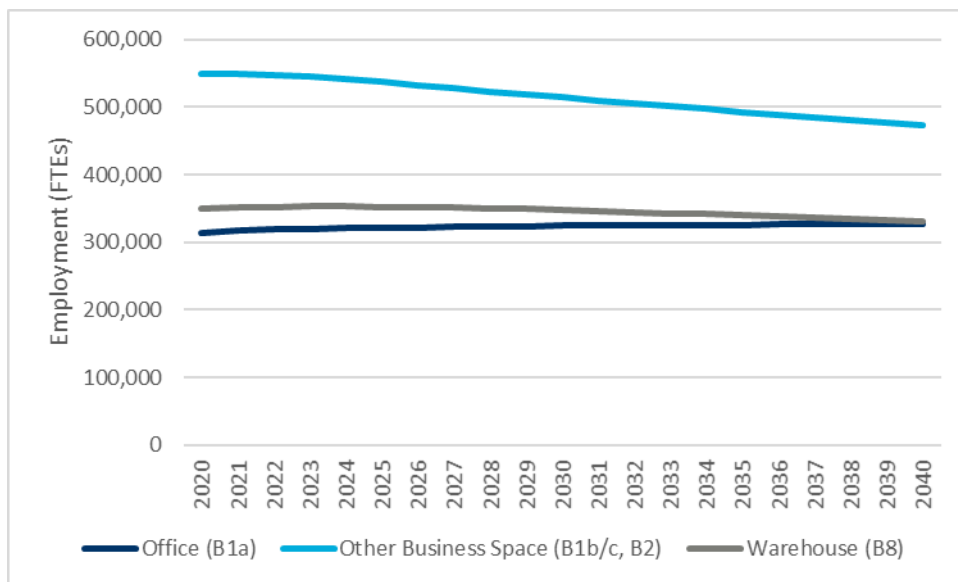
Source: Avison Young (2021)

Using employment density assumptions, we can translate these job creation forecasts into additional floorspace requirements. As a base model we use the following employment densities, these are based on our understanding of the nature of economic activity within (and likely to be attracted) to the area, the subsequent occupier requirements within these activities, and the guidance provided by the HCA Density Guide Third Edition, 2015:

- B1a/b – 12 square metres per employee (NIA);
- B1c/B2 – 36 square metres per employee (GIA);
- B8 – 77 square metres per employee (GEA).

The floorspace requirements from the Base Forecast are shown below.

Figure 8.4: Base Forecast Floorspace Requirements



Source: Oxford Economics Employment Forecast (August 2019)

Figure 8.4 shows that there will be a requirement for additional B1a/b floorspace over the next 20 years, whilst the demand for industrial space (B1c, B2) and warehouse space (B8) will decrease over the same period. As such the base forecast estimates an overall reduction in demand for B class floorspace to 2040.

Table 8.2: Base Forecast Floorspace Requirements to 2040 (sq. m.)

	2020	2040	Change
Office (B1a)	314,004	326,832	12,828
Other Business Space (B1b/c, B2)	549,879	473,095	-76,784
Warehouse (B8)	349,713	330,300	-19,413
Total B Use Classes	1,213,595	1,130,226	-83,369

Source: Avison Young (2021)

Floorspace requirements have finally been converted into land requirement based on the following plot ratios:

- B1a/b – plot ratio of 1.5;
- B1c/B2 – plot ratio of 0.4;
- B8 – plot ratio of 0.4.

Similar to floorspace, the requirement for land is expected to decrease to the period to 2040 despite a minor additional demand for B1a land.

Table 8.3: Base Forecast Land Requirements to 2040 (Hectares)

	2020	2040	Change
Office (B1a)	20.9	21.8	0.9
Other Business Space (B1b/c, B2)	137.5	118.3	-19.2
Warehouse (B8)	87.4	82.6	-4.9
Total B Use Classes	245.8	222.6	-23.2

Source: Avison Young (2021)

This provides the starting point for understanding how different policy, strategy or market influences could alter the balance and quantum of floorspace requirements for and between different B Use Classes. We consider the potentially relevant scenarios to test these influences in the next sections.

Contingency Allowance and Market 'Churn'

In order for future employment forecasts to be based on more than economic growth 'predictions' and to better reflect the fluid nature of land allocations, the forecasting model makes two 'additional' allowances.

Firstly, a contingency allowance is made which takes into account the fact that a proportion of designated employment land will not be entirely used by B Use Class employment. Land uses such as: recycling, waste management, combined heat and power plants and bus depots, can under certain circumstances and where appropriate, be located on employment land.

A significant part of the projected employment growth also arises from sectors which have traditionally not been located on B Class employment land such as healthcare, education, hotels and leisure.

Under specific circumstances and where appropriate, employment land might also be used as part of a more mixed-use scheme which would enable employment development to come forward on a proportion of it.

Further, with Permitted Development Rights making the conversion of office premises to residential use more straightforward, there is the potential for unexpected loss of employment floorspace.

To estimate the amount of land that may be used for non-B class activities, historic losses of employment land to other uses such as housing and leisure as reported in the Council's Annual Monitoring Report have been used.

Table 8.4: Allowance for Windfall Losses, Wirral

	B Use Land loss (ha)
2014	0.0
2015	6.7
2016	6.3
2017	14.7
2018	0.0
Total Loss	27.8

Source: Wirral Council, Annual Monitoring Reports

As shown in Table 8.4, there have been some significant losses of employment land to other uses ("Windfall Losses"). Much of the lost capacity has been as a result of the long-term planning and redevelopment approach to major brownfield sites and former dockyards.

As such, much of the lost capacity is likely to have been at the end of its usable life and not presented an offer to the market that would have been in demand.

Given the nature of these 'one off' losses within the area and their minimal impact on actual employment capacity it would be inappropriate to plan for the replacement of this stock on a 'like for like' basis. Therefore, to allow for these one-off shocks to the supply we have based our allowance for windfall losses on half of the total loss.

Projecting this adjusted average rate forward over the forecasting period (to 2040), we have identified an allowance for windfall of circa 13.9 ha of B Use employment land.

This approach has its limitations principally because the information only presents a quantitative assessment and does not allow for the analysis of the quality of premises and the level of occupancy prior to loss. As such, whilst it should be treated with some caution, this approach provides the most robust assessment of what space may be required in the future to replace lost capacity.

As well as making an allowance for unexpected losses of employment land, allowance is made for the fact that the needs of businesses (such as location or property specification) changes over time, requiring them to move. In other instances, an existing business might cease its operations and a new business take over a site for redevelopment. For this to happen smoothly there is a need for certain levels of available vacant land. This type of demand has been called 'churn' demand or 'frictional vacancy'.

An allowance for 'churn' is calculated from the average net take-up in employment floorspace within the Borough as recorded by CoStar. This is shown in Table 8.5.

Table 8.5: Net Absorption (sq. m.)

	Office (B1a)	Industrial (B1b/c, B2)	Warehouse (B8)	Total Net Absorption (Sqm)
2009	1,561	-4,867	-39,123	-42,429
2010	3,508	-10,557	13,222	6,173
2011	-2,208	-3,791	-5,206	-11,205
2012	-5,010	-5,406	-2,194	-12,610
2013	5,109	3,168	24,138	32,416
2014	6,724	8,539	27,586	42,850
2015	3,608	-168	650	4,089
2016	1,823	3,017	28,116	32,956
2017	17,275	17,401	-3,355	31,321
2018	-2,322	8,124	39,342	45,144
2019	4,904	-1,450	23,222	26,676
2020 (YTD)	-746	556	-4,666	-4,856
Annual Average	2,852	1,214	8,478	12,544
Allowance for Churn	5,704	2,428	16,955	25,087

Source: Avison Young (2021), based on CoStar evidence

It typically takes two years to achieve a planning consent, site preparation and construction after a site has changed hands. For these reasons the annual net take-up of employment floorspace is multiplied by two to estimate the churn demand, reflected as 'allowance for churn'. This is, in effect, an allowance for the necessary frictional vacancy to allow the market and relocation chains to operate, taking into account commercial property market realities.

Displacement

Finally, we have also included an allowance for displacement. As a number of businesses are likely to require relocation to achieve the strategic vision being put forward by Wirral Council, in particular around Wirral Waters. It is essential to retain additional employment land and floorspace to allow those businesses to be relocated locally and avoid a loss of employment.

Our analysis, as summarised in Table 8.6 shows a requirement for an additional 112,082 sqm of employment space or 25 ha of land.

Table 8.6: Allowance for Displacement

	B1 (a)	B1 (c)	B2/B8	Sui Generis	Total
Seacombe	1,507			5,538	7,045
Kelvinside		32,140	473,682		505,822
East Float			663,588		663,588
Waterfront	145,966	5,018	174,607	1,360	326,951
Town Centre	103,286	79,097	20,136	38,779	241,298
Hind Street				71,918	71,918
Hamilton Park	47,724	347,342	44,671	46,616	486,353
West Float				1,978	1,978
Bidston Moss			14,932	93,069	108,001
Total Floorspace (sqft)	298,483	463,597	1,391,616	259,258	2,412,954
Total Floorspace (sqm)	27,729	43,068	129,281	24,085	224,163
Displacement Need (sqm)	13,865	21,534	64,641	12,043	112,082
Land Requirement (ha)	1	5	16	3	25

Source: Avison Young (2021)

It should be noted that the forecast does not assume that all displaced floorspace will need to be re-provided on a like for like basis. Our experience of major regeneration projects across the UK suggests that once a site is earmarked for redevelopment different businesses will react in different ways. Whilst many will want to remain in the local area, and hence need to be re-accommodated, some will seek to locate to other places (either within or outside the UK), driven by a number of business operational factors. Others may decide to cease trading altogether; particularly where businesses are owner occupiers and the land/premises are held as a de facto 'pension pot'.

Even where businesses do decide to remain, they may not require like for like floorspace. In a number of instances, the ability to occupy modern/purpose-built premises will mean that operations can be more efficient and therefore require less space, rather than have to work within what premises were available.

To reflect these potential outcomes we have assumed that across the sites only 50% of the displaced floorspace would need to be replaced to retain business activity.

Forecasting Outputs

Accounting for allowances for windfall, churn and displacement within the Base Forecast provides the following requirements:

Table 8.7: Baseline Forecast Requirements

Change 2020-2040 (B Class Only)	Base (initial)	Including Churn	Including Churn & Windfall	Including Churn, Windfall & Displacement
Employment	-1,316	-1,316	-1,316	-1,316
Office (B1a)	1,069	1,069	1,069	1,069
Other Business Space (B1b/c, B2)	-2,133	-2,133	-2,133	-2,133
Warehouse (B8)	-252	-252	-252	-252
Floorspace (sqm)	-83,369	-58,281	-58,281	53,801
Office (B1a)	12,828	18,532	18,532	32,397
Other Business Space (B1b/c, B2)	-76,784	-74,356	-74,356	-52,822
Warehouse (B8)	-19,413	-2,458	-2,458	74,226
Land (Ha)	-23.2	-18.0	-4.1	20.9
Office (B1a)	0.9	1.2	2.4	3.4
Other Business Space (B1b/c, B2)	-19.2	-18.6	-10.8	-5.8
Warehouse (B8)	-4.9	-0.6	4.3	23.3

Source: Avison Young (2021)

The base forecast, after accounting for windfall, churn and displacement, identifies a requirement for a total of 20.9 ha of additional employment land by 2040, with a requirement for 3.4 ha of land for office space and 23.3 ha for warehouse space; whilst 5.8 ha of land used for industrial space could be released (or transferred to one of the other two categories).

Testing Alternative Demand Scenarios

Having reviewed the policy, market and strategy base for Wirral alongside analysis of the existing employment floorspace and business stock we have identified the following scenarios as reflecting a suitable range of alternatives for considering the future shape of employment growth and the consequent employment floorspace and land requirements.

The scenarios focus on understanding the implications for local workforce jobs growth and then translate this into employment floorspace/land requirements (as per the base forecast above). Each forecast holds the same assumptions of employment density by particular Use Class.

Scenario 1: Economic Capacity Impact

This scenario focuses on testing the “mix” of employment activity in the future (for example balance between manufacturing and professional services growth) where the Oxford Economics City Region forecasts may have missed local opportunities in certain sectors.

Additionally, this scenario looks at the impact of committed investment into the Wirral and the role those will play on indirect and induced activities. All those would not have been covered by the City Region forecasts.

Forecasting Approach

Through our economic baseline analysis, we have identified potential opportunities within Wirral. We have also looked at neighbouring boroughs and region to understand who Wirral's main challengers could be.

Based on this analysis, we have identified a handful of industries in which Wirral have been a serious competitor to alternative areas (neighbouring boroughs, region), this draws on our baseline economic assessment, and where we see this advantage being lost over the forecasting period.

The model estimates the impact on employment, and subsequently on employment floorspace and land, of an improvement of the Wirral economy to allow the Borough to keep competing with alternative areas.

The historical growth in Wirral has been assessed against benchmark areas for each individual industry. Where historically growth in Wirral compared with growth in a benchmark area but the forecast predicted the performance of Wirral would decline compared to this benchmark area (i.e. forecasted growth in Wirral is lower than the forecast growth in the benchmark area); we have recalculated the employment level for Wirral assuming the level of growth achieved in the benchmark area. Effectively assuming Wirral would keep competing with this benchmark area over the projection period.

