

# **Wirral Employment Land and Premises Study Final Report**

Wirral Council

December 2017

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## 1.0 Introduction

### Background

- 1.1 Lichfields and Lambert Smith Hampton [LSH] were commissioned by Wirral Council to undertake an Employment Land and Premises Study [ELPS] in 2017 with the aim of recommending an appropriate employment land portfolio for the Borough. The study forms part of the Council's evidence base for its emerging Local Plan which will set out the B-Class employment land portfolio up to 2033.
- 1.2 This report recommends an appropriate employment land portfolio for Wirral to meet the needs of local businesses and attract inward investment. Emphasis is placed on the suitability, deliverability and viability of sites and land for employment use. The report does not assess the demand for employment land which is considered in a separate report; the emerging Liverpool City Region Strategic Housing and Employment Land Market Assessment [SHELMA].
- 1.3 The study conforms with the recommended methodology for assessing the existing and future supply of land available for economic development as set out in the National Planning Policy Framework [the Framework] and Planning Practice Guidance [the Practice Guidance].

### Study Scope

- 1.4 The scope of the study is to:
- 1 Establish Wirral's planning policy and economic context;
  - 2 Assess recent trends and performance in the commercial property market, defining Wirral's distinct market areas;
  - 3 Engage with local stakeholders and businesses to ensure their views are represented;
  - 4 Assess the current employment land portfolio to determine the suitability and deliverability of sites and land, considering whether they should be retained or released for other uses;
  - 5 Assess the viability of different sized industrial and office developments in each of Wirral's market areas; and
  - 6 Recommend an appropriate employment land portfolio for Wirral, balancing quantitative and qualitative factors behind supply and demand to inform the emerging Local Plan over the period to 2033.
- 1.5 The study complements the Liverpool City Region SHELMA which will set out the requirement for employment land across the Liverpool City Region, including Wirral. The SHELMA will also identify a quantum of office, industrial and small scale warehousing land requirements for Wirral, and considers the need for strategic warehousing for the Liverpool City Region as a whole. This quantitative demand is supplemented by this ELPS which considers both quantitative and qualitative factors in Wirral's employment land supply. This study used the latest data and other evidence available at the time of preparation, but is inevitably a point-in-time assessment.
- 1.6 This study only considers B-Class land uses (to align with the Liverpool City Region SHELMA), which includes:
- 1 B1a/b Business (offices / research & development);
  - 2 B1c/B2 Light / General Industrial (workshops / factories); and
  - 3 B8 Storage or Distribution (wholesale warehouses, distribution centres).

1.7 A key part of the study involved consulting with a wide range of stakeholders including commercial agents, landowners, developers, economic development and business organisations, and undertaking a survey of local businesses. A list of consultees is included at Appendix 1. As part of the Duty-to-Cooperate, consultations were held with adjoining Local Planning Authorities to determine the cross boundary economic and employment land relationships. The findings are reported in Section 6.0.

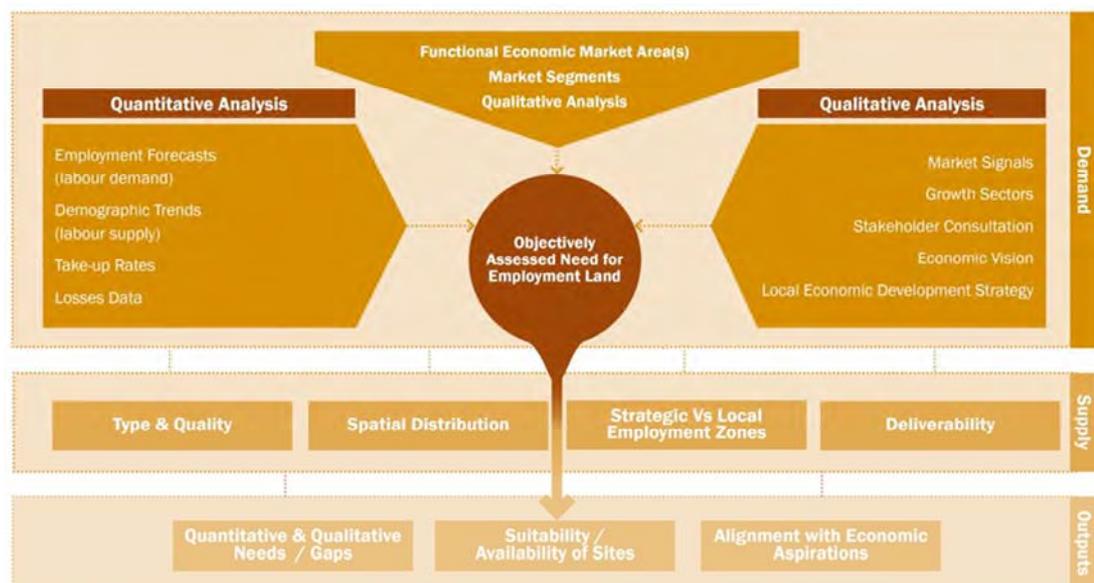
## Methodology

1.8 The Practice Guidance provides support for practitioners on how to implement the Framework’s requirements. With regards to assessing economic development needs and land supply, the Practice Guidance states that Local Planning Authorities should<sup>1</sup>:

- 1 Consider their existing stock of land, identifying the demand for and supply of employment land and determine the likely business needs and future market requirements;
- 2 Consider recent patterns of employment land supply and losses to other uses;
- 3 Analyse market intelligence from local data, discussions with developers and agents, and engagement with businesses or economic forums;
- 4 Consider the locational and premises requirements of particular types of business;
- 5 Consider projections and forecasts to help identify where sites have been developed for a specific economic use;
- 6 Analyse supply and demand to identify whether there is a discrepancy between quantitative and qualitative supply and demand for employment sites; and
- 7 Identify where gaps in local employment land provision exist by comparing the available stock of land with the requirements of the area.

