

Appendix 5 – Socio-Economic Appraisal

Executive Summary

This report has been prepared in order to inform the preparation of the Wirral Waters Strategic Regeneration Framework, which sets out the context against which proposals for Wirral Waters will be developed.

The possibility of bringing forward a major mixed used redevelopment at Birkenhead Docks represents a major economic opportunity for Wirral and the North West more widely. The potential to stimulate large scale investment and development could have a major impact on the economic development and regeneration of not only Wirral but also the Liverpool City Region and the wider North West. It could also make a substantial contribution towards the central aim of the Northern Way Growth Strategy, helping to bridge the £30bn output gap between the regions of the North and the English national average.

An Underperforming Economy

Despite improvements, Wirral has a relatively small and slowly growing economy

Economically, Wirral is **a district that does not punch its weight**. Although it plays an important role in the City Regional labour market – exporting substantial numbers of highly skilled workers to Liverpool, Chester and elsewhere – Wirral has a relatively small and low value economy. It has the **lowest GVA per capita in Merseyside**.

In 2004, Wirral had a GVA per capita of £9,891. This is significantly lower than GVA per capita in Merseyside (£12,448) and the North West (£14,994) and represents only 56.7% of the UK average.

In addition the economy of **Wirral is growing relatively slowly** and as a result is falling behind other parts of the City Region, the North West and the rest of the UK. Although GVA per capita in Wirral has increased by 17% between 2000 and 2004 (an annual average increase of 4%) this growth has been slower than that elsewhere leading to **increased divergence with the wider sub-regional, regional and national economies**.

An alternative measure of the ability of an area and its population to generate wealth is the level of average earnings of those in employment. Within Wirral residence-based earnings (i.e. the earnings of people who live in the district) are relatively high, with mean weekly pay in 2004 standing at £435. This is significantly above levels within Merseyside (+ 9%) and the North West (+6 %). However, workplace-based earnings (i.e. the earnings of those who work in the district) are relatively low, standing at 92% of average workplace based earnings in Merseyside and 89% of those in the North West. This pattern reflects the **ability of many residents in Wirral to access (higher value, higher paid) employment** in neighbouring areas, and the **lower-value added nature of employment within Wirral itself**.

Sustained **and ongoing economic development and regeneration** efforts in Wirral have enjoyed **many significant successes** and have helped to re-position the economy of Wirral, minimising the negative

impact of profound structural economic change and helping to develop and exploit new growth opportunities. An overview of these schemes is provided below. However, despite these ongoing efforts to regenerate neighbourhoods and commercial areas the scale of the economic challenge is such that relative (and in some cases absolute) performance on key economic indicators remains weak.

In stark contrast to the Liverpool City Region as a whole, employment is falling...

Whilst the number of employment opportunities have been rising across Greater Merseyside, the wider City Region and the North West, **Wirral experienced a net reduction (-6.4%) in the total number of employee jobs (some 6,600)** between 1998 and 2005. This fall contrasts sharply with employment gains experienced across Greater Merseyside (+7.9%, driven to a large extent by significant increases in Liverpool) and England (8.4%) over the same period.

Moreover, this **loss of employment has been focused sharply on those areas in Wirral experiencing the greatest socio-economic challenges**. Over **90%** (5,300 jobs) of all employee jobs lost in the district between 2003 and 2005 have been in East Wirral, with the main town of Birkenhead and the district's main industrial areas and docks located here. Moreover, those parts of Wirral in which there is particularly severe deprivation – those areas which fall within the top 10% most deprived in England – have borne the brunt of this employment loss. Almost 4,900 jobs have been lost in these areas since 2003 – approximately **84%** of all employment lost across the district.

Job losses in Wirral have occurred across a number of sectors. However, the *Manufacturing* sector (-4,000 jobs, -26%) has been at forefront of this erosion of employment, accounting for approximately 60% of all Wirral job losses over the period 1998-2005. This decline is in line with sectoral changes across the region and nationally. However, employment in a number of other sectors has decreased within the Wirral whilst increasing within the wider sub-regional, regional and national economies.

Wirral is failing to share in the growth experienced nationally. A key source of employment growth across the UK is *Real estate, renting and business activities*, a broad based sector which includes the business and professional services activities which have helped to drive the growth of employment – particularly higher value added employment – in the wider economy in recent years. Whilst Wirral lost almost 1 in ten jobs in this sector in the period 1998-2005, the sector grew by 26% in England and the North West and by 33% in Merseyside.

Key Drivers of Economic Performance

A local economy which is exposed to further decline...

An analysis of the sectoral composition of Wirral's economy shows that a number of important **higher value added service sectors are under-represented**. Increasing both the absolute level and the proportion of total employment accounted for by these and other higher value added sectors, which tend to trade outside of the local

economy, is a key strategic aim for partners in Wirral, Greater Merseyside and the Liverpool City Region.

Not only are a number of important growth sectors under-represented in Wirral but there is also an **over-representation of sectors which are undergoing long-term decline**. Most notable amongst these is the *Manufacturing* sector, which accounts for 15% of total employment compared to 13% in England as a whole. Despite the large scale reduction of recent years, Wirral and Greater Merseyside remain exposed to ongoing rationalisation, competition and employment loss in the manufacturing sector. This risk is exacerbated by the profile of the *Manufacturing* sector within the Wirral.

A **relatively high proportion of working age residents in Wirral hold higher level qualifications**. Many of these residents commute out of Wirral to access employment. However, like Greater Merseyside as a whole, **a high proportion (17.9% compared to a 14.1% national average) hold no qualifications at all**. This equates to some 32,700 working age adults. These residents, who are at great risk of labour market instability and exclusion, are **disproportionately concentrated within eastern Wirral**. According to Census 2001 data, 43% of the working age population in Wirral's 10% most deprived areas hold no qualifications (some 22,500 people)

Both Wirral and Greater Merseyside also suffer from **a substantial enterprise gap**. In order to reach the English national average business density (the number of firms relative to total population), Wirral would need to secure an increase of some 4,200 VAT

registered businesses (an increase of 76% on existing stock). This profound business and enterprise gap **acts as a major brake on the economic growth prospects** of Wirral, reducing the rate at which employment can be created and restricting Wirral's ability to seize new opportunities and create new wealth.

Too few residents in Wirral participate in the economy. Economic inactivity is a major issue in Wirral accounting for almost a quarter of all working age residents. Inactivity is linked to a range of factors including high levels of ill health (one third of residents are inactive due to this) and low levels of skills amongst the resident population. In order to reduce levels of inactivity in Wirral to the national average, over 13,000 residents would have to re-enter the labour market. A large majority of these residents live in eastern Wirral and previous studies (both in Wirral and elsewhere) have demonstrated the importance of ensuring a range of employment opportunities in close proximity to areas of need in order to tackle high levels of worklessness.

Socio-Economic Conditions

The Scale of Social and Economic Challenges

Wirral faces a number of major and inter-related socio-economic challenges. These include:

Population loss: Wirral has experienced a long-term decline in its overall population. Since 1981 the district's population has declined by 8% (over 27,000 people). This has been led by the most mobile members of the workforce (young adults) and is likely to be

associated with the availability of employment and career development options. However, there is some evidence that the population loss experienced across in districts across Merseyside has been halted or at least slowed in recent years.

- **Low economic activity rates:** Although economic activity rates have improved within Wirral in recent years (driven by growth in the employment rate), they are still below average national and regional averages. Wirral would require an additional 15,700 people in employment to match national rates of employment. Moreover, inactivity rates across East Wirral and within particular communities are particularly high.
- **High Levels of Deprivation:** Wirral district is ranked as the 75th most deprived district in England. However, the district's overall score on the Index of Multiple Deprivation to some extent masks the true character of deprivation in Wirral. The pattern of deprivation is extremely polarised and there are stark contrasts across the district, with high levels of deprivation within eastern Wirral and highly attractive and affluent residential areas primarily focused on western Wirral. This deprivation is driven by high levels of worklessness and low average incomes. More fine grained analysis highlights the deprivation challenge in Wirral, showing that in eastern Wirral deprivation is both acute and widespread:
 - *Rank of Extent: This measures the proportion of a district's population living in the most disadvantaged parts of England, with Wirral ranked 15th in England.*
 - *Rank of Local Concentration: This is a measure of the intensity of deprivation in particular locations, with Wirral*

ranked 8th in England (within the top 3% most deprived districts).

Future Prospects

Weak demand conditions have made their mark on Wirral ...

The issues discussed above – a relatively small and lower value-added economic base and a greater reliance on sectors with poor or limited growth prospects – are longstanding. Particularly in eastern Wirral, the **long-term consequences of weak economic performance can be seen in the physical, economic and social fabric.**

.... making it harder for many parts of the district to seize new opportunities

Many parts of Wirral, again particularly eastern Wirral, are currently trapped within a **low-value equilibrium** in which lower earnings, reduced economic and employment opportunities, and lower private investment (from both businesses and residents) serve to further restrict prospects for economic growth and regeneration. **Many parts of the district have become geared towards low value activities** and this is reflected in the physical environment, relatively low wages, low level qualifications and poor educational attainment, and in high levels of deprivation. It is also reflected in the health and well-being of the population. This is a key concern in its own right but also serves to hamper economic development prospects. An inactive, unhealthy and unskilled workforce is not an attractive labour resource for many investors. Allied to issues of poor environment in

residential and business locations, these are constraining factors for future investors in the district.

Despite ongoing efforts to regenerate neighbourhoods and commercial areas many of these parts of Wirral currently **lack (or are perceived to lack) the supply-side offer – high quality sites and premises, attractive living and working environments and large reserves of skilled labour** - required to attract new investment in housing, commercial property and labour markets. Major and sustained improvements in the quality of Wirral's overall offer are required to overcome this.

However, Wirral is also able to offer a very high quality of life in attractive residential communities, focused primarily within western Wirral. These communities represent an important economic asset for Wirral and for the Liverpool City Region more widely, helping the area to attract and retain highly skilled workers, often in professional and managerial occupations.

It is not only a lack of employment opportunities which can have an impact economically for Wirral. Due to a lack of quality retail and leisure destinations some residents choose to spend their disposable income outside Wirral in retail centres in Liverpool, Chester and Manchester, and across the region. There is therefore **significant 'leakage' of resident spend away from Wirral** which could be captured through additional investment in retail and leisure facilities in the district.

Previous and planned regeneration and economic development activity will only take Wirral and the City Region so far...

Although long-term economic development and regeneration initiatives have attempted to reverse the cycle of socio-economic problems facing the most deprived areas of East Wirral and have enjoyed some significant success (see below) , it is clear that **economic growth (as evidenced by GVA growth and GVA per capita) in Wirral continues to lag that of Merseyside and the North West**. It is also clear that there is a **hard-to reach 'core' of residents** in areas of Wirral on whom regeneration activity has had little or no impact. They typically have low aspirations and different attitudes and approaches to dealing with the issues affecting their lives such as unemployment, poor environment and poor health.

For residents who have been helped by regeneration initiatives it is quite usual for them to decide to relocate away from their community once they have the opportunity. People who have the ability to move normally tend to do so, thus further reinforcing the socio-economic issues prevalent in the area. Long-term and sustained regeneration of these neighbourhoods – many of which are located close to the Wirral Waters site – is dependent on their ability to offer the economic and employment opportunities, the housing offer and the wider quality of life required to attract and retain increased numbers and a wider range of residents.

The scenario analysis undertaken in support of the Liverpool City-Region Development Programme¹ clearly demonstrates the gap in performance between the City Region and the North West and UK economies (a gap which would be significantly larger when the City Region is compared to the best performing economies in the UK). The Baseline Scenario, in which the City Region continues to underperform relative to the North West and UK, results in an improvement on long-term growth rates but continued divergence in terms of GVA per capita.

However, as noted by the report's authors, future prospects for Merseyside and the Liverpool City Region are unlikely to follow a 'business as usual' path as a result of recent and ongoing improvements in the physical environment of the economy (sites and premises etc.). In assessing all the strategically significant development projects either in delivery or planned, it is estimated that there is the potential to create 120,000 gross jobs above trend by 2020 (Scenario 2) if all were delivered to their full potential. It is estimated that 62,000 (51.7%) of these jobs may be displaced from elsewhere in the City Region. Despite this, if achieved, these projects will result in the Liverpool City Region achieving higher growth than, and therefore convergence with, the UK as a whole.

It is also notable that a high proportion of the growth associated with the development projects is expected to come from those

¹ 'Liverpool City Region Economic Projections and Prospects', Cambridge Econometrics and SQW Consulting, October 2007.

projects that are either in delivery or soon to enter delivery. The authors estimate that by 2015, only 18% of the potential impact on the economy forecast by 2020 is from *pipeline* projects (those at a much earlier stage in the planning and development process). Beyond 2020, this situation changes as the two major pipeline projects, Wirral Waters and Liverpool Waters, are modelled as potentially coming *on stream*.

The level of GVA per worker in Scenario 3 is similar to that under the Baseline (trend-based) scenario. This reflects an assumption in Scenario 2 about labour productivity (with no major increases in the productivity achieved within individual sectors) and the sectoral composition of the above trend activity (with 40-45% of jobs directly linked to the strategic projects falling within relatively low value-added/ low productivity sectors such as retailing, distribution, hotels & catering and other leisure/ tourism related services. The scenario analysis also clearly demonstrates the importance of not only securing an expansion of output but of **securing major improvements in productivity**.

Whilst vital, then, the delivery of a higher quality physical commercial environment will not alone meet partner's aspirations for economic growth. The authors note that in order for these aspirations to met, the new sites and premises delivered must be filled with nationally and internationally competitive firms that are able to create and sustain significant numbers of higher value-added, higher paid jobs. Moreover, local partners must ensure that the

workers in these jobs choose to live as well as work within the Liverpool City Region rather than commute in from outside. Creating the residential and quality of life offer to attract and retain these more highly skilled residents is vital to capturing the full economic impact of these new developments (e.g. harnessing the multiplier effects associated with increased disposable incomes).

To this end, there are a number of key and long-term challenges identified:

- Creating and maintaining an **attractive residential offer** and a strong quality of life (housing, schools, neighbourhoods etc.) offer in order to attract and retain skilled residents;
- **Address current and future skills deficits** in the existing workforce;
- **Expanding the labour force** through migration and action to bring more existing residents into the labour market, removing barriers to employment and encouraging job retention and progression
- **Attracting and developing higher value added activity** at an accelerated rate, particularly through the expansion of higher value added business services activity. Attracting inward investment and a substantial increase in levels of indigenous entrepreneurship will be key to this.
- **Action to improve labour productivity.** Irrespective of sectoral composition, there is an ongoing and pressing need

to ensure that productivity across the economy is improved (e.g. improving basic skills, encouraging the development of higher level skills).

Introduction

- 5.1 Wirral Waters represents a major economic opportunity for Wirral and the North West region more widely. Its high profile positioning across the Mersey and facing the resurgent Liverpool City Centre together with its distinctive docklands setting make the area an ideal location in which to bring forward a major mixed-use redevelopment.
- 5.2 Such a redevelopment has the potential to become truly transformational in scale and quality, and to alter fundamentally the nature and performance of commercial, residential, leisure and retail markets in Wirral, repositioning the district as a major international investment destination.



Figure 5/1: Wirral Waters Location

- 5.3 The Wirral Waters site occupies a large area within the historic docklands of Birkenhead (see **Figure 5/1**). Although this area does contain a significant number of existing businesses it has, like many other former industrial and dockside locations, suffered from a long period of industrial change and decline. However, in many cities around the world waterside regeneration initiatives which encourage commercial, residential and leisure uses in such areas have proved

important mechanisms to catalyse both public and private sector investment and in helping to create successful mixed-use neighbourhoods. The Wirral Waters site, with its high profile location and distinctive waterside layout, offers the opportunity to deliver a truly world class scheme. Figure 5/2 below shows the location of the Wirral Waters site, demonstrating its proximity to Liverpool City Centre and its position at the heart of the eastern Wirral's urban core.

Figure 5/2: Wirral Waters Location in the context of local settlements



Source: Digital Mapping Solutions from Dotted Eyes. © Crown Copyright 2006. All rights reserved. Licence number 100019918. ONS © Crown Copyright

5.4 Large scale private investment in Birkenhead's docklands has the potential to have a major impact on the economic development and regeneration of not only Wirral but also the Liverpool City Region and the wider North West. It could also make a major contribution towards the central aim of the Northern Way Growth Strategy, helping to bridge the £30bn output gap between the regions of the North and the English national average.

5.5 In developing proposals for Wirral Waters, private and public sector partners are committed to ensuring that their impact – in terms of local, sub-regional and regional economic development and in terms of local regeneration – is maximised. Partners are keen that the ongoing development of these proposals is both grounded in and shaped by a strong appreciation of the economic development and regeneration context against which the scheme will emerge. To that end this report has been prepared in order to inform the Strategic Regeneration Framework, which sets out the baseline conditions, key strategic issues, development challenges and opportunities for development at Wirral Waters.

5.6 This report is structured as follows:

- **Section 2 – Economic Development Policy:** This section brings out the key messages of the Policy Review at Appendix 1 to the Baseline Study.

- **Section 3 - Economic Performance:** a review of recent economic performance – in terms of employment and wealth creation – in Wirral, the wider sub-region and in the North West and an examination of current economic structures.
- **Section 4 – Socio-Economic Conditions:** a comparative examination of socio-economic conditions within the region, focusing on conditions within and around the district of Wirral.
- **Section 5 – Wirral’s Economy Tomorrow:** an assessment of economic growth prospects for Wirral and for the wider Liverpool City Region.
- **Section 6 – Case Studies:** a review of key messages and lessons learned from comparable developments from around the world.
- **Section 7 – Key Opportunities:** identification of the key opportunities which may help to promote investment at Wirral Waters and to maximise economic and regeneration impacts.

Economic Development Policy Context

5.7 The following key messages can be drawn from the review of the economic development policy context against which proposals for Wirral Waters will be developed (see Appendix 1):

- **The importance of raising Gross Value Added (or output):** Closing the £29bn output gap with the rest of England is a the primary goal of the Northern Way and this need to increase GVA – the total value of economic activity - is reflected in the North West RES, sub-regional policy documents and in local economic development policy documents. This will require a substantial expansion of local and regional economies.
- **The need to tackle worklessness.** Bringing more residents into employment is a central aim of national, regional and local partners. The Wirral Full Employment Strategy seeks to raise Wirral's employment rate to 76% by 2012, helping an extra 9,500 residents into employment. It sets out a programme of action to raise aspirations, remove barriers to employment, promote employer engagement, ensure that education and training meets the needs of employers and action to improve job retention and career progression. The Strategy will be implemented within the framework provided by the City Employment Strategy, which will seek to link employment opportunity and need across the City Region. Proposals such as Wirral Waters will act as major drivers of economic and employment growth and it is vital that partners respond as early

and as effectively as possible in order to help local people capture the resulting employment opportunities.

- **The need to promote accelerated change in the nature of the business base:** despite recent good progress the economies of the Northern Way area still contain an over-representation of lower valued-added and mature industries and an under-representation of higher value added and higher growth activities. Reversing this pattern through attracting and developing a larger business base in a range of target sectors, such as business, financial and professional services, is a goal shared by all of the documents reviewed and will be central to efforts to raise productivity.
- **The need to compete for and win investment internationally and domestically:** Economic development policy at all levels is built upon a firm understanding of the need to compete for and win investment internationally.
- **Boosting levels of enterprise and entrepreneurship:** The role that an enterprise deficit plays in restricting economic growth is well recognised and many of these strategies identify a range of actions to boost start-up and survival rates and to encourage existing firms to be more ambitious and enterprising. Partners in Wirral are seeking to address this through the development of the recently prepared Wirral Enterprise Strategy, which sets out a range of actions to help achieve three Priorities – Creating an Enterprising Culture, Providing the Infrastructure for Enterprise and Building on Existing Enterprise.
- **The increased importance of private sector investment in**

economic development and regeneration: Public sector resources allocated to economic development and regeneration in Merseyside – particularly for physical development – are set to contract. This further emphasises the importance of attracting and maximising the impact of private sector investment in order to maintain and build upon the good progress of recent years and to tackle the major challenges that still remain.

- **The need for increased co-ordination of investment in economic development and regeneration:** Although public sector resources available for economic development and regeneration will contract in over the next few years, substantial resources will continue to be available. Local policy, as set out in the Local Strategic Partnership’s Local Area Agreement and in Wirral Council’s Investment Strategy, recognises the need to ensure that public sector action and investment across a range of service areas are co-ordinated and that they complement and support private sector investment in the borough. The Wirral Investment Strategy places the growth of the local economy as its top priority and recognises that, although past policies have delivered against their objectives, the scale and pace of regeneration activity must be sharply increased if present and future challenges are to be addressed.
- **Developing and exploiting key assets:** Northern Way policy, the RES and sub-regional policy (Liverpool City Region CRDP and Merseyside Action Plan) all place great emphasis on the importance of improving and exploiting key assets and opportunities in order to attract investment and to raise

competitiveness. In Merseyside, the importance of exploiting waterfront opportunities on both sides of the Mersey (in Liverpool and Wirral) is emphasised. The Wirral Investment Strategy seeks to accelerate economic development and regeneration by supporting efforts to realise the potential of Wirral’s latent and untapped assets, including the regeneration opportunities offered by Wirral’s waterfront and docklands, the excellent quality of life available in the district (particularly to the west of the district) and its growing tourism and residential offers.

- **Attracting and retaining skilled workers:** There is a strong recognition of the need to attract and retain skilled workers in order to ensure that businesses are able to draw upon well-qualified and able staff. This requires the ability to offer a high quality of life, including suitable employment, residential and leisure opportunities.

Economic Performance

- 5.8 In this section we provide an overview of the economies of Wirral and the wider sub-region. This overview considers both the *performance* - in terms of wealth creation and employment - and the *structure* of these economies. In doing so it considers both the longer term relative underperformance of Wirral and Greater Merseyside but also highlights the improved performance of more recent years.
- 5.9 We also identify a number of fundamental challenges which will need to be addressed in order to ensure that Wirral and Greater Merseyside are able to take full advantage of future economic opportunities and to tackle the consequences of past underperformance.