Additionally, we have identified a series of committed investments into Wirral. These are summarised in Table 8.8.

Table 8.8: Investment Pipeline, Wirral

Project	Timescale for delivery	Number of Jobs created (FTEs)	Sector
MEA Park Phase 2	2022	154	Logistics, Manufacturing, Maritime
National Packaging Innovation Centre	2022	2,060	Innovation
Tower Road Office	2022	280	Professional & Financial
Maritime Knowledge Hub	2022	621	Maritime
Birkenhead Commercial Business District	2023	1,723	Professional & Financial

Source: Avison Young & Wirral Council (2020)

Those investments will support the creation of a number of indirect and induced jobs, which was estimated by applying the relevant Type 2 Employment Multiplier. An additional factor of 44% was then applied to identify what share of those indirect and induced jobs would be created locally. Whilst there is no clear evidence of what this factor should be, we believe that 44% is reasonable considering that Wirral would need to create 40,000 jobs to provide local employment to its entire economically active population⁵. The Additionality Guide also suggests that the local economic multiplier is between 21% and 67% of the regional economic multiplier (44% being the average).

We therefore have derived that the committed investments could support the creation of a total of c.3,150 jobs locally, as shown in Table 8.9.

Table 8.9: Indirect and Induced Jobs from Investment Pipeline

Project	Local indirect and induced Jobs
MEA Park Phase 2	66
National Packaging Innovation Centre	860
Tower Road Office	58
Maritime Knowledge Hub	1,819
Birkenhead Commercial Business District	356

Source: Avison Young (2021)

Forecasting Outputs

Applying this approach to the baseline forecast increases the level of employment across all the B Use categories, but most evidently employment in industrial jobs (B1c, B2) as Wirral retains some of its

⁵ <https://www.wirralintelligenceservice.org/media/2974/this-is-wirral-economy-business-and-skills-ig-added-19-12-19-final.pdf>

historical competitiveness in this area, which is assumed to be lost in the Oxford Economics employment forecasts.

This scenario forecast additional demand for industrial space (B1b/c and B2) and land over the period to 2040, as shown in Table 8.10.

Table 8.10: Scenario 1 Forecast Requirements

Change 2020-2040 (B Class Only)	Base	Scenario 1
Employment	-1,316	2,033
Office (B1a)	1,069	1,433
Other Business Space (B1b/c, B2)	-2,133	764
Warehouse (B8)	-252	-164
Floorspace (sqm)	53,801	169,238
Office (B1a)	32,397	36,771
Other Business Space (B1b/c, B2)	-52,822	51,453
Warehouse (B8)	74,226	81,015
Land (Ha)	20.9	49.0
Office (B1a)	3.4	3.7
Other Business Space (B1b/c, B2)	-5.8	20.2
Warehouse (B8)	23.3	25.0

Source: Avison Young (2021)

Scenario 2: Workforce Capacity Impact

This scenario aims to translate projected population growth into local workforce and (by making allowances for in/out commuting, unemployment etc.) understand the total number of workers (FTE) available for work in Wirral, translating this into floorspace and land requirements.

Forecasting Approach

Population growth published by the ONS were translated into a borough level of employment forecast using the following steps:

- Establish the forecast annual increase in population (ONS);
- Calculate the proportion of this population that will be of 'working age' (based on breakdown by single age of ONS data);
- Calculate the number of working age that will be in employment based on the latest estimate for Wirral (74.8%⁶);

⁶ <https://www.wirralintelligenceservice.org/media/2974/this-is-wirral-economy-business-and-skills-ig-added-19-12-19-final.pdf>

- Calculate those that will work locally - i.e. the 'self-containment' rate for Wirral (62.6%, source: Census 2011).

Having established the level of local employment growth we have then distributed this between different sectors based on the projected share of employment within each sector for each year of the forecast. These are applied to the 2020 total employment level as an annual level of growth.

Forecasting Outputs

Population forecasts for Wirral show a substantial contraction of the working age population, from c.196,200 in 2020 to c.189,800 in 2040. This translates into a reduction of local employment of 2,465 across all B class categories.

Applying this approach to the baseline forecast decreases the forecast need for all types of space and land over the period to 2040 compared to the base forecast, as shown in Table 8.11.

Table 8.11: Scenario 2 Forecast Requirements

Change 2020-2040 (B Class Only)	Base	Scenario 2
Employment	-1,316	-2,465
<i>Office (B1a)</i>	1,069	368
<i>Other Business Space (B1b/c, B2)</i>	-2,133	-2,471
<i>Warehouse (B8)</i>	-252	-363
Floorspace (sqm)	53,801	24,716
<i>Office (B1a)</i>	32,397	23,987
<i>Other Business Space (B1b/c, B2)</i>	-52,822	-64,997
<i>Warehouse (B8)</i>	74,226	65,727
Land (Ha)	20.9	15.2
<i>Office (B1a)</i>	3.4	2.9
<i>Other Business Space (B1b/c, B2)</i>	-5.8	-8.9
<i>Warehouse (B8)</i>	23.3	21.2

Source: Avison Young (2021)

Scenario 3: Market Capacity Impact

Drawing on the market analysis in our Economic Baseline Analysis, this scenario looks at the potential requirement for employment space and land should the historical trend be continued over the next 20 years to 2040.

Forecasting Approach

We consider historic development delivery trends and project these forward for the assessment period to understand any constraints or additional needs market activity may place on future provision.

Looking at the net annual take-up of space (as sourced from CoStar) provides a good understanding of the historical space requirement. We have sourced this data from 2010 to 2020 to understand the long-term trend.

We have assumed that over the assessment period, to 2040, should the historical trends carry on, the additional floorspace requirement for B class space would be as follows:

Table 8.12: Additional Floorspace Requirement to 2040 (sq. m.)

B1a	B1b/c, B2	B8
65,730	45,940	282,820

Source: CoStar (2020)

Forecasting Outputs

Applying this approach to the baseline forecast increases the forecast need for all types of space and land over the period to 2040 compared to the base forecast, as shown in Table 8.13.

Table 8.13: Scenario 3 Forecast Requirements

Change 2020-2040 (B Class Only)	Base	Scenario 3
Employment	-1,316	10,481
Office (B1a)	1,069	5,477
Other Business Space (B1b/c, B2)	-2,133	1,331
Warehouse (B8)	-252	3,673
Floorspace (sqm)	53,801	533,600
Office (B1a)	32,397	85,299
Other Business Space (B1b/c, B2)	-52,822	71,879
Warehouse (B8)	74,226	376,422
Land (Ha)	20.9	131.2
Office (B1a)	3.4	6.9
Other Business Space (B1b/c, B2)	-5.8	25.4
Warehouse (B8)	23.3	98.9

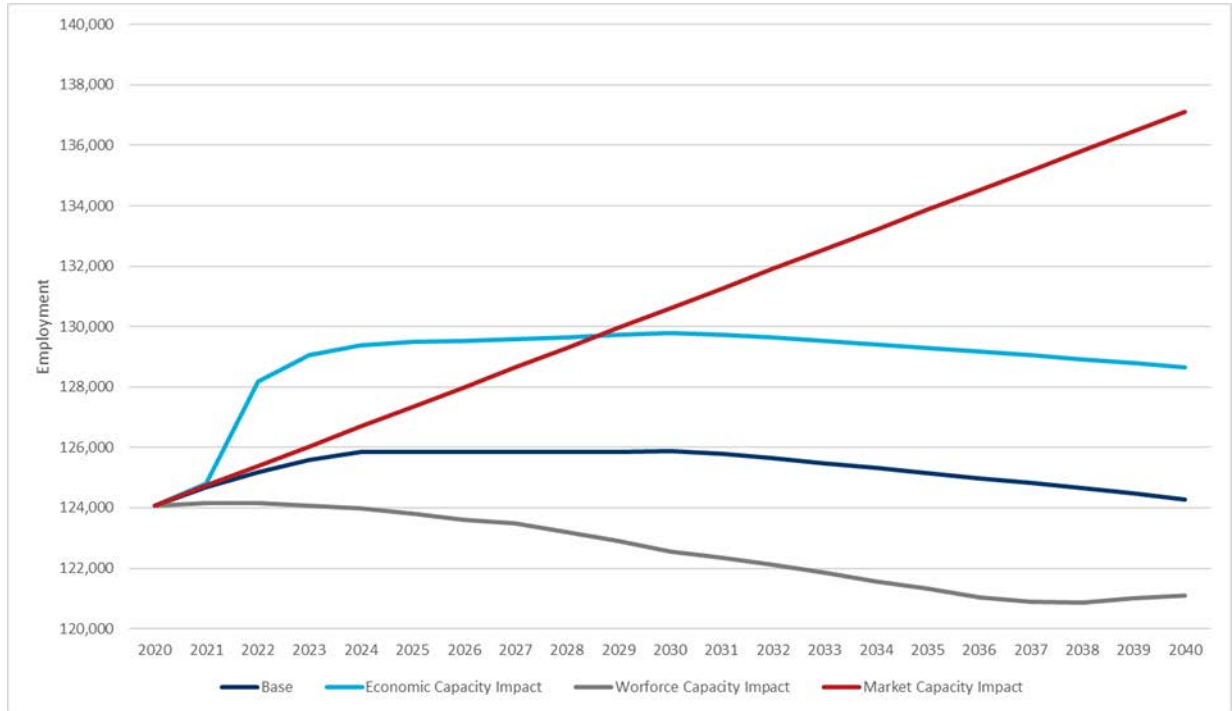
Source: Avison Young (2021)

Comparison of Growth and Synthesis Forecast

The employment projections presented under each scenario above consider the employment prospects within B class sectors only. However, the Wirral economy contains a much wider range of employment activity and it is worthwhile understanding the relationship between B and non-B class activity within each scenario.

The total employment growth projection for each of the scenarios is shown in the following chart:

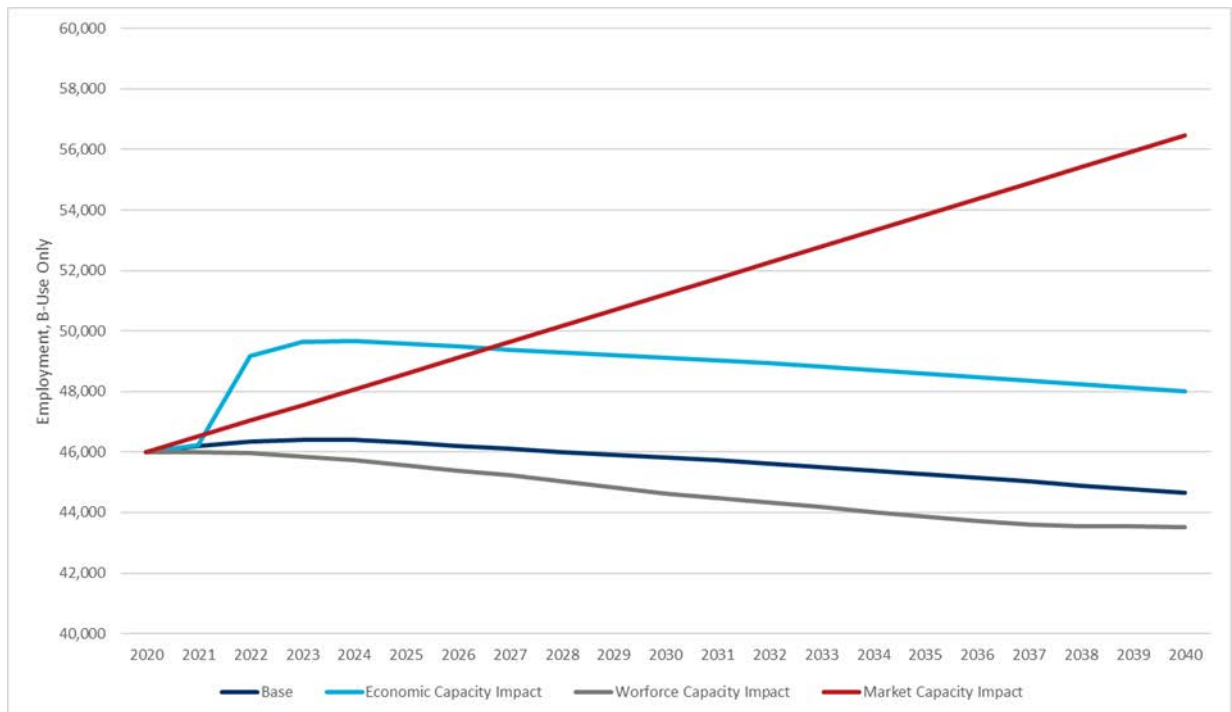
Figure 8.5: Total FTE Employment Forecasts



Source: Avison Young (2021)

B Use Class employment only is presented in the following chart:

Figure 8.6: Total B Use Class FTE Employment Forecasts



Source: Avison Young (2021)

As shown in the graphs above, whilst all scenarios, with the exception of the Market Capacity Impact, produce a relatively similar trajectory of growth, the scale of this growth is very different from one scenario to the other.