1.9 This study’s methodology conforms to the requirements of the Framework and the Practice Guidance which is summarised in the supply stage (middle tier) of Figure 1.1.

Figure 1.1 Employment Land Methodology



Source: Lichfields

<sup>1</sup> Practice Guidance paragraphs 2a-001-20140306 to 2a-037-2014-03-06 and 3-001-2014-03-06 to 3-043-201403-06

## Report Structure

1.10

The report is structured as follows:

- **Section 2.0 Policy Context** – sets out the national and local planning policy context along with the economic strategy for Wirral and the wider Liverpool City Region;
- **Section 3.0 Economic Context** – contextualises the economic performance of Wirral within the wider Liverpool City Region;
- **Section 4.0 Employment Space and Commercial Property Market** – details the recent supply of and demand for employment space and the dynamics of the commercial property market;
- **Section 5.0 Viability Analysis** – outlines the assumptions and approach to assessing the viability of different development typologies in Wirral's market areas;
- **Section 6.0 Stakeholder Consultation** – sets out the approach to stakeholder engagement;
- **Section 7.0 Review of Employment Land Portfolio** – summarises the assessment of Wirral's employment land portfolio including sites recommended to be retained and released;
- **Section 8.0 Demand and Supply Balance** – considers the quantitative and qualitative balance of employment land demand and supply; and
- **Section 9.0 Conclusions and Recommendations** – outlines the key considerations for the Council in developing its employment land portfolio in the emerging Local Plan.

## 2.0 Policy Context

### Introduction

- 2.1 National planning policy places a particular emphasis on sustainable development through a process of:
- 1 Reviewing employment and housing land allocations to ensure the supply meets identified needs;
  - 2 Proactively supporting sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs; and,
  - 3 Encouraging the effective use of land by reusing land that has been previously developed (brownfield land), with a view to promoting regeneration.

2.2 This section provides a summary of the relevant policy documents relating to employment land and economic development in Wirral.

### National Planning Policy Framework

- 2.3 The Framework sets out the Government's economic, environmental and social planning policies for England. It [§14] states that the purpose of the planning system is to contribute to the achievement of sustainable development, which should be seen as a 'golden thread' running through both plan-making and decision taking.
- 2.4 The Framework [§7] states that there are three dimensions to sustainable development: economic, social and environmental. The economic role that the planning system must perform involves contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and co-ordinating development requirements, including the provision of infrastructure.
- 2.5 The Framework [§§18-22] makes it clear that it is for LPAs to proactively plan to meet the employment land and development needs of businesses in their Local Plans. Local land targets will be tested through the Local Plan process and LPAs must collect and use reliable information to justify employment land supply policies.
- 2.6 The Framework [§19] states that 'significant weight' should be placed on the need to support economic growth through the planning system. To help achieve economic growth, Local Plans should [§21]:
- 1 Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
  - 2 Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
  - 3 Support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
  - 4 Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
  - 5 Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and,

6 Facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

2.7 The Framework [§22] also highlights that allocated employment sites for which there is no reasonable prospect of development should not be protected in the long term. Proposals for alternative uses on such sites should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.

2.8 The Framework [§23] confirms that offices are a 'main town centre use', and as such, LPAs should apply a sequential test to planning applications for main town centre uses that are not in an existing centre and are not in accordance within an up-to-date Local Plan:

*"They should require applications for main town centre uses to be located in town centres, then in edge of centre locations and only if suitable sites are not available should out of centre sites be considered. When considering edge of centre and out of centre proposals, preference should be given to accessible sites that are well connected to the town centre. Applicants and LPAs should demonstrate flexibility on issues such as format and scale."*  
[§24]

2.9 The Framework [§28] indicates that LPAs are required to ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. LPAs should ensure that their assessment of strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals [§158].

2.10 The Framework [§160] advises that LPAs should have a clear understanding of business needs within the economic markets operating in and across their area. To achieve this, they should:

- 1 Work together with county and neighbouring authorities and with Local Enterprise Partnerships [LEPs] to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and,
- 2 Work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.

2.11 The Framework [§161] states that LPAs should use this evidence base to assess (inter alia):

- 1 The needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period;
- 2 The existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs. Reviews of land available for economic development should be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments and should include a reappraisal of the suitability of previously allocated land; and,
- 3 Deprived locations may benefit from planned remedial action.

2.12 Public bodies have a duty to cooperate on planning issues that cross administrative boundaries [§178]. The Framework [§181] requires local authorities to demonstrate evidence of having effectively co-operated to plan for issues with cross-boundary impacts when their local plans are submitted for examination. It sets out where co-operation might be appropriate and what form it might assume. It concludes that "*cooperation should be a continuous process of engagement from initial thinking through to implementation*".

## National Planning Practice Guidance

2.13 The Practice Guidance sets out broad methodologies for assessing the demand for and supply of

housing and economic development. This replaces the previous Office of the Deputy Prime Minister [ODPM] Employment Land Reviews: Guidance Note from 2004 (although this arguably remains a source of good practice).

2.14 The Practice Guidance<sup>2</sup> states that plan makers should liaise closely with the business community to understand their current and potential future requirements<sup>3</sup>.

2.15 Plan makers should also consider:

- 1 The recent pattern of employment land supply and loss to other uses;
- 2 Market intelligence (from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums);
- 3 Market signals, such as levels and changes in rental values, and differentials between land values in different uses;
- 4 Public information on employment land and premises required;
- 5 Information held by other public sector bodies and utilities in relation to infrastructure constraints;
- 6 The existing stock of employment land. This should indicate the demand for and supply of employment land and determine the likely business needs and future market requirements (though it is important to recognise that existing stock may not reflect the future needs of business);
- 7 The locational and premises requirements of particular types of business; and,
- 8 Identification of oversupply and evidence of market failure.