Historical performance

- 5.10 The development of Wirral as an industrial and commercial centre is inextricably linked to the growth of, and change within, maritime industries. Shipbuilding and port operations were central to Wirral's economic development in the nineteenth and twentieth centuries and they continue to make a mark on economic development prospects today, for example, helping to shape labour market conditions and

providing a distinctive legacy of industrial and commercial sites and premises.

- 5.11 Over 1,100 vessels were built at the shipyards in Birkenhead between 1829 and 1947, including the *Mauretania*, *HMS Ark Royal* and *HMS Prince of Wales*. These shipyards were also responsible for a number of important milestones and innovations in maritime history including the construction of the world's first steel ship (the *Ma Roberts* in 1858), and the world's first all-welded ship (the *Fullagar*) in the 1920s. At its height, the shipbuilder Cammell Laird employed more than 16,000 workers and supported a large maritime industry supply-chain, including marine engine builders, instrument manufacture and ship repairers.
- 5.12 However, shipbuilding on the Mersey declined substantially after the Second World War as it did across the UK, as a result of increased competition from overseas shipyards. In just the ten years between 1971 and 1981, total employment in the *shipbuilding and marine engineering* sector across Merseyside as a whole fell from over 3,000 to just 900. The last ship to be built on the Mersey, *HMS Unicorn*, was launched in 1993, by which time total employment at the shipyards was just a few hundred workers. However, despite this prolonged decline

the Wirral retains a modest but important ship repair and marine engineering sector.

- 5.13 The decline of port employment in Merseyside and elsewhere is well documented. Massive productivity improvements through containerisation and the expansion of Roll-on Roll-off (Ro-Ro) traffic have resulted in major reductions in the number of people required to work at docks around the world. It is estimated that 140,000 workers were employed in the port industry in the UK forty years ago and this has now fallen to approximately 55,000. Over the same period, freight traffic through UK ports has increased by 75%, rising from around 330m tonnes in 1965 to over 570 tonnes in 2004²
- 5.14 A range of new employers have been attracted to Wirral over a number of years, helping to diversify the economic base. These include both major international firms and indigenous enterprises, broadening the economic base to include sectors such as food & drink, pharmaceuticals, biotech, electrical engineering and chemicals. Many of these industries remain exposed to further decline. There has, as elsewhere, been a major expansion of service sector employment although too

² 'Port Employment and Accident Rates', Department for Transport, November 2005.

much of this has been in lower value added activities. As discussed in Section 4 below, much local economic development activity is now focused on attracting or supporting the growth of Small-Medium Enterprises (often through the development of new sites and premises).

Wirral's Economy Today

Wirral's economy is not yet punching its weight in terms of wealth generation...

- 5.15 An important measure of the economic performance of an area in terms of wealth generation is the level of Gross Value Added. This is a measure of the contribution to the economy of each individual producer, industry or sector in the United Kingdom³. In 2004, total GVA generated in Wirral stood at £3.1bn. As shown in Table 5/3 below, the total GVA generated in Wirral increased by 17% between 2000 and 2004 (an annual average increase of 4.0%). This rate of growth is significantly below that achieved nationally (annual average growth of 5.6% in the UK), in the North West (5.2%) and Merseyside as a whole (5.5%).

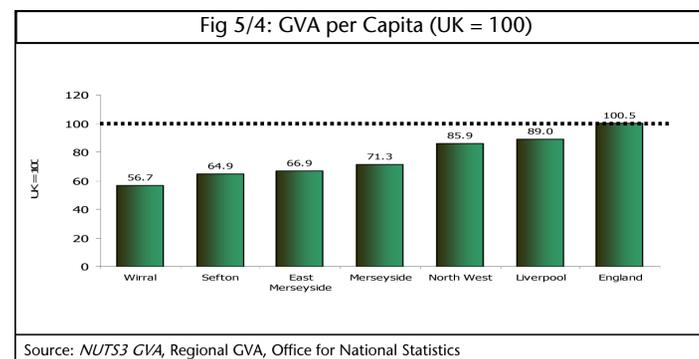
³ It represents the output or surplus generated from selling products and services less costs of production e.g. costs of raw materials.

	2000	2001	2002	2003	2004	Change 2000 – 2004	
						% Change	Annual Average % Change
East Merseyside	2 976	3 213	3 437	3 620	3 812	28%	6.4%
Liverpool	5 556	5 776	6 094	6 492	6 903	24%	5.6%
Sefton	2 532	2 681	2 847	3 019	3 190	26%	5.9%
Wirral	2 642	2 743	2 848	2 966	3 096	17%	4.0%
Merseyside	13 707	14 412	15 226	16 096	17 001	24%	5.5%
North West	83 684	87 763	91 859	96 828	102 366	22%	5.2%
England	701 153	738 592	780 485	828 186	878 247	25%	5.8%
United Kingdom	840 979	882 753	930 297	985 558	1044 165	24%	5.6%

Source: NUTS3 GVA, Regional GVA, Office for National Statistics.
 Note: 2004 is the most recent year for which regional GVA data is available.

5.16 Another way to examine economic performance is to consider GVA per head of population. In 2004, Wirral had a GVA per capita of £9,891. This is significantly lower than GVA per capita in Merseyside (£12,448) and the North West (£14,994) and represents only 56.7% of the UK average. This low GVA per capita is a reflection of both the relatively small economic base within Wirral and of the role that Wirral plays in wider sub-regional and regional labour markets. Statistics for regional and sub-regional GVA are compiled on a workplace basis (rather than by place of residence) and Wirral is a significant net exporter of labour to employment markets in Liverpool, Chester and elsewhere. This includes a large proportion of highly skilled workers, drawn and retained within Wirral (and indeed Merseyside) by the quality of life

available in the district (particularly in communities in western Wirral).



5.17 Although GVA per capita in Wirral has increased by 17% between 2000 and 2004 (an annual average increase of 4%) this growth has been slower than that elsewhere leading to increased divergence with the wider sub-regional, regional and national economies.

	2000	2001	2002	2003	2004	Change 2000 - 2004	
						% Change	Annual Average % Change
East Merseyside	9,070	9,793	10,496	11,071	11,676	29%	6.5%
Liverpool	12,456	13,071	13,798	14,692	15,530	25%	5.7%
Sefton	8,938	9,479	10,104	10,721	11,321	27%	6.1%
Wirral	8,347	8,707	9,060	9,450	9,891	18%	4.3%
Merseyside	9,975	10,537	11,153	11,798	12,448	25%	5.7%
North West	12,353	12,958	13,542	14,230	14,994	21%	5.0%
England	14,241	14,936	15,721	16,612	17,532	23%	5.3%
United Kingdom	14,281	14,933	15,682	16,549	17,451	22%	5.1%

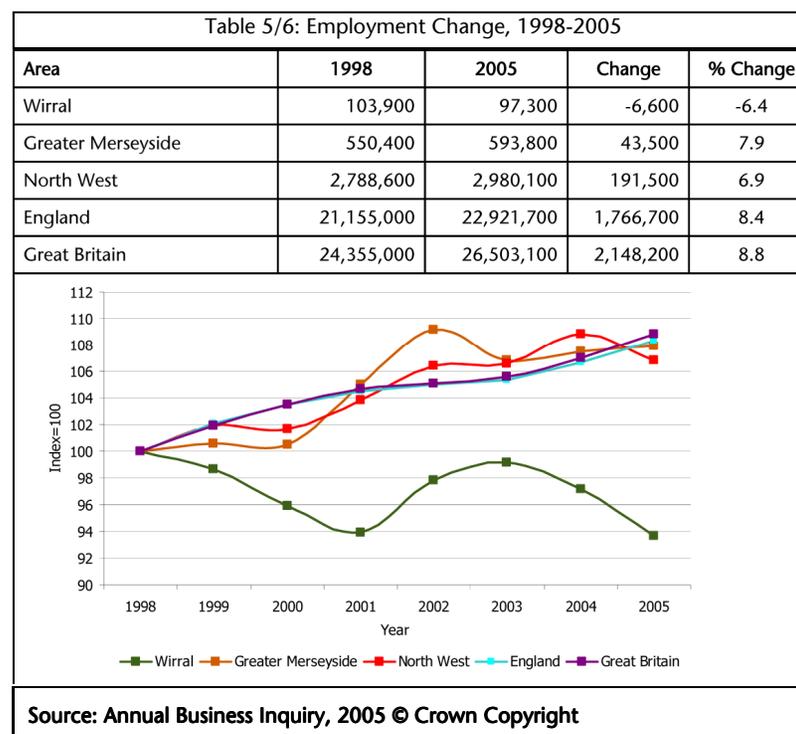
Source: NUTS3 GVA, Regional GVA, Office for National Statistics

5.18 An alternative measure of the ability of an area and its population to generate wealth is the level of average earnings of those in employment. Within Wirral residence-based earnings (i.e. the earnings of people who live in the district) are relatively high, with mean weekly pay in 2004 standing at £435. This is significantly above levels within Merseyside (+9%) and the North West (+6%). However, workplace-based earnings (i.e. the earnings of those who work in the district) are relatively low, standing at 92% of average workplace based earnings in Merseyside and 89% of those in the North West. This pattern reflects the ability of many residents in Wirral to access (higher value, higher paid) employment in neighbouring areas, and the lower-value added nature of employment within Wirral itself. Average earnings are considered in more detail below.

Employment levels which are falling...

5.19 In stark contrast to the performance across Greater Merseyside and in the wider economy, Wirral has experienced a net reduction in the total number of employee jobs. Table 2.3 shows that the number of employee jobs across Wirral **fell** by 6.4% (a net reduction of some 6,600 jobs) between 1998 and 2005. Despite some positive increases in job creation in the district between 2001 and 2003, the numbers of employee jobs fell to it lowest point over the seven year period (97,300).

This fall contrasts sharply with employment gains experienced across Greater Merseyside (+7.9%, driven to a large extent by significant increases in Liverpool) and England (8.4%) over the same period.



With job losses concentrated in areas of greatest deprivation...

5.20 Recently released data allow us to consider estimated employment change at a very local level (from 2003 onwards), using small Census units known as Super Output Areas (SOAs). During the period 2003- 2005, the total number of employee jobs fell significantly (by 5,800 jobs, 5.6%). The majority of employment in the Wirral has – like the population – historically been concentrated in the eastern part of the district. It is not surprising therefore that over **90%** (5,300 jobs) of all employee jobs lost in the district between 2003 and 2005 have been in East Wirral, with the main town of Birkenhead and the district’s main industrial areas and docks located here.

5.21 Analysing employment change in the most deprived SOAs in the Wirral (those in the top 10% most deprived in England) shows that employee jobs have fallen significantly within this area. Almost 4,900 jobs have been lost here since 2003 – approximately **84%** of all employment lost across the district. Although not all jobs in this area would be accessed by residents of these SOAs, this significant decline in employment will further reduce the employment opportunities available for residents, and further **compound** some residents’ experiences

of employment deprivation. Previous research in the Wirral⁴ and elsewhere has demonstrated the importance of ensuring that there is a good supply of suitable employment opportunities within close proximity to areas of deprivation, given the relatively short travel-to-work distances associated with lower paid employment.

Significant employment loss within the Manufacturing sector...

5.22 Table 5/7 shows that job losses in Wirral have occurred across a number of sectors. However, the *Manufacturing* sector (-4,000 jobs) has been at forefront of this erosion of employment, accounting for approximately 60% of all Wirral job losses over the period 1998-2005. This decline is in line with sectoral changes across the region and nationally.

Area	2003	2004	2005	Change	% Change
Wirral	103,000	100,900	97,200	-5,800	-5.6%
East Wirral	72,700	70,900	67,400	-5,300	-7.3%
West Wirral	30,300	30,000	29,800	-400	-1.5%
Most Deprived SOAs	41,800	40,200	36,900	-4,900	-11.6%

Note: SOA based employment data is only available from 2003 onwards.
Source: Annual Business Inquiry, 2005 © Crown Copyright

⁴ *Transport and Accessibility Improvement Study: Employment and Skills Issues*, Mersey-Dee Alliance, 2003.



5.23 However, employment in a number of other sectors has decreased within the Wirral whilst increasing within the wider sub-regional, regional and national economies. Of most concern here is *Real estate, renting and business activities*, a broad based sector which includes the business and professional services activities which have helped to drive the growth of employment – particularly higher value added employment – in the wider economy in recent years. Whilst Wirral lost almost 1 in ten jobs in this sector, the sector grew by 26% in England and the North West and by 33% in Merseyside.

5.24 Other sectors which have experienced employment decline in Wirral, but which do not follow regional and national employment trends, include the *Wholesale and retail trade* (-8% or -1,500 jobs), *Hotels & restaurants* (-11% or -800 jobs), *Financial intermediation* (-16% or -300 jobs), *Construction* (-15% or -800 jobs) and *Public Administration* (-13% or -900 jobs).

Industry	Wirral		Greater Merseyside	North West	England
	<i>Absolute Change</i>	<i>% Change</i>	<i>% Change</i>		
Manufacturing	-4,000	-26%	-29%	-28%	-27%
Construction	-800	-15%	10%	15%	12%
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	-1,500	-8%	-2%	5%	6%
Hotels and restaurants	-800	-11%	-4%	9%	14%
Transport, storage and communication	300	9%	15%	9%	11%
Financial intermediation	-300	-16%	17%	9%	-1%
Real estate, renting and business activities	-1,600	-11%	33%	26%	26%
Public administration and defence; compulsory social security	-900	-13%	13%	7%	6%
Education	-800	-8%	23%	28%	32%
Health and social work	3,600	24%	32%	27%	25%
Other community, social and personal service activities	300	5%	3%	19%	20%

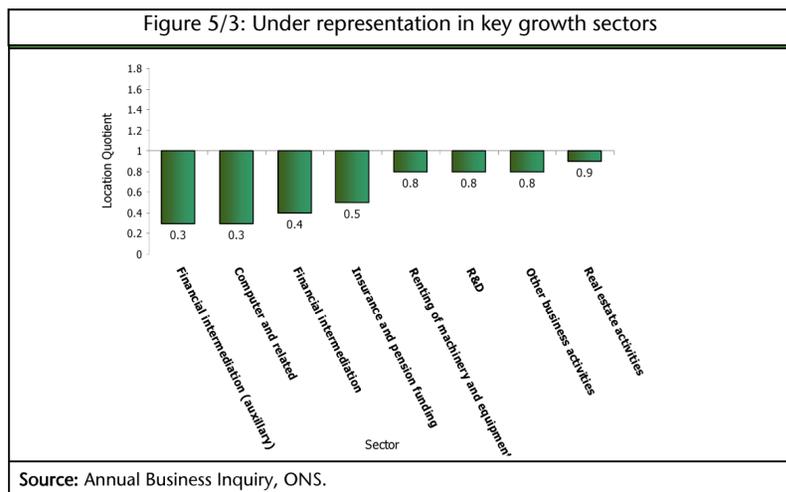
Source: Annual Business Inquiry, ONS.

An under-representation in key growth sectors

5.25 Table 5/8 above demonstrated that Wirral has experienced a reduction in employment in a number of sectors which have helped to drive employment growth in the wider economy, most notably within key service sectors. The results of a location quotient analysis⁵ – assessing the importance of

⁵ Location quotients are used to assess the extent to which a sector is under or over-represented in a particular area, comparing the significance of the sector in that area to the scale of the sector nationally. A location quotient

employment in key sectors within Wirral relative to the national average – are presented in Figure 5/3. This shows that a number of the important **higher value added service sectors are under-represented** within Wirral’s economy. Increasing both the absolute level and the proportion of total employment accounted for by these and other higher value added sectors, which tend to trade outside of the local economy, is a key strategic aim for partners in Wirral, Greater Merseyside and the Liverpool City Region.



(LQ) of 1 indicates that the significance of the sector in the local area is the same as that nationally. A LQ of less than 1 indicates that the sector is significant locally than nationally whilst a score of more than 1 indicates the reverse.

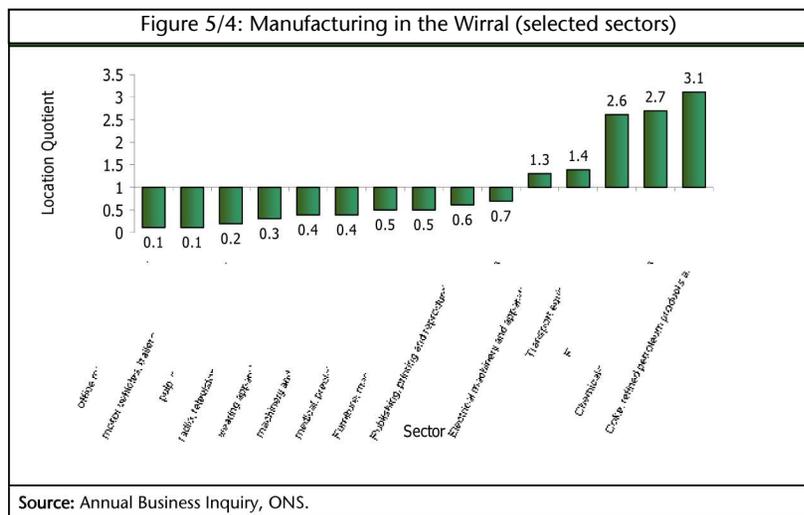
A local economy which is exposed to further decline...

5.26 Not only are a number of important growth sectors under-represented in Wirral but there is also an over-representation of sectors which are undergoing long-term decline. Most notable amongst these is the *Manufacturing* sector, which accounts for 15% of total employment compared to 13% in England as a whole.

5.27 Although Wirral’s manufacturing employment base has fallen sharply in recent years (a net reduction of 4,000 jobs, 26% of manufacturing employment, in the period 1998 – 2005), Wirral and Greater Merseyside remain exposed to ongoing rationalisation, competition and employment loss in the manufacturing sector. This risk is exacerbated by the profile of the *Manufacturing* sector within the Wirral.

5.28 An analysis of location quotients (shown in Figure 5/4) for each of the key sub-sectors shows a small number of mature industries are significantly over-represented – food manufacture, chemicals and petrochemicals (together accounting for 60% of all *Manufacturing* employment in Wirral).





... and an overdependence on lower value-added local service markets

5.29 Both in Wirral and in Greater Merseyside, a number of service sectors that draw largely on local markets account for a relatively high proportion of total employment. These include *Retail* which accounts for 13% of total jobs and employs over 13,000 full and part time workers. This level of employment is approximately 20% above that implied by the English national average.

A business base that lacks dynamism and has a reduced ability to create employment and wealth...

5.30 Rates of new firm formation in the Wirral are somewhat short of national and regional levels. In 2005 there were only 22 VAT registrations per 10,000 resident adults in Wirral. This was below the average of 24 per 10,000 adults in Greater Merseyside, which is in turn well short of the English average (38 per 10,000 adults). In order to match the English national average for 2005 Wirral would need an additional 385 VAT registrations, an increase of 68% on the actual number of registrations.

5.31 However, even this major uplift in new VAT registrations would on its own do little to close the large gap in Wirral’s business base. Business density (defined as the total VAT registered business population per 10,000 adults) is just 220 in Wirral compared to 321 in the North West and 388 in England. In order to reach the level in England as whole Wirral requires another 4,200 businesses, an increase of 76% on the current stock. This profound business – enterprise gap acts as a major brake on the economic growth prospects of Wirral, reducing the potential rate at which new employment can be created and restricting Wirral’s ability to seize new opportunities and create new wealth.



5.32 The impact of this business gap is exacerbated by the profile of the business base in Wirral, and in Merseyside more widely. As with employment, the business base in Wirral includes a relatively high proportion of firms in largely mature or declining sectors or which are more likely to trade only in smaller, lower value-added markets.

... contributing to high levels of out-commuting

5.33 Wirral is a major net exporter of labour, with a net 'loss' of 25,000 workers. Over 40,000 people commute outside of Wirral to access employment across the Liverpool City Region and beyond, most notably to Liverpool (17,500 people) but also to Ellesmere Port & Neston and to Chester. A significant proportion of these out-commuters work in higher value occupations – over 50% (more than 20,000) work in Managerial and Professional occupations – and it is clear that Wirral is currently unable to offer sufficient higher value added employment to meet the needs of residents.

Regeneration efforts have enjoyed some significant success, but...

5.34 Partners in Wirral have been engaged in longstanding and sustained efforts to help regenerate the economy of Wirral through concerted place marketing, efforts to improve the

supply-side offer (commercial sites and premises, attractive living environments, skilled labour), and action to help Wirral's residents access new opportunities. These efforts, pulling together a wide range of local and regional stakeholders and delivery agencies, have enjoyed significant successes and have helped to create new economic opportunity and ongoing economic impact. Partners have made effective use of a wide range of public sector funding streams over a long period of time, including and often combining resources from the Urban Programme, City Challenge, multiple rounds of Single Regeneration Budget funding, Neighbourhood Renewal Funding and European Structural Funds.

5.35 The core strands of this activity include:

- **Wirral Freeport:** Wirral Freeport was opened in 1992 and was the cornerstone of Wirral's plans for a Maritime Development Zone as part of a successful City Challenge bid.
- **Wirral Investment Network:** An active public-private partnership body, with over 50 members, which seeks to improve Wirral as a place to work, live and enjoy leisure.
- **EUROWIRRAL:** A marketing strategy in 1992 and which sought to place Wirral at the heart of the newly created single European market (as a result of the enactment of the Treaty of Maastricht in the Single European Act).