Looking in more detail we can see the share of employment growth by Use Class (B Use Class only) in Table 8.14.

Table 8.14: Summary of Employment Growth Forecasts (2020-2040)

Change 2020-2040 (B Class Only)	Base	Economic Capacity Impact	Workforce Capacity Impact	Market Capacity Impact
Office (B1a)	1,069	1,433	368	5,477
Other Business Space (B1b/c, B2)	-2,133	764	-2,471	1,331
Warehouse (B8)	-252	-164	-363	3,673
Total B Use	-1,316	2,033	-2,465	10,481

Source: Avison Young (2021)

Table 8.15: Summary of Floorspace Requirement to 2040, Including Windfall and Churn (sq. m.)

Change 2020-2040 (B Class Only)	Base	Economic Capacity Impact	Workforce Capacity Impact	Market Capacity Impact
Office (B1a)	32,397	36,771	23,987	85,299
Other Business Space (B1b/c, B2)	-52,822	51,453	-64,997	71,879
Warehouse (B8)	74,226	81,015	65,727	376,422
Total B Use	53,801	169,238	24,716	533,600

Source: Avison Young (2021)

Table 8.16: Summary of Land Requirement to 2040, Including Windfall and Churn (ha)

Change 2020-2040 (B Class Only)	Base	Economic Capacity Impact	Workforce Capacity Impact	Market Capacity Impact
Office (B1a)	3.4	3.7	2.9	6.9
Other Business Space (B1b/c, B2)	-5.8	20.2	-8.9	25.4
Warehouse (B8)	23.3	25.0	21.2	98.9
Total B Use	20.9	49.0	15.2	131.2

Source: Avison Young (2021)

Synthesis Forecast

Each scenario above has explored in turn the impact and effect of one particular change in the economic performance of the Wirral economy.

However, this analysis has also shown the limitations of some of those changes when it comes to assessing future requirements, such as the Market Capacity Impact. Given the forecasts projected by this scenario, we find sensible to discount it as it is clear the Wirral economy is already radically different to its historic nature, a trend likely to be exacerbated by other factors such as COVID-19 and Brexit. This is highlighted by both the baseline forecast and the baseline economic analysis which

showed a clear switch of the economy towards less dense activities (from primary and secondary sector to tertiary sector).

The workforce capacity impact scenario may underestimate the importance of changes occurring in the Wirral economy (major investments) and other factors that could lead to improved economic growth for the region (i.e. rebalance of the national economy in favour of the North, potential impact of Covid-19 in reducing the predominance of large cities such as Liverpool over smaller town centres such as Birkenhead, etc.). The reduction in the working age population in Wirral should also have a minor impact on employment in the area due to the lack of jobs for local residents (as indicated in paragraph 2.52). We therefore believe that this scenario does not portray an adequate picture of the future economy in Wirral and should therefore be discarded.

We believe that the Economic Capacity Impact scenario represents the best estimate of employment space requirement for Wirral as it builds upon the baseline position (Oxford Economics employment forecasts) to add new layers of data which are not included in this baseline position, such as major investments. We would therefore recommend using this scenario as a central case for the estimate of land requirement.

Based on this scenario, Wirral would require an additional 49 ha of employment land by 2040, which can be broken down as follows:

Table 8.17: Employment Land Requirement by Use Type, 2040

Change 2020-2040 (B Class Only)	Economic Capacity Impact
Land (Ha)	49.0
Office (B1a)	3.7
Other Business Space (B1b/c, B2)	20.2
Warehouse (B8)	25.0

Source: Avison Young (2021)

To 2037, the requirement for employment land is 52.9 ha, broken down as follows:

Table 8.18: Employment Land Requirement by Use Type, 2037

Change 2020-2037 (B Class Only)	Economic Capacity Impact
Land (Ha)	52.9
Office (B1a)	3.7
Other Business Space (B1b/c, B2)	23.0
Warehouse (B8)	26.2

Source: Avison Young (2021)

The requirement for 2040 is smaller than 2037 due to the declining demand forecasts for employment land in Wirral over the later time period as a direct consequence of the reduction in employment levels in B class activities expected from 2024 (Figure 8.6 above).

9. Supply Analysis

Having assessed the likely demand for employment land in Wirral it is also important to understand the level and quality of supply to meet that demand. The below section looks at the supply across Wirral as a whole as well as within each of the sub-areas to look at the availability of employment development land across the Borough.

Methodology

The approach to the supply analysis was in-line with the approach taken in the 2017 WELPS to allow comparison and update of the previous reports. Each site was inspected individually and scored on the following criteria:

- Strategic Road Access
- Local Accessibility
- Proximity to Urban Areas / Access to Labour and Services
- Compatibility of Adjoining Uses
- Developmental and Environmental Constraints
- Market Attractiveness

Each site was scored on the range of 'very good', 'good', 'average', 'poor' and 'very poor' for each category; as well as being given an overall score within this range as well. More detail on the criteria used to assess each of these is contained in Appendix 2, which replicate those used in the previous 2017 WELPS study, for consistency of approach. A site by site summary of the analysis and scoring for each category are in Appendix 3 plus individual proformas for each site on a criterion by criterion basis in Appendix 4. It must be noted that these are not meant as a direct comparison of sites but to provide an overall quality of land supply. Furthermore, lower scoring overall sites might be assessed to be appropriate for certain use types and come forward in this instance.

Prior to undertaking the analysis, a review of the overall portfolio assessed in the 2017 WELPS was undertaken by Avison Young and Wirral Council to assess whether sites should be removed from the previous analysis based on their already assessed low development potential, the fact that development has now taken place on these sites in the ensuing time period, or that planning permission has been granted, meaning they should be removed from the supply (unless there is a risk that the permission could lapse). Furthermore, additional sites identified through the emerging

Birkenhead Regeneration Framework and wider Wirral Council discussions were included in the study where not previously identified or assessed.

Overall, this created a list of 81 sites to be assessed.

The scoring of sites helped with the analysis of whether sites should be included within the employment land supply for allocation in the Local Plan; retained in an overall portfolio of employment land (but not allocated in the Local Plan); or could be considered for release for alternative uses. As well as the quality of the sites, an assessment was also made of when during the Local Plan period, they might be developed, in 5-year intervals, with the more readily available actively promoted sites likely to come forward first.

GIS mapping software has also been used to create a comprehensive database of these sites for the Council to review and update; and undertake further detailed analysis if required. Area mapping was used to assess the overall site area as well as the Net Developable Area (NDA) taking into account challenges on the site which made certain areas undeliverable.

Overall Overview

Overall, 81 sites were assessed across Wirral based on the categories set out above. These sites had a Gross Site area of 216 hectares and an NDA of 156 hectares, showing a significant overall land supply.

However, the quality of the sites also needs to be considered. The below table shows that a high proportion of the Net Developable Area (40.78% / 63.48 ha) are on sites of good or very good quality land, indicating a good proportion of overall supply. On the flip side close to half of the overall site area is considered poor or very poor, showing significant development challenges; with a smaller number of sites in the central average section.

Table 9.1: Quality of Employment Sites, Wirral

Site Class	Number of Sites	Total Area (ha)	NDA (ha)	NDA (%)
Poor / Very Poor	22	89.67	75.49	48.50%
Average	32	42.13	16.69	10.72%
Good / Very Good	25	79.87	63.48	40.78%
Under development	2	4.67	0.00	0.00%
Total	81	216.34	155.66	100.00%

Source: Avison Young (2021)

The timing of delivery also shows a good level of early and medium availability, with this reducing in the later stages of the Local Plan period progresses:

Table 9.2: Potential Delivery Timescales for Employment Sites, Wirral

Site Class	Number of Sites	Total Area (ha)	NDA (ha)	NDA (%)
0 – 5 years	39 *	72.23	53.96	34.67%
6 – 10 years	16 *	64.43	61.29	39.37%
10 – 15 years	7	48.25	38.76	24.90%
Existing Use	17	31.43	1.65	1.06%
Total	81	216.34	155.66	100.00%

Source: Avison Young (2021)

* MEA Park delivery across sites 19 and 20 split over both 0-5 years and 6-10 years phases, areas across each time section included in Total Area and NDA columns, but sites not included in numbers of sites column.

Sub-area Supply

As well as the overall analysis, we have also looked at the site on a sub-area basis using the same market areas as per the previous WELPS report (2017):

- Wirral Waters
- Birkenhead and Wallasey
- Bromborough
- Mid-Wirral
- West Wirral

The breakdown of sites assessed across the five areas is as follows:

Table 9.3: Sub-Area Site Breakdown

Site Class	Number of Sites	Total Area (ha)	NDA (ha)	NDA (%)
Wirral Waters	10	38.48	23.78	15.28%
Birkenhead & Wallasey	46	76.28	53.04	34.07%
Bromborough	21	93.76	74.10	47.60%
Mid-Wirral	4	7.82	4.74	3.05%
West Wirral	0	0.00	0.00	0.00%
Total	81	216.34	155.66	100.00%

Source: Avison Young (2021)

The above table shows a significant level of supply across three main areas of Wirral Waters, Birkenhead & Wallasey and Bromborough. Contrary to this there is limited supply in Mid-Wirral and no supply at all in West Wirral. Whilst these are secondary areas it is important to consider the need to cater for any low-level demand in these locations.

However, it is also important to consider the quality of the sites within these areas rather than just the quantum. Therefore, we have analysed further the quality of the sites within each of those areas in the following sections.

Wirral Waters

As with the previous WELPS report, Wirral Waters has been looked at separately to reflect its Enterprise Zone status and its specialist position within Wirral in terms of its large-scale

redevelopment potential. The 2017 WELPS study identified sites in Wirral Waters that be treated differently due to their strategic nature; the subsequent ELOS report (2019) reviewed this status and concluded that this was not the case across all of the sites and that a number of sites should instead be considered as part of the general employment supply. In the context of both the 2017 and 2019 evidence base, we have looked at the relevant Wirral Waters sites in their own section here, and where relevant based on their geographical location and/or strategic or general nature, have grouped them with other sites across the Birkenhead urban area.

Peel Property have outline planning permission for large-scale mixed-use development of commercial, residential, leisure, retail and education uses. Whilst in West Float there are also active proposals for a new large industrial and warehousing development entitled MEA Park. Therefore, there are significant proposals in this area of which the employment land identified of this study will play a critical part.

Wirral Waters only has a limited number of sites (10) assessed as part of this study. However, it is clear from the analysis, the quality of available sites. 86.96% of the sites are classed as Good or Very Good, showing an exceptional level of supply. The sites in Wirral Waters are in the main large sites on the waterfront previously linked to port uses at Birkenhead Docks, which is still an active dock. There is a large average plot size of 3.85 ha.

What is also evident from Table 9.5 is the speed with which this could be available. Three of these sites (Sites 18, 19 and 20) are part of the MEA Park proposals, which due to the size of the proposals to the size of the site and the quality of the proposed development is likely to take a significant period of time to deliver and has therefore been split between 0-5 years and 6-10 years as per the current proposals. The remainder of vacant available sites have limited constraints and could therefore feasibly be delivered within the first 5 years of the Local Plan. The displacement of existing businesses from the East Float area of Wirral Waters has potential to impact on the supply with 16.59 ha of land across 3 sites which would need to be reprovisioned if these sites were to come forward for development (proposed for residential-led mixed-use development in the Wirral Waters masterplan). These uses are linked to the docks and it is envisaged that this relocation will take up space within MEA Park.

Table 9.4: Quality of Employment Sites, Wirral Waters

Site Class	Number of Sites	Total Area (ha)	NDA (ha)	NDA (%)
Poor / Very Poor	0	0.00	0.00	0.00%
Average	4	7.78	3.10	13.04%
Good / Very Good	6	30.70	20.68	86.96%
Under development	0	0.00	0.00	0.00%
Total	10	38.48	23.78	100.00%

Source: Avison Young (2021)

Table 9.5: Potential Delivery Timescales for Employment Sites, Wirral Waters

Site Class	Number of Sites	Total Area (ha)	NDA (ha)	NDA (%)
0 – 5 years	5 *	14.77	14.16	59.55%
6 – 10 years	0 *	9.62	9.62	40.45%
10 – 15 years	0	0.00	0.00	0.00%
Existing Use	3	14.09	0.00	0.00%
Total	10	38.48	23.78	100.00%

Source: Avison Young (2021)

* MEA Park delivery across sites 19 and 20 split over both 0-5 years and 6-10 years phases, areas across each time section included in Total Area and NDA columns, but sites not included in numbers of sites column.

Birkenhead & Wallasey

The Birkenhead and Wallasey market area contains 46 sites; over half of all the assessed sites in Wirral. This is reflective of Birkenhead being the main market town within the Borough. The average gross plot size in the market area was 1.66 ha, though this is distorted by two large sites at Bidston Dock (Site 16 – 18.25 ha) and Cammell Laird South (Site 92 – 13.26 ha); without these two sites the average gross plot size lowers to just 1.02 ha. This is materially different to the much smaller numbers but larger average plot sizes in Wirral Waters and Bromborough. Additionally, the market

area is characterised by having a large proportion of average to poor quality sites, many of which are fully developed and featuring older premises that do not meet the demands of most modern businesses.