2.16 When examining the recent take-up of employment land, the Practice Guidance<sup>4</sup> advises that it is important to consider projections (based on past trends) and forecasts (based on future scenarios) and identify occurrences where sites have been developed for specialist economic uses.

2.17 In terms of forecasting future trends the Practice Guidance<sup>5</sup> advises that:

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

2.18 The Practice Guidance<sup>6</sup> advises that plan makers should consider:

- 1 Sectoral and employment forecasts and projections (labour demand);
- 2 Demographically derived assessments of future employment needs (labour supply techniques);

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<sup>2</sup> Practice Guidance Reference 2a-001-20140306

<sup>3</sup> Practice Guidance Reference 2a-030-20140306

<sup>4</sup> Practice Guidance Reference 2a-031-20140306

<sup>5</sup> Practice Guidance Reference 2a-032-20140306

<sup>6</sup> *Ibid*

- 3 Analyses based on the past take-up of employment land and property and/or future property market requirements;
- 4 Consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.

2.19 In identifying the type of employment land needed the Practice Guidance<sup>7</sup> advises that:

- 1 The need for rural employment should not be overlooked;
- 2 Underlying population projections can be purely demographic or tied to future housing stock which needs to be assessed separately; and,
- 3 Plan makers should be careful to consider that national economic trends may not automatically translate to particular areas with a distinct employment base.

2.20 In order to derive employment land requirements, the Practice Guidance<sup>8</sup> states that when translating employment and output forecasts into land requirements there are four key relationships which need to be quantified:

- 1 Standard Industrial Classification sectors to use classes;
- 2 Standard Industrial Classification sectors to type of property;
- 3 Employment to floorspace (employment density); and,
- 4 Floorspace to site area (plot ratio based on industry proxies).

## Local Planning Policy

### Liverpool City Region Strategic Housing & Employment Land Market Assessment

2.21 The Liverpool City Region commissioned GL Hearn in 2016 to prepare a Strategic Housing and Employment Land Market Assessment [SHELMA] which will cover the Local Planning Authorities of Halton, Knowsley, Liverpool, Sefton, St Helens, Warrington (housing only), West Lancashire and Wirral over the period 2012-2037.

2.22 The SHELMA will consider issues related to future economic performance and the scale of growth in jobs to 2037; the objectively assessed need for housing; and the need for B-Class employment land. In considering employment land provision, particular consideration will be given to the future strategic need for warehouse / distribution floorspace across the Functional Economic Market Area [FEMA], taking account of local demand drivers and the growth of the Port of Liverpool.

2.23 Importantly for this study, the SHELMA will include:

*“a separate Strategic Sites Assessment which will include a review of sites capable of accommodating B8 warehouse/ distribution units of over 9,290 sqm together with candidate sites for future allocation.” [§1.7]*

2.24 Regarding the relevant assessment area across which LPAs should identify their development needs, preliminary work undertaken for the SHELMA concluded that there are two Housing Market Areas [HMAs] which cover parts of the Liverpool City Region: a Liverpool HMA which includes the local authorities of Knowsley, Liverpool, Sefton, Wirral and West Lancashire; and a Mid-Mersey HMA which includes Halton, St Helens and Warrington. This preliminary work identifies a single FEMA which includes Halton, Knowsley, Liverpool, Sefton, St Helens, West

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<sup>7</sup> Practice Guidance Reference 2a-033-20140306

<sup>8</sup> Practice Guidance Reference 2a-034-20140306

Lancashire and Wirral. There are broader economic inter-relationships with adjoining areas in particular with Warrington and through into North Cheshire and North East Wales.

- 2.25 The draft SHELMA was published for technical comment in October 2017.
- 2.26 The property market analysis within the draft SHELMA notes that the office market is dominated by Liverpool, and that supply was tight for both Grade A and B space. Wirral Borough has around 10% industrial floorspace available and 288,000 sqm of office floorspace was available at the time of writing (2016); the highest amount in the City Region after Liverpool (337,000 sqm), Halton (336,000 sqm) and Knowsley (312,000 sqm). More generally, the draft SHELMA notes a shortage of larger warehousing and storage units across Liverpool City Region, with demand for large sites to accommodate demand arising from the expansion of the Port and for large sites close to or accessible from Jaguar Land Rover's Halewood Plant [page 71].
- 2.27 In terms of future economic growth potential, the draft SHELMA considers two scenarios; a 'Baseline Scenario' using Oxford Economics' model, and a 'Growth Scenario' based on the Liverpool City Region LEP's growth ambitions and targets. The baseline projection indicates net job growth of 5,800 (+6,600 FTEs) for Wirral over the period 2012-2037, out of a total growth of +58,900 across the FEMA. As for the Growth Scenario, this projects an increase of 11,400 jobs (11,500 FTEs) over the same 25-year period for Wirral compared to +75,200 across the FEMA as a whole. The Growth Scenario takes into account existing available land and sites for strategic B8 development.
- 2.28 The draft SHELMA considers that the Growth Scenario captures the overall scale of demand which is expected to arise from enhanced demand for large scale B8 warehouse development. Furthermore the Growth Scenario forecasts that a significant proportion of the transport, warehouse and postal jobs will be in St Helens taking into account potential future allocations. This aligns with the site supply analysis (see below) which shows that St Helens has the largest quantum of suitable land for Strategic B8 development. The demand for large scale B8 is considered separately from small scale B8:
- “The deep water container terminal at Liverpool2, which opened in November 2016, will increase freight throughput at the port are expected to drive increased demand for warehouse/distribution land in the FEMA over the forecasting period (2012-37). Increased port capacity and activity will drive increased demand for warehouse and distribution activities across the City Region. This increased demand is likely to be predominantly for large scale warehouse units capable of supporting regional and national operations.” [§11.2]*
- 2.29 The draft SHELMA notes that once policy decisions have been made regarding the distribution of further allocations for strategic B8 development, it may be necessary to further consider or review the distribution of housing need.
- 2.30 Wirral's Baseline Scenario in the draft SHELMA is driven particularly by growth in professional and scientific services (+3,200 FTE jobs), construction (+2,500 FTEs) and health (+2,600 FTEs), with the most significant decreases being in wholesale and retail (-700 FTEs), public administration (-1,100 FTEs) and particularly education (-1,600). The Growth Scenario for Wirral accelerates the forecast growth in business services in particular as well as manufacturing and neutralises the aforementioned decline in wholesale and retailing.
- 2.31 The results are presented in Table 2.1 which indicates that there is a need for B1 development of between 160 ha (in the baseline labour demand scenario) and 236 ha (based on past completions) across the FEMA. The Growth Scenario sits at the higher end of this range (232 ha) and suggests significantly stronger office floorspace demand in Liverpool. The draft