- **Hamilton Quarter:** The Hamilton Quarter programme was the first of Wirral's successful SRB schemes and ran between 1995 and 2002. It was centred on the historic Hamilton Square and its surrounding area. The programme resulted in the investment of an estimated £82m (including SRB, Objective 1 and £27m of private sector investment) to develop tourist attractions, support arts and culture, refurbish historic buildings, improve the shopping and business district, public realm and highways works and providing new housing education and training schemes.
 - **Lairdside:** A regeneration programme for parts of Tranmere, New Ferry, Rock Ferry and the Town Lane area in Bebington, operating between 1996 and 2003. The programme resulted in the investment of £47.7m in a range of initiatives, including:
 - Business support for companies in and around the Cammell Laird area
 - Redevelopment and improvement of land on either side of the A41 and neglected waterside sites in the Rock Park area
 - Local transport improvements
 - Tranmere Urban Village
 - Developing the Laird Foundation as a Centre of Training Excellence
 - The Laser Engineering Centre.
 - **New Opportunities for Wirral (NOW):** NOW was a 6 year programme (1998-2004) established in order to tackle social exclusion in seven *Pathways* areas with a combined population of 20,000. It focused on three groups – 11-17 year olds, unemployed people between 18-25 and long-term unemployed over 25. It sought to remove barriers to employment, resulting in a range of interventions including new bus services and public transport information provision, action to raise aspirations, and Intermediate Labour Market (ILM) schemes,
 - **Wirral Waterfront:** The Wirral Waterfront programme is the last and largest of Wirral's SRB programmes. It was approved from the final round of SRB funding with an estimated total value of £144m and seeks to build upon past regeneration work along the River Mersey side of Wirral (Wirral Employment Corridor) and runs from late 2000 to March 2008. Funds comprise a package of SRB (£20m) plus potential for an additional £124m from a range of other sources including the Objective One programme and the private sector. The programme includes economic, social and environmental action in order to unlock new growth opportunities.
- 5.36 Wirral's five SRB programmes are currently the subject of a detailed evaluation which will assess the impact of this economic development and activity. However, it seems clear that the programme of sustained investment in the area now

known as the Wirral Employment Corridor has helped to create substantial new opportunities and impact in Wirral's economy.

5.37 Looking forwards, partners will continue to focus investment in economic development within the Wirral Employment Corridor whilst continuing to invest in neighbourhood renewal and regeneration so that residents of Wirral can take advantage of new opportunities and enjoy a higher quality of life. There is a strong commitment to ensure that investment in the Wirral Employment Corridor links closely with investment in the New Heartlands Housing Market Renewal areas of Wirral and with investment channelled through the new neighbourhood development fund announced in the Comprehensive Spending Review (October 2007). Future policy and action will also be marked by an increased emphasis on enterprise and enterprising behaviours, including efforts to promote self-employment, new business formation and more rapid and higher value added business growth.

... weak demand conditions have made their mark on Wirral ...

5.38 Despite sustained public sector investment in economic development and regeneration, the issues discussed above – a relatively small and lower value-added economic base and a

greater reliance on sectors with poor or limited growth prospects – are longstanding. Particularly in eastern Wirral, the long-term consequences of weak economic performance can be seen in the physical, economic and social fabric. This is evidenced by:

- The need for housing market renewal
- Poor quality public realm
- Socio-economic deprivation

5.39 Further below, we provide a more detailed examination of the socio-economic conditions across Wirral, highlighting key issues, opportunities and challenges across Wirral.

.... making it harder for many parts of the district to seize new opportunities

5.40 Over a long period the loss of manufacturing employment within Wirral has been replaced by increased service sector employment. However, too much of this has been in lower value-added, lower paid service sector occupations and Wirral has largely been unable to attract higher value added service and new manufacturing employment on the scale required.

5.41 Many parts of Wirral, again particularly eastern Wirral, are currently trapped within a low-value equilibrium in which lower earnings, reduced economic and employment

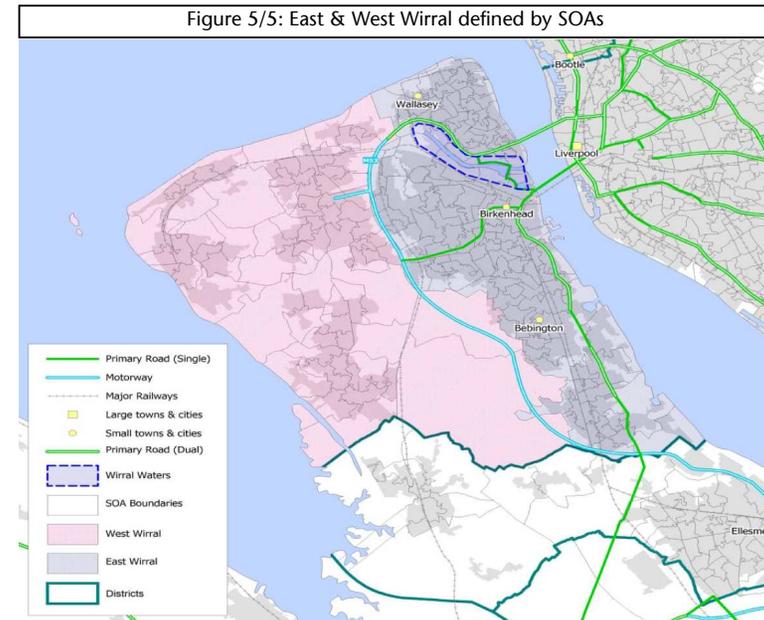
opportunities, and lower private investment (from both businesses and residents) serve to further restrict prospects for economic growth and regeneration. Many parts of the district have become geared towards low value activities and this is reflected in the physical environment, relatively low wages and qualifications and in high levels of deprivation. Despite ongoing efforts to regenerate neighbourhoods and commercial areas many of these parts of Wirral currently lack (or are perceived to lack) the *supply-side offer* – high quality sites and premises, attractive living and working environments and large reserves of skilled labour - required to attract new investment in housing, commercial property and labour markets.

Socio-economic conditions

Introduction

5.42 This section of the report focuses upon the socio-economic environment for residents in and around the Wirral Waters site, but also across the wider Wirral area. The potential impact of redevelopment at Birkenhead Docks will undoubtedly have a far wider reach than just the locale in close proximity to the Wirral Waters site. Accordingly, the spatial geographies used in this analysis will reflect this.

5.43 Differing spatial geographies will be used to illustrate socio-economic performance (e.g. national, regional, sub-regional, district). Where particular datasets allow, the analysis will focus on sub-district spatial geographies such as Super Output Areas (SOAs). These geographies enable a more spatially refined assessment of the main socio-economic issues.



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5.44 It is also possible to aggregate SOAs in to larger areas. As socio-economic issues between East and West Wirral are traditionally well pronounced, SOAs have been used to present an East and West perspective on some socio-economic issues in Wirral. Figure 5/5 illustrates the definition of East and West Wirral used in this report and the location of the Wirral Waters site. In broad terms the M53 motorway is the main delineator between the two areas, with East Wirral predominantly urban and West Wirral more urban fringe/rural in character.

5.45 This section of the report will be structured in the following way, addressing each issue in turn:

- Deprivation,
- Demographics,
- Labour Market,
- Skills and Education,
- Health,
- Housing,
- Crime.

Deprivation

5.46 The Index of Multiple Deprivation 2004 provides the most recent assessment of deprivation at both a district, and importantly, at an SOA level across England. The index is compiled from seven deprivation “domains” which include: Income, Employment, Health, Education, Skills & Training, Barriers to Housing & Services, Living Environment, and Crime⁶. The index gives a rank position for both districts and SOAs in terms of their deprivation position relative to all other districts or SOAs.

⁶ The overall IMD is conceptualised as a weighted area level aggregation of these specific measures of deprivation. The IMD gives a rank position to both districts (out of 354 districts) and SOAs (out of 32,482 SOAs) with rank 1 being the most deprived area. It is therefore possible to assess the percentile rank of a district or an SOA against all other areas.

5.47 The IMD has helped shape the focus of our socio-economic analysis at a sub-district level. As well as presenting an East and West Wirral perspective in the analysis, the IMD at an SOA level highlights areas of the Wirral which are most deprived. By identifying the most deprived SOAs in Wirral it presents an opportunity to tailor the spatial analysis in this report to a more refined level. Therefore, where other datasets allow, the analysis in this report will focus upon those SOAs classified as being within the **top 10%** most deprived nationally – Wirral’s ‘**Most Deprived SOAs**’.

A polarised picture of deprivation...

5.48 Wirral district is ranked the 75th most deprived district in England (placed within the second most deprived quintile nationally), and the 19th most deprived in the North West region. However, deprivation within the district is extremely **polarised**. There are stark contrasts across the district, with some very affluent and less deprived areas, as well as some of the most deprived areas nationally. The district’s overall IMD rank masks the true character of deprivation in Wirral, (highlighted in Table 5/9):

- Rank of Extent – this measures the proportion of a district’s population living in the most deprived SOAs in the country. Wirral is ranked in the top 15% of districts for this measure.
- Rank of Local Concentration – this measure is important for identifying hot-spots of deprivation by reference to a percentage of the district’s population. Therefore, local concentration is the population weighted average of the ranks of a district’s most

deprived SOAs which contain exactly 10% of the district’s population. Wirral is ranked the **8th most deprived** district using this measure – within the **top 3%** most deprived districts nationally.

- Rank of Income⁷ and Employment – these two measures provide an indication of the sheer numbers of people who experience income and employment deprivation within a district. They are real counts of individuals experiencing such deprivation. Wirral is ranked 13th and 8th respectively for these measures illustrating the issues of **worklessness and lower-value employment** available in the area and also the **shortage** of employment opportunities.

Local Authority	Rank of Average Rank from all Domains	Rank of Extent	Rank of Local Concentration	Rank of Income Scale	Rank of Employment Scale
Wirral	75	49	8	13	8

Note: Rank position out of 354 districts across England
Source: ODPM, 2004 ©Crown Copyright

5.49 Figure 4.2 overleaf illustrates the polarisation of deprivation at an SOA level across Wirral. Firstly, IMD 2004 has been mapped across Wirral highlighting the pronounced deprivation issues in certain parts of the district. The overview map of IMD also presents the district in two parts – East and West Wirral. This typology is useful in

⁷ Income deprivation refers to the levels of benefits claimed e.g. Income support, Incapacity benefit, Job Seekers Allowance.

beginning to understand the spatial distribution and concentrations of deprivation within Wirral.

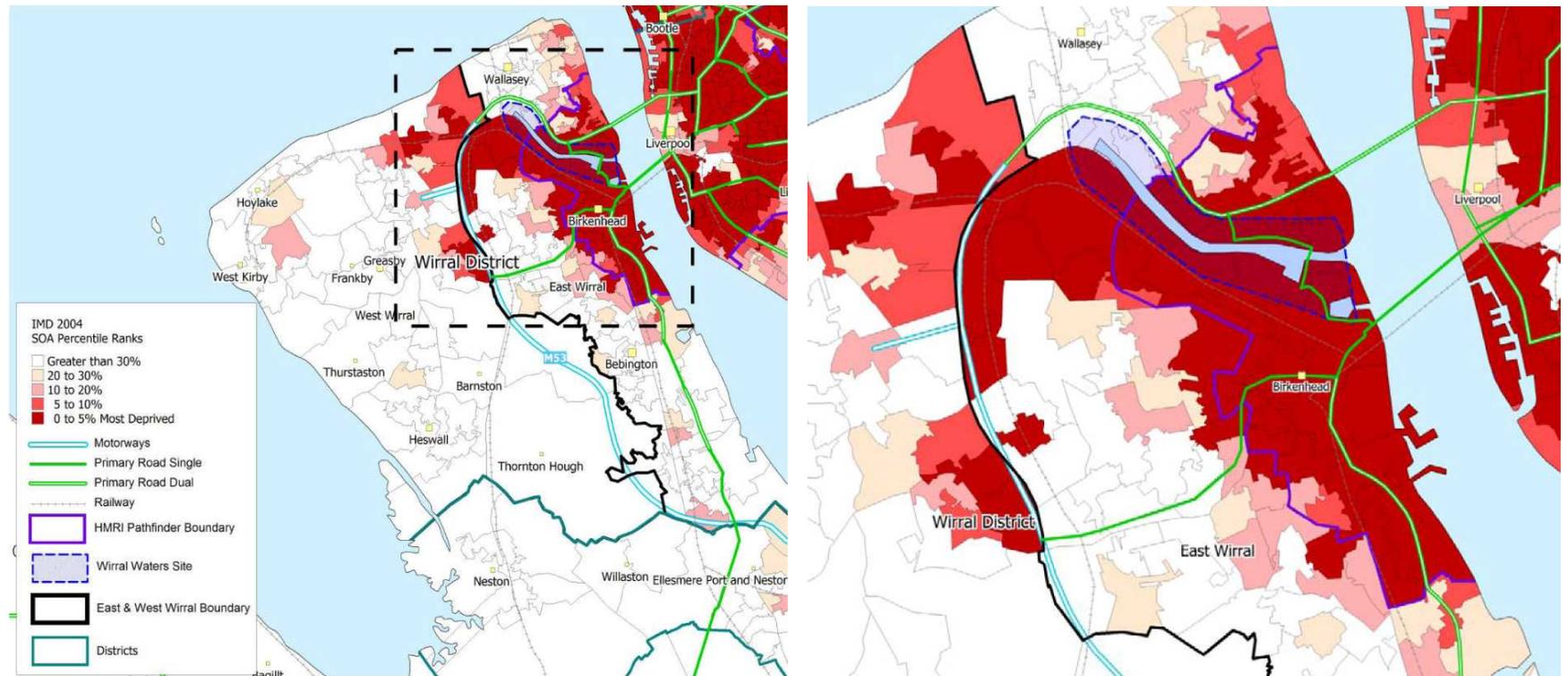
5.50 East Wirral contains the majority of the districts most deprived SOAs which are amongst the top 5% and 10% deprived nationally. Out of 133 SOAs in East Wirral approximately a **quarter** are classified as being in top 5% most deprived nationally. The proposed Wirral Waters development would be located at the heart of this deep concentration of deprivation. West Wirral has some pockets of acute deprivation along the boundary between East and West Wirral, towards the west of Bidston Moss and south-west of Birkenhead. However, generally this area of Wirral does not suffer concentrations of severe deprivation.

5.51 The IMD measures described above at the district level (i.e. income & employment scale, and local concentration) which placed Wirral’s ranking significantly lower than its overall IMD position of 75, are driven by the high number of SOAs in **East Wirral** which fall within the top 5% and 10% most deprived SOAs nationally. The inset map in Figure 5/6 highlights Wirral’s most deprived SOAs.



Figure 5/6: Wirral's Most Deprived SOAs, 2004

(A) Wirral District IMD Overview (B) Inset Map of Most Deprived SOAs



Source: Digital Mapping Solutions from Dotted Eyes. © Crown Copyright 2006. All rights reserved. Licence number 100019918. IMD 2004, ODPM © Crown Copyright

Note: Each SOA has been mapped by its position within the percentile ranks of the IMD nationally. SOAs shaded dark red fall within the top 5% of deprived SOAs nationally.

Demographics

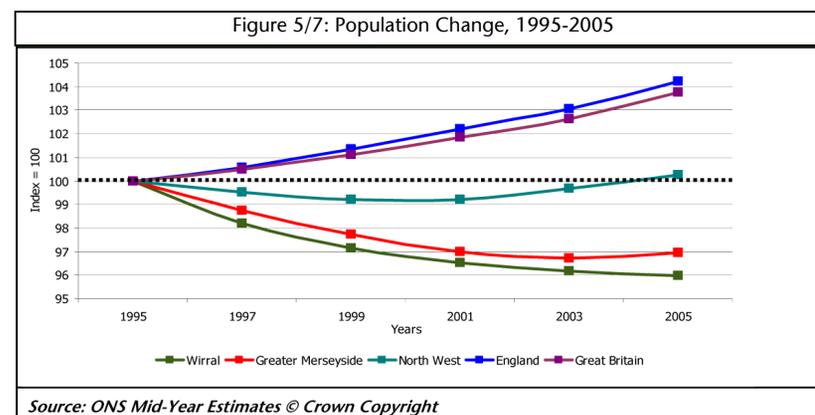
5.52 Two key datasets are available which allow analysis of demographic characteristics within Wirral and across the benchmark areas of Greater Merseyside, the North West region, and nationally (England/Great Britain). These are:

- For district level analysis, the ONS Population Mid-Year Estimates provide the most recent population estimates.
- For sub-district analysis, it is necessary to use data from Census 2001. Although now some years out of date, it provides the most robust demographic dataset at a sub-district spatial level e.g. SOAs.

A declining population...

5.53 ONS Mid-Year population estimates show that Wirral has experienced a declining population since the early 1980s. Between 1981-2005 the district's population fell by over 27,000 people (-8%). Analysing the last decade (1995-2005), Wirral has experienced a drop in population of over 13,000 people. This has taken the population from 326,300 in 1995 to 311,200 in 2006, a **fall of 5%**. Population loss in Wirral slowed significantly between 1995 and 2004 and there was evidence of stabilisation (with population declining by just 500, or 0.2% per annum between 2002 and 2004). However, change in 2005 and 2006 suggests that the rate of loss has increased to an average of 1,100 per annum. Although still relatively modest by longer term trends, this continued and accelerating population loss, despite higher levels of job creation across Greater Merseyside, is a cause for concern.

5.54 During a period of overall national population growth (+5%), and much more modest regional population growth (+0.4%), Wirral district has lost a significant element of its residential population. All Greater Merseyside districts have experienced some decline in population over the same period (-4%, although the period 2003 – 2005 did suggest that the rate of population loss was slowing and overall levels stabilising), no other district has experienced a higher rate of decline than Wirral.



A Changing Structure driven by the loss of younger adults ...

5.55 Much of the decline in population can be accounted for by residents in the 25-39 age group and children in the 0-14 group. These younger adults are key working age residents and important drivers of the economy in the Wirral, whilst their children will be important for Wirral's economic future. This decline may reflect the Wirral's

inability to offer the quality of life, and economic opportunities (for example, career progression) which they require. During 1995-2005 the district lost over a fifth of its population (20.1%) in this adult age group. Although this is on a par with some other Greater Merseyside districts such as Sefton (21.5%) and Knowsley (21.6%), this change is significantly higher than both national and regional trends (see Table 5/10) and represents a major concern.

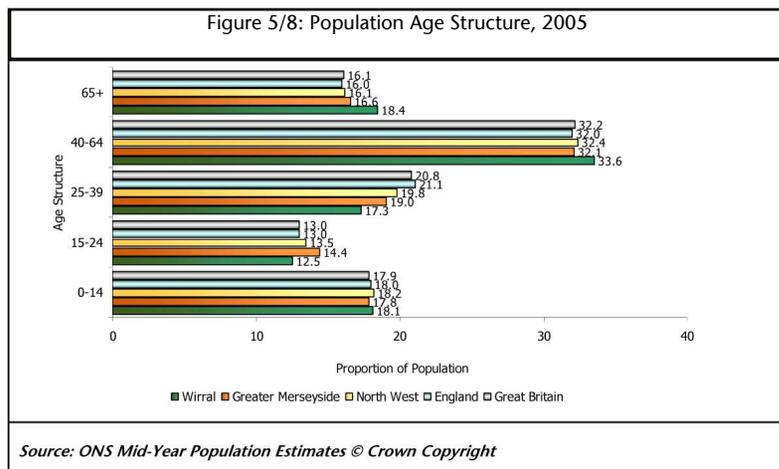
5.56 Wirral's child-age population, which declined by almost 9,000 children over the same period (13.3%), was also significantly higher than regional and national trends. The decline in child-age population can be linked to the decline in the adult age groups, with a large proportion of these likely to be the children of the adults.

5.57 The main reason behind such structural changes, over and above normal trend levels, can be associated with out-migration from the district to find employment opportunities. As will be seen later in this analysis over 40,000 Wirral residents choose to commute daily to locations outside of the district to find employment. Many other people have left Wirral and more people will consider leaving, in order to be closer to their place of work to reduce their commuting times.

Age Profile		Wirral	Greater Merseyside	North West	England	Great Britain
0-14	% Change	-13.3	-15.3	-9.2	-3.3	-4.1
	Absolute Change	-8,700	-48,000	-126,000	-313,000	-447,200
15-24	% Change	6.2	9.0	7.3	8.0	7.2
	Absolute Change	2,300	17,700	62,900	485,100	510,800
25-39	% Change	-20.1	-16.0	-10.2	-4.0	-5.2
	Absolute Change	-13,600	-52,900	-153,900	-442,900	-661,500
40-64	% Change	7.0	8.0	10.5	13.8	13.8
	Absolute Change	6,900	35,500	211,400	1,957,600	2,275,600
65+	% Change	-0.3	0.4	2.2	4.7	4.8
	Absolute Change	-200	900	23,800	361,300	431,600
Total	% Change	-4.0	-3.1	0.3	4.2	3.7
	Absolute Change	-13,200	-47,000	18,300	2,048,200	2,109,300

Source: ONS Mid Year Population Estimates © Crown Copyright

5.58 Analysing the current (2005) demographic position it is apparent that Wirral district has an over-representation amongst middle aged (of working age) and older age adults when compared to the other benchmark areas (see Figure 5/8), despite higher propensity for health and mortality issues within this age group. However, amongst younger age groups (15-24 and 25-39) the district has a much lower proportion of residents. This reflects the changes highlighted earlier, and may be a result of migration from the district by young economically active residents who seek higher value employment opportunities and a better quality of life outside the district. Many parts of West Wirral also offer attractive residential locations that older, more established working and recently retired people may be drawn to.



Concentration of Population in East Wirral...

5.59 Census 2001 estimates that the resident population of Wirral district is 312,300. Approximately two thirds (63%) of the district’s population is resident in the more urban East Wirral, with the remaining 37% of the population residing in the more rural and affluent West Wirral. This is a consequence of the historical development of communities in Wirral based upon employment opportunities available on this side of the peninsula, related to ship-building and other port-related activity, but also service sectors supporting a growing population.

5.60 It is interesting to note that the majority of the most deprived SOAs in Wirral (50 SOAs in total), those within the top 10% most

deprived nationally, are within East Wirral and they account for approximately a **quarter** of the district’s overall population (77,000). Therefore, the statistics highlight that a significant proportion of the district’s population reside in areas experiencing **severe** multiple deprivation.

A Population lacking in diversity...