Many of the assessed sites in the market area were also significantly constrained by their small plot sizes and other issues such as remediation requirements and adjoining uses. However, 40% of the NDA is in Good or Very Good sites although this is again skewed by Site 92 – Cammell Laird South which accounts for 13.26 ha (63% of the Good or Very Good supply).

Birkenhead contains the main office location in Birkenhead Town Centre; with further investment planned, creating circa 300,000 sq. ft. of Grade A office space in the Birkenhead Commercial District.

Birkenhead has a number of large business locations, most notably Hamilton Park which contains a variety of medium and lower quality business units. However, this is a very active, well-occupied functioning employment area. This area is located immediately to the south of the proposed Wirral Waters development and there is likely to be significant change in this area which is being looked at in the Hamilton Park Delivery Action Plan.

As well as Hamilton Park, Birkenhead Waterfront has a number of significant employment sites most notably in the Campbelltown Road area where there is significant amount of light industrial and retail warehouse units and the Cammell Laird shipyard. Further to this there is a large development site (site 92) which is being marketed as Ark Royal Business Park but is also of interest for expansion by Cammell Laird and has a Waste Allocation in the Joint Waste Local Plan on part of the site. Further north along the waterfront is an active office location with large public sector occupied office buildings, as well as Woodside Business Park which provides smaller office units which we understand to be well-occupied.

Full details of the site analysis in this sub-area are below:

Table 9.6: Quality of Employment Sites, Birkenhead & Wallasey

Site Class	Number of Sites	Total Area (ha)	NDA (ha)	NDA (%)
Poor / Very Poor	14	37.06	26.72	50.38%
Average	20	17.75	5.35	10.09%
Good / Very Good	12	21.47	20.97	39.53%
Under development	0	0.00	0.00	0.00%
Total	46	76.28	53.04	100.00%

Source: Avison Young (2021)

Table 9.7: Potential Delivery Timescales for Employment Sites, Birkenhead & Wallasey

Site Class	Number of Sites	Total Area (ha)	NDA (ha)	NDA (%)
0 – 5 years	20	10.06	9.56	18.02%
6 – 10 years	11	30.02	28.53	53.79%
10 – 15 years	3	20.60	13.30	25.08%
Existing Use	12	15.60	1.65	3.11%
Total	46	76.28	53.04	100.00%

Source: Avison Young (2021)

Bromborough and Eastham

Bromborough is the second major employment location in Wirral after Birkenhead. In particular, it includes Wirral International Business Park which benefits from large well-occupied units and excellent road links. Bromborough is also home to some of the largest occupiers in Wirral most notably Unilever at Port Sunlight, as well as CSM Bakery Solutions, Meyer Group Ltd and Tulip Ltd which all have large premises within Wirral International Business Park.

Eastham is a secondary location in terms of employment development and is focused on more heavy industrial uses particularly around the Eastham Oil Terminal. The heavy uses in this location could

limit its ability to come forward for alternative uses particularly for sites within the COMAH Zone of the oil terminal.

There are two employment sites currently under construction in Bromborough by Redsun developments, site 75 is a close to completion – a development of 3 large industrial units totalling 10,175 sq. m.; whilst Redsun have recently started on site at site 69 constructing a further 4,521 sq. m. across 5 industrial units. This shows a significant amount of investment in the Bromborough area, although we understand a degree of gap funding has been required to bring these sites forward. As these are completed, they will be taken out of the employment land supply but show a good quality of available units.

However, employment sites in Bromborough are also under significant pressure from alternative uses, in particularly residential. Residential values in Bromborough are significantly higher than other parts of eastern Wirral with recent newbuild developments such as Kings Hill by Bellway and Stanley Gardens by Morris Homes achieving average values of £250-£260 per sq. ft. With this in mind, there is significant interest in pursuing residential development on employment sites in the Bromborough area. There are currently pre-application discussions ongoing for residential development on seven of the sites assessed in this study (sites 61, 64, 66, 67, 68, 78 and 79). Whilst there is a clear need for residential development in Wirral, and one of the key strategies of the emerging Local Plan is a brownfield first approach for housing, it is important this is weighed against the needs for the retention of this as an important business location in Wirral.

Bromborough has the largest average gross site area of 4.46 ha. However, in terms of the quality of sites, Bromborough has a lower overall quality than the sites around Wirral Waters and Birkenhead, This is mainly linked to the poor quality ground conditions linked to previous heavy uses, as well as a number of smaller sites which are more challenging to bring forward. Despite this there are still 22 ha of Good quality sites for development. The expected timing of delivery is pretty evenly spread across the course of the Local Plan reflecting the varying levels of challenges across different sites in the area.

Table 9.8: Quality of Employment Sites, Bromborough & Eastham

Site Class	Number of Sites	Total Area (ha)	NDA (ha)	NDA (%)
Poor / Very Poor	8	52.61	48.77	65.82%
Average	4	8.78	3.50	4.72%
Good / Very Good	7	27.70	21.83	29.46%
Under development	2	4.67	0.00	0.00%
Total	21	93.76	74.10	100.00%

Source: Avison Young (2021)

Table 9.9: Potential Delivery Timescales for Employment Sites, Bromborough & Eastham

Site Class	Number of Sites	Total Area (ha)	NDA (ha)	NDA (%)
0 – 5 years	11	40.68	26.60	35.90%
6 – 10 years	4	23.69	22.04	29.74%
10 – 15 years	4	27.65	25.46	34.36%
Existing Use	2	1.74	0.00	0.00%
Total	21	93.76	74.10	100.00%

Source: Avison Young (2021)

Mid-Wirral

The Mid-Wirral market area covers the settlements of Greasby, Moreton, Upton and Woodchurch. However, on review of the sites analysed in the previous WELPS report, only 4 sites remain of interest for analysis within this report. All four of these sites are in the Moreton area with no sites assessed in the other areas. This is reflective of these being predominantly residential locations with limited employment areas.

Three of the four industrial sites are to the east of Premier Foods, and two are within the site boundary although undeveloped. The final site is within Tarran Industrial Estate; this is a well occupied estate with limited available sites, bar site 86, on the north-eastern corner fronting the A551.

The assessment of these sites had them all as rated as 'Average' linked to this being a secondary market location in Wirral, but with limited other development constraints on these sites.

The main industrial area in Upton is along Arroe Brook Road. The majority of this area is well occupied small business units on Wirral Business Park or larger units on Champions Business Park. The one large site on the western side of the Arroe Brook Road complex has recently been granted planning permission for redevelopment for residential and so this has been taken out of this analysis from the previous report. There are no other obvious development sites in this area.

It is envisaged that all of these sites would be retained for employment use given the limited supply of land in the area and it is important that what is available is protected.

Details of the site assessment outcomes in Mid-Wirral are contained in the tables below:

Table 9.10: Quality of Employment Sites, Mid-Wirral

Site Class	Number of Sites	Total Area (ha)	NDA (ha)	NDA (%)
Poor / Very Poor	0	0.00	0.00	0.00%
Average	4	7.82	4.74	100.00%
Good / Very Good	0	0.00	0.00	0.00%
Under development	0	0.00	0.00	0.00%
Total	4	7.82	4.74	100.00%

Source: Avison Young (2021)

Table 9.11: Potential Delivery Timescales for Employment Sites, Mid-Wirral

Site Class	Number of Sites	Total Area (ha)	NDA (ha)	NDA (%)
0 – 5 years	3	6.72	3.64	76.79%
6 – 10 years	1	1.10	1.10	23.21%
10 – 15 years	0	0.00	0.00	0.00%
Existing Use	0	0.00	0.00	0.00%
Total	4	7.82	4.74	100.00%

Source: Avison Young (2021)

West Wirral

West Wirral covers the rural parts of Wirral and the main residential areas of Hoylake, Heswall and West Kirby. In the previous WELPS report, 6 sites were assessed in West Wirral. However, 5 of these sites were very small (under 0.2 ha) and these have therefore been excluded from the updated analysis. The final site around Clatterbridge Hospital was analysed in the previous report but has been excluded from the employment land supply due to being in the Green Belt.

The main employment area in West Wirral is Carr Lane Business Park in Hoylake. This is well occupied by small scale uses as well as a large office and training complex occupied by Scottish Power. Upon inspection this was well occupied with no available sites for development.

Therefore, no individual sites have been assessed in West Wirral which is reflected in the table below. Were sites to come available particularly in Carr Lane Business Park then it would be important that these sites are protected, otherwise this would risk the complete loss of employment space in West Wirral.

Table 9.12: Quality of Employment Sites, West Wirral

Site Class	Number of Sites	Total Area (ha)	NDA (ha)	NDA (%)
Poor / Very Poor	0	0.00	0.00	0.00%
Average	0	0.00	0.00	0.00%
Good / Very Good	0	0.00	0.00	0.00%
Under development	0	0.00	0.00	0.00%
Total	0	0.00	0.00	0.00%

Source: Avison Young (2021)

Table 9.13: Potential Delivery Timescales for Employment Sites, West Wirral

Site Class	Number of Sites	Total Area (ha)	NDA (ha)	NDA (%)
0 – 5 years	0	0.00	0.00	0.00%
6 – 10 years	0	0.00	0.00	0.00%
10 – 15 years	0	0.00	0.00	0.00%
Existing Use	0	0.00	0.00	0.00%
Total	0	0.00	0.00	0.00%

Source: Avison Young (2021)

Good sites analysis

Avison Young have undertaken a more detailed analysis of the Good and Very Good sites; looking to categorise these into certain groupings based on their opportunities and constraints. Full details of this analysis is contained in Appendix 4, but the below lists the top 2 categories of sites which will be the most vital in delivering employment land supply.

Group 1 - Very Good Sites

A site has been classed as Very Good if it scores Good or Very Good in all six categories. The following sites meet that criteria:

Table 9.14: Very Good Sites

Site ID	Site Name	Market Area	Gross Site Area (ha)	NDA (ha)	Timescales	Overall Site Rating
28	Twelve Quays Morpeth Waterfront	B'head & W'sey	1.58	1.58	0 - 5 years	Very Good
48	Former Rank Bingo	B'head & W'sey	0.26	0.00	0 - 5 years	Very Good
69	Land at Riverbank Road	Bromb & Eastham	1.56	0.00	Under Development	Very Good
74	Former Spectrum Adhesives	Bromb & Eastham	2.35	2.35	0 - 5 years	Very Good
75	Riverview Road - East of Tulip	Bromb & Eastham	3.11	0.00	Under Development	Very Good
76	Tulip Expansion	Bromb & Eastham	2.05	2.05	0 - 5 years	Very Good
Total			10.91	5.98		
Total excluding sites under development			6.24	5.98		

Source: Avison Young (2021)

Twelve Quays Morpeth Waterfront – The site is a vacant site in the Twelve Quays development. The northern part of the site is in Flood Zone 2/3, but with few other development constraints. We understand the site is being considered for lorry parking for the ferry terminal immediately to the north, but this site could provide an excellent site for business development in line with the well occupied business units immediately to the west of the site.

Former Rank Bingo - The site is currently used as a surface level car park for people using the town centre and has a Key Town Centre designation on the UDP. However, the site has previously been assessed for employment use and has little development constraints and is in an established employment area to the east of the Town Centre. There is an approved planning permission for this site for a mixed-use ground floor space with apartments above, and therefore it is assumed that this will come forward for these uses and the site will be taken out of the employment land supply.

Land at Riverbank Road – Rectangular site located on Riverbank Road, in an established industrial location with large industrial units to all sides. The site is currently under development, by Redsun delivering 4,520.78 sq m of industrial space across 5 units (planning ref: APP/19/01066) and therefore will be taken out of the employment land supply.

Former Spectrum Adhesives - Large, square, flat site located next to Croft Retail Park. There are no known development constraints on this site, although it is recognised that the previous use could lead to contamination issues. However, the size, shape and location make it an attractive development site, either for commercial use or as an expansion of Croft Retail Park.

Riverview Road – East of Tulip – Rectangular site to the east of the Tulip factory. Site is fully developed and being marketed to let by Legat Owen, delivering 3 large units totalling 10,175 sq m under planning ref: APP/19/00084 and therefore will be taken out of the employment land supply.

Tulip Expansion Site – Site to the north of the Tulip factory but within the Tulip's ownership. We understand the site is being retained for future expansion, but the site is capable of being accessed independently and if it were to become available it would be an attractive site given the size, connectivity and recent activity in the local area.

Group 2 – Motorway Access but some Development Constraints

The below sites are similar in scoring to some of the other Good sites with the one advantage being their proximity to the M53 giving them a better score in terms of Strategic Road Access making them potentially more attractive sites than other Good Sites and making them a priority for retention and development. They do however have some constraints which would need to be addressed which keeps them out of the Very Good category:

Table 9.15: Good Sites with Excellent Motorway Access

Site ID	Site Name	Market Area	Gross Site Area (ha)	NDA (ha)	Timescales	Overall Site Rating
19	Former Mobil Oil	Wirral Waters	8.84	8.84	0 - 5 years (4HA) 6 - 10 years (4.84 HA)	Good
20	MEA Park	Wirral Waters	10.78	10.78	0 - 5 years (6HA) 6 - 10 years (4.78)	Good
88	North Cheshire TE - North of KCTS	B'head & W'sey	0.45	0.45	0 - 5 years	Good
89	North Cheshire TE - South of Halliday Funeral Supplies	B'head & W'sey	0.13	0.13	0 - 5 years	Good
Total			20.20	20.20		

Source: Avison Young (2021)

Former Mobil Oil – This is a large development site in West Float, with a large former Mobil Oil building on site. The previous use leads to potential contamination issues, but we understand work is taking place to resolve this. The site is a good development site subject to the contamination issues and is identified as being part of the proposed MEA Park development.