SHELMA considers that delivery of this will to some extent be influenced by the availability of suitable land in and around Liverpool City Centre, and potentially public-sector support for development. Wirral's B1 office need ranges from 26.1 ha based on past completions, to 28 ha under the baseline and 34 ha under the Growth Scenario.

- 2.32 As for B2 industrial floorspace, an overall need across the FEMA of 140 to 155 ha is identified in the labour demand scenarios, rising to 437 ha based on past completions across the FEMA:

*“This is an assessment of gross requirements to meet modern business needs, and does not necessarily imply that poorer quality older industrial sites will meet these needs. Local employment land studies consider the quality of existing sites/ allocations.” [page 159]*

- 2.33 For Wirral Borough, the need for B2 floorspace is identified at between 29 and 89 ha, which is clearly a very wide range (with past completions at the upper end). The draft SHELMA notes that this reflects the amount of new development which is not driven by any increase in labour demand (i.e. existing companies vacating older stock and moving into more modern premises, or expansions at existing sites to accommodate new working practices).

Table 2.1 Draft SHELMA proposed Housing OAN / Employment Land Needs (excluding strategic B8) 2012-37

	Housing OAN (dpa)	Baseline Scenario		Growth Scenario		Completions Trend		
		B1	B2	B1	B2	B1	B2	Small Scale B8
Halton	326-565	28.1	20.9	39.8	21.1	63.0	62.3	26.2
Knowsley	280-373	24.4	33.0	26.8	33.0	20.7	88.0	15.7
Liverpool	1,739-1,791	39.7	29.4	70.0	29.4	79.2	117.8	12.7
Sefton	594-641	14.2	6.1	18.4	6.1	24.2	15.0	9.5
St Helens	416-855	11.6	13.7	28.8	27.3	6.3	44.8	10.3
Warrington	949-973	n/a	n/a	n/a	n/a	n/a	n/a	n/a
West Lancashire	241-261	14.5	7.7	14.9	7.7	16.3	20.4	29.2
<b>Wirral</b>	<b>730-803</b>	<b>27.6</b>	<b>29.1</b>	<b>33.8</b>	<b>30.1</b>	<b>26.1</b>	<b>89.0</b>	<b>14.5</b>

Source: GL Hearn (December 2016) Draft Liverpool City Region SHELMA, Tables 74, 75 and 76

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

- 2.36 The report concludes that this is an assessment of gross requirements to meet modern business needs, and does not necessarily imply that poorer quality older industrial sites will meet these needs.

- 2.37 The draft SHELMA also notes that the figures need to be treated with some caution given that they factor in a degree of policy aspiration in respect of future sectoral performance and the delivery of potential strategic sites. The draft SHELMA also notes that:

*“In addition to providing for the demand for new employment land, there will inevitably be losses of existing employment land to other uses where existing sites are no longer suitable or commercially attractive to support continued employment uses. Local authorities should therefore continue to identify any such sites and provide a suitable level*

*of land to replace these losses.” [§14.60]*

2.38 Regarding the need for large scale B8 warehousing development, over the period to 2037, a need for 308 ha of land for strategic B8 development is identified in the baseline/do minimum scenario and up to 397 ha in the Growth Strategy scenario. The draft SHELMA identifies that there is a shortage of large sites capable of accommodating large scale B8 development within the City Region, with a number of potential sites identified across the FEMA.

2.39 15 potential sites were appraised in Wirral Borough. The draft findings are set out in Table 2.2.