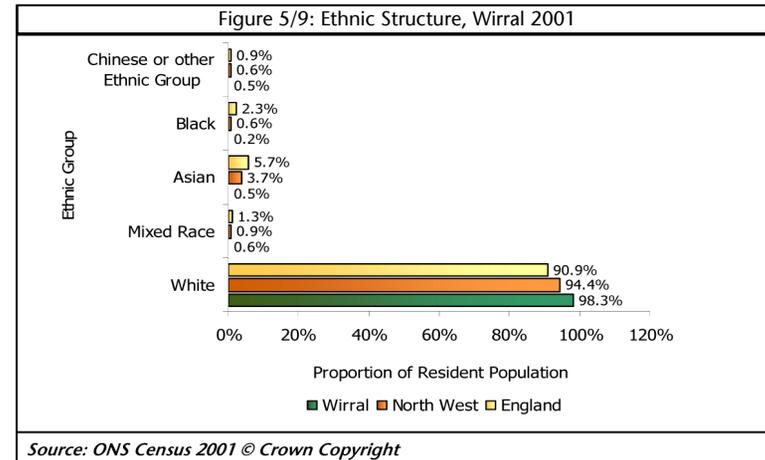
5.61 Wirral district does not have a very diverse ethnic mix amongst its resident population. According to the 2001 Census, White residents account for over 98% of the district’s population. There is a similar picture across Greater Merseyside as a whole, with only Liverpool district having a more diverse population structure, in which White residents account for approximately 94%, a position more in line with regional (94%) and national (91%) trends. Greater Merseyside as a whole, bar large levels of immigration from Ireland, has experienced low-levels of migration of people from the Caribbean, Africa and Asia when compared to other urban centres nationally.

5.62 More recently, Merseyside, like many parts of the United Kingdom, has experienced significant inflows of economic migrants from the former EU Accession (A8) States. A recent study by the Merseyside Social Inclusion Observatory considered the impact of A8 migrants on local housing and employment markets, access to services and community cohesion in Housing Market Renewal Areas in North West England, including the New Heartlands area. In Wirral, evidence from the Worker Registration Scheme suggested that 1,300 A8 migrants had given a Wirral address upon starting a new

job (although evidence in the study suggested that as many as 50% of migrants do not sign this non-compulsory register). Evidence on length of residency is inconclusive.

5.63 The study found that these workers had helped to boost dwelling occupancy in the New Heartlands area, including those previously considered *hard-to-let*. No evidence has been found of migrant workers displacing existing residents from available housing stock, although some evidence of high living densities (in Houses of Multiple Occupation) is exerting an upward pressure on rental levels. Looking forwards, some evidence of demand for owner-occupancy within the HMR areas was also identified,

5.64 The district’s non-white community accounts for fewer than 2% of the overall resident population (5,500 people). Although the district’s non-white community is relatively small, it is disproportionately resident within the most deprived SOAs in the district - approximately 28% of non-white residents live in such areas. This area’s overall population structure mirrors that of the district as a whole with White residents accounting for 98% of the population.



Labour Market

5.65 This section of the report will look at wide range of labour market indicators to present an overview of the key issues affecting Wirral district. The analysis will include an assessment of:

- Economic Activity & Inactivity;
- Employment rates;
- Unemployment rates & worklessness;
- Travel to work analysis;
- Earnings; and
- Enterprise.



Area
Wirral
Greater Mer
North West
England
Source: Non
Note: APS/L

Improvements in Economic Activity at a district level...

5.66 At a district level there have been improvements in the levels of economically active⁸, and consequently, inactive residents. Wirral has experienced a drop in economically inactive residents of 4.4% points between 2000-2006. There has been a similar fall across Greater Merseyside (-3.5% points) reflecting, in large part, the expansion of employment opportunities in the sub-region. However, both economic activity and inactivity rates are still lagging behind those of regional and national benchmarks. For Wirral to begin to match national rates of economic activity a further **13,000** working age residents would need to come out of economic inactivity in the district.

Strong growth in the district's employment rate...

5.67 Wirral experienced sustained and strong growth in its employment rate between 2000 and March 2006. In 2000 just under two-thirds of the districts working age population was in employment. By March 2006 this had increased to almost 72% of residents – a rise of 6% points. During the same period there had been a significant increase in employment rates across Greater Merseyside (increasing by 5.8% points). Employment rates in both Wirral and Greater

Merseyside have grown at a quicker rate than both regional (1.7% points) and national (0% points) employment rates.

5.68 Increases in employment rates in the sub-region reflect the positive changes taking place, and renewed confidence by businesses expanding or new businesses being attracted to Greater Merseyside. However, as explained above employment rates in Wirral district and the sub-region, despite narrowing the gap, still lag behind regional and national rates. For Wirral to catch up with employment rates at a national level, the district would need an additional **15,700 people** in employment based on data for March 2006 – clearly a substantial increase. However, in the year since March 2006 the employment rate has slipped *downwards*, falling to 70.2% in March 2007.

Table 5/12: Employment Rate Change, 2000-2006

Area	2000	2006	% Point Change
Wirral	65.7	71.7	6.0
Greater Merseyside	62.5	68.2	5.8
North West	70.9	72.6	1.7
England	74.4	74.4	0.0

Source: Nomis Annual Population Survey/Labour Force Survey © Crown Copyright

⁸ Economically active refers to all those in employment or wish to be in employment. Economically inactive refers to those people who are neither in employment or unemployment e.g. those who look after a home or who are retired or otherwise not available for/ seeking work).

Low levels of self-employment and entrepreneurship...

5.69 Residents in employment in Wirral are most likely to be employed (89.5%) whilst just over 10% are self-employed. The self-employment rate in Wirral is below both regional (11.3%) and national (13.2%) levels, suggesting Wirral residents are **less likely** to



start their own enterprises and are more reliant on being employed by others.

5.70 As referenced in Sections Two and Three of this report, low levels of enterprise are a major issue in Wirral, and have led to the development of an Enterprise Strategy for Wirral in the last 12 months led by Wirral MBC. Low levels of self-employment in Wirral are also linked to skill levels more generally, with lower-skilled people less likely to start a new enterprise. Across the UK, those lower skilled residents who do start businesses are more likely to do so in sectors which have some of the highest failure rates (for example, independent retailing)

But acute concentrations of inactivity, especially in the most deprived areas...

5.71 The Census 2001 does however begin to paint a different picture of economic inactivity **within** the district. Table 5/13 shows that East Wirral has a slightly higher overall economic inactivity rate compared to West Wirral, and the district as a whole. Of those residents who are classified as inactive, East Wirral has a higher proportion who state that the reasons they are inactive are as a result of having to look after the home or dependents (17.9%), or through permanent illness or disability (25.2%).

5.72 These issues become even more acute when census data is analysed for the most deprived SOAs in the district – with the majority of these SOAs located within East Wirral. Table 5/13 shows that in the

most deprived SOAs almost **half** (47%) of all residents are classified as being economically inactive. Almost a **third** of residents (31.6%) here have a permanent illness or disability which makes them economically inactive, whilst over a fifth (22.1%) of residents stated that they were economically inactive due to looking after their home or dependents. The majority of these residents will be single-parent families, or middle-age to older adults who can no longer work due to poor health, or who have to look after relatives suffering from illness.

5.73 Some inactive residents, particularly those inactive due to permanent illness or disability, are also likely to be the most difficult to engage with in order to encourage them to find employment or training. They are also more likely to have become “**detached**” from the labour market through long periods without employment. Therefore, although more generally Wirral has experienced improvements in its economic activity rates, the evidence suggests that there are areas within Wirral which are still performing poorly, with residents missing out on the economic opportunities developing in the district and across the sub-region as a whole. The requirement for training and skills initiatives will be of up-most importance in the most deprived areas of the district, to encourage inactive residents back in to the labour market.

Table 5/13: Sub-District Economic Inactivity Position, Census 2001

	Economically Active	Economically Inactive	Reasons for Inactivity				
			Economically inactive: Retired	Economically inactive: Student	Economically inactive: Looking after home / family	Economically inactive: Permanently sick / disabled	Economically inactive: Other
Wirral's Most Deprived SOAs	53.0	47.0	26.9	8.4	22.1	31.6	11.0
East Wirral	61.4	38.6	37.7	10.3	17.9	25.2	8.8
West Wirral	62.4	37.7	47.9	10.6	16.2	18.4	6.6
Wirral	61.8	38.2	41.4	10.4	17.3	22.8	8.0

Source: ONS Census 2001 © Crown Copyright

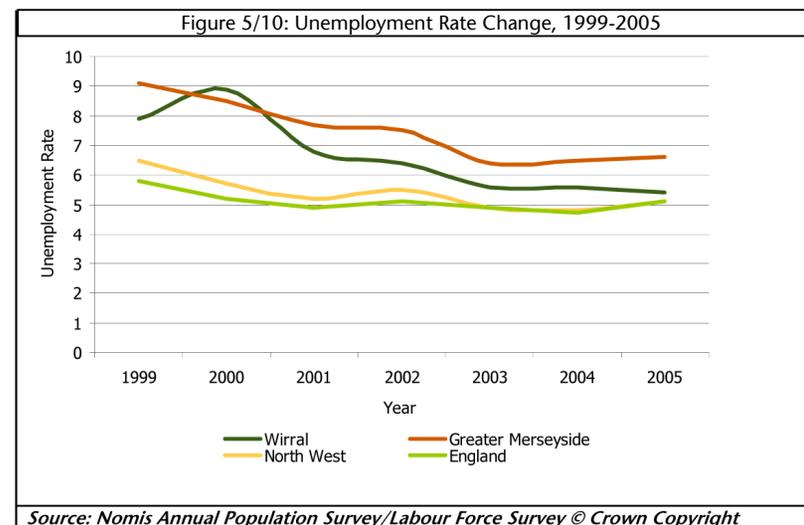
High levels of unemployment & worklessness within some communities in Wirral...

5.74 Unemployment is a key indicator in analysing worklessness across Wirral. Other indicators, such as the number of Incapacity Benefit (IB) claimants, are also important measures. In terms of unemployment, there are two important measures commonly used:

- International Labour Organisation (ILO) unemployment – this measures all those people who want to work, are available to work, and who are actively seeking employment. The ILO unemployment rate is based upon the Annual Population Survey/Labour Force Survey.
- The Claimant Count – this only measures those people who are claiming unemployment related benefits i.e. Job-seekers Allowance (JSA). This measure does not include all unemployed people though, as some unemployed are not entitled to claim benefits, or

they chose not to do so. The claimant count comes from the administrative records of Jobcentre Plus.

5.75 The ILO definition is useful in presenting an overview of the position of unemployment in Wirral, although it does not allow a sub-district analysis of unemployment. The current picture across Wirral more generally is that unemployment has been declining in recent years. The unemployment rate has **fallen** by 2.5% points (1999-2005) and now accounts for **5.4%** of the working age population in the district (7,500 people). This fall is in line with trends across Greater Merseyside, which experienced a similar fall (6.6% from 9.9% [-2.5% points]), whilst unemployment decreased at a faster rate than regional (5.1% from 6.5% [-1.4% points]) and national (5.1% from 5.8% [-0.4% points]) trends.



5.76 The Claimant Count, although capturing a lower quantum of unemployment across Wirral, shows a similar declining trend to that presented in the ILO analysis, with approximately 7,000 residents claiming JSA – a fall of 1.3% points. However, claimant rates are significantly higher in Wirral and across Greater Merseyside as a whole, if compared to regional and national benchmark areas. It should be noted that there has been an historical downward trend in the claimant count – due to both falling unemployment, but also administrative reasons (associated with eligibility for JSA and other out of work benefits).

Table 5/14: Claimant Count, 1998-2006

Area	December 1998		December 2006		Change	
	Rate	Number	Rate	Number	Rate	Number
Wirral	5.1	9,444	3.8	7,053	-1.3	-2,391
Greater Merseyside	5.8	52,569	4.1	37,701	-1.7	-14,868
North West	3.8	156,433	2.7	114,729	-1.1	-41,704
England	3.5	1,038,789	2.5	772,738	-1.0	-266,051
Great Britain	3.6	1,239,607	2.5	897,758	-1.1	-341,849

Source: Nomis, Claimant Count © Crown Copyright

5.77 The Claimant Count can also be used to assess the number of claimants at an East and West Wirral level, and within the most deprived areas of the district by using SOA level statistics. SOA level analysis suggests that Wirral had approximately **6,700** claimants in December 2006. Over 75% (5,000 claimants) of all JSA claimants come from SOAs in **East Wirral**. Of these, approximately 3,300 (50%) claimants come from the Wirral’s most deprived SOAs – with

the majority of these SOAs located within East Wirral. Based on Census 2001 working-age population estimates claimants of JSA account for 6.1% of the working-age population – **considerably higher** than the district level of 3.8%.

5.78 The length of time which claimants have been claiming JSA can also illustrate the difficulties that some residents face in attempting to re-enter the labour market. The SOA-based analysis of approximately 6,700 claimants shows:

- Almost two-thirds of claimants (2,300) have been claiming for over six months
- Over 13% of claimants have been claiming JSA for over twelve months
- Unemployment in the under 25 years category claiming for over a year accounts for approximately 13% of all claimants (900 claimants), whilst claimants over 50 years of age and claiming for over six months accounted for 8% of claimants (500 claimants).

5.79 Data on Incapacity Benefit (IB) at a low spatial level is also available, and is useful in understanding the wider picture of worklessness in Wirral. The latest data (May 2006) shows that there are over 18,200 residents in the district who are claiming incapacity benefit, although the number of claimants has fallen in recent years (-1,960). However, Table 4.8 illustrates the location of these claimants over the period 2000-2006. In general, the majority of the claimants are resident within East Wirral, with over 73% of the district’s



claimants in 2006 (13,300), although the overall number of claimants has decreased over this period.

5.80 The highest concentration of the district’s IB claimants is within the district’s most deprived SOAs. In 2006 approximately 46% (almost **half** of all IB claimants) were resident in this area of high deprivation. The overall quantum of claimants has marginally reduced over this period, although the most deprived SOAs in the district now account for a greater proportion of the district’s overall claimants. As the IMD illustrated, residents in this area suffer from multiple forms of deprivation based on health and unemployment inequalities, reflecting their higher levels of incapacity claims.

Wirral experiences significant outflows of Labour...

5.81 The city region has an estimated labour market of approximately 770,000 employees⁹. The city region boundaries take in to account districts in North Wales and West Cheshire, as well as Warrington and West Lancashire, accounting for over 93% of all employees in the city region. However, approximately **two-thirds** of the city-region’s labour market is concentrated within the core Greater Merseyside sub-region. The city region is also able to attract significant employment flows from people who live in parts of Lancashire, Greater Manchester, Cheshire and Wales, attracted by the available employment opportunities.

5.82 Focussing on Wirral, the overall size of the labour market according to the Census, including both Wirral residents and commuters from outside the district, is approximately **101,000** people. Of those people who work in Wirral, approximately 70% are employed in jobs in East Wirral, whilst 30% have employment in businesses in West Wirral. Census 2001 also provides a guide to the types of occupations undertaken by Wirral workers. The bullets below illustrate some of the key occupations of workers within Wirral:

- Only a small proportion (7.5%) of workers in Wirral are employed in High managerial or High professional positions e.g. Chief-executives, directors etc; reflecting the low levels of opportunities

⁹ Estimates derived from Origin and Destination data from Census 2001.

Area	2000 (share of all Wirral IB Claimants)	2006 (share of all Wirral IB Claimants)	Change
Most Deprived SOA Claimants	43.6%	45.8%	2.2%
East Wirral Claimants	73.3%	72.8%	-0.6%
West Wirral Claimants	26.7%	27.2%	0.6%
Wirral (Total Claimants)	20,230	18,270	-9.6%

Source: Nomis, Incapacity Benefit Claimants © Crown Copyright



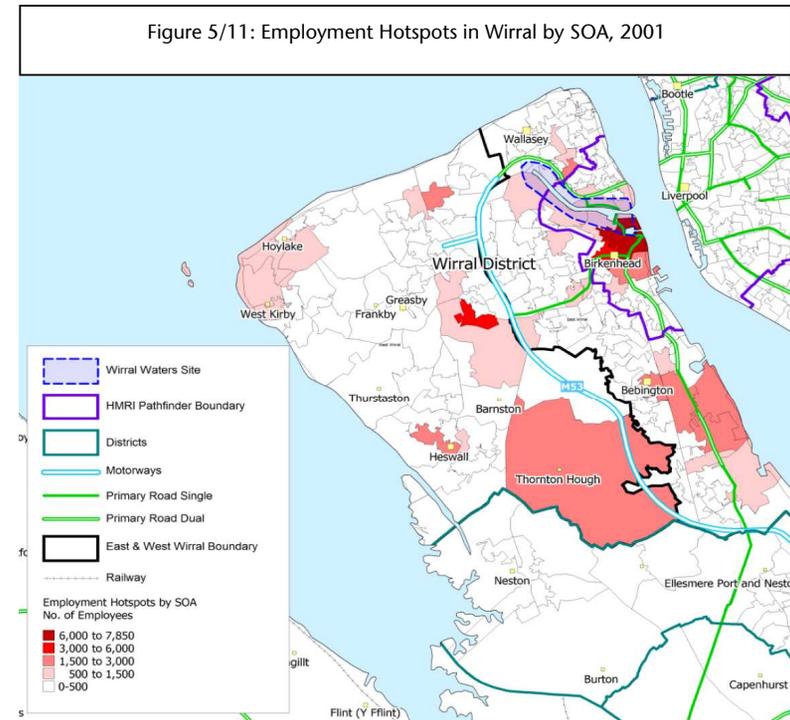
available in Wirral at this level. As discussed below, a substantial number of Wirral residents commute outside of the district to take-up these higher value roles.

- Over 35% of workers are classified as performing lower-management/professional or intermediate occupations.
- Almost 50% of workers have occupations in technical or routine occupations highlighting the propensity for lower level skilled employment in Wirral.

5.83 Figure 5/11 shows the concentrations of employment within the Wirral Labour market, focussing upon Wirral residents who work in the district. Wirral residents account for approximately 85% of all employees within Wirral, thus providing a sufficient scale to map employment concentrations in the district. The key concentrations are:

- In SOAs towards the eastern side of the docklands area, and SOAs which constitute the CBD of Birkenhead where both retail, commercial and municipal activities occur.
- In SOAs which are towards the south of East Wirral, along the A41 route in to Birkenhead.
- In SOAs which are intersected by the M53 motorway near Greasby, Woodchurch and Upton.

Figure 5/11: Employment Hotspots in Wirral by SOA, 2001



Source: Digital Mapping Solutions from Dotted Eyes. © Crown Copyright 2006. All rights reserved. Licence number 100019918. ONS © Crown Copyright. ONS Census 2001 Origin & Destination Data. Only data for Wirral district has been mapped

5.84 Wirral plays an important role within the wider labour market of the Liverpool City Region. Census 2001 data also illustrates that the district experiences a significant **daily out-migration** of labour (approximately 40,000 people). A large number of Wirral residents have found employment opportunities away from Wirral in locations across the city region (e.g. Liverpool 17,500 people) and beyond.

5.85 Table 5/16 presents the ten most popular employment destinations, accounting for almost 90% of all out-commuters. Over half (20,000+) of all Wirral commuters are employed in relatively highly paid managerial and professional occupations in locations such as Liverpool and Chester, representing a major outflow of skilled labour.

District	People	Proportion of All People Commuting
Liverpool	17,547	43.2
Ellesmere Port & Neston	6,569	16.2
Chester	3,395	8.4
Flintshire	2,532	6.2
Sefton	1,825	4.5
Knowsley	1,158	2.8
Warrington	942	2.3
Halton	775	1.9
Manchester	760	1.9
Trafford	356	0.9
Top 10 Districts	35,859	88.2
All districts of working Wirral residents	40,642	100.0

Source: Census 2001 Origin & Destination © Crown Copyright

5.86 Although residents from other districts travel to Wirral for work (approximately 15,700 people); Wirral does experience an overall **net out-migration** of approximately **25,000** people each day.

Employment opportunities in Wirral pay below average...

5.87 Latest earnings data from ONS’ Annual Survey of Hours and Earnings (ASHE 2006) presents an interesting perspective on the differing wage positions in Wirral, based on both residence and workplace-based average earnings (see Table 5/17). For residence based earnings ASHE data show the district has **higher** than average weekly gross pay for all employee jobs when compared to the wider sub-region and North West region. On average residents in Wirral earn £435 per week. This high level of earnings is boosted by the migration flows described above, whereby Wirral residents commute to find higher-value employment opportunities outside of the district, but who enjoy living in Wirral.

5.88 The average gross weekly workplace based earnings in Wirral are significantly **below** average levels if compared to all other benchmark areas. Employment opportunities in Wirral, on average, pay between **£30-45 less** per week than jobs in both Merseyside and across the North West. Such low average earnings reflect the relatively **low-value** employment within the district, and act as a key driver in forcing the more skilled and mobile residents in the district to seek employment outside of Wirral where higher wages can be obtained. The travel to work analysis above has already highlighted Wirral’s lower-value occupations with a high proportion of jobs in lower managerial or technical/routine roles.



Table 5/17: ASHE Average Earnings, 2006 (Residence and Workplace Based)

	Residence Based	Workplace Based
	Mean Weekly pay - Gross (£) - For all employee jobs	Mean Weekly pay - Gross (£) - For all employee jobs
Wirral	435.4	364.1
Merseyside	399.3	394.7
North West	409.7	408.9
England	450.3	448.8

Source: ONS, ASHE © Crown Copyright

Education and Skills

Relatively Good Levels of Educational Attainment...

5.89 Wirral has a high proportion of its working age population holding higher level qualifications. Table 5/18 shows that almost 24% of residents have achieved NVQ 4+ qualifications (Degree level standard), although despite this strong performance the district still lags slightly behind regional (24.2%) and national (26.2%) levels. The majority of highly qualified residents will tend to live in the more affluent areas of the Wirral, with a high proportion commuting to work outside of the district.

5.90 In terms of other qualifications over 46% of working age residents have achieved NVQ 1-3 qualifications, positioning the district on a par with other benchmark areas. However, like Greater Merseyside as a whole (21.1%), there are a significant number (17.9%) of working age residents who have **no qualifications**. This is high, relative to the national average of 14.1%. Such a high level of working age residents (32,700 individuals) with no formal

qualifications contributes to the relatively low-value profile of job opportunities developing in the district, as business investors increasingly require a more qualified workforce. This also has a subsequently the loss of the more qualified residents to other districts where good employment opportunities are available.