MEA Park - This is a large development site in West Float and forms the eastern part of the proposed MEA Park development. The sites shape, location and topography make it an attractive development site, with the only concern being potential issues with land condition linked to the previous dock use.

North Cheshire Trading Estate – North of KCTS – Long rectangular site off Prenton Way, forms one of two available development plots in North Cheshire Trading Estate. The good motorway proximity makes this an attractive development plot; however, the level of vegetation and slight undulation of topography does give some development issues to address.

North Cheshire Trading Estate – South of Halliday Funeral Supplies – Small, square site off Prenton Way, forms one of two available development plots in North Cheshire Trading Estate. The

good motorway proximity makes this an attractive development plot; however, the level of vegetation and relatively small plot size does give some development issues to address.

Employment Areas

As well as the individual site assessment above, we have also inspected each of the identified employment areas included within the previous WELPS report to understand the overall picture for each of these areas in terms of quality of buildings, types of occupiers and the overall performance in terms of vacancy levels and marketing. This gives a more general overview of how each of these areas are performing and any areas of concern within the Wirral employment area.

In line with the previous analysis these employment areas have been broken down into 5 categories: Flagships, Narrow Band Areas, Key Employment Areas, Key Local Areas and De-allocate and/or release for mixed use. A brief description of each of these areas taken from the previous WELPS report is as follows:

Table 9.16: Employment Area Categorisation

Type	Typical Characteristics
Flagships	Sites of scale, location and setting, capable of being broad business park developments competing for investment in the regional/sub-regional marketplace. These are prime sites for marketing to a cross-section of users – including new inward investments into the Borough. They can also meet the needs of image-conscious, aspirational companies already located in the area. They may be
Narrow Band Areas	Key developments where the sites, their locations and environment are promoted for a narrow range of uses. It may be that only a part of a larger site is allocated to this activity. In other cases, it may be prudent to dedicate the whole site to this narrow band use. Often, they are high technology / key growth sector related.
Key Employment Areas	Sites with an influence over the whole of the study area, geared to serving the needs of indigenous industry. They are likely to be of a size to create presence and able to accommodate a range of uses, but
Key Local Areas	Sites that offer employment opportunities within specific local areas. In most instances their role will be to meet the expansion needs of indigenous companies or to accommodate local start-ups. They tend to focus on use classes B1c, B2 and B8.
De-allocate and/or release for mixed use	Existing employment site to be released from the employment land supply

Source: Lichfields, WELPS (2017)

We have summarised these Employment Areas on a sub-area basis as per the analysis above.

Wirral Waters

Wirral Waters is a nationally significant development area with significant ongoing and planned development particularly around East Float and MEA Park. The below table summarises the various Employment Areas within Wirral Waters.

Table 9.17: Wirral Waters Employment Area Classification

Employment Area	Commentary	Employment Sites Assessed
Flagships		
West Float	Large area forming the western half of within the Wirral Waters Enterprise Zone. The majority of the area is vacant or underutilised former dock land which will form the new MEA Park development. To the east of the MEA Park development is an estate of large dock related industrial units which functions well with limited noticeable vacancy. Parts of West Float remain in operational port use, including United Molasses Terminal and the quayside east of Gilbrook Basin. In addition, there is a large graving dock between the MEA Park and former Mobil Oil sites which is utilised by Cammell Laird for ship storage and repair which it is proposed to retain as such.	13, 18, 19, 20
East Float	Large regeneration area, with outline planning permission for up to 13,000 dwellings and 422,757 sq. m. of B1 floorspace. Some activity has already started with residential development on the North side of East Float and the Maritime Knowledge Hub and an office development due to come forward on Tower Road at the eastern end of Wirral Waters. In order for further sites to come forward at Sky City or Vittoria Studios/Marina View, significant existing occupiers would need to be relocated. These currently occupy a mix of large industrial units of varying quality on the southern side of East Float. Other areas of East Float are cleared dock sites which could more readily come forward.	22, 23, 24, 25, 27
Narrow Band Areas		
Twelve Quays	An element of the Twelve Quays estate is within the Wirral Waters Enterprise Zone. There is a single vacant site with an undetermined planning application for a petrol station but could have potential for	26

	alternative uses linked to Wirral Waters and Twelve Quays. The site is rated as Good in this employment land study.	
Key Employment Areas		
N/A		
Key Local Areas		
N/A		
De-allocate and/or release for mixed use		
N/A		

Source: Avison Young (2021)

Birkenhead and Wallasey

Birkenhead has a wide range of industrial area, with a number of smaller industrial estates across the town. This manifests itself in a varying degree of quality and opportunity across the area. Many of the areas are categorised by low quality industrial units paying low rent, although there are smatterings of higher quality units in certain areas. Birkenhead is also where the majority of office development is particularly around Birkenhead Town Centre, although these are mainly aged and of low quality, albeit this is likely to change with the Birkenhead Commercial District. Most of Wallasey’s employment land and premises are in two areas – the zone between Dock Road and the Wallasey Tunnel approach road otherwise known as “Northside” and separately at the Cross Lane Industrial Estate. The below table summarises the various Employment Areas within Birkenhead and Wallasey.

Table 9.18: Birkenhead & Wallasey Employment Area Classification

Employment Area	Commentary	Employment Sites Assessed
Flagships		
Birkenhead Town Centre	Birkenhead Town Centre is the main office location in the Wirral. While there are more recent office developments along Europa Boulevard, and for the Contact Company on Grange Road East, there are a predominance of older lower quality buildings in Birkenhead town centre, many occupied by the public sector. Hamilton Square's grade 1 listed buildings were once popular as offices, but many are now reverting to their original residential use. However, proposals for the Birkenhead Commercial District from the Wirral Growth Company could change this with circa 300,000 sq. ft. of new office space proposed in the Town Centre along with new residential development to drastically change the town centre.	45, 46, 47, 48
Narrow Band Areas		
Twelve Quays	Twelve Quays is a well-occupied industrial area as well as having a busy ferry terminal. Therefore, any future uses need to consider the success of this key transport node into the area. Part of the Twelve Quays area is within the Wirral Waters Enterprise Zone area. The current commercial buildings in this area are generally of high quality.	28
Cammell Laird	Large industrial area focussed around the Cammell Laird shipyard. To the western half of the area is a functioning industrial estate combined of a mix of light industrial units and retail warehousing. On the northern end of the area is Priory Industrial Estate which is of slightly lower quality to the surrounding area as well as being located next to the Grade I Listed Priory, which would require to be protected if any development took place nearby. Due to the heavy nature of activity at Cammell Laird and its importance as a key employer in the Wirral; it is likely that this will restrict the uses that can be developed nearby. There is one large site immediately to the south of Cammell Laird (Site 92) which is being marketed as Ark Royal Business Park but is also under consideration for Cammell Laird expansion as well as having a Waste Local Plan allocation on the southern half of the site,	92

	showing the potential conflicting future development interests for this site.	
Key Employment Areas		
Kelvinside	The Kelvinside area as identified in the Birkenhead Regeneration Framework has a number of large occupiers in the areas east of Birkenhead Road close to the Waterfront including CETCO, the Emergency Services Training Centre, Orsted and United Molasses. The western half has smaller businesses offering a variety of commercial uses in generally low quality, low rent environments.	1, 2, 3, 4, 5, 6, 7
Northside	Area on the northern side of Birkenhead Docks either side of Dock Road. The southern side of Dock Road east of Duke Street comprises two listed mills converted for residential use with cleared sites either side currently being remediated to enable further residential development as part of the Northbank element of Wirral Waters. To the north of Dock Road, the area known as Northside is made up of generally lower-quality commercial units, or underutilised or vacant land used for storage of vehicles or products. The Council-owned Wirral Business Centre on the corner of Dock Road and Gorsey Lane provides managed workspaces.	8, 9, 10, 11, 12, 14
Hamilton Park	Large well occupied commercial area in between Wirral Waters and Birkenhead Park. This area has a large number of small, low quality commercial units, occupied by small, local businesses. Whilst the buildings are low quality this is an active industrial area, likely due to the low rent for these buildings. This area is subject to the Hamilton Park Delivery Action Plan.	29, 30, 31, 32, 33, 34, 35, 36, 37, 38
Birkenhead Waterfront	Birkenhead Waterfront has a number of large offices occupied by public sector tenants and a collection of smaller offices within Woodside Business Park and the Cheshire Lines Building. At the northern end of the area is Birkenhead Wastewater Treatment Works which may impact the types of uses possible immediately around this site. Overall, the area does not do enough to reflect its waterfront location or its proximity to Hamilton Square and Birkenhead Town Centre. The area is subject to the Birkenhead Waterfront Delivery Action Plan.	39, 40, 41, 42, 43, 44

North Cheshire Trading Estate	Very popular trading estate adjacent to Junction 3 of the M53. It is large in size with a range of local businesses in units of varying in age and quality, alongside larger occupiers such as Scottish Power Energy Networks and non-industrial uses (Total Fitness and McDonalds) on plots closest to the motorway junction. However, there are only a couple of small development plots available within the estate, which is reflective of the high level of occupation and popularity of this estate.	88, 89
Key Local Areas		
Valley Road Industrial Estate	Well occupied industrial estate, with large, relatively modern industrial and distribution units. The site is well occupied with residential development to the south and west with a buffer area in between. The site has good road access close to Junction 1 of the M53 and therefore it is envisaged that this area will remain in this use for the foreseeable future, with part of the estate previously occupied by Appreciate Group (formerly Park Hampers) having just been sold to a joint venture partnership who intend to reposition the site as a multi-let industrial estate. There is one development site to the west in Council ownership which could be accommodated into an expansion of the estate.	15
Argyle Industrial Estate	A relatively modern, high-quality industrial estate located just south of Birkenhead Town Centre before a transition into a residential area, the site is well managed and set back off the B5147 with a high level of occupancy.	
Russell Road Industrial Estate	Well occupied industrial estate, units are generally medium to low quality with limited vacancy. Located within a primarily industrial area, it has good access to the A41 within proximity to Birkenhead and Bromborough.	
Cross Lane Industrial Estate	Industrial estate marking the only major commercial location in Wallasey. The site is poorly accessed down narrow roads with the need to pass residential development to the north. However, the site is fully occupied by a mixture of uses, albeit many are not B-class uses such as Jewson's and West Wallasey Van Hire. with no development sites currently. The high level of occupancy suggests the estate is working, albeit not necessarily for B-class uses. Given this is the only	

	major employment location in Wallasey, it should be safeguarded despite the low-quality environment and access.	
De-allocate and/or release for mixed use		
Bidston Dock	Large area on the western end of Wirral Waters. This is a mixture of infilled former dock and cleared adjacent sites. There is understood to be ground condition issues (particularly in the infilled dock) and so there is likely to be significant challenges to bringing this area forward and therefore alternative more viable uses may be able to resolve these challenges better. This is subject to decant requirements being met elsewhere as this is one of the largest assessed sites in Wirral.	16, 17
Hind Street	The majority of this area is vacant land owned by National Grid. However, this site has been undeveloped and vacant for a number of years and is unlikely to come forward for commercial development. While some remediation has taken place in connection with the decommissioning of gas infrastructure, there may be further ground condition issues to address. The area north of Hind Street has a variety of commercial uses, such as garages, scrapyards and van storage plus a large former station site owned by Ion Developments but is constrained by the Mersey Tunnels and Town Link flyovers. This area is subject to the Hind Street Delivery Action Plan which is promoting it for a new high-quality residential neighbourhood. Due to the lack of development in this area it is therefore proposed that it is taken out of the employment land supply and promoted for alternative uses.	49, 50, 51, 52, 53, 54, 55, 56, 57, 58

Source: Avison Young (2021)

Bromborough & Eastham

Bromborough has the largest industrial estate in Wirral, Wirral International Business Park; as well as other major employment areas in this part of Wirral such as Port Sunlight and Eastham Dock Estate. Bromborough has also seen recent investment by Redsun Developments into new commercial space in this area. However, in common with the rest of the Borough there are viability challenges for speculative industrial development, with the Redsun developments requiring gap funding as well as pressures from residential development. Whilst having a significant number of large occupiers and some new developments, there are also quite a large amount of vacant land which has not come forward for development for a number of years and has issues such as contamination linked to previous uses.

This is a flagship development in the Wirral with significant large occupiers including CSM Bakery Solutions, Meyer Group Ltd and Tulip Ltd as well as many smaller occupiers. There are also a decreasing number of vacant, undeveloped sites. And so, whilst Wirral International Business Park needs to be protected as a whole, there is potential for some of the more challenging sites to be released for alternative uses whilst protecting the area as a whole.