Table 2.2 Draft SHELMA Large Scale Employment Sites Appraisal for Wirral

Site (Wirral Council Reference)	Draft Conclusion
Birkenhead Dock Estate - Bidston Dock (site 79)	The draft SHELMA highlighted the prominent location of this vacant and largely flat site. It also identified its proximity to the start of the M53 and Birkenhead Docks, with the potential to connect to the rail network. The draft SHELMA considered the site suitable for strategic B8 development in the short/ medium term.
Birkenhead Dock Estate - Former RHM Mills & Canada Creek (site 81)	The draft SHELMA reported that these sites have the potential to support strategic B8 development in the short/ medium term due to their good road access to the M53 and waterfront access part of the Birkenhead Docks estate, with the potential to connect to the rail network.
Birkenhead Dock Estate - Land East of Wallasey Bridge Road (site 357)	
Burtons Biscuits, Pasture Road (site 65)	The draft SHELMA considered that these sites should not form part of the available supply for strategic B8 uses. This is because their redevelopment is dependent on the decision making of Manor Bakeries, Typhoo Tea and Burtons Biscuits for expanding or rationalising their operations.
Premier Brands, Reeds Lane (sites 8 and 24)	
Lever Faberge - Bromborough Road (site 78)	The draft SHELMA discounted these sites from the available supply of strategic B8 space as they form part of Unilever’s operational site.
Unilever Site - Former BOCM Silcock Animal Feeds (site 82)	
Former Stone Manganese Site, Seacombe (site 229)	The draft SHELMA considered that the site could form part of the strategic B8 supply in the medium term. The draft SHELMA notes the location within an existing industrial area along the A5139 and proximity to the Kingsway Tunnel and the start of the M53.
Eastham Dock Estate - North Road Tank Farm (site 13)	The draft SHELMA discounted the site from the strategic B8 supply as it forms part of the wider area identified by Peel for the Port Wirral development and is not available to the market.
Eastham Dock Estate - Queen Elizabeth II Dock (site 6)	The draft SHELMA states that the site would be suitable for long term strategic B8 development due to its location adjacent to the new port site.
East of Lubrizol, Bromborough Coast (site 100)	The draft SHELMA considers the site to be suitable for strategic B8 use in the short to medium term, due to its location within an established employment area and potential to benefit from direct waterfront access.
Former MOD Tank Farm, Old Hall Road (site 74)	The draft SHELMA considers the site to be suitable for strategic B8 use in the short to medium term, due to its location within an established employment area.
Centuria Business Park, Stadium Road (site 43)	Because of its location within an established employment area, the draft SHELMA considers the site to be suitable for strategic B8 use in the medium term subject to site preparation and remediation. The site could also potentially benefit from nearby waterfront access.

Site (Wirral Council Reference)	Draft Conclusion
Wirral Waters, S of Vittoria Dock (site 266)	The draft SHELMA discounted the sites from future strategic B8 use as they are proposed to cease port-related uses as part of the Wirral Waters proposals for high density mixed-use redevelopment.
Wirral Waters, N of Vittoria Dock (site 265)	

Source: GL Hearn (December 2016) Draft Liverpool City Region SHELMA Large Scale Employment Site Assessment

- 2.40 In total, 8 of the 15 sites appraised in the draft SHELMA are recommended for further consideration to meet strategic B8 needs, with the potential to accommodate 81.9 ha of 549 ha across the LCR (14.9%):

*“This analysis suggests that there is a need to identify a greater number of large sites in order to both provide a greater number and range of large sites at a wider range of locations across the City Region.” [§9.5]*

- 2.41 The draft SHELMA considers an additional need to attract inward investment to the LCR that could include provision of land (a site or sites of 40+ ha) which is safeguarded to support a major inward investment at a more commercially attractive location within the City Region (it is not specified where in the LCR this should be). *“Such a site would be safeguarded to ensure a supply of land was available to accommodate future large-scale inward investment opportunities, should such an opportunity arise.” [§13.18]*
- 2.42 Finally the draft SHELMA notes that local authorities in the LCR may wish to consider identifying additional employment land to support commodities storage. This is in response to forecast port expansion and growth in the freight market, with an estimated shortfall of 42.5 ha identified in the Mersey Ports Masterplan. However the draft SHELMA notes that some of this requirement overlaps with the need for strategic B8 space.

### Adopted Wirral Local Plan

- 2.43 The Wirral Unitary Development Plan was adopted in February 2000. This was the first district-wide, statutory, development plan produced for the Metropolitan Borough of Wirral. The two main themes of the Plan were continued urban regeneration and the protection of the Green Belt. The strategy sought to focus investment into the existing urban areas of the Borough, to maximise the re-use of previously developed land and to support the regeneration and re-development of the older, run down areas mainly situated in the east of the Borough, around Birkenhead and the southern end of Wallasey.
- 2.44 The UDP was drawn up for the period April 1986 to March 2001 but was intended to continue in force for the period until the plan can be formally reviewed and its policies were ‘saved’ by Direction of the Secretary of State in September 2007.
- 2.45 Policy EMP1 Provision of Employment Land Strategic Policy allocated a total of 185 ha of land for employment uses. This was made up of:
- 1 2 special development opportunity sites in the Birkenhead area totalling 63.8 ha;
  - 2 99 ha for general employment uses principally in the Birkenhead/ Wallasey/ Bromborough areas; and
  - 3 21.6 ha for the expansion of existing firms.
- 2.46 A further 940 hectares of land were also designated as part of a Primarily Industrial Area on the Proposals Map.

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

### Emerging Local Plan

- 2.48 Wirral Council is currently preparing its evidence base to inform the emerging Local Plan. The Plan will influence the supply of employment land for the period 2018 to 2033. The Local Plan is being prepared to accord with the Framework and Practice Guidance.

### Proposed Submission Draft Core Strategy (December 2012)

- 2.49 The proposed submission draft Core Strategy sets out the policies and proposals that the Council intended to submit to the Secretary of State for public examination as part of a Local Plan for the Wirral Borough.
- 2.50 The Spatial Vision states that the density of jobs, businesses and rates of economic activity will be moving toward regional average levels and vacant employment land will be brought back into productive economic use. Sustainable economic regeneration will be driven by the major economic hubs of Birkenhead, Bromborough and the Ports, with strong transport links to Liverpool, Chester and North Wales.
- 2.51 This is taken forward in Strategic Objective 1 – Economic revitalisation, which aims to support economic growth and a higher density of jobs and businesses within the existing employment areas in east and central Wirral and the Borough's existing town, district and local centres.
- 2.52 Policy CS2 sets out the broad spatial strategy for the Borough. It states that the first priority will be to focus job, housing and population growth to areas of greatest need of physical, social, economic and environmental regeneration, particularly within the older urban areas of east Wirral:
- “The primary focus for new jobs to support the economic revitalisation of the Borough will be the Mersey Waters Enterprise Zone and its surrounding industrial and commercial hinterland; Birkenhead Town Centre, including Hamilton Square and Woodside; the industrial and commercial areas along the A41 Corridor in Tranmere; Wirral International Business Park and the Unilever factory and research complex at Port Sunlight; and the existing employment areas at Moreton, Upton and Prenton; where jobs will be accessible by a choice of means of transport to the greatest number of residents.”*
- 2.53 Policy CS13 sets out the employment land requirement for Wirral. It states that a minimum of **217 ha** of land will be required to accommodate new employment development for B1, B2 and B8 uses between 2012 and 2028, including land within the Dock Estates:
- “Deliverable sites to meet these requirements will be allocated in a site-specific Local Plan. Priority will be given to sites that are 'market ready' for development, able to accommodate the priority sectors identified in Policy CS14 and provide employment and training for people in areas of greatest need, in line with the strategic priorities identified in the Broad Spatial Strategy (Policy CS2).”*
- 2.54 This is set within the context of a residual supply of 222.2 ha of employment land available at April 2012 (Table 19.1).