Table 5/18: Qualification Attainment Working Age Population, 2005

Qualification Level	Wirral	Greater Merseyside	North West	England
% with no qualifications -	17.9	21.1	17.0	14.1
% with other qualifications	4.8	6.2	6.2	8.7
% with Trade Apprenticeships (other than NVQ)	7.1	7.1	6.4	7.1
% with NVQ1 only	13.5	14.8	14.7	14.6
% with NVQ2 only	18.2	16.8	16.4	15.9
% with NVQ3 only	14.7	14.4	15.1	15.0
% with NVQ4+	23.8	21.2	24.2	26.2

Source: Source: Nomis - Annual Population Survey/Labour Force Survey © Crown Copyright

.... but significant low attainment & a skills deficit persist in certain areas.

5.91 To understand the qualifications context at a sub-district level it is necessary to use data from the 2001 Census. This shows that there are concentrations of low levels of qualifications in the district. Similar to other indicators in this report, it is in the most deprived SOAs in the district where the issues of low levels of qualifications are concentrated.

5.92 Table 5/19 illustrates the high proportion of working age adults who reside in the district's most deprived SOAs who do not have any

qualifications. Using Census terminology, this means that 43% of the population, or **22,500 people**, have not attained at least 1 GCSE/O-Level or NVQ/GNVQ Level. This compares to 29.4% in Wirral and 28.9% nationally. Considering the breakdown of qualifications at a district level, the Census data highlights the concentrations of **low attainment** and a **skills deficit** concentrated in this area of the district, previously **masked** at the district level. Only one fifth of the resident population within these most deprived SOAs have GCSE equivalent qualifications (Level 2), whilst only 13% of residents have attained A-Level (level 3) or Degree level (level 4/5) qualifications.

Table 5/19: Qualification Attainment of Workign Age Population (16-74), 2001, in the Most Deprived SOAs in Wirral

Qualifications	% of Resident Population Aged 16-74	No. Of Resident Population Aged 16-74
No qualifications	43%	22,472
Level 1 qualifications	18%	9,303
Level 2 qualifications	18%	9,624
Level 3 qualifications	5%	2,861
Level 4 / 5 qualifications	8%	4,419
Other qualifications: Level unknown	7%	3,552
Total	100%	52,231

Source: ONS Census 2001 © Crown Copyright

A mix of both good and poorly performing schools...

5.93 Secondary School performance in the district, measured by the proportion of 15 year olds achieving 5+ A*-C GCSEs (including maths and English), has been **improving** in recent years. In 2003 43.5% of pupils had achieved this level which was higher than the national average of 41.9%. However, by 2006 this had increased to

46.3% when the national average was 45.3%. Over 92% of pupils pass 5 GCSEs at grades A*-G, whilst approximately 97% of pupils attain at least one qualification from school. The performance of a number of schools in Wirral, including but not exclusively the Grammar School offer, is seen as a key factor in Wirral’s ability to attract and retain higher skilled and higher income residents (particularly within communities in west Wirral).

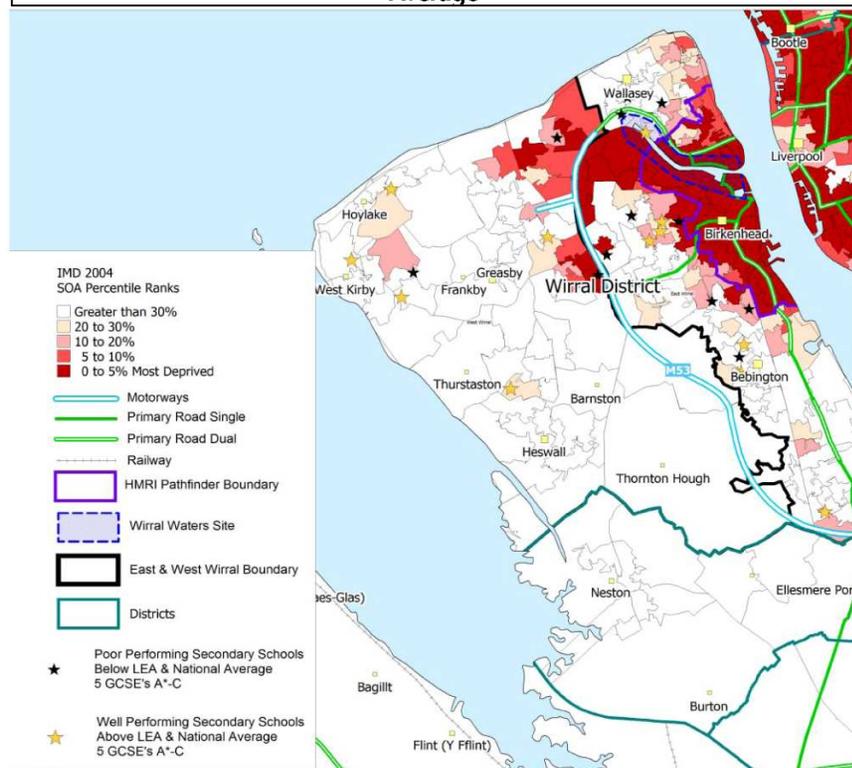
5.94 Despite this improvement over the four years across the education authority, there are only a handful of secondary schools which are excelling, with high standards of achievement at GCSE level e.g. Birkenhead High School (96.0%). However, Figure 5/12 maps schools across Wirral Education Authority that are performing below the LEA (56.8%) and national average (57.1%) for GCSE performance. **Eight** out of thirteen of the district’s schools are located in East Wirral, with a number of poorer performing schools located within, or near to, the district’s most deprived SOAs. The poor level of performance within these schools also mirrors the messages taken from the Census qualifications and skills data; reinforcing the assessment of these most deprived SOAs as areas with low levels of attainment and a large skills deficit.

5.95 Other school attainment measures such as Key Stage 3 results for 13-year old children in the district suggest that on the whole, in the core subjects of Maths, English and Science, Wirral schools are performing well. Both Maths and Science Level 5 results match the England average of 70% of students achieving this level, whilst attainment in English exceeds the national average of 74% at 77%



in Wirral schools. A similar picture emerges at primary school Key Stage 2 level with schools matching national levels of attainment across the main subject areas.

Figure 5/12: Secondary School Performance Below the LEA & National Average



Source: Digital Mapping Solutions from Dotted Eyes. © Crown Copyright 2006. All rights reserved. Licence number 100019918. School Attainment Statistics, 2005/06 DfES © Crown Copyright.

5.96 Despite success across the district it is clear that not all schools and their children are achieving good results. After GCSEs (post-16) children have the opportunity to study for A-Levels or further qualifications. Wirral however suffers from a high level of 16-19 year olds who are not in education, employment or training - the so-called NEET group (9.9% of 16-19 year olds or approximately 700 young people). Despite efforts from organisations such as Connexions, the district suffers from a higher than average level of disengagement from education, training or employment within this age group. A high number of NEETs in Wirral are resident within some of the most deprived areas of East Wirral.

Health

High Incidence of Long Term Limiting Illness...

5.97 Over a **fifth** (22.5%) of Wirral's resident working age population has a long term limiting illness¹⁰ according to the 2001 Census. The Census response in Wirral demonstrated that its residents have a higher propensity for limiting illnesses in comparison to regional and national trends. Such illnesses can have a detrimental effect on the working-age population, with employers having difficulty

¹⁰ This question in the Census asked people to assess whether they had a limiting long-term illness, health problem or disability which limit their daily activities or the work they can do.

finding and retaining fit and able employees, whilst also proving a barrier for people who would like to be in employment.

5.98 West Wirral had a lower proportion of residents who categorised themselves as having a limited illness. However, as the Census defines working age population up to 74 years old, this question does take account of age-related illnesses too. The starkest message however is in **East Wirral** (23%), and in Wirral’s **most deprived SOAs**, where approximately **28%** of the working age population have a long term limiting illness. As stated above this will be a key consideration for investors in Wirral. An active and healthy resident population is an important factor in terms of delivering local jobs to local people – a key policy driver within regeneration and economic development strategies.

Area	All Working Age Residents	No. of Residents with a Long Term Limiting Illness (LLI)	% of Population
Most Deprived SOAs	77,057	21,732	28.2%
East Wirral	198,253	45,686	23.0%
West Wirral	114,040	24,650	21.6%
Wirral	312,293	70,336	22.5%
Greater Merseyside	1,480,234	345,654	23.4%
North West	6,729,764	1,394,609	20.7%
England	49,138,831	8,809,194	17.9%

Source: ONS Census 2001 © Crown Copyright

Average Levels of Life Expectancy...

5.99 Life expectancy data is only available at a district level from ONS. In Wirral estimates of life expectancy suggest that residents have, on average, a similar life expectancy, to people across the region and

nationally – with modest differences above or below the average number of years. Another measure, Standardised Mortality Ratios¹¹, suggest that mortality rates in the district are slightly higher than the national average. However, within Greater Merseyside, Wirral’s mortality ratio is one of the lowest compared to Liverpool and Knowsley’s district.

Area	Life Expectancy at Birth, Males	Life Expectancy at Birth, Females	Standardised Mortality Ratio
Wirral	75.4	80.2	106
Knowsley	73.6	78.2	130
Liverpool	73.2	77.9	127
St. Helens	75.1	79.5	116
Sefton	75.6	80.2	104
Halton	74.1	78.1	120
North West	75.1	79.7	110
England	76.6	80.9	100

Source: ONS Census 2001; Standardised Mortality Ratios 2003 © Crown Copyright

...But High levels of Health Deprivation...

5.100 However, this relatively positive position at a *district level* appears to mask the higher mortality rates which occur within particular areas of Wirral. Using one of the datasets from the Health domain in the

¹¹ Standardised Mortality Ratios (SMRs) compare the actual number of events in an area with the *expected* number of events based on mortality rates of a reference population (e.g. England & Wales). The SMR is a ratio of observed to expected number of deaths. The dataset enables comparison of mortality information across a range of areas. This measure makes allowance for the differing age structures of the population in different areas of the country.



2004 Index of Multiple Deprivation, it is possible to assess mortality issues at a sub-district level – both East and West Wirral and SOAs.

5.101 The dataset used is the ‘Years of Potential Life Lost’ (YPLL)¹². This is a direct age and sex standardised measure of *premature* death (i.e. under the age of 75 - the national life expectancy) available at an SOA level. Figure 4.9 maps out this indicator for the whole of the district, but also hones in on the most deprived areas of the district – those within the top 10% nationally. It illustrates the difference between the potential numbers of years lived by residents in both East and West Wirral.

5.102 East Wirral contains SOAs which experience high levels of ‘potential lost years’ per 1,000 of population. Many of Wirral’s most deprived SOAs have the highest ‘potential lost years’ ratios across the district. The inset map in Figure 5/13 shows the dark red and red shaded SOAs in East Wirral which experience the highest number of years of potential life lost. The key message from this analysis is that Wirral residents who live in these SOAs have a higher propensity to die younger through ill health.

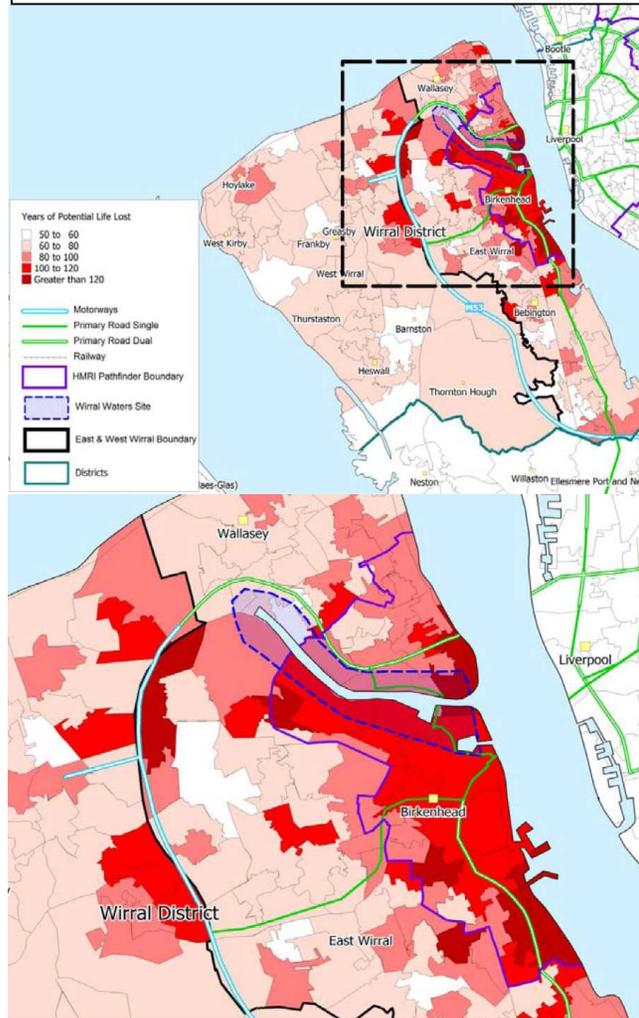
¹² This indicator gives more weighting/prominence to the effects of premature death per 1,000 of population. Therefore if an area’s population suffers from higher levels of people dying younger, the area has a higher number of years lost compared to the average death rate of 75 years old i.e. if a resident dies at 60, 15 potential years of life will have been lost.

5.103 Wirral Primary Care Trust (PCT) has identified some of the main causes linked to high levels of premature deaths within Wirral, and within these most deprived areas of East Wirral:

- Their research suggests that for men coronary heart disease, digestive disorders (including cirrhosis), self harm and lung cancer linked to smoking;
- For women coronary heart disease is also a problem, as well as digestive disorders (including cirrhosis), self harm and lung cancer.

5.104 Despite initiatives to educate Wirral residents about the dangers of smoking, alcohol and poor diet, the conditions identified by the PCT are the main reasons why residents in some parts of East Wirral die younger. Further investment is required in educating people about healthier lifestyles, however changing cultural and attitudinal perceptions and values can be a long process, sometimes generational.

Figure 5/13: Years of Potential Life Lost Per 1,000 Population – Wirral 2006



Source: Digital Mapping Solutions from Dotted Eyes. © Crown Copyright 2006. All rights reserved. Licence number 100019918. ONS © Crown Copyright. Based upon data used in IMD 2004. Only data for Wirral district has been mapped.

Housing

Low demand for housing in East Wirral's most deprived neighbourhoods...

5.105 House prices in Wirral have, in line with national trends, grown considerably over the last decade. By the end of 2005 average house prices in the district had risen by 161% (+£86,700) to £140,720 from £54,015 in 1996. This high figure is skewed due to the high prices for larger more suburban properties available in West Wirral. However, like other socio-economic indicators in the district there is a marked difference between not only house prices, but also issues of tenure and type of housing within the district.

Table 5/22: House Price Change (£), 1996-2005

Area	1996	1999	2002	2005	Change	% Change
Wirral	54,015	63,469	88,262	140,720	86,705	161%
Merseyside (Met County)	51,870	60,373	80,408	130,894	79,024	152%
North West	54,920	66,289	88,382	137,804	82,884	151%
England	73,117	98,385	141,108	192,247	119,129	163%

Source: Land Registry © Crown Copyright

5.106 The designation of the Housing Market Renewal Initiative (HMRI) in Merseyside, *New Heartlands*, was in direct response to the problems of market failure within some neighbourhoods in the district as opposed to the district as a whole. Areas of East Wirral, in close proximity to the Wirral Waters site, fall within the boundaries of this initiative and its strategy to renew the housing market. One of the key factors which can drive demand for housing is employment. Therefore with decreasing employment opportunities in these areas in recent decades there has been a reduction in demand for housing here.

5.107 Assessing neighbourhoods in East Wirral where HMRI funding has been directed (Birkenhead, Tranmere, Rock Ferry and Seacombe), it is clear that intervention has been necessary. Of the properties within the HMRI area 55% were small, pre-1919 terraced houses in 2003, and approximately 5,000 of these were in poor condition¹³. Owner occupation is also significantly below the district average, with high levels of private and Registered Social Landlord (RSL) renting. Comparing the tenure position in 2003 at the HMRI level, to that of Wirral as a whole using data taken from Census 2001, shows these differences within the district.

¹³ New Heartlands Prospectus, October 2003; cited in ECOTEC (2006) Wirral Position Statement 2006.

Tenure	HMRI	Wirral
Owner Occupied	42%	66%
Private Rented	24%	4%
RSL	15%	14%
Local Authority	19%	14%
Source: ECOTEC (2006) Wirral Position Statement 2006, and Census 2001		

5.108 ECOTEC's 2006 HMRI position statement highlights that between February 2005 and February 2006 house prices within the HMRI area actually fell by 2.3% (from £80,750 to £78,900) and that houses were taking longer to sell, this was set against a backdrop of price growth and a more fluid market more generally across Wirral. The report also highlighted how vacancy rates were still relatively high in Tranmere & Birkenhead at 7% of all properties, whilst long-term vacancies, for over six months or more, stood at 4% in Birkenhead. The HMRI initiative has made some progress, but it is clear that stimulating demand for residential properties in this area is continuing to be challenging. Amongst the major challenges facing the HMRI team and their partners are the need to encourage a reinvigoration of the economic base within and around these communities, to ensure that these areas are able to offer a better quality of life (through action on crime, public realm etc.) and ensuring a greater social mix of residents.

Crime

Crime concentrated in most deprived areas of Wirral...

5.109 The following datasets have been used to understand issues of crime in Wirral:

- The British Crime Survey (BCS), produced by the Home Office, provides crime statistics for Merseyside but not for Wirral district.
- Wirral MBC have allowed some access to crime datasets which they have been monitoring in the last quarter (September to December 2006) for performance indicators within the Neighbourhood Renewal area in the Wirral – an area within the HMRI boundary and in close proximity to the Wirral Waters site.
- The IMD 2004 Crime Domain is also useful in understanding crime at a low spatial level as SOA data can be analysed.

5.110 The BCS states that Merseyside experienced over 175,000 recorded crimes in 2005/06, over a fifth of all recorded crime across the North West region. Almost 50% of all recorded crime can be attributed to Violent Crime and Criminal Damage, with rates of criminal damage significantly higher than national levels. Drug offences also accounted for approximately 8% of all offences, over 3% points higher than the national average for these offences. These are crimes which have a particularly strong impact on quality of life for residents (and the external perception of quality of life).

5.111 According to the BCS, residents in Merseyside have a higher propensity to **worry** about crime, or **perceive** that certain crimes are

occurring in their locality. Worries about burglary and car-crime are above average if compared to England, although worries about violent crimes are significantly higher than the England average at 28% compared to 18% across England. Merseyside residents also have a higher **perception** of Anti-social behaviour and drug-use/dealing in their community in comparison to national averages.

Table 5/24: British Crime Survey – Worry and Perceptions of Crime (%), 2005/06

Area	High Level of Worry about Burglary	High Level of Worry about Car Crime	High Level of Worry about Violent Crime	High Level of Perceived Anti-Social Behaviour	High level of Perceived Drug-Use or Dealing
Merseyside	18	19	28	21	31
North West	15	15	20	18	27
England	13	14	18	17	27

Source: Home Office © Crown Copyright

5.112 Wirral MBCs Neighbourhood Renewal crime data shows that although crime is an issue in certain areas of Wirral, the local crime partnership is having some success in meeting its performance targets for reducing crime. The Neighbourhood Renewal area of Wirral has contributed to a reduction in the level of BCS recorded crime (i.e. burglary, violent crime etc) from 30% to 28% over the last two years, with the aim to reduce this further to 24% by 2008/09. Although this area of the Wirral does have issues with

crime (personal robbery and domestic violence above their local performance targets), the partnership has seen decreases in some *important* crimes over the last quarter. These include:

- Thefts of/or from motor vehicles
- Business burglary
- Anti-social behaviour

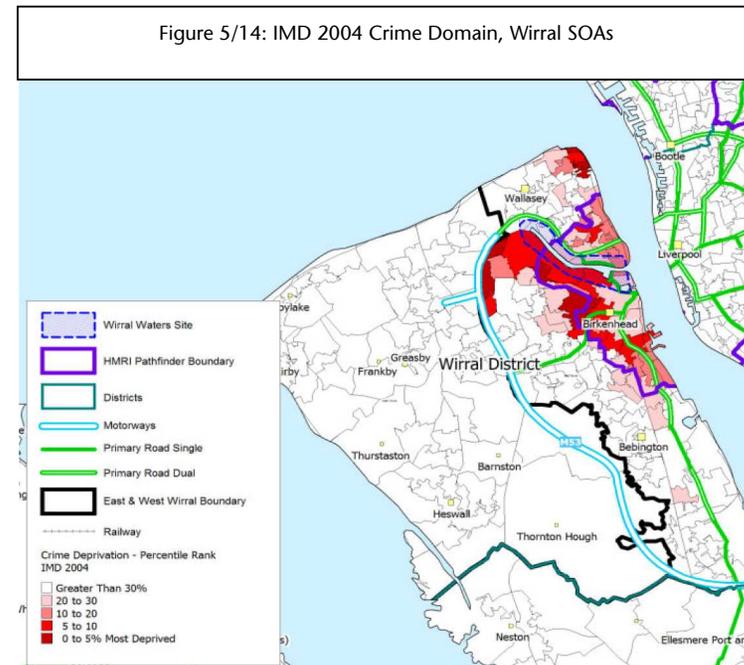
5.113 The IMD 2004 dataset is also important in assessing SOA level based crime in Wirral. The domain has been compiled by four crime themes:

- Burglary
- Theft
- Criminal Damage
- Violence

5.114 Figure 5/14 maps SOAs in Wirral in terms of Crime deprivation. By mapping crime statistics in this domain for those SOAs which are ranked within the top 30% most crime deprived SOAs nationally, an interesting picture emerges.