The below table summarises the various Employment Areas within Bromborough and Eastham.

Table 9.19: Bromborough & Eastham Employment Area Classification

Employment Area	Commentary	Employment Sites Assessed
Flagships		
Port Sunlight	Port Sunlight is the home of Unilever Plc, which has a vital economic role within the Wirral in terms of employment and prestige, with research facilities located in the area, west of Bromborough Road, part of which is now surplus to requirements and being promoted for housing. The main Unilever complex between Bromborough Road and the A41 is self-contained and Unilever have indicated that they wish to retain surplus land for their own potential future expansion.	61
Wirral International Business Park	This is a flagship development in the Wirral with significant large occupiers including CSM Bakery Solutions, Meyer Group Ltd and Tulip Ltd as well as many smaller occupiers. The estate is well established with the necessary infrastructure. There has also been recent investment by Redsun Developments into new commercial space in this area. However, as with the rest of the Borough there are viability challenges with the Redsun developments requiring gap funding. There are also a significant albeit decreasing number of vacant, undeveloped sites some with potential remediation challenges linked to the previous heavy uses on site. And so, whilst Wirral International Business Park needs to be protected as a whole, there is potential for some of the periphery sites to be released for alternative use.	62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79
Narrow Band Areas		
Eastham Dock Estate	The Eastham Dock Estate fronts directly on to the Manchester Ship Canal to the southeast of the Borough. The area is characterised by heavy uses linked to the ports and the Eastham Oil Terminal. Any	80, 81

	development sites are likely to have significant remediation constraints and there is likely to be restrictions on the types of developments which can come forward due to the COMAH Zone around the oil terminal. A site at North Road (included in the assessment) has recently secured outline planning permission for Peel for 500,000 sq ft of B2/B8 plus ancillary B1a floorspace.	
Key Employment Areas		
N/A		
Key Local Areas		
N/A		
De-allocate and/or release for mixed use		
N/A		

Source: Avison Young (2021)

Mid-Wirral

Mid-Wirral covers the settlements of Greasby, Moreton, Upton and Woodchurch. This is a predominantly residential location which is reflected in the limited number of sites assessed in this area. There are however, three main industrial areas.

Premier Foods is the largest employer in this area with a significant manufacturing complex in Moreton with further large commercial units to the east. There are a number of development sites in between the two within Premier Foods ownership and are therefore reliant on them bringing them forward.

The two other main estates are Tarran Industrial Estate and Arrowe Brook Road. These estates are well occupied with a mixture of units and uses, and limited development sites. There has also been pressure and the loss of sites for residential development around Arrowe Brook Road in particular.

The below table summarises the various Employment Areas within Mid-Wirral.

Table 9.20: Mid-Wirral Employment Area Classification

Employment Area	Commentary	Employment Sites Assessed
Flagships		
N/A		
Narrow Band Areas		
N/A		
Key Employment Areas		
Moreton	<p>Employment Area dominated by the large Premier Foods production facility, plus a number of other large facilities occupied by MerseyCare Transport Services and BMS Pharmaceuticals to the East. These large occupiers show the relative success of this as an employment location with good links to the residential population and transport links to the wider country. However, there has been a reduction in occupation in this area recently with the former Burtons Biscuits site released for housing. Furthermore, there are a number of large development sites, two of which are under the ownership of Premier Foods which may impact how these come forward.</p>	83, 84, 85
Key Local Areas		
Tarran Industrial Estate	<p>Industrial estate in Moreton immediately to the west of Premier Foods with good transport links directly off the A551. The industrial estate is characterised by medium to low quality units with a mix of local and national occupiers. The majority of units are B-class although there is an element of trade counter/retail warehousing with occupiers such as Screwfix and Moreton Tiles. The estate is well occupied with limited development opportunity, bar one site fronting the A551 at the northern entrance to the estate.</p>	86
Arrowe Brook Road	<p>The main industrial area in Upton is along Arrowe Brook Road. The majority of this area is well occupied small business units on Wirral Business Park or larger units on Champions Business Park (which is the former Champion Spark plugs factory, sub-divided into multiple units). The one large site on the western side of the Arrowe Brook</p>	

	Road complex has recently been granted planning permission for redevelopment for residential and so this has been taken out of this analysis from the previous report.	
De-allocate and/or release for mixed use		
N/A		

Source: Avison Young (2021)

West Wirral

West Wirral is predominantly rural as well as the settlements of Hoylake, Heswall and West Kirby. Like in Mid-Wirral this is a predominantly residential location, and this is reflected in the fact that there were no sites to be assessed in West Wirral as part of this employment land study.

There is only one key employment location in West Wirral located outside the Green Belt, the Carr Lane Industrial Estate in Hoylake. This is a well occupied estate and as such had no vacant sites to assess but should be protected as an employment location going forward.

Other employment locations in west Wirral are in the Green Belt and are mostly non-B class uses, most notably Clatterbridge Hospital. The Green Belt designation means that it is not possible to determine the suitability of the site for a particular type or form of development and it would not be appropriate to include Clatterbridge Hospital within the Borough's employment land supply.

The below table summarises the various Employment Areas within West Wirral.

Table 9.21: West Wirral Employment Area Classification

Employment Area	Commentary	Employment Sites Assessed
Flagships		
N/A		
Narrow Band Areas		
N/A		
Key Employment Areas		
N/A		
Key Local Areas		
Carr Lane Industrial Estate	Industrial estate in Hoylake located next to Hoylake station and the A540. The estate is well occupied with low quality commercial uses apart from one large office and training facility occupied by Scottish Power. There are no development sites currently available. As the only large B class employment area in West Wirral the site should be protected for employment use.	
De-allocate and/or release for mixed use		
Clatterbridge	Area around Clatterbridge Hospital. Located close to Junction 4 of the M53. However, there are no existing B class employment uses in the area. Surplus land at this site was held for expansion purposes by the NHS for many years, following the previous clearance of former ward buildings. However, this land has recently been sold to Homes England. The Green Belt designation means that it is not possible to determine the suitability of the site for a particular type or form of development and it would not be appropriate to include Clatterbridge Hospital within the Borough's employment land supply.	

Source: Avison Young (2021)

10. Conclusions and Recommendations

Bringing Demand and Supply Together

In Section 8, Avison Young have undertaken detailed analysis of various metrics to understand the estimated demand for employment space across the Borough over the period of the Local Plan. Table 10.1 below, which is repeated from the analysis in Section 8, sets out an overall land requirement of 49 hectares across the three main B-class sector types:

Table 10.1: Employment Land Requirement by Use Type, 2040

Change 2020-2040 (B Class Only)	Economic Capacity Impact
Land (Ha)	49.0
Office (B1a)	3.7
Other Business Space (B1b/c, B2)	20.2
Warehouse (B8)	25.0

Source: Avison Young (2021)

Despite the overall figure presented above it should be noted that, over the forecasting period, different amounts of land will be required at different times and therefore careful consideration of the land portfolio is needed.

Given this context, and the decreasing levels of certainty long term forecasts provide (particularly in such challenging times in the UK); it is recommended that future land requirements are reviewed regularly (at least every 5 years) to ensure the most appropriate portfolio of sites is protected across the lifetime of the plan.

However based on the analysis in this report of information available at the time of writing, in line with the NPPF/NPPG, the 49 ha is the most appropriate figure to plan for, given it does include some headroom by way of windfall and churn allowances built into the forecasts. The Council if it so wishes, could choose to increase this headroom to help manage current uncertainty. The 2017 WELPS Report utilised Liverpool City Region SHELMA data to arrive at an employment land requirement of between 57 and 130 ha over the period 2012 to 2037 and a requirement of 34 to 78 ha over the previous analysed Local Plan period, 2018 to 2037. This updated figure is towards the bottom end of the

previous Local Plan period requirement and therefore shows the analysis in this study has indicated a smaller need than previously anticipated.

However, it is important not to over-allocate land in areas with plentiful supply as this creates the risk of diluting the market and leaving land vacant which could come forward for alternative uses. Furthermore, any excess demand may be accommodated through intensification of use on existing or new development sites. We have discussed how this might be achieved in the Future Accommodation section below.

Reviewing this demand data against the overall portfolio of employment sites reviewed for this study from Section 9, it is clear that currently there is a potential excess amount of supply to cater for the demand set out in Table 10.1. The 2017 WELPS report highlighted 143.6 ha of developable employment land within Wirral. However, this figure was reduced by the ELOS to 130.8 ha. This report has subsequently further reviewed in Section 9 the employment land supply; taking into account new development sites coming forward as part of the Birkenhead Regeneration Framework and has an updated increased land supply of 155.7 ha, significantly higher than the 49.0 ha required from Table 10.1.

However, it must be noted that these sites provide a mix of quality and have greater and lesser challenges for delivery, and some are not currently vacant, are under development or already benefit from planning permission for industrial/businesses uses. In addition, some of the more difficult sites may not come forward in the Local Plan period. These sites would not normally be proposed for inclusion in a deliverable employment land supply for allocation in a Local Plan.

With this in mind particular focus should be given to the sites with an overall rating of 'Good' and 'Very Good' in the analysis as these are the sites which can most readily come forward. Even so, there are 63.5 ha NDA of sites rated as 'Good' or 'Very Good', still higher than the 49.0 ha of demand.

This indicates that no 'Average', 'Poor' or 'Very Poor' sites would be required to deliver the required levels of employment development over the Local Plan period. In fact, not even all of the 'Good' sites are required, and consideration could be given for the release of certain sites for alternative uses, where appropriate.

Another important point to note about the 'Good' and 'Very Good' sites are all located in the three sub-areas of Wirral Waters, Birkenhead and Bromborough. None of the best sites are located in Mid or West Wirral or Eastham (secondary location within the Bromborough & Eastham sub-area). Therefore, this shows the potential reliance on effectively two locations given Wirral Waters is

effectively part of Birkenhead (although assessed separately in this study due to its strategic significance). This needs to be considered as part of the Strategy for Allocation and Release below.

Strategy for Allocation and Release

The above analysis has highlighted the level of demand for employment land estimated over the Local Plan period and that there is ample potential supply of employment development sites to accommodate this development. In considering which sites should be included in the deliverable supply for allocation in the local plan, it is also important to consider, in line with para 120 of the NPPF, whether there is a reasonable prospect of a planning application coming forward on those sites which have formed part of the employment land supply for many years, including those allocated for employment use in the Wirral UDP (adopted in 2000) which have remained undeveloped. If land is not required for employment development, then the Council should consider through the Local Plan process whether it has potential for alternative uses.

However, it is important that this does not mean the loss of all of the best employment sites. Many of the sites in the supply analysis have significant constraints which may hinder them coming forward in an appropriate timeframe. Furthermore, there are viability challenges for all development types, which is only going to be exacerbated by site challenges. Therefore, it is important that the best sites are protected to facilitate high quality employment development within the region.

In looking at the strategy for allocation of sites for employment use, it is recommended that this is on the basis of the following over-arching principles:

1. Protection of highest quality sites for employment development
2. Protection of employment sites in secondary locations

Outside of these two core principles there should be other considerations when looking at sites for allocation:

1. Consideration of whether sites have a specific strategic importance.
2. Not allocating sites under construction or with planning permission, unless there is a risk the planning permission could lapse.
3. Applying a site threshold to only allocate sites that would delivery meaningful development. A suggested threshold of 0.5 ha could be considered.
4. Expansion land could be allocated where the site can be separately accessed.

5. Mixed use sites where the split of uses is unclear would not be put forward for allocation.

When looking at site allocations, consideration needs to be given to the updated Use Classes Order. Given the removal of B1 uses This means that employment land allocation is only for B2/B8 uses and not for previous B1 uses. This report has already set out that the office requirement is likely to be accommodated in the existing pipeline developments in Birkenhead Town Centre and Wirral Waters and no more B1 use is likely to be required; and so it is really B2/B8 uses that will require the land allocation for delivery.

Protection of Highest Quality Sites for Employment Development

Table 10.1 highlights the need for 49.0 ha of land across the various B-class uses. Below we have undertaken analysis into the optimal location for these different use types based on core site characteristics. This analysis indicates that Birkenhead and Bromborough are the optimal locations for most of these use types.

As Birkenhead and Bromborough have also been identified as the location of the best development sites, it is important that the best development sites are protected within these locations. As discussed above there is 63.5 ha of 'Good' or 'Very Good' employment land in Birkenhead (including Wirral Waters) and Bromborough of which to accommodate the 49.0 ha of demand so not all may need to be allocated.

We have broken this down further, based on the Good Sites Analysis in Appendix 5. If we just look at the top two levels of sites within this analysis, the Very Good Sites and the Good Sites with Motorway Access, then these sites would deliver 26.2 ha of NDA. It is therefore envisaged that all of the sites which make up this figure would be considered for allocation for employment (B2/B8 uses).

The remaining 22.8 ha required should be taken out of the 34.7 ha of NDA in the other Good Sites not in these first two categories. It is outside the scope of this study to decide exactly which of these sites should or should not be allocated. It is therefore up to the Council to consider the findings of this study alongside other evidence base studies to finalise the site allocations.