- 2.55 Policy CS14 identifies certain Priority Sectors to support, namely:
- 1 higher quality, large, medium and small scale office space in Birkenhead;
  - 2 the regeneration of traditional employment areas to offer premises that modern companies need, particularly in the hinterland surrounding Wirral Waters;
  - 3 greener growth, including construction and supply chain facilities for offshore wind and the low carbon economy;
  - 4 high quality premises for key employment sectors including food; research and development; advanced technology and manufacturing; life sciences and biomedical facilities; creative and digital industries; and financial and professional services;
  - 5 digital infrastructure to support economic development;
  - 6 flexible managed and non-managed business space to meet the diverse needs of start-up, micro, small and medium size enterprises; and
  - 7 the provision of additional employment in accessible locations in west Wirral.
- 2.56 Policy CS15 sets out the criteria for new B-Class development, which includes making effective use of existing infrastructure and contributing to the enhancement of an existing employment area.
- 2.57 Policy CS17 states that land will be safeguarded within designated employment areas to maintain local employment and provide a range and choice of sites and premises in terms of quality, accessibility, type and size to meet the priorities identified in Policy CS2 and Policies CS4 to CS11, subject to a number of conditions including marketing, supply and compatibility with adjoining uses.

## Economic Strategy

### Building Our Industrial Strategy Green Paper

- 2.58 In January 2017 the Government published the Green Paper: '*Building our Industrial Strategy*'. The document sets out a modern industrial strategy that aims to improve living standards and economic growth by increasing productivity and driving growth across the whole country. The Strategy identifies 10 'pillars' that will be supported to drive growth.
- 2.59 The pillars are as follows:
- 1 **Investing in science, research and innovation** – promoting a more innovative economy and doing more to commercialise our world leading science base to drive growth across the UK;
  - 2 **Developing skills** – ensuring everyone has the basic skills needed in a modern economy; building a new system of technical education to benefit those young people who do not go to university; boosting STEM (science, technology, engineering and maths) skills, digital skills and numeracy; and raising skill levels in lagging areas;
  - 3 **Upgrading infrastructure** – upgrading standards of performance on digital, energy, transport, water and flood defence infrastructure, and better aligning central government infrastructure investment with local growth priorities;
  - 4 **Supporting businesses to start and grow** – ensuring that businesses across the UK can access the finance and management skills they need to grow; and creating the right conditions for companies to invest for the long term;
  - 5 **Improving procurement** – using strategic government procurement to drive innovation and enabling the development of UK supply chains;

- 6 **Encouraging trade and inward investment** – boosting productivity and growth across the UK economy by increasing competition and helping to bring new ways of doing things;
- 7 **Delivering affordable energy and clean growth** – keeping costs down for businesses and securing the economic benefits of the transition to a low-carbon economy;
- 8 **Cultivating world-leading sectors** –building on our areas of competitive advantage, and help new sectors to flourish, challenging existing institutions and incumbents;
- 9 **Driving growth across the whole country** – creating a framework to build on the particular strengths of different places and address factors that hold places back –investing in key infrastructure projects to encourage growth, increasing skill levels, and backing local innovation strengths; and
- 10 **Creating the right institutions to bring together sectors and places** – considering the best structures to support people, industries and places.

### Northern Powerhouse Strategy

- 2.60 The Northern Powerhouse strategy, published by the Government in November 2016, explains how they will work with local stakeholders to address key barriers to productivity in the region. The Government sets out in the strategy how it will invest in transport infrastructure to improve connections between and within the North's towns, cities and counties; work with local areas to raise education and skills levels across the North; ensure the North is an excellent place to start and grow a business; and ensure the Northern Powerhouse is recognised worldwide as an excellent opportunity for trade and investment.
- 2.61 The vision for the Northern Powerhouse is for it to be defined by a vibrant and growing economy, a flourishing private sector and a highly skilled population able to make the most of the great opportunities that the North has to offer. The Northern Powerhouse strategy aims to build on existing sectoral strengths, most notably in manufacturing, pharmaceuticals, energy and digital.
- 2.62 Government support is re-stated for the 17 Enterprise Zones [EZ] across the North. This includes the Wirral Waters EZ as well as investment in SMEs and the very significant road and rail transport infrastructure investment; much of which will benefit the wider Liverpool City Region (i.e. the Northern Hub rail scheme) and by extension, Wirral.