- West Wirral has **no** SOAs with a crime rank in the top 30% nationally.
- Conversely, East Wirral has **all** of the district's SOAs which are ranked as being problem areas for Crime. A significant number of these SOAs in East Wirral are within the top 5% and 10%

nationally, and are located in **close proximity** to the Wirral Waters site.



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Summary

5.115 To summarise the key messages arising from the socio-economic analysis it is useful to look at the following:

- The scale of social and economic challenges
- The spatial dimension in Wirral
- The implications for Wirral

The Scale of Social and Economic Challenges

5.116 Wirral is experiencing a continued decline in its overall population. Since 1981 the district's population has declined by 8% (over 27,000 people). The significant decline in the district's employment base, which was traditionally centred upon manufacturing industries and ship-building, has been one of the main drivers behind this high level of population decline.

5.117 Economic necessity has led to Wirral residents looking for alternative employment opportunities outside of the district. Many of the more active and mobile residents of Wirral, typically those who are young and young to middle aged, and with children, have left, leaving the district with a relatively unbalanced demographic profile, with a higher proportion of older adult and retired residents. For those who remain resident in Wirral, approximately 40,000 people leave the district each day for work opportunities across the city-region and the North West in order to find higher-value employment opportunities elsewhere as locally there is an inadequate supply of jobs requiring well qualified employees.

5.118 Economic activity rates have improved within Wirral in recent years, although compared to regional and national rates they are still below average. Employment rate increases have helped drive this increase; however Wirral would require an additional 15,700 people in employment to match national rates of employment. This acts to suppress the level of demand within the local economy, contributing to a wide range of socio-economic problems including the weakening of the housing market in parts of the district, the weakness of parts of the local business base and overall levels of public and private investment.

5.119 Economic inactivity is a major issue in Wirral accounting for almost a quarter of all residents. Inactivity is linked to a range of factors including high levels of ill health (one third of residents are inactive due to this) and low levels of skills amongst the resident population – over 22,000 residents do not have any recognised qualifications. Unemployment rates, JSA claimants and Incapacity Benefit Claimants are also relatively high in certain areas of the district.

The Spatial Dimension in Wirral

5.120 The socio-economic position for Wirral is one of great contrast with a concentration of the major socio-economic issues identified above located within East Wirral. West Wirral however is home to Wirral's more affluent population and faces few of the socio-economic issues which residents in East Wirral contend with. Residents in the West

are likely to be better qualified and mobile, and to have taken advantage of employment opportunities outside of Wirral.

- 5.121 Although deprivation is not widespread across the whole district, East Wirral has a significant number of severely deprived SOAs. Residents living in these areas are faced with multiple disadvantages based upon low incomes, poor health and housing, a lower quality environment, high levels of crime, and less access to employment opportunities.
- 5.122 Evidence suggests that despite recent efforts to regenerate these areas of East Wirral through neighbourhood renewal and housing market renewal funding, along with initiatives to target health and skills issues, these areas of East Wirral are still fundamentally disadvantaged. The socio-economic disparity gap between residents in East and West Wirral shows little sign of abating, with many indicators suggesting that there is a likelihood that it will continue to widen.

The Implications for Wirral

- 5.123 Unless significant higher-value employment opportunities are created in Wirral there will be a continuing growth in the number of residents who work outside of the district. This is not only an unsustainable position economically, but also environmentally as currently over 40,000 commuters leaving Wirral each day. Further employment opportunities may also help in increasing the district's employment rate, and will play a vital role in attempts to lower economic inactivity in the district. However, an inactive, unhealthy and unskilled workforce is not an attractive labour market for many investors. Allied to issues of poor environment in residential and business locations, these are constraining factors for future investors in the district.
- 5.124 It is not only a lack of employment opportunities which can have an impact economically for Wirral. Due to a lack of quality retail and leisure destinations some residents choose to spend their disposable income outside of the Wirral in retail centres in Liverpool, Chester and Manchester, and across the region. There is therefore significant 'leakage' of resident spend away from Wirral which could be captured through additional investment in retail and leisure facilities in the district.
- 5.125 Although regeneration initiatives have attempted to reverse the cycle of socio-economic problems facing the most deprived areas of East Wirral, it is clear that there is a hard-to reach 'core' of residents in these areas who are difficult to reach out to and assist. They typically have low aspirations and different attitudes and approaches to dealing with the issues affecting their lives such as unemployment, poor environment and poor health. For residents who have been helped by regeneration initiatives it is quite usual for them to decide to relocate away from their community once they have the opportunity. People who have the ability to move normally tend to do so, thus further reinforcing the socio-economic issues prevalent in the area. Long-term and sustained regeneration of these neighbourhoods – many of which are located close to the

Wirral Waters site – is dependent on their ability to offer the economic and employment opportunities, the housing offer and the wider quality of life required to attract and retain increased numbers and a wider range of residents.

Wirral's Economy Tomorrow

5.126 In this section we provide an assessment of the current prospects for economic development and regeneration in Wirral and in the Liverpool City Region more widely. First, we review economic scenarios prepared for the Liverpool City Region, highlighting the possible trajectory of the economy both in the district of Wirral and in the City Region as a whole. We also provide a review of the current and emerging economic development and regeneration context, highlighting the nature and scale of interventions proposed.

Future Economic Scenarios

5.127 A study to consider a number of alternative economic futures for the Liverpool City Region was commissioned by The Mersey Partnership in 2005, and updated again in 2007 (in order to consider displacement effects)¹⁴. This work, which resulted in the development of a number of separate economic scenarios for the development of the City Region economy up to 2020, is to be used to inform and support the development of the Liverpool City Region Development Plan. The study seeks to estimate the gross and net impacts of key strategic economic development and regeneration projects around the City Region and to help City Region partners to plan and programme underpinning activities (such as labour market

interventions and action on quality of life) to support these projects and maximise their long-term impacts.

5.128 Three scenarios were developed. These are:

- Scenario 1 (Baseline Scenario): A base projection based on the past relative performance of the City Region compared to the North West and UK.
- Scenario 2: Gross impact of the successful delivery of all major development projects thought to be 'above trend'. This scenario builds upon the Baseline Scenario and includes all strategic projects identified around the City Region which are currently at any stage of planning and delivery. As such, this scenario considers the potential gross impact of Wirral Waters, assuming that the scheme will generate 14,400 gross jobs in Wirral by 2025.
- Scenario 3: Net impact, taking into account displacement effects, of the successful delivery of all major development projects thought to be 'above trend' that are currently in their delivery stage or moving into it. This scenario again builds upon the Baseline Scenario but considers net rather than gross impacts and excludes any projects that are currently regarded as *pipeline* projects, i.e. that are planned but have not yet moved into the delivery phase. As a pipeline project, Wirral Waters is excluded from this scenario.

5.129 Each of these scenarios and their implications for economic development in Wirral and the wider City Region are considered in turn. We also highlight the estimated economic and employment

¹⁴ 'Liverpool City Region Economic Projections and Prospects', Cambridge Econometrics and SQW Consulting, October 2007.

growth within the Wirral Employment Corridor (one of 8 Strategic Investment Areas in Merseyside, which covers the employment area stretching along the Mersey waterfront from New Brighton to Eastham and incorporating the Docklands (and the Wirral Waters site), Birkenhead town centre, Lairdside, and the Wirral International Business Park at Bromborough).

Baseline Scenario

5.130 The Baseline Scenario is built upon the core assumption that growth in the Liverpool City Region relative to that in the North West or the UK continues to follow its historical trend (using Cambridge Econometrics' Regional Multisectoral Dynamic Model of the UK economy. As such, projections are based solely on past economic trends and do not take into account employment gains from future development projects that are expected to generate additional jobs over and above those expected from *trend* developments in the economy.

5.131 Sub-district projections, including those for the Wirral Employment Corridor are based on past employment trends (using agreed *best-fit* wards) between 1998 and 2005. For 2006 and onwards, the employment in each industry is assumed to grow at the same rate as that industry in the relevant local authority district.

5.132 Under the Baseline Scenario output growth in the Liverpool City Region is forecast to average 2.25% pa over the long term, driven by the *Financial and business services* and *Transport and logistics*

sectors. Total output (at 2003 prices) is expected to rise from £35.1 bn in 2005 to £49.0 bn in 2020.

5.133 Employment in the City Region is expected to average 0.5% per annum over the period 2010-2020, reaching 1.24m in 2020. In Wirral, employment is expected to increase by 8,000 jobs between 2005 and 2020, with the most rapid growth (3.1%) expected in the period 2005-2010. Half of this growth (4,000 jobs between 2005-2020) is forecast to occur in the Wirral Employment Corridor area.

5.134 The gap between GVA per capita in the Liverpool City Region (£14,700 in 2005 at 2003 prices) and the North West (£14,900) and UK (£17,000) is not expected to close significantly, whilst Wirral's GVA per capita (£10,200 in 2005) is expected to grow more slowly, leading to further divergence from City Region, North West and UK averages.

Scenario 2

5.135 Scenario 2 builds directly upon the Baseline Scenario. It seeks to consider the further **potential** for growth in the City Region which could be generated by its land, sites and premises assets and capacity. Each local authority provided key assumptions about the impact of strategic projects in their area. These assumptions were challenged and validated to check the accuracy (or reasonableness) of the estimates provided, to fill information gaps and to assess the extent to which projects were actually above trend and therefore suitable for inclusion in this scenario. At the end of this process,

finalised project locations, employment numbers and additional projects were received from all local authorities. This was then used to produce gross employment estimates and output projections. Wirral Waters is amongst the largest projects included here and is assumed to generate 14,400 gross jobs in Wirral by 2025.

5.136 Care should be taken when interpreting the results of Scenario 2. It provides a useful indication of the **potential for job growth** in the Liverpool City Region but provides results which are overly optimistic, as noted by the report's authors. This is because for each project it:

- looks at gross jobs rather than net jobs (ignoring the real potential for displacement of employment from elsewhere in Merseyside and the City Region).
- includes all proposed schemes irrespective of their planning/delivery status and assumes that all schemes will be realised to their full potential.

5.137 The economic performance of the Liverpool City Region modelled under this Scenario cannot be expected to be achieved. However, the report's authors set out a series of actions to help maximise the impact of investment in key projects (discussed below). The Scenario also allows consideration of potential performance within individual districts and Strategic Investment Areas, such as the Wirral Employment Corridor.

5.138 Over 150 projects were identified and agreed as being activities over and above trend development. They are forecast to generate an

extra 76,000 in Merseyside gross jobs above trend) by 2015, with 36,000 (47%) of these in Liverpool (focused on Liverpool City Centre).

5.139 Within the Liverpool City Region these projects are expected to add an additional £5.9bn in GVA by 2020, lifting GVA 12.2% higher than forecast under the Baseline Scenario.

5.140 In the wider Liverpool City Region 106,00 gross jobs are expected to be generated above trend by 2015, rising to 120,000 by 2020 (at which time total employment will be 12.2% higher than trend (i.e. the Baseline Scenario). The majority of these additional jobs are expected to be in *Other business services, Professional services, Construction, Retailing and Distribution*. If achieved, employment growth in the Liverpool City Region would rise from an average of 0.5% per annum between 2005 and 2015 to 1.75% between 2005 and 2010, and 1% per annum over 2010-15, outstripping North West and UK averages). Growth in output would rise from 2.5% per annum over the period 2007-2020 under the Baseline Scenario to 3.75% per annum.

5.141 In Wirral, Scenario 2 (driven by the development of Wirral Waters) direct employment from known major development projects is expected to reach 13,100 by 2020. Whereas under the Baseline Scenario the rate of growth in employment in the Wirral Employment Corridor is expected to track that of Wirral as a district, under Scenario 2 it becomes a much more important source of employment growth. By 2020 an additional 11,800 gross direct

jobs are forecast in Wirral Employment Corridor, compared to 4,000 under the Baseline Scenario. The additional GVA impact will rise to £338m per annum by 2020, 7.8% higher than forecast under the Baseline Scenario.

Scenario 3

5.142 Scenario 3 builds on Scenario 2 and seeks to provide a greater understanding and awareness of factors that are likely to prevent the potential impact of projects in the City Region being fully realised. Key differences are that it:

- applies benchmark displacement coefficients to each project to estimate the net rather than gross employment impact.
- excludes all *pipeline* projects and focuses only on those which local authorities report have moved into their delivery phases.

5.143 As a *pipeline* project, Wirral Waters is excluded from consideration under Scenario 3.

5.144 Under Scenario 3, 62,000 net jobs are expected to be generated in the Liverpool City Region over and above the trend identified in the Baseline Scenario. 38% of these will be generated in Liverpool, focused primarily on Liverpool City Centre. This represents a significant increase in the rate of employment growth over and above that in the Baseline Scenario. By way of comparison, average annual growth rates under each Scenario are:

- Baseline Scenario: 0.5% per annum between 2005-2015

- Scenario 2: 1.75% per annum between 2005-2010, falling to 1% per annum between 2010-2015 (including all pipeline projects and making no allowance for displacement).
- Scenario 2: 1.75% per annum between 2005-2010, falling to 1% per annum between 2010-2015 (excluding pipeline projects and allowing for displacement).

5.145 The net additional impact of projects under Scenario 3 on GVA is an additional £3.8bn per annum by 2020, providing an uplift of 7.7% on the Baseline Scenario. Whilst this will result in the Liverpool City Region overtaking regional performance on GVA per job, the characteristics of the additional jobs created do not close the gap with UK productivity significantly.

5.146 In Wirral (excluding Wirral Waters and allowing for displacement), above trend development projects are expected to result in 2,600 net additional jobs by 2020. Net additional employment in the Wirral Employment Corridor is expected to rise to 2,700.

5.147 By 2020, GVA in Wirral under Scenario 3 is forecast to be £86m above trend, an uplift of 2.0%. As with the wider Liverpool City Region, the composition of employment and additional output is likely to have a relatively modest impact on GVA per job and a significant productivity gap with both North West and UK averages will remain.

Key Messages

5.148 The scenario analysis undertaken in support of the Liverpool City-Region Development Programme clearly demonstrates the gap in performance between the City Region and the North West and UK economies (a gap which would be significantly larger when the City Region is compared to the best performing economies in the UK). The Baseline Scenario, in which the City Region continues to underperform relative to the North West and UK, results in an improvement on long-term growth rates but continued divergence in terms of GVA per capita.

5.149 However, as noted by the report's authors, future prospects for Merseyside and the Liverpool City Region are unlikely to follow a 'business as usual' path as a result of recent and ongoing improvements in the physical environment of the economy (sites and premises etc.). In assessing all the strategically significant development projects either in delivery or planned, it is estimated that there is the potential to create 120,000 gross jobs above trend by 2020 (Scenario 2) if all were delivered to their full potential. It is estimated that 62,000 (51.7%) of these jobs may be displaced from elsewhere in the City Region. Despite this, if achieved these projects will result in the Liverpool City Region achieving higher growth than, and therefore convergence with, the UK as a whole.

5.150 It is also notable that a high proportion of the growth associated with the development projects is expected to come from those projects that are either in delivery or soon to enter delivery. The

authors estimate that by 2015, only 18% of the potential impact on the economy forecast by 2020 is from *pipeline* projects (those at a much earlier stage in the planning and development process). Beyond 2020, this situation changes as the two major pipeline projects, Wirral Waters and Liverpool Waters are modelled as potentially coming *on stream*.

5.151 The level of GVA per worker in Scenario 3 is similar to that under the Baseline (trend-based) scenario. This reflects an assumption in Scenario 2 about labour productivity (with no major increases in the productivity achieved within individual sectors) and the sectoral composition of the above trend activity (with 40-45% of jobs directly linked to the strategic projects falling within relatively low value-added/ low productivity sectors such as retailing, distribution, hotels & catering and other leisure/ tourism related services.

5.152 Whilst vital, then, the delivery of a higher quality physical commercial environment will not alone meet partner's aspirations for economic growth. The authors note that in order for these aspirations to met, the new sites and premises delivered must be filled with nationally and internationally competitive firms that are able to create and sustain significant numbers of higher value-added, higher paid jobs. Moreover, local partners must ensure that the workers in these jobs choose to live as well as work within the Liverpool City Region rather than commute in from outside. Creating the residential and quality of life offer to attract and retain these more highly skilled residents is vital to capturing the full

economic impact of these new developments (e.g. harnessing the multiplier effects associated with increased disposable incomes).

5.153 To this end, there are a number of key and long-term challenges identified:

- Creating and maintaining an attractive residential offer and a strong quality of life (housing, schools, neighbourhoods etc.) offer in order to attract and retain skilled residents.
- Address current and future skills deficits in the existing workforce.
- Expanding the labour force through migration and action to bring more existing residents into the labour market, removing barriers to employment and encouraging job retention and progression
- Attracting and developing higher value added activity at an accelerated rate, particularly through the expansion of higher value added business services activity. Attracting inward investment and a substantial increase in levels of indigenous entrepreneurship will be key to this.
- Action to improve labour productivity. Irrespective of sectoral composition, there is an ongoing and pressing need to ensure that productivity across the economy is improved (e.g. improving basic skills, encouraging the development of higher level skills).

Case Studies

5.154 In this section we provide a number of brief case studies of major developments and area regeneration programmes – both from the United Kingdom and overseas – in order to identify lessons which may be of help to inform the Masterplanning of Wirral Waters. These case studies were compiled through desk research (including reviews of evaluation evidence, academic literature where available and media coverage) and selected consultations with economic development consultants and practitioners.

5.155 Case studies of four separate developments and development programmes are presented here. Three of the four case study subjects consider the development of dockland or other waterside locations. These are:

- London Docklands
- Melbourne Docklands
- Baltimore Inner Harbour

5.156 The development or redevelopment of waterside locations (including dockland and other former industrial areas) has been a feature of both commercial development and urban regeneration strategies across the world, often helping to bring about truly transformational change in underperforming economies. As such the three waterside development case studies here offer useful

parallels with the development opportunity at Wirral Waters and the wider economic context in which proposals may be developed.

5.157 London Docklands was chosen as a case study as it represents a large scale waterside/docklands mixed use regeneration scheme within a UK setting. The regeneration of London Docklands has been in progress for over twenty years, through a variety of projects and developments (most famously Canary Wharf), and this length of experience enables a view to be taken as to the economic and market impacts associated with the wider regeneration initiatives and developments taking place in docklands, as well as the community engagement impacts.

5.158 Both Melbourne Docklands and Baltimore's Inner Harbour area were selected as interesting and comparable international examples of large-scale docklands regeneration. Although the schemes are different in scale (Melbourne is larger) they have a broad mix of uses (leisure, retail, residential, commercial office), and have been phased over a considerable timescale. The Baltimore scheme was part of a wider programme to transform the economic performance and prospects of an economy which had suffered from major long-term decline and was widely seen as needing to *reinvent* itself in order to win investment in new growth sectors.

5.159 The fourth case study – New East Manchester - is of a programme of development and regeneration in an area which has experienced a profound and prolonged erosion of its economic base and is now an

area marked by both widespread and intense deprivation located, like Wirral Waters, in the North West of England. The New East Manchester regeneration programme is notable for its considerable and explicit emphasis from the outset on the need to ensure that local people are able to share in the benefits of investment in the area. As such it offers a different but equally useful subject for a case study.

5.160 Following a short background introduction to the selected areas each case study will assess the following three themes:

- Economic growth and regeneration: an assessment of the extent to which development has had an economic impact on the economy of its host city, and in particular the extent to which it has helped to bring about a transformational change
- Commercial property market impact: a review of the extent to which the development has had an impact on the volume and nature of demand for commercial sites and premises in the host city's commercial property market. In particular, we look to consider the extent to which the development has helped to *create* or stimulate a new market in that location.
- Community inclusion and engagement: a review of the extent to which local residents have been able to share in the benefits of investment in the area or the extent to which mechanisms have been put in place to maximise local impact.

5.161 These brief case studies are intended to identify a number of lessons which should shape thinking on proposals for Wirral Waters. As this thinking develops, further and more detailed case study and good practice reviews will be undertaken.

London Docklands

Background

5.162 London Docklands was once the largest port in the British Empire and indeed the world in terms of trade volumes and employment. Global shifts in trade & technology (including unitisation of cargo and the need for larger deep-water ports) resulted in a significant economic downturn for London's docklands. Thousands of jobs were lost as dock-related business folded under cost-pressures from overseas ports and more modern ports in the UK.

5.163 London was left with 8.5 square miles of disused docklands, vast stretches of water, derelict land and redundant buildings. The area also suffered from depopulation, high levels of unemployment and multiple deprivation.

5.164 The establishment of the London Docklands Urban Development Corporation in 1981, a central government imposed organisation with special planning, development control and funding powers, played a pivotal role in the regeneration and economic development of this vast site in the East of London, stimulating and

facilitating a programme of redevelopment and marketing. This included site preparation, the provision of new transport infrastructure (Light Railway and Jubilee Line extension), land remediation, physical, economic and social regeneration in Docklands.

5.165 The largest and most well-known regeneration scheme in Docklands, Canary Wharf, has, despite early set-backs, become one of the defining developments of the area, providing a business environment which has become an extension of the City of London and a World financial centre.

5.166 Docklands today is not just about business. Significant residential, leisure, environmental and social programmes and initiatives have encouraged a renewed confidence in this area, marked by an increasing residential population and on-going investment in the area.

Economic Growth and Regeneration

5.167 The planning and funding powers of the UDC, although controversial at the time, are regarded by many observers as one of the key factors in securing success for the overall regeneration programme. Having the ability to assemble land and pursue the development of new infrastructure in docklands (e.g. City Airport, Light Railway and Tube extensions) allowed the company to provide key **enabling** or **pull factors** for developers who could then see the

potential (both in terms of property and labour supply) for this area of London.

5.168 These pull factors were important in securing significant economic growth in the area. Redundant land could be re-used to provide **higher-value** employment opportunities and further strengthen London's role as the key economic driver for the UK, but also as an important location within World financial markets. Docklands has therefore helped to spread and support the growth of the City and of business and financial services more widely. Development at Docklands both benefited from but also supported the expansion of the international financial services sector in the London of the late 1980s and 1990s.