Protection of Employment Sites in Secondary Locations

As discussed above, as a starting point, the 49.0 ha is envisaged to be met from the 'Good' and 'Very Good' rated sites in Birkenhead (including Wirral Waters) and Bromborough.

However, it is important to consider the principle of protecting the secondary employment locations of Eastham, Mid-Wirral and West Wirral, as set out above. These sites are envisaged to be mainly

additional to the 49.0 hectares, as the majority of demand is expected to be in the two main employment locations, and so the majority of supply should also be in these locations.

However, it is important not to lose all alternative development sites and locations in order to give businesses options in where they choose to locate and protect against the over-reliance on these two main employment areas. Therefore, development sites in these secondary locations should, where appropriate, also be allocated for employment on top of the sites discussed in the section above.

These sites also have the potential to act as an additional buffer if greater demand for employment land does materialise than has been assessed in this report.

Consideration of Other Sites

Firstly, there is one site rated 'Average' which should also be allocated due to its strategic importance. This site is Site 18, Birkenhead Dock Estate – Land at Beaufort Road. It is a small corner site in the south-east corner of West Float. It has some challenges in terms of being a relatively small site and being under occupation, albeit under-utilised. However, it also forms part of the MEA Park proposals alongside the larger sites 19 and 20 (both rated Very Good).

The majority of the remaining sites should therefore not be allocated for employment use. However, these should not be immediately discounted as employment sites. As well as the employment land allocations in the Local Plan, these other sites make up a wider employment land portfolio which includes a variety of sites which could come forward either for employment or alternative uses dependent on market forces and compatibility with surrounding uses. Some sites are in need of remediation for which external funding support is likely to be needed but has yet to be identified. These sites will not be actively promoted for alternative uses but if planning applications were submitted on these sites then they would be considered as part of the normal planning process.

There is also a last group of sites which are already under development or have been granted planning permission for development, either for employment or alternative uses and should therefore be removed from the employment land supply. Also, sites which are allocated for residential uses should also be removed from this portfolio given the pressures for housing sites and the outcome of this analysis indicates that residential sites will not need to be released for employment use. Finally, the former Tranmere Rovers Training Ground has also been excluded due to ongoing proposals for redeveloping the site for sports and recreation related uses and given the previous use, bringing the site forward for employment use is unrealistic when these proposals are on the table.

Table 10.2 therefore sets out the overall classification of each of the sites assessed based on following criteria discussed above:

1. Highest quality sites – to be allocated for employment
2. Good quality sites – to be considered for employment allocation upon review of other evidence
3. Sites in secondary locations – to be considered for allocation for employment to provide a spread of employment sites across the Borough.
4. Strategic lower quality sites – to be allocated for employment
5. Employment land portfolio - Sites to be included in the general employment land portfolio
6. Remove from employment land supply - Sites to be taken out of the employment land supply

Table 10.2 does not include all 45 sites within '5. employment land portfolio' category due to the number of sites within this category. A full list of the categorisation of every site can be found in the full site analysis in Appendix 4.

Table 10.2: Site by Site Categorisation Summary

Category and Description	Site Name	Site No.	NDA (ha)
1. Highest Quality Sites			
These are the highest quality sites. These sites have scored 'Good' or 'Very Good' in all six categories assessed in the supply analysis. This also includes 'Good' sites which have some but limited development constraints and are located close to the M53 giving optimal transport locations integral to most B-class uses.	Former Mobil Oil	19	8.84
	MEA Park	20	10.78
	Twelve Quays Morpeth Waterfront	28	1.58
	Former Spectrum Adhesives	74	2.35
	Tulip Expansion	76	2.05
	North Cheshire Trading Estate - North of KCTS	88	0.45

	North Cheshire Trading Estate - South of Halliday Funeral Supplies	89	0.13
		Total	26.18
2. Good Quality Sites			
<p>These Good quality sites fall slightly below the sites within category one, in that they may have some limited development constraints and are not located immediately next to the motorway. The remaining 49.0 ha of allocation should be drawn from these sites, but consideration could be given to releasing or allocating some of the land for other uses up to this level if on balance, the wider evidence base suggests there is merit in doing this. For example, some sites are the subject of emerging residential-led regeneration proposals through the Birkenhead Regeneration Framework and the Wirral Growth Company while others such as Wirral Waters Sky City are proposed for mixed uses.</p>	Former Pallet Centre	3	0.63
	Former Royal Swan Hotel	7	0.23
	Wirral Waters Sky City	22	0.00
	Wirral Waters Marina View	24	0.00
	Twelve Quays Tower Wharf	26	1.06
	Kern's Warehouse	30	0.98
	North of Conway Park Station	45	1.43
	Former Croda Site	64	3.96
	Former Builder's Yard	72	1.01
	Former Tank Farm	73	0.97
	Riverside Office Park	78	3.48
	Former MOD Site	79	8.01
Cammell Laird South	92	13.26	
		Total	35.02
3. Sites in Secondary Locations			
These sites are located in the secondary locations of Eastham and Mid-Wirral. The Mid-Wirral sites	Eastham Dock Estate - Queen Elizabeth II Dock	80	6.52

<p>provide 'Average' rated employment sites and should be allocated to protect some employment land in secondary locations to provide choice and protect against over-reliance on Birkenhead and Bromborough.</p> <p>Unlike the Mid-Wirral sites; the Eastham sites (sites 80 and 81) are rated 'Poor' and are unlikely to come forward for development. However, due to the proximate gas terminal these are not likely to come forward for alternative uses and should be allocated for employment use.</p> <p>West Wirral does not contain any employment development sites, but if any came available these should also be allocated within this category.</p>	Eastham Dock Estate - North Road Tank Farm Complex	81	9.28
	Peninsula Business Park - Moreton	83	1.10
	Premier Brands - North of Access Road	84	1.46
	Premier Brands - South of Access Road	85	1.93
	Tarran Industrial Estate	86	0.25
		Total	20.54
4. Strategic Lower Quality Sites		Total	2.20
<p>One specific site which is rated lower than Good but has strategic importance as part of the MEA Park proposals and should therefore be allocated to protect them.</p>	Birkenhead Dock Estate - Land at Beaufort Road	18	1.80
		Total	1.80
5. Employment Land Portfolio		Total	59.36
<p>General lower quality employment land. These should not be allocated for employment nor removed from the employment land supply. Consideration could be given for these sites for employment or alternative use.</p>	See Appendix 3 and 4 for details of individual sites		
		Total	67.87
6. Remove from Employment Land Supply		Total	3.18
<p>Sites which should be removed from the employment land portfolio due to having existing planning permissions or having residential allocations therefore unlikely to come forward for employment use.</p>	Former TRFC Training Ground	15	1.27
	Wirral Waters - Tower Quay	25	0.00
	Ten Streets Phase 1	35	0.88

	Ten Streets Phase 4	36	0.13
	Rose Brae Phase 2	44	1.97
	Former Rank Bingo	48	0.00
	Land at Riverbank Road	69	0.00
	Riverview Road - East of Tulip	75	0.00
		Total	4.25

Source: Avison Young (2021)

Best Areas by Use Type incl. Example Buildings

Although locational considerations have informed the assessment of individual sites and their overall ratings as detailed above, given the large number of sites rated as 'Good', to guide decisions on the future use of these sites, this section provides more general guidance on the key locational considerations for the main types of employment development considered in this study.

Office (B1a)

Key considerations:

- Visible location
- Proximity to public transport
- Proximity to services
- Access to labour supply

Considering the key considerations mentioned above the most logical location for significant office development is in Birkenhead Town Centre. This is where the greatest number of existing services are located, and it provides the greatest visibility for any new development to attract occupiers to high quality new developments.

However, further to this study there are plans in place to build c. 300,000 sq. ft. of Grade A office space across four buildings within Birkenhead Town Centre as part of the Wirral Growth Company's Birkenhead Commercial District.

Wirral Waters also has the prestige and visibility to be an excellent office location, with office development planned as part of those proposals.

Therefore, given the small amount of office demand it is envisaged that this will be largely accommodated within the Birkenhead Commercial District and Wirral Waters developments and limited extra land will be required.

Other Business Space (B1 b/c, B2)

Key considerations:

- Transport Links
- Site Access
- Access to labour supply
- Supply Proximity Considerations

Areas with good transport links and site access allowing for larger delivery and supply vehicles will be looked at favourably. Consideration also needs to be given to neighbouring uses, considering the potential noisier heavy uses in some of these assets; as well as the road access not disrupting residential communities. Therefore, areas away from the core residential locations but still in close proximity for employees could be looked at favourably.

There are a number of large sites identified which could deliver some of this development. MEA Park will be a key element of this, given the road and site access this site can deliver whilst maintaining close proximity to the local labour supply. Another site which can provide this across a large area and is not troubled by surrounding residential uses is Site 92 – Cammell Laird South. Areas around Bromborough within Wirral International Business Park could also be considered a good location for commercial uses, given the established business park location.

Warehouse (B8)

Key considerations:

- Proximity to motorway network
- Site Access
- Access to labour supply
- Large, square sites

Warehousing is one of the fastest growing sectors of the property industry and therefore is a key consideration for future land supply; as shown by the largest site requirement in Table 10.1. In terms of site location considerations, it is very similar to the Other Business Space section above. However,

even greater consideration needs to be given to proximity to the motorway network for the flow of distribution that these sites are integral to. Therefore, proximity to the M53 is of critical importance.

MEA Park therefore stands out as an optimum location for the delivery of future warehouse supply due to its proximity to the start of the M53 less than 1 mile away. Some of the sites on the North Side of Wirral Waters could also deliver this same proximity, albeit with limited large sites currently available. Site 15 could also provide a quality distribution site (1.3 hectares), given its location immediately next to Junction One Business Park and access to the M56. There is also outline planning consent for 500,000 B2/B8 development on North Road in Eastham. This could also provide an excellent distribution location given the proximity to junction 5 of the M53. Although it must be noted that approximately 50% of the development area is in Ellesmere Port and therefore outside the Borough.

Maritime and Port Uses

Key considerations:

- Proximity to docks
- Neighbouring uses (avoid residential near heavy uses)
- Access to labour supply
- Transport links

Birkenhead still has an active maritime industry with key employers such as Cammell Laird and Atlantic Steel located next to the docks due to the advantages this delivers to their business. The new Maritime Knowledge Hub in Wirral Waters will further establish this as a key industry in the area and Birkenhead as a market leading location for port-based activity.

These businesses naturally need locations close or on the waterfront, as well as being away from unsuitable neighbouring uses due to the noisy and heavy work they undertake. However, as well as the ports it is important that there is also good road access for employees and the road transportation for materials and outputs.

Given the importance of the dock and these businesses in Wirral, it is important that these uses are protected as part of any future development of employment land. Furthermore, many of these occupiers are currently located in East Float, and so in order to deliver the planned Wirral Waters development these key occupiers will need to be relocated. The estimated land for this relocation allowance has been factored into the overall demand for employment land in Section 8. In particular,

potential strategic sites for the delivery of this include the new MEA Park development (sites 18, 19, 20) and Cammell Laird South (site 92).

Future Accommodation

The employment forecasts set out in Section 8 of this report highlight the broad nature of floorspace requirements in terms of the planning use classes required going forward, however these are not particularly helpful in understanding how to realise the delivery of appropriate space to meet future business needs.

To assist in this process, we have sought to provide further guidance on the nature of space that is likely to be required in the future. We draw on a range of examples to help articulate/illustrate the scale and type of offer that is likely to be appropriate. None are prescriptive as local design and space solutions will need to be developed appropriate to their context and prevailing demand.

Based on both the projected needs, wider development and space trends in the City Region and the geographic context we believe the Borough will need to accommodate three core floorspace types.

Distribution and Urban Servicing

The forecasts clearly identify a need to provide B8 floorspace, reflecting wider trends in the economy as people and businesses rely more on direct delivery of goods or stock. Locations with good proximity to a dense urban population (residential and business) as well as good access to the strategic road network have been a focus for both direct operators and third-party logistics companies.

These strategic locations have attracted a significant scale of development, in the City Region this has largely focussed on the delivery of large facilities along the motorway network including the M62, M6 and M56. The location of the Wirral on a peninsula makes it less attractive to strategic distribution activity as it limits the ability to serve multiple markets from one location as confirmed by the LCR SHELMA work on Strategic B8.

However, the mix of economic activity within the Wirral (with an ongoing focus on production across multiple sectors) and a growing population will mean that there is a need to provide a range of distribution/warehousing space going forward. This space is most likely to be needed by third-party logistics operators to service both business and consumer demand for good as well as e-commerce businesses looking to develop efficient servicing strategies for delivery of online purchases by residents.

To meet the needs of this market it is likely that demand would be focussed on the lower end of the distribution size spectrum, with units between 1,000 sq. m. and 5,000 sq. m. most likely to be prevalent. In the main these can be delivered in relatively 'standard' industrial/distribution formats on sites that provide both strategic connectivity and access to the resident population.

However, given the competition for land within the Borough to meet residential needs, the range of other demands for employment space and ongoing changes to the development/property sector, it may be that over the plan period opportunities to deliver new forms of space can be considered that make more efficient use of land.