### Liverpool City Region Growth Strategy

- 2.63 Wirral Borough is part of the Liverpool City Region Local Enterprise Partnership [LEP]. The LEP published its Growth Strategy, '*Building Our Future*', in 2016. This outlines the LEP's economic strategy encompassing the entire City Region, acknowledging the unique strengths and assets of each of the local authority areas and communities.
- 2.64 The Strategy notes that since the turn of the Millennium, Liverpool City Region has undergone a remarkable renaissance, with a rising population and economic growth, a burgeoning of high growth companies and a vibrant cultural resurgence. The City Region economy is worth £28.3 billion GVA, with output increasing by 8.4% in the five years up to 2014.
- 2.65 Liverpool City Region is identified as having significant strengths and potential in innovative and globally-competitive sectors. This includes: Advanced Manufacturing, Digital and Creative, Financial and Professional Services, Health and Life Sciences, Low Carbon Energy, Maritime and Logistics, and the Visitor Economy.
- 2.66 This Strategy aims to capitalise on strengths in these sectors to unlock growth, creating tens of thousands of new jobs and new businesses. Despite these strengths, challenges remain

including a historic skills gap, too few private sector jobs, high levels of worklessness and pockets of concentrated poverty and poor health which represent the biggest barriers to growth. The Strategy aims to address these challenges.

2.67 A number of key targets are identified which include:

- 1 The creation of over 100,000 additional jobs in the Liverpool City Region by 2040;
- 2 A net increase of 20,000 businesses over the next 25 years, with an increased diversity of business ownership, including a doubling of the number of women owning and running businesses;
- 3 The creation of an additional £22 billion (2012 prices) in GVA by 2040 so that it stands at £50 billion;
- 4 Average productivity per worker to increase by 56% by 2040 to over £76,000; and
- 5 A substantial increase in the number of exporting businesses and the value of exports, plus a substantial increase in the commercialisation of research and development.

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

- 1 **Productivity:** Maximising the potential of LCR's sector strengths and related assets and to focus on starting and growing more successful businesses by promoting innovations and entrepreneurial activity.
- 2 **People:** improving and increasing skills, developing existing talent and attracting new talent for sustainable growth.
- 3 **Place:** improving LCR's transport, energy and digital infrastructures, and protect and enhance cultural and environmental assets. This will improve the quality of life for residents and attract and retain investors, skilled workers and visitors who will contribute to growth.

2.69 In particular, the first pillar to sustained economic growth is to maximise the potential of LCR's sectoral strengths and related assets and to focus on starting and growing more successful businesses by promoting innovation and entrepreneurial activity.

2.70 Through primary research conducted by LCR LEP, the following key growth sectors are identified in the Strategy:

- 1 Advanced Manufacturing;
- 2 Digital and Creative;
- 3 Financial and Professional Services;
- 4 Health and Life Sciences;
- 5 Low Carbon Energy;
- 6 Maritime and Logistics; and
- 7 Visitor Economy.

### **Wirral Plan: A 2020 Vision**

2.71 The Wirral Plan (June 2015) sets out a series of 20 pledges which the Council and its partners will work to achieve by 2020. It focuses on three key themes: protecting the most vulnerable; driving economic growth; and improving the local environment.

2.72 With regards to the second theme on driving economic growth, the Plan identifies seven priorities:

- 1 **Greater Job Opportunities in Wirral:** moving towards creating /safeguarding 5,000

jobs by 2020;

- 2 **Workforce skills match business needs:** working with partners in education and training to closely align the provision of training offered with the skills businesses need to develop the Borough;
- 3 **Increase Inward Investment:** identifying local, national and international opportunities to bring more investment into Wirral;
- 4 **Thriving Small Businesses:** delivering 250 new business in Wirral over the coming five years;
- 5 **Vibrant Tourism Economy:** review and make best use of our heritage, leisure and cultural assets to drive tourism, the associated creation of jobs and increase revenue for Wirral's visitor economy to £450 million by 2020;
- 6 **Transport and Technology Infrastructure Fit for the Future:** Ensure that Wirral has safe, affordable, well maintained and efficient transport networks and 98% broadband coverage by 2017; and
- 7 **Assets and Buildings are Fit for Purpose for Wirral's Businesses:** Ensure the best use of real estate assets by linking them to business and community aspirations, and make planning processes simpler to encourage growth over the next five years.

### Wirral Growth Plan

2.73 The Wirral Growth Plan (January 2016) sets out the vision for the Borough's development up to 2020. This focuses on achieving sustainable and accelerated economic growth. The purpose of the Wirral Growth Plan is to attract and guide investment in Wirral, focusing on the business pledges set out in Wirral Plan: A 2020 Vision. The Wirral Growth Plan seeks to deliver a number of business pledges, including:

- 1 Provide the framework for place shaping across the Borough to develop sustainable communities where people want to live, invest, work and visit;
- 2 Support the delivery of infrastructure and housing to enable growth;
- 3 Increase the scale, quality and sustainability of economic opportunity in Wirral;
- 4 Ensure participation and access to economic opportunities for local residents; and
- 5 Create a more dynamic and growth focused business population with increased value added and productivity.

2.74 The Wirral Growth Plan recognises its context of de-industrialisation and decline in the manufacturing industry, along with strengths in business start-up rates, key growth sectors and the nationally significant Wirral Waters development.

### Wirral Strategic Regeneration Framework

2.75 Wirral Council's Strategic Regeneration Framework sets out the Borough's 'blueprint' for economic growth for 2017 to 2020. This was adopted by the Council in October 2017. The Strategic Regeneration Framework outlines the Borough's key investment opportunities of:

- 1 Birkenhead Town Centre;
- 2 Hamilton Square;
- 3 Woodside;
- 4 Wirral Waters Enterprise Zone;
- 5 The A41 Corridor; and,

## 6 Borough Wide Investment Opportunities.

- 2.76 The Strategic Regeneration Framework balances the long term vision for creating new places in the Borough, aimed at strengthening the housing and commercial property markets, with short term catalytic projects. The Strategic Regeneration Framework acts as a prospectus for investors, profiling each of the key investment opportunities, delivery proposals and place shaping vision.