5.169 The Development Corporation, in their legacy report published in the late 1990s, stated that the regeneration of docklands had led to employment in the area rising from 27,000 to 85,000 over their 17-year existence. An impressive and significant figure, but one which only accounts for direct jobs in docklands. It does not account of the indirect and induced employment which development at the site will have generated over this period. The formal evaluation of the UDC ¹⁵ found that by 1998 major flows of private sector investment – some £8.7bn – had been levered into Docklands and this investment has continued in subsequent years.

¹⁵ 'Regenerating Docklands' Department of the Environment, Transport and the Regions, 1998

5.170 Development at Docklands has continued at pace since the corporation was wound up, ensuring that the employment and wider economic impacts of development have continued to rise. With the on-going relocation of financial and professional services companies to Docklands, the overall employment impacts of the regeneration of London's docklands have grown considerably over the last 5-10 years, with Docklands recognised as an important investment destination and one which has a considerable momentum behind it.

5.171 Despite early reservations about the viability of proposals (and the scale of ambition for the derelict docklands location) and economic downturns, the provision of improved transportation and infrastructure and high levels of investment and employment generation have seen Docklands increasingly recognised as an example of successful regeneration. However, views are more mixed in terms of the approach taken towards social and community issues and the extent to which access to opportunity has been shared by local residents.

Market Impact

5.172 London Docklands today is a strong and distinct office market of national and international significance. However, the development of this market has not been without difficulty, with low confidence in the area following economic recessions and changes in technology which has enabled some businesses to be more footloose in their choice of locations.

5.173 The Development Corporation estimated that during its operations approximately 2.3 million m² of commercial and industrial space had been built in Docklands, of which over half was for office space, and development has continued in more recent years. The financial and professional services sector has been the key driver of demand for office space within Docklands, with multinational banks such as Barclays and HSBC developing their own office buildings within Docklands.

5.174 Recent ABI employment statistics demonstrate the scale of demand shown by this sector, but also demand more generally within Docklands as employment levels have grown. Employment levels in EC14 and EC16 postcode districts which cover Docklands, show that overall employment growth (1998-2005) of 139% (+55,000 jobs) has occurred. Banking, financial services and Insurance have seen the most significant growth with employment levels rising from 17,200 in 1998 to 65,500 in 2005, a growth of 280% or 48,000 jobs.

5.175 Bespoke and speculative office developments in Docklands have provided these companies with the volume and configurations of space they require, whilst new transport infrastructure has ensured that Docklands is well-connected to the rest of London. Consequently, new occupiers continue to be drawn to Docklands. Evidence from Knight Frank Market Research suggest that in the last quarter of 2006, take-up for office space in Docklands remained high (0.5million sq ft) with strong demand for space in Canary

Wharf, but inconsistent demand elsewhere in Docklands. Vacancy rates within Docklands were also falling matching vacancy levels from 2002 at 8%, and are comparable with the City across all office spaces which stands at 8.8% (although Grade A office vacancy rates in the City stand at 2.4%).

5.176 Residential developments have also been an important market for Docklands, with both conversions and new build units developed. By 1998 there had been approximately 25,000 housing completions (flats and houses) in docklands with nearly three-quarters of these sold to owner-occupiers. There is a strong demand for housing in Docklands, with a residential population of over 83,000 people.

Community Inclusion and Engagement

5.177 London Docklands is often referred to as a poor example of 1980s/1990s regeneration practice, with critics pointing to its hard edged physical and economic focus and a limited emphasis on social and economic inclusion. Docklands was one of the UK's first large-scale commercial property-led regeneration initiatives and, as elsewhere, lessons have been learned from early mistakes. One key lesson is that the relatively slow progress on community issues in the early years of the scheme contributed to the development of negative perceptions amongst some residents and observers. Despite this, the formal evaluation of the UDC¹⁶ found that the UDC

¹⁶ *'Regenerating Docklands' Department of the Environment, Transport and the Regions, 1998*

generated substantial additional benefits for local communities and residents.

5.178 In totality the Development Corporation invested more than £120m in community infrastructure which include new health centres, upgraded health centres, new leisure (e.g. water centre) and community facilities (parks and public spaces), and funded hundreds of community projects over its life-time through both revenue and capital support.

5.179 Education and skills programmes, along with health programmes, were also funded as these were seen as key problems affecting docklands communities. They were also important issues to address if local people were to gain employment within the businesses choosing to locate in Docklands. Evidence from LDDC suggests that school attainment rates have improved with more young people achieving GCSEs at grades A*-C (from 8.3% in 1989 to 21.7% in 1995), with post-16 student staying-on rates also doubling to 70% (1989-1995).

5.180 The Corporation funded community officers and advisors who would attend community meetings to discuss proposals and listen to their community's views, whilst it was also interested in providing a legacy for communities through the establishment of Community Trusts. Such Trusts benefited in the long-term from endowments from local businesses which would support future community projects.

5.181 There has been a major expansion of affordable housing in the Docklands area. In terms of social or affordable housing, over a quarter of all homes developed in Docklands have been built for housing associations and councils, whilst 8,000 social housing units have also been improved through planning obligations and agreements.

Melbourne Docklands

Background

5.182 Melbourne Docklands, until the early-1990s, was an industrial wasteland adjacent to Melbourne's central business district (CBD). The docklands area was the main port for the city until more modern facilities were established further down the Yarra River. The legacy of the former port left one of the largest brownfield sites in the city (200Ha of land and water), equivalent to the size of the CBD itself.

5.183 The State of Victoria Government introduced an Act of Parliament to establish 'VICurban'. VICurban is a regeneration company for the sustainable redevelopment of docklands, although it is now involved in regeneration projects across the state of Victoria, mainly developing sustainable housing developments. The company's overall vision is to deliver sustainable urban development and economic growth across Victoria.

5.184 The concept behind the regeneration of Melbourne docklands is to create a sustainable community with a mix of commercial, residential and leisure uses. The redevelopment is estimated to cost AUS\$10bn, with the private sector taking the leading role in the area's development. VICurban acts similarly to our English Partnerships by developing a broad masterplan or framework for the area, and preparing sites for future development enabling developers to come on site with relative ease and speed.

Economic Growth and Regeneration

5.185 VICurban estimate that the redevelopment of Melbourne's docklands is only a third of the way complete. There is substantial development still to take place within the nine precincts which make up docklands. This includes a range of additional leisure facilities and residential units based within mixed-use areas of docklands with retail and leisure uses on lower levels and commercial and residential activities on upper floors.

5.186 It is anticipated that once the redevelopment of docklands has taken place there will be approximately 9,000 residential units, approximately 750,000 m² of net lettable commercial space, approximately 150,000 m² net retail space, and over 2,000 hotel rooms. There has also been the development of the Telstra Dome sports stadium which hosts an array of sporting and musical events throughout the year.

5.187 Development within docklands has been largely driven through market-demand rather than speculative build. Therefore in terms of commercial office development within docklands, the rate of development has been steady rather than rapid, reflecting the current market position in Melbourne which still views the CBD as the more traditional office location, although views are beginning to change. The improved public transport infrastructure, the environment and public art, the waterside location and modern facilities will be key drivers in attracting businesses to locate within docklands in the next 5-10 years.

5.188 Docklands is also a location where affordable housing schemes are being developed within Melbourne, providing housing for key-workers and first-time buyers who struggle to get a foot on the housing ladder in other areas of the city. Developments of this nature will help to create a sustainable and mixed community within docklands.

5.189 Docklands is being redeveloped in phases, with a vision to be a home to over 20,000 residents, a workplace for over 30,000 people, and a visitor destination which attracts over 20 million people per annum.

Market Impact

5.190 Docklands redevelopment has been focussed upon developing a broad mix of residential, commercial, and leisure uses (including the Telstra Dome sports stadium). The redevelopment of docklands has

not been driven by a detailed masterplan for the area as such, more an overall framework for good urban design and mixed uses across the site. Developers can, within planning guidelines, develop buildings which meet the needs of the market at that time.

5.191 Retail and leisure uses were the early developments in docklands helping to attract larger scale retail outlets and water-based leisure activities and sports fans to the new amenities within the area. Commercial office space within docklands is beginning to follow but is still in its early stages, with the main CBD area of Melbourne still the main location for commercial operations. Property agents in Melbourne do not yet see Docklands as a distinct office market within the city. There are no particular target sectors which VICurban or developers strive to locate within docklands, although in recent years there have been a number of large scale developers which have let buildings to financial and professional services organisations.

5.192 The residential market however has started to establish itself in docklands. With over 6,000 residents and 9,000 units in the area there has been increasing demand to live by the water and in close proximity to the CBD. The on-going development of community services and amenities will be beneficial to the future growth of residential communities within docklands.

Community Inclusion and Engagement

5.193 The Melbourne docklands area was primarily an industrial area with no established residential communities within the fabric of the docklands area. Consequently, there has been no requirement for VICurban to undertake community inclusion programmes in the docklands area for existing local residents. However, due to the substantial development of residential units in docklands (approximately 9,000 units and over 6,000 residents), VICurban has had to address the challenges of community development and inclusion in the new residential areas developed in docklands.

5.194 A community plan has been developed for the docklands communities to ensure that the community develops in a sustainable and inclusive way. This has included the development of community groups and resident associations allowing a wider input from the growing community in to the management and future direction of the development; and the development of a community intranet 'Onboard' which acts as an online service publicising community interests, activities, events and issues.

5.195 VICurban has invested in a good network of public spaces and promenades between precincts in docklands and along the waterfronts, helping to both improve connectivity across the area for all users e.g. residents, businesses and visitors.

5.196 The Act of Parliament which established VICurban stipulated that the contracts which the organisation signed with developers

included obligations which would be of benefit to public uses and environment. One obligation was the requirement that developers set aside 5% of their land for public services or works. This could include community facilities e.g. crèches or public infrastructure works. Another obligation for developers was a 1% contribution of the total development costs for each development which would be used to develop a public art programme in docklands (\$15m to date). Public art in docklands is becoming one of the area's distinguishing features, helping to improve the living environment and quality of life for residents, but also helping to attract businesses and visitors to the area.

Baltimore Inner Harbour

Background

5.197 Baltimore is situated 40 miles from Washington DC in the state of Maryland. It was once a thriving port on the east coast of America, a city which grew both in population and economically from the 1800s due to its role in trade.

5.198 As elsewhere Baltimore's Inner Harbour suffered from the impacts of new maritime and transportation technologies, along with global economic shifts in trade over the last 50 years. This left the Inner Harbour area, part of the CBD of Baltimore, with swathes of redundant waterside sites, and derelict buildings and wharves.

- 5.199 Local Government and business leaders in Baltimore have since the early 1960s identified the Inner Harbour as a priority regeneration area for the city. Despite many false starts and Masterplans for the area, the late 1970s and 1980s saw the most pronounced urban renewal changes for the harbour, with the development of new commercial and leisure facilities including a World Trade Centre complex, and the retail and restaurant complex, *Harbourside*.
- 5.200 The Inner Harbour area forms part of the main business district of downtown Baltimore. Civic leaders recognised the harbour area as integral to the wider-regeneration of the CBD. The early developments at the harbour acted as a catalyst for other projects adjacent to it such as the International Convention Centre, Camden Yards baseball stadium (formerly railway yards), and additional commercial office space developments.

Economic Growth and Regeneration

- 5.201 The Inner Harbour area is one of the core areas of Downtown Baltimore and its CBD. The Baltimore Development Corporation (BDC) has been the key agency over the last decade taking forward the regeneration of the Inner Harbour and other projects across the city. Under BDCs vision for Baltimore a rejuvenated Inner Harbour is one of the three key assets to be maximised in Baltimore, along with the two Universities.
- 5.202 BDC have continued to focus on the Inner Harbour as a regeneration priority following early interventions in the 1970s and

1980s which have helped re-position Baltimore as a city with a rejuvenated inner-core. BDC and previous civic bodies have invested significant funding in developing the Inner Harbour area. Over \$55 million in public funds were spent to acquire, clear, and prepare land in the Inner Harbour area for the first phases of its redevelopment. Phase 1 was to total over 90 acres, with a main anchor of a retail and leisure complex called *Harbourside*, which included a range of shops and restaurants and a cinema. Combined with environmental improvements around the Inner Harbour including new promenades, it was estimated that the Harbourside development attracted over 14 million visitors in its first year, created over 2,000 jobs, and returned over \$1m in local taxes to the city.

- 5.203 The success of Harbourside helped catalyze opinion among investors that the Inner Harbour was becoming a visitor destination. Further investments in a large scale attractions such as the Maryland Aquarium & Visitor Centre, ESPN Sports Zone attraction, and the development of hotels like the Hyatt, have seen Baltimore's Inner Harbour emerge as a strong leisure destination with a critical mass of leisure opportunities. The addition of the new football and baseball stadiums adjacent to the Inner Harbour have also been prominent leisure additions to the area.
- 5.204 Based upon the on-going regeneration of the Inner Harbour and the employment opportunities which this has been generating, BDC estimate that approximately 21,500 people are employed within the

Inner Harbour area across a range of commercial, retail and leisure sectors. They also estimate that on average the Inner Harbour area attracts over 11 million visitors annually.

Market Impact

5.205 BDC estimate that over \$816m of investment has been made in the Inner Harbour area in 2005, with a further \$500m likely to follow within the planning pipeline. This reflects the increasing prominence the Inner Harbour has a location for investment in Baltimore, and helps to increase the critical mass of activities adjacent to the CBD.

5.206 Although development of commercial office space does occur in the Inner Harbour, the key sector driving the on-going development of the Inner Harbour is retail and leisure. There are now over 230 retail and entertainment businesses located within this area, employing a significant proportion of all employees within the Inner Harbour. Recent leisure-focussed developments at the Inner Harbour have included an extension to the aquarium and a new African-American museum has also opened. National retailers have been attracted to the area due to the increasing levels of residents and tourist attractions in the Inner Harbour. A recent development called Lockwood Place has added further retail space within the harbour (an additional 9,500m²). Another development at the east side of the harbour is mixed-use and includes residential, retail and office space.

5.207 Office space in the Inner Harbour is not currently the key factor driving forward the area's regeneration. However, BCD estimate that current office supply within the Inner harbour area is approximately 410,000m². The office market in the wider Harbour/CBD area experienced a decline (-3%) in vacancy rates (although this is still approximately 11% of all office property), and saw rental levels grow marginally by 2%.

5.208 Residential demand for apartments and other units within the Inner Harbour area, and more generally across Baltimore, has continued to grow. Over 1,600 residential units have been constructed in the Inner Harbour area, with a resident population of approximately 2,600. Demand has been kept high by increasing job growth in the city linked to education and health. Rental growth in the Inner Harbour area has been double the growth across the city (15.6% instead of 6.7%) due to its location adjacent to the CBD and the waterfront location.

Community Inclusion and Engagement

5.209 Baltimore as a city has suffered significant de-population and 'urban-flight' with many residents choosing to live in suburban communities – a common phenomenon across many US cities. This factor, combined with a very limited inner-city population living in close proximity to the Inner Harbour, resulted in regeneration initiatives not having a strong community inclusion or engagement ethos.

5.210 However, the City Government have increasingly made efforts through various work programmes to ensure that jobs which have been created in the Inner Harbour can be accessed by people living in neighbourhoods in the wider down-town areas which suffer from high unemployment and deprivation.

New East Manchester

Background

5.211 New East Manchester (NEM) is an Urban Regeneration Company and was established in 2000 as part of Government's response to Lord Rogers' Urban Task Force Report. Unlike UDCs, such as the London Docklands Development Corporation, NEM does not have substantial dedicated financial resources and does not possess any statutory planning powers. Instead, as a URC it seeks to work alongside a range of private and public sector organisations to redevelop and bring investment into East Manchester. Its role is to unlock significant development and regeneration opportunities by developing a clear long term vision for the future of the area and setting out a 10-15 year regeneration framework.

5.212 New East Manchester covers a large swath of eastern Manchester, from Newton Heath in the North to Gorton in the South. East Manchester was once the industrial and manufacturing base on which Manchester's economic growth was based. However, since the early 1970s East Manchester has experienced extensive social,

economic and physical decline as a result of industrial change and is amongst the most deprived locations in England. Its socio-economic challenges and problems mirror many of those found in eastern Wirral, including:

- A major reduction in traditional employment – total employment fell by 60% in the period 1975 – 1985.
- Ongoing population loss – total population fell by 13% during the 1990s.
- Housing market distress – the weaknesses and in some cases collapse of the housing market in eastern Manchester is reflected in the work of the Housing Market Renewal Initiative.
- Its proximity to a strong regional economic growth centre (Manchester city centre)

5.213 The vision developed for East Manchester was intended to guarantee economic, social and environmental sustainability in regeneration, achieving the highest standards of physical redevelopment, retain the existing population and improve its social and economic ambitions. This vision was underpinned by two core objectives:

- To create sustainable communities by ensuring that local communities benefited from job creation and by creating a place which was attractive and friendly to live and work, ensuring long term viability;

- To maximise East Manchester's contribution to the economic competitiveness of both Manchester and the North West.

5.214 The regeneration framework developed in order to achieve this vision is broad and ambitious. It includes a number of major commercial developments, including the development of Central Business Park, the progression of Sportcity as a world class cluster of modern leisure facilities for the community and as a base to continue to attract regular sporting events, environmental improvements, training and development initiatives and large scale investment in housebuilding and modernisation.

Economic Growth and Regeneration

5.215 New East Manchester set ambitious targets to be achieved over a 10-15 year period. These included:

- Increasing the population of East Manchester by 30,000
- The construction of 12,500 new homes
- The development of a 160ha new business park (Central Park)
- The creation of over 10,000 new jobs in the area.
- The completion of the Sportcity complex of world class sporting facilities
- The development of an integrated public transport system incorporating Metrolink, heavy rail, bus and car transport as well as pedestrian and cycling provision.
- A rise of educational attainment in East Manchester schools above the City average.

5.216 In its first 6 years, relatively good progress has been made towards many of these objectives. The long term decline in residential population in East Manchester has been halted and the areas has begun to see small increases in population (although is very unlikely to achieve its very ambitious targets for population growth). Progress on targets for the construction of new homes will clearly assist efforts to increase population in East Manchester. The interim evaluation of NEM¹⁷ found that by 2005/6 a total of 3,400 new homes had been built with a further 15,000 anticipated new builds in the pipeline.

5.217 Good progress has been made in the development of Central Business Park, with Phase 1 successfully completed. Master planning and scene setting work for Phase 2 (145 ha known as Central Park South) is currently being undertaken. Total employment in the full NEM area has increased by 13.2% over the baseline, outstripping regional and national employment growth rates. NEM is thought to have created over 3,100 jobs to date.

Market Impact

5.218 There is growing evidence that the work of New East Manchester and partners is beginning to have an impact on the level and type of investment in East Manchester. In particular, there are signs that

¹⁷ New *Evaluated Manchester*, European Institute for Urban Affairs, Liverpool John Moores University, 2006.

the creation of new business environments is beginning to attract the kinds of knowledge-based employment which has been driving the growth of Manchester city centre and which is so sorely required in East Manchester. The completion of Phase 1 of Central Business Park (c.160 ha, discussed above) is a major milestone and work is underway to bring forward a second large phase (145 ha). The Business Park will provide a valuable and major asset with which to transform the business and employment base of East Manchester over the medium-longer terms. Essentially, this will involve the creation of a new market for commercial property within East Manchester, enabling it to compete for and attract investment from firms who would not previously have considered the area. Amongst occupants to date is Fujitsu (who have taken 175,000 ft² of floorspace) and the partners in One Central Park (including Manchester University, Manchester Science Park and Manchester College of Art and Technology), a ICT based urban business park which combines business space and support with a strong training and workforce development offer in order to assist local residents to access new opportunities.

5.219 There is also evidence that the groundwork laid to date, particularly the progression of the Sportcity concept, is beginning to attract further rounds of major private sector investment. Most notably, this includes the recent announcement that Sportcity will be the site of the UK's first *Super Casino*, a major gaming venue and entertainment complex with a range of facilities such as a multi-purpose arena, a swimming pool, an urban sports venue,

restaurants, bars, a nightclub and a hotel (although there is currently renewed uncertainty over the development and location of Super Casinos in the UK).

5.220 As discussed above, NEM has also assisted in the expansion and renewal of the housing stock, encouraging private sector investment from housebuilders and helping to the area to attract and retain new residents.

Community Inclusion and Engagement

5.221 The NEM programme is marked by its strong commitment towards ensuring that local residents are able to share in the benefits of investment and to shape proposals for their area. Building the capacity of local residents and developing existing strengths to create a more cohesive community is a major goal of NEM. A total of £79m has been allocated to the Community Framework (the element of the programme which brings together those elements of the regeneration programme that focus on improving the quality of life and well being of both existing and new residents), of which 13% has been allocated to capacity-building.

5.222 The URC builds upon the work of the Beacon New Deal for Communities (NDC) programme and shares a number of its goals for community development. The Interim Evaluation of NEM found that the community capacity and cohesion targets that Beacons NDC had set have either been achieved or are on schedule to be achieved by the end of the programme, including:

- The proportion of residents who believe that the area is getting better, rising from 17% in 1999 to 60% in 2005.
- A reduction in the proportion of those not interested in getting involved in the local community to 20% from 43% in 2002.
- A reduction in the proportion of those wanting to move out of the area.

5.223 NEM is committed to improving educational provision and performance. In terms of performance there has been progress towards NEM's aim of securing a convergence of educational attainment in secondary schools, whilst in terms of provision the Interim Evaluation also found that strong progress had been made to improve provision. This included the joint funding of projects, improved inter-agency partnership working and community engagement on education and learning issues.

5.224 NEM's economic programme has two inter-related strands. These are a) employment and training in order to help residents compete for existing and to help to make the area more attractive to businesses, and b) business support and training to help promote enterprise. The Interim Evaluation found that there was a strong consensus amongst project deliverers, partners and residents that good progress had been made in this area and that NEM had made a tangible difference to local outcomes in a number of important ways, including:

- NEM's employment skills programme has helped NEM marry economic regeneration and improved resident access to job opportunities, giving the local community renewed hope and confidence.
- Linked local training and employment programmes together and offered ladders of progression, sought to fill major gaps in provision and add value to mainstream services.
- Encouraged much closer partnership working between job and training organisations with one stop shop approaches, more coherent planning and provision, more client referral and training opportunities.
- Backed successful projects targeting the *nearly job-ready* in order to raise employment rates and boosting private sector confidence in training provision.