Given the scale of the distribution space required (and the lease values being achieved) it is unlikely that there will be a demand for significant 'multi-storey' development as has been brought forward in the manner currently being proposed in London (such as Peruvian Wharf, Newham or Bugsby's Way, Greenwich) or is more common in the Far East.

Instead, there may be an opportunity to deliver this space as part of a mixed-use development where 'upper floors' could be delivered as other forms of employment space or indeed residential. Both are expected to become more common in the UK as demand for space grows and the need to have distribution capacity close to residential neighbourhoods increases. The appropriateness of these typologies will depend on the cost and efficiency of access solutions to the upper floors, which are still largely unproven in the UK context.

Of particular interest within the Wirral market will be the ability for the co-location of distribution and other production/workshop space, enabling the Borough to more efficiently accommodate both large and small businesses. There are a variety of these schemes across Europe which highlight their ability to be delivered in a range of contexts and markets.

In the UK there has been a particular focus in London with a number of schemes proposed including the Generator in Alperton, West London which will provide a mix of larger distribution style space at ground floor and lighter workspace within the building's upper floors. This building is proposed and being brought forward by Berkeley Homes in order to allow the balance of the former industrial site to be delivered as housing. Here the housing blocks also provide small workspace in their ground floor 'podiums', aimed more at office and creative activities.

In Europe Belartza Donostia in San Sebastian provides another potential form of development, with medium sized units arranged over two storeys, with LGV ramped access to the upper floor units. Similarly, Gewerbehof Laim in Munich provides a range of spaces over multiple floors with internal

goods lifts, with a total of 11,000 sq. m. of floorspace; the upper floors in this building are targeted at the traditional 'guild' industries within Germany to maintain craft-based production activity.

Figure 10.1: Distribution and Urban Servicing Examples



Source: Avison Young (2021)

Industrious space

In keeping with the Wirral's industrial heritage, the ongoing presence of major manufacturing businesses and the future investment in new production-based facilities, the forecasts for future growth in the borough suggest that there will be a future need for industrial space (i.e. B1(c) and B2) in the Borough.

As considered in the economic analysis in this study the nature of this space will need to reflect a nuanced pattern of need in sectoral terms. Whilst the heavier industrial sectors are forecast to continue to decline the forecasts suggest a range of activities which will require a mix of industrial spaces and these may need to be mixed with office, storage or even 'shopfront' space to allow businesses to trade successfully.

Similar to the split in the distribution sector the need for accommodation for production-based businesses will most likely be divided between larger spaces that will take a traditional form and be located within the designated employment areas and also smaller space for 'lighter' activity that could be delivered in more intensive environments.

Based on the projected nature of future growth, this latter space requirement will need to cater for a range of sectors including creatives, small manufacturers, business service firms and engineering. We refer to this type of product as 'industrious' rather than industrial given the range of applications it has, however common to all is a need for space for the production of goods and, ultimately, their distribution to end users. Such activities range from everyday local services through to high value creative endeavours and would, for example, include printers, micro-breweries, car repairs, clothing production, fabrication, bakers or creative/artisanal production.

Much of this activity already occurs within the Wirral, re-using existing industrial stock or occupying new space on industrial estates. More recently proposals have come forward to repurpose existing industrial stock by sub-dividing existing large volume spaces for SMEs, particularly in the creative sector. This builds on work by Mickeldore for the Council looking at demand and need for creative workspace within the Wirral.

Whilst repurposing has been the focus for this type of space across the UK there are a new generation of purpose-built stock being brought forward across Europe to both support traditional sectors and encourage new activity.

In Sheffield the AMP Building provides a range of 'industrious' spaces over multiple floors served by goods lifts and has a direct focus on providing space for manufacturing, engineering and prototyping. SOAR Works, another project in Sheffield, co-locates light industrial space with a range of studios and even a community facility in a residential setting, allowing businesses to remain part of a mixed community, improving economic sustainability and resilience. In Europe, schemes such as St Jakob Foundation in Zurich are examples of how production-based activity (in this case a bakery) can be co-located with other forms of workspace including offices and space for third sector organisations in more mixed urban environments. The likes of Binck Twins and Kaap Nord, both in the Netherlands provide a similar mix of space.

Figure 10.2: Industrious Space Examples, part 1



AMP Sheffield



SOAR Works



St Jakob's Foundation

Source: Avison Young (2021)

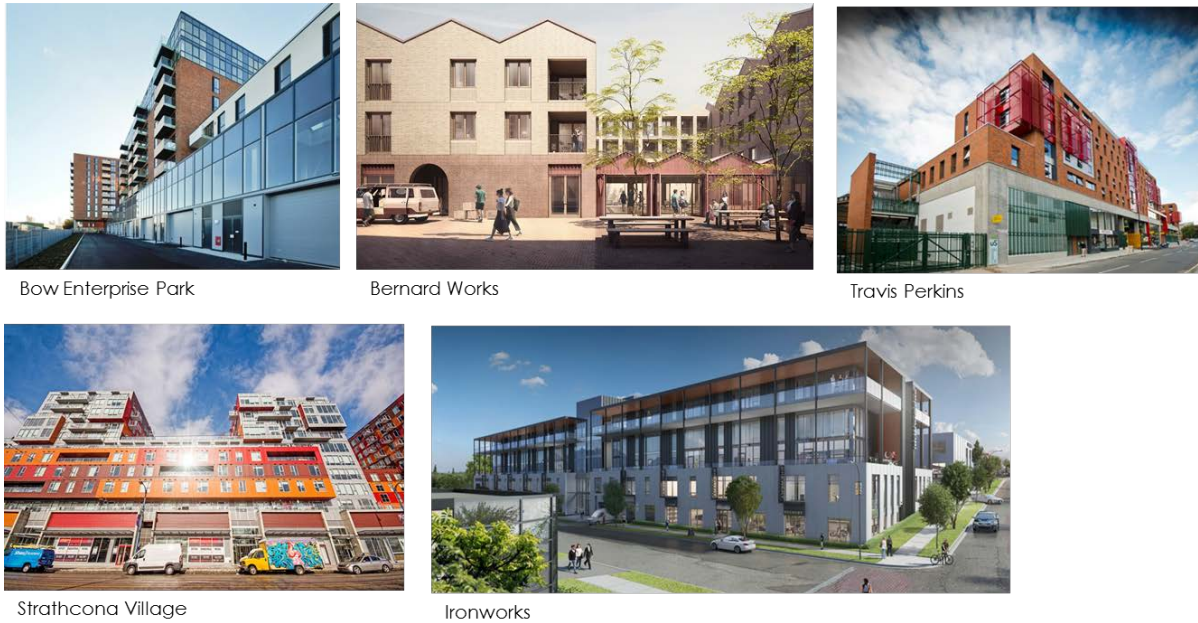
Many of the activities that will occupy this type of space will also offer opportunities for the co-location of activity with residential development offering opportunities to create new space outside of designated employment land, or within former employment land that has been earmarked for residential development. This approach would not only support the retention of businesses within the Wirral, but also help to create more resilient and sustainable neighbourhoods.

A growing number of examples of this type of development now exist, or are in the pipeline, in London including the Peabody/Workspace Group Bow Enterprise Park, Empyrean/Projekt's Bernard Works in South Tottenham or the Travis Perkins development in King's Cross. They are yet to become

more common outside of London, however as housing demand continues to grow, they are expected to become a key feature of future neighbourhoods.

Outside of the UK, Vancouver is pioneering this mixed-use development, the Ironworks provides a mix of industrial, studio and retail/café space in Downtown Eastside supporting the ongoing transition of the area to a wider mix of uses. Strathcona Village now occupies a prominent former employment site in the Strathcona district, mixing small industrial space with retail, leisure and residential development, growing the creative industries within this area.

Figure 10.3: Industrious Space Examples, part 2



Source: Avison Young (2021)

Higher Density Space

The Borough will also experience a need for additional higher density employment space, which will require new forms of development to accommodate activities that will occupy a range of office and studio type spaces.

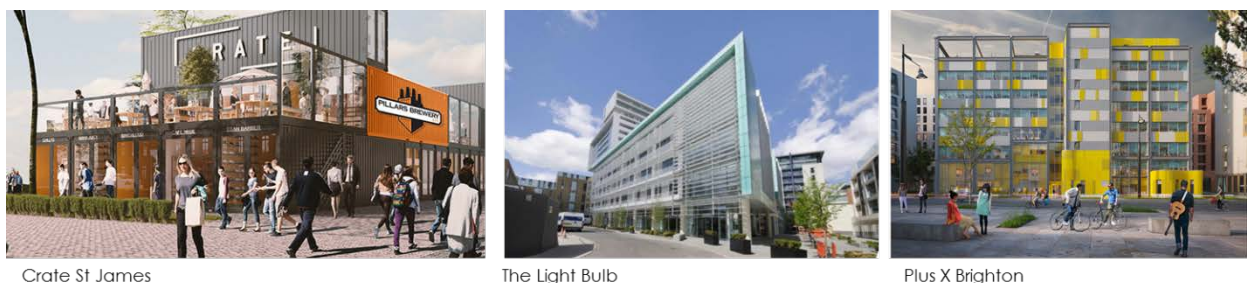
This is likely to require a range of space types, from small studio spaces, flexible co-working spaces through to larger office spaces. However, based on our analysis it is unlikely that the market would seek a significant supply of large scale ‘corporate’ office spaces, which provide large floorplates for single occupiers, outside of Birkenhead and Wirral Waters. Furthermore, it remains to be seen what the impact of COVID-19 on working practices is. With the potential for more flexible working and reduced need to be in the office, reducing the overall need for office space in the future. However, with the pandemic still ongoing at the time of writing it is too early to draw any conclusions on the impact on the office market going forward.

Therefore, across the Wirral more widely, (and indeed within these locations as well) space is likely to be needed as a range of shared spaces that support start-up and grow on of businesses locally. A range of examples exist for this type of space in the Wirral already both as new build and conversion premises, however given the existing built stock in the Borough new build is likely to be the most likely route to realisation.

Temporary space will be a key opportunity to provide affordable higher density office/studio space, particularly where it can be used as a mechanism for establishing demand in longer term development sites. These types of development have become common across the UK with the likes of Crate St James (Walthamstow), Cargo (Bristol) and Pollard Yard Manchester providing (in various forms) higher density, multi-occupier space alongside some wider F+B provision. These have been well received in each market, with all spaces fully let and a high proportion of resident businesses occupying space. There is no clear sector or 'type' of occupier in these developments (ranging from property agents through to dog groomers) which shows the breadth of unmet need that can be revealed and addressed through such provision.

Looking to more 'permanent' developments there are a host of examples of larger shared workspaces across the UK that provide office, studio, workshop and even prototyping space/equipment. The Light Bulb, a Workspace Group development in Wandsworth, has attracted a range of occupiers to its mix of co-working, studio and individual office units whilst Plus X, a new innovation centre in Brighton will provide a similar mix of spaces outside of the city core. Critically Plus X attracts a wider range of sectors by providing a range of shared equipment (laser cutters, CNC Machines, 3d Printers etc) meaning it appeals to small/innovative manufacturers as well as tech, professional services, creative businesses and other traditional office occupiers.

Figure 10.4: High Density Space Examples, part 1



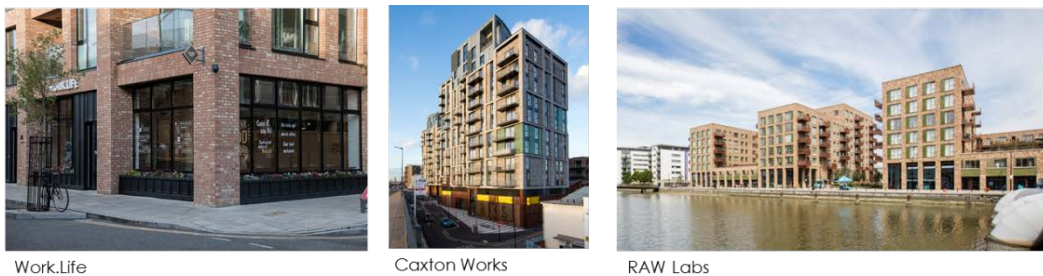
Source: Avison Young (2021)

What is clear from each of these examples is that the supporting offer is critical to the success of this type of space, with businesses seeking vibrant locations where they have access to a wider range of amenities and services. Equally, the ability to network and interact with other similar businesses in a like-minded ecosystem is critical; which will influence both location and building design.

Again, this type of space lends itself to being co-located with other employment uses as shown in some of the 'industrious' space typologies where they occupy upper floors above lower density activities. In London in particular, they have also been integrated into more residential developments, including Leyton Central and developments such as Work.Life in London Fields.

Alongside these 'office' type spaces a range of developments are also including more 'studio' type spaces that still create a higher employment density but are closer to a light industrial unit in form. Both Caxton works and RAW Labs, both within the Royal Docks, are examples where this form of higher density employment space has been delivered.

Figure 10.5: High Density Space Examples, part 2



Source: Avison Young (2021)

Alongside more traditional forms of development these types of spaces can help the Wirral meet the majority of employment needs, based on current projections and market dynamics, where there may be limitations on land supply. By encouraging these more innovative forms of development the borough will have more resilience in its land supply to allow it to adapt to future needs and economic trends.