Key Messages

The potential to transform the offer of an area and extend existing markets

5.225 In different ways each of our case studies has demonstrated the potential to transform the perceptions and economic performance of an area through large scale and master planned development of former industrial locations. In each area, redevelopment has or is helping the location to compete for and attract investment in sectors which previously would not have considered the area. In London this large scale and ambitious development has helped to

spread the strong demand for office accommodation from high value-added businesses from an existing city centre (in this case the City of London) into an area of dereliction and deprivation. In East Manchester, although it is still early in what will be a long-term process, a clear part of the economic strategy developed is to create the right environment that will attract the kinds of higher value added and knowledge based employment which has driven the growth of Manchester City Centre.

5.226 In Baltimore and Melbourne the long term development strategies in place similarly seek to spread the scale and influence of city centre growth drivers. In these cases development to date has been led by retail and leisure uses together with a strong waterside residential offer. However, there is evidence that commercial occupiers and developers are beginning to show greater interest as the areas develop as distinct and vibrant centres. There are clear parallels with the opportunity to build on the growing strength of Liverpool City Centre, immediately adjacent to Wirral Waters.

5.227 The examples of London Docklands and New East Manchester provide interesting illustrations of the way in which large scale redevelopment can lead on to additional sustained private sector investment. London Docklands can now be considered a mature scheme and continues to attract high levels of additional investment in a range of markets (office, residential etc.). Conversely, New East Manchester provides a clear example of the way in which ambitious public sector led regeneration (in the form of the Commonwealth

Games and NEM itself) can help to lay the ground for new private sector investment in an area marked by low investment and deprivation.

Delivery Mechanism (vehicle) can be critical to Success

5.228 In all of the case studies there has been a key agency or delivery body which has been at the heart of the redevelopment of the dockland areas. In the case of London Docklands and Melbourne Docklands there has been a Government led organisation (London Docklands UDC, and VICurban) which has had the ability to assemble land and instigate infrastructural changes to the area in order to help deliver a much more marketable product to potential developers e.g. Canary Wharf.

5.229 The establishment of any form of 'UDC-style' vehicle for Wirral Waters is clearly not appropriate, with developer interest in the site already high and the dock estate itself already under single ownership. However, some form of steering/working group or partnership may be required if both Liverpool Waters and Wirral Waters are to achieve the transformational change which both the developers and the public sector envisage for the area. Such an entity, bringing together developer funding, expertise and ambition with the authority and expertise of the key strategic delivery agencies could help to shape and enhance the direction and approach taken to delivering community facilities and infrastructure and to help maximise local and regional economic impact.

Phasing of the project is important

5.230 All three of the dockland case studies have emphasised the timescales associated with comprehensive docklands regeneration. Both Baltimore Inner Harbour and London Docklands have taken decades to develop to their current position as important economic areas within their wider cities. The developments which have taken place, both physical and community-focussed, have been developed in a rather piecemeal fashion, based upon a broad vision for the redevelopment of these areas. Similarly Melbourne Docklands had a broad development plan which will take up to 20 years to fulfil and which is currently a third of the way through.

5.231 Therefore the potential phasing which is required for Wirral Waters will be an important element of any future success. Melbourne Docklands was a demand-led regeneration programme rather than one based upon speculative development, an approach more akin to early developments like Canary Wharf in London Docklands. Evidence from Baltimore and Melbourne suggests that the introduction of leisure and retail uses have been successful early developments driving forward regeneration in these locations and helping to underpin the location as a visitor destination. This, together with a strong emphasis on the creation of an attractive and distinctive public realm (for example, public art-led approaches) has helped to establish an environment in which subsequent private sector investment can take hold, with larger scale commercial office development coming forward at a later date.

5.232 The experience of London Docklands in particular has also emphasised the importance of ensuring that there is a mix of developments across all uses (i.e. residential, retail & leisure, and commercial) rather than sole development of commercial and residential property for example, as this will help to build a more sustainable environment across the whole site.

Develop Good Infrastructure...

5.233 Both London Docklands and Melbourne Docklands case studies have highlighted the need to invest in infrastructural improvements (e.g. roads, public transport, utilities) in the early stages of the development. This has been highlighted as one of the critical success factors for attracting both businesses and residents to an area. The provision of new transport infrastructure in Melbourne and London Docklands has helped to “open up” the area, ensuring that developments would be connected to the wider city’s labour market and encouraging people to view it as a good residential location.

5.234 It will be important for Wirral Waters that the partners work collaboratively in the early stages of the development to develop a framework which can deliver the necessary infrastructural developments required, which will act as a good marketing lever to attract new residents and businesses. Opportunities to strengthen the transport infrastructure serving Wirral Waters and the wider area, including improvements to Merseyrail services and ferries will

be important in positioning the area as a well connected leisure, residential and commercial hub at the heart of the city-region.

Community engagement and inclusion should be high on the agenda...

5.235 In terms of docklands areas only the London Docklands case study featured a similar resident population which resided in close proximity to the main areas of regeneration. Despite a number of early mistakes in London Docklands in regard to community engagement, these factors were critically important to the success of the overall regeneration process. Although high levels of deprivation persist in communities close to the site, Docklands has created a wide range of lower level and entry-level employment opportunities for residents of these areas. Although there appears to be limited hard evidence to date there is also a growing perception that increasing numbers of young people from these communities are able to access higher waged employment at Docklands. There is widespread recognition of the work which NEM and its partners have done to put in place mechanisms to align training provision and opportunities with employment opportunities being created. The focus on the *nearly job-ready* has enabled them to secure some notable *quick wins* in terms of tackling worklessness and increasing employer engagement with recruitment and workforce development activity in East Manchester.

5.236 The development of Community Trusts in some neighbourhoods of London Docklands which have financial endowments has left a

legacy by which communities receive on-going annual benefits from the regeneration of the locality. The development of facilities such as community centres & health centres have also improved the quality of life for existing residents, but also helped to build infrastructural capacity for the area's growing resident population. Large scale development at Wirral Waters would result in the need to address capacity issues within the local area both for existing residents and new residents, enhancing the viability and sustainability of local services and extending provision.

5.237 Melbourne Docklands redevelopment highlighted the inclusive approach to community building which could be followed to some extent within Wirral Waters. In Melbourne the development of a community plan has been important in setting out the vision for developing a sustainable community in Docklands. Community groups and VICurban have also developed a local intranet site and an active community engagement programme which includes activities and events taking place in community open spaces and facilities. Initiatives like these are all part of broad programme to help build a new neighbourhood and community within this area of Melbourne. New East Manchester have developed a particularly strong approach to community engagement and maximising inclusion and there is strong evidence that there is widespread support for and engagement with their regeneration and economic development programmes. Initiatives of this kind could help Wirral Waters develop community cohesion and balance between both new and existing residents living in the same neighbourhood.

Key Opportunities

5.238 In this section we consider a number of the key opportunities for Wirral Waters, the district of Wirral and the wider Liverpool City-Region. These include both opportunities which may help to promote investment at Wirral Waters and opportunities to maximise the economic and regeneration impacts that potential development may have in Wirral and the wider region.

Promoting Investment

5.239 Clearly, much more work needs to be undertaken over the next few years to identify and develop both the development and marketing strategies for Wirral Waters. This work will need to consider both the specific and the general market opportunities for the scheme over the long-term (with Wirral Waters likely to take some 30 years to be fully developed and marketed). However, our review of the socio-economic context against which the Wirral Waters concept has been developed and the future direction of economic development and regeneration policy, together with our consultations to date, allow us to identify a number of broad opportunities which should help to promote investment at Wirral Waters over the longer term.

Improved Economic Growth and Confidence

5.240 Across Greater Merseyside, the Liverpool City Region and the North West as a whole there has been significant progress in achieving higher levels of economic growth. Although the region as a whole continues to underperform the best-performing parts of the UK, the sustained growth that has been achieved over the last ten years – marked by substantial employment growth - has resulted in much stronger investor and consumer confidence. The region has achieved major successes, such as the relocation of the BBC to the proposed Media City in Salford, as well as a sustained expansion in output across a range of key sectors. Within the Liverpool City Region, Liverpool, Warrington and Chester in particular have performed strongly in recent years.

5.241 Whilst the city centres of Manchester and Liverpool provide the most striking evidence of this, there is growing evidence that this new confidence is shared in towns and cities across the region, provided attractive investment concepts can be developed. Helped by the strong and stable macroeconomic environment, public sector partners and public sector funding have played an important role in creating the conditions required for major and sustained private sector investment.

5.242 The opportunity for large scale and comprehensive redevelopment at Birkenhead Docks has emerged at an opportune time - there is currently an increased ambition and appetite amongst private sector investors, public sector funding for economic development and regeneration activity is beginning to be scaled back and refocused, and there is a strong appetite for transformational change amongst many residents of Wirral and Greater Merseyside. Wirral Waters represents a great opportunity to build on the public sector led regeneration efforts of recent years. However, public sector partners will need to continue to play a key role, particularly in supporting the development of important target sectors and also in marketing the sub-region and region as a location for investment.

5.243 This improved performance and confidence has also helped to shape perceptions of the Liverpool City Region amongst potential investors and intermediaries. The Mersey Partnership tracks annually how Liverpool is perceived by decision-makers in 100 large corporates (firms employing more than 200 people) and 50 intermediaries (such as investment brokers, property specialists and financial houses) in comparison to 6 other UK cities (Belfast, Glasgow, Manchester, Newcastle, Nottingham and Sheffield). In terms of its ranking as a perceived good overall investment location the latest survey available (issued in February 2006) found that

Liverpool had moved up from fourth to third out of seven cities. The survey also found that the Liverpool City region is ranked:

- First for the availability of sites and premises
- Second as a location for competitive operating costs
- Second for access to funding and financial incentives
- Third on future growth potential
- Fourth accessibility and transport infrastructure

A strengthening commercial property market

5.244 One of the most clear examples of this renewed confidence is the performance of the commercial property market across the region, and in the Liverpool City Region in particular. After many years of very limited development activity there has been a major and very welcome increase in developer activity in Liverpool city centre. New developments have added significantly to the total volume and choice of Grade A accommodation and, as a consequence of improved supply and strengthening demand (take-up was a record 500,000 ft² in 2005), strong rental growth has been achieved. Many observers believe that Liverpool will break through the £20 per ft² barrier in a number of schemes (for example, the Unity Building), a value that will serve to increase developer interest. The City Centre has also experienced strong rental growth for secondary (Grade B) accommodation (evidence that the increase in demand is broader-based) and there is evidence that property yields are falling

as investors recognise the growing strength of the Liverpool market and capital values rise accordingly (new and refurbished schemes are currently generating yields of approximately 5.7%, compared to c. 10% in 2001-2002).

5.245 Improved confidence in commercial property markets is also spreading beyond the major city centres and more established out-of-town locations. In Wirral, despite its relatively small employment base and relatively low profile, there is also some evidence of rental growth. Whilst office developments still require an element of gap-funding, partners are now optimistic that rents of £16 per ft² at Phase 2 of Riverside Business Park can be achieved. This would represent a value at which the private sector should (all things be equal) operate unaided.

Market-making

5.246 The opportunity at Wirral Waters represents a rare chance to reposition a district and whole sub-region. The creation of a major and internationally renowned investment destination – set within an attractive and distinctive dockland setting and sharing the River Mersey with a resurgent Liverpool – could enable Wirral and Greater Merseyside to compete for and win investment of a kind it is simply unable to at present.

5.247 Whilst more work is required over the longer term to develop marketing and development strategies for Wirral Waters and its component parts, possible sources of demand may include:

- Inward investment – divisional, regional, national and European headquarters
- Financial services – both back-office but also higher value added functions.
- Business services
- International trade (exploiting the development of the Superport concept – with the seaport and airport already under single ownership, cementing of long term trading relationships with North American ports (via the development of a post-Panamax terminal at Seaforth), expanding airlinks including to North America) – in order to brand or market Wirral Waters as an international trade centre, attracting HQs or branches in a range of sectors, including maritime.
- Public sector – both local government consolidations and central government expansions/ relocations.
- High-end creative industries

A large and skilled labour market

5.248 Occupiers at Wirral Waters will be able to draw on a large and skilled workforce. There are major flows of skilled workers within and into the Liverpool City Region. The City Region has a population of some two million and over 900,000 jobs, ensuring that employers will have access to large pools of highly qualified workers. In Wirral alone, there is currently a daily out-migration of some 20,000 workers in Managerial & Professional locations alone. This represents a major resource of skilled labour. In addition, the potential for residential development at Wirral Waters offers opportunities to attract and retain additional skilled workers on which employers across the City Region can draw.

5.249 Redevelopment of Wirral's docklands could also create substantial volumes of employment requiring lower levels and intermediate skills. Again, the Liverpool City Region and Wirral alone offer large untapped reserves of labour. Although a proportion of this potential workforce may require additional support in order to become *employment-ready*, they represent a major opportunity for future employers.

Accessibility and Infrastructure

5.250 The scale of the labour market available to occupiers at Wirral Waters is enhanced by the quality of the transport infrastructure which can serve the site. Key assets include:

- M53 Motorway – this motorway provides direct access to the Wirral Waters site from the south of the region, including the larger pools of highly skilled workers in Chester, Cheshire and North Wales.
- Railway connectivity – four existing heavy rail stations are in close proximity to the site, providing access to Liverpool city centre, Liverpool Lime Street and the wider mainline network, the Merseyrail network across Merseyside and services into Cheshire and North Wales.
- Rapid access to Liverpool City Centre and the wider conurbation via the two Mersey tunnels and Mersey Ferries.

5.251 The Mersey Gateway project, constructing a second crossing of the River Mersey will also enhance the accessibility of the Wirral Waters site by reducing key bottlenecks in the regional road network.

Quality of Life

5.252 There is growing recognition of the wider quality of life offer that Liverpool City Region is able to make. This was further evidenced

by the positive national coverage achieved following the hosting of the British Open Golf Championships in Hoylake in 2006. Wirral in particular is able to offer a range of high quality residential opportunities. Partners in the public sector have played an important role in building and promoting this quality of life offer (for example, extensive place marketing led by the Mersey Partnership and the work of the Mersey Waterfront Regional Park in developing Merseyside's coastal assets).

Maximising Economic and Regeneration Impacts

5.253 Large scale and high quality development at Wirral Waters could have major positive economic impacts in Wirral, the Liverpool City Region and across the North West. It will also clearly have local economic and regeneration impacts and it is important that all partners work to ensure that these local impacts are maximised. Some locations undergoing major programmes of development or redevelopment have put in place a good range of measures to ensure that opportunity is shared by local residents (for example, East Manchester) whilst others have singularly failed to do so. Maximising local impact requires action to ensure that local residents are able to access the full range of employment opportunities that the site will provide and that local residents are able to influence the pattern of investment into their communities. Wirral's Local Area Agreement and Wirral MBC's Wirral Investment

Strategy are founded on a recognition of the need to ensure that public sector investment and action on economic development and regeneration (and the wider quality of life *offer* of the district) is well co-ordinated across the full range of partners and that it complements, supports and encourages private sector investment in the district.

5.254 Local and sub-regional partners are increasingly gearing themselves up to ensure that the economic and regeneration impacts of major private and public sector investments are maximised. This includes co-ordinated action to help ensure that residents of deprived communities are encouraged and supported to take advantage of new opportunities. The City Employment Strategy, which will be implemented across the Liverpool City Region, seeks to ensure that residents are encouraged and supported to take advantage of the many employment opportunities across the City Region, through actions to raise aspirations, tackle skills barriers, engage employers and to provide clear *routeways* into new sustainable and stable employment. Wirral Waters will be one of if not the single most important drivers of employment growth in the Liverpool City Region in future and partners will need to ensure that residents (neighbourhood renewal and HMRI areas) are ready and able to compete for employment.

Engaging with and understanding the needs of communities

5.255 Efforts to promote and to maximise the regeneration impact of development at Wirral Waters will founder without good community engagement. This requires a commitment to regular and open communication with communities and other stakeholders, and ensuring that residents have genuine opportunities to inform the development of the proposals and associated projects. A full and detailed programme of public consultation is to be developed and partners have a strong commitment to community engagement.

Developing a strong monitoring and evaluation framework

5.256 The character of and conditions around Birkenhead Docks and surrounding areas should undergo significant positive change over the short, medium or long terms – be that physical, economic or social – if a major scheme at Wirral Waters is implemented successfully and if partners succeed in ensuring that local economic development and regeneration impacts are maximised. It will be important that good intelligence is collected on the timing, scale and nature of this change, both in order to inform the ongoing development of actions to maximise local impact but also to be able to demonstrate where there has been success and where there is scope for improvement.

5.257 For this reason it will be important to ensure that partners develop a sound monitoring and evaluation strategy and framework. This commitment to measuring the local impacts of development at Wirral Waters and the extent to which local people can share in the costs and benefits of the scheme will also be an important tool in building and maintain public support for the proposals.

5.258 Whilst the precise nature and scope of a monitoring and evaluation framework will need to be the subject of detailed discussions between all partners, our review of best practice elsewhere suggest that evaluation will need to employ both *top-down* (collecting and reviewing official statistics on local employment, education, crime and other key issues identified by partners) and *bottom-up* methods (e.g. evidence from surveys of local residents). Examples of issues which could be covered by this framework include:

- Attitudinal surveys – surveys amongst local residents, schoolchildren, business people etc. These surveys would need to be repeated at intervals in order to first establish a baseline position and then assess the extent to which attitudes have changed over time. These may include attitudes to education, enterprise and employment prospects amongst children or young people, wider assessments of peoples' confidence for the future, and neighbourhood satisfaction.

- Measuring actual activity – partners will need to be able to demonstrate the actions that they are taking to maximise local economic and regeneration impacts. This might include, for example, actively measuring the number of school-business engagement projects supported, the number and nature of training places provided, the number of businesses participating in supply-chain events.
- Measuring employment created – partners may wish to consider actively measuring the volume and nature of employment created during construction and operational phases and to attempt to measure the extent to which local people have been able to access this employment. This will be useful not only for measuring impact but also helping partners to identify the kinds of skills and attributes required in order to shape any possible training initiatives which may be developed.

Working closely with developers and occupiers

5.259 Partners in Wirral and the wider Greater Merseyside sub-region work hard to ensure that, wherever possible, the labour market and skills requirements of employers are understood and addressed. This will need to be maintained and enhanced as the Wirral Waters scheme is developed and occupied. Good employer engagement will be vital to accurately identify skills requirements and opportunities to

maximise the impact on communities across Wirral and the wider City Region. In some cases this relationship with employers will be relatively loose and informal whilst in others it may be more structured (for example, public sector-funded projects acting as preferred recruitment providers or offering job brokerage services).

5.260 For construction operators in particular, there will be important opportunities to encourage or require participation in Modern Apprenticeship and other training schemes (for example, working closely with *Construction for Merseyside*) in order to ensure that more people from the Wirral and other areas are able to access economic and employment opportunities.

Engaging the workforce of today and tomorrow

5.261 Many of those who will benefit from the opportunities that will be created at Wirral Waters are currently at school or indeed are yet to be born. It will be important for public and private partners to work together to ensure that efforts to maximise the employment impact of the scheme are closely linked with wider efforts to maintain young peoples' engagement with the worlds of education and training. Whilst development at Wirral Waters will create a significant number of (labour-market) entry and intermediate level employment opportunities it is hoped that it will also create a large volume of higher value, higher paid occupations. If local people are

to be able to access this higher value added employment (maximising the local socio-economic impact of the development) it is vital that they are able to compete in the labour market for these opportunities.

5.262 This will require a programme of action to help demonstrate to young people of all ages in Wirral and elsewhere the scale and range of economic opportunity around them. This action should encourage young people to maintain their motivation in education and training and to raise their aspirations.

Community Trusts

5.263 There are a number of potential vehicles or mechanisms through which local economic development and regeneration can be maximised. One of these possible mechanisms is the establishment of a Community Trust (or a commitment to work with an appropriate existing body). This approach has been a feature of efforts to maximise community impact associated with large development at London Docklands and at London Heathrow. In these examples, major investors in to the area have provided a financial endowment or a stream of income to a Trust, to be used for the benefit of the community. A clear strength of this approach is the opportunity to transfer responsibility for setting priorities and spending these funds to local Trustees, as representatives of the

community. This may include funding a wide range of projects addressing key local concerns such as local environmental quality, community and recreational amenities, education and training or crime reduction.

Recognising the regional and national significance of Wirral Waters

5.264 Wirral Waters has the potential to become a scheme of regional and indeed national/ international significance. Large scale development, with the opportunity of creating a major new investment destination in order to attract new business investors and residents, can make a major contribution towards closing the gaps in economic performance between the Wirral, the Liverpool City Region and the North West with the wider UK economy (and indeed with some of the best-performing parts of the UK). It could also make a major contribution towards the central goal of the Northern Way Growth Strategy, which seeks to close the output gap between the Northern regions and the UK as a whole.

5.265 Wirral Waters will represent a major opportunity to provide substantial economic and employment benefits to those deprived communities in close proximity to the site. However, it must also be recognised that there are many other areas of employment need and deprivation in the Liverpool City Region (particularly within the

conurbation core of Greater Merseyside) and Wirral Waters represents a major opportunity to extend opportunity and support regeneration across a wide area.

Linking with the business support and workforce development provision

5.266 The development of Wirral Waters will not only create employment opportunities for residents of Wirral, the Liverpool City Region and beyond but will also create opportunities for entrepreneurship and business development. Supply-chain opportunities off-site will be created as a result of the activities of companies on-site (both during the construction and operational phases). Working together, public and private sector partners can seek to maximise the economic impact associated with the development within the region by encouraging and supporting firms and entrepreneurs to identify and take advantage of these opportunities. Given the potential scale of development proposed it will be important for an integrated demand-side approach, which addresses both the general and the more specialist business support requirements but also their labour and workforce development requirements.