### Wirral Employment Land and Premises Study Refresh (2012)

- 2.77 On behalf of Wirral Council BE Group prepared the Wirral Employment Land and Premises Study [2012 ELPS] Refresh in 2012. The report assessed the supply, need and demand for B-Class employment land and premises in Wirral. The document was a refresh of the 2009 Wirral ELPS, which was undertaken for the Council during 2008/09.
- 2.78 The 2012 ELPS uncovered a number of socio-economic and structural economic challenges including high levels of vacant floorspace (13.6% for industrial and 10.1% for office), and a largely indigenous market that relies on gap funding to compete against other locations and deliver modern accommodation.
- 2.79 The 2012 ELPS reported that as of April 2011 the study area had 264.39 ha of undeveloped employment land across 116 sites. The majority of the sites (70%) were less than 2 ha in size, of only moderate quality, with few in locations and/or settings suitable for modern office uses. 75% of the land supply was only available in the longer term (i.e. over 5 years), hence there was a serious shortage of immediately available, developable land. Over a third of this potential supply was being considered for alternative uses (or was severely constrained).
- 2.80 A number of land forecasting scenarios were considered in the 2012 ELPS, with the majority suggesting that Wirral's current land stock would meet needs through to 2030. However, up to 100 ha of the supply may be unavailable, in which case three of the models would suggest a need to identify more employment land to meet future needs to 2030.
- 2.81 The 2012 ELPS concluded that the current provision of 264 ha should be rationalised by discounting 16 sites in existing use and de-allocating 8 sites committed or approved for non-employment use, or where the locations fit with other development proposals. A further three heavily constrained sites were recommended for re-assessment, and if found unviable for development, de-allocated from employment use. Three existing employment areas were recommended for re-designation as Primarily Residential Areas, and one (Hind Street, Tranmere) should be considered for town centre uses. This would remove 70 ha from the employment land supply.
- 2.82 It was recommended that the remaining 194 ha be retained for B-Class employment uses, with a buffer of at least five years historic land take-up (i.e. 40.90-45.95 ha) maintained on a five year rolling basis. The 2012 ELPS considered that new allocations would be required (of which Wirral Waters could contribute), especially to serve Heswall and Hoylake.
- 2.83 The 2012 ELPS considered that to redress poor economic performance, more quality land was required to deliver the sites and premises to accommodate the targeted business growth, primarily to the east of the M53 motorway and focused on Wirral Waters, its surrounding partnership areas and Birkenhead. A successor development to Wirral International Business Park was required to the east of the M53.
- 2.84 To retain and grow office sector employment, the 2012 ELPS stated that planning policy should facilitate new office development in Birkenhead town centre and at sustainable out of centre locations in the major urban conurbation to the east of the M53. Furthermore given the strong demand for freehold units, there should be an area set aside to provide 5 to 10 small, freehold

development plots of 0.1-0.2 ha. More workshops (both leasehold and freehold) for small businesses (94-930 sqm) were also recommended.

2.85 The 2012 ELPS concluded by stating that:

*“Wirral should consider its realistic land supply, at 2011, to be 164.22 ha. This is based on the headline rate less operational sites, potentially unviable sites and land recommended for de-allocation or lost to alternative uses. This means a shortfall of just over 40 ha for the Plan period based on the historic land take-up model. This rises to as much as 96 ha when RSS and the Investment Strategy ‘policy on’ implications are taken into account to 2030. This quantity of land would be reduced by the use of higher density employment development in Birkenhead and Wirral Waters.” [page 5]*

### 3.0 Economic Context

#### Introduction

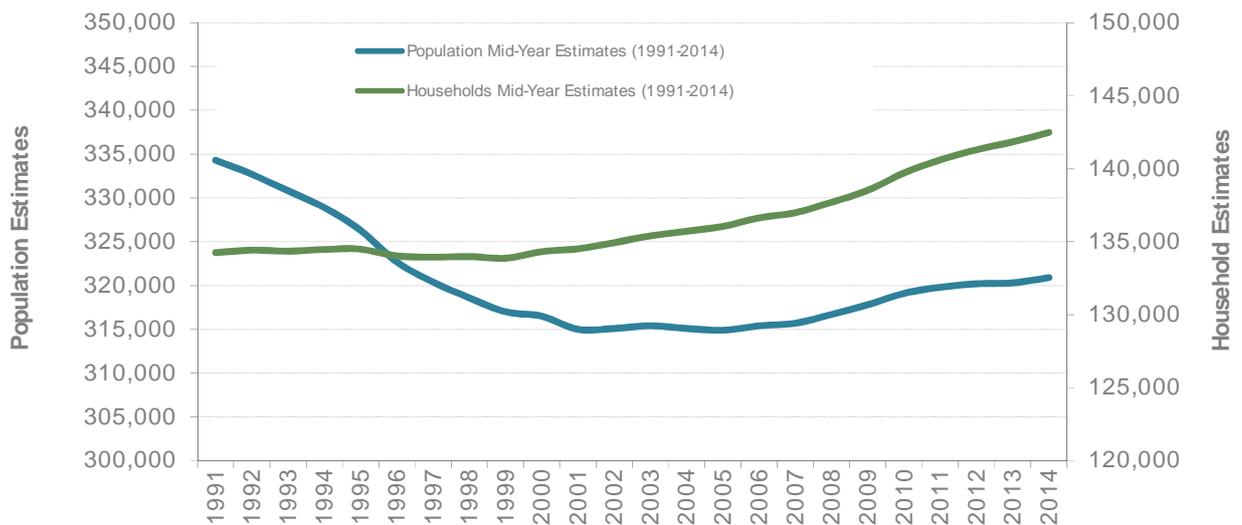
3.1 This section outlines Wirral’s economic context and draws comparisons with the wider region and UK as a whole. The context is important for identifying strengths and weaknesses in the local economy and the factors that influence the need for future employment space.

3.2 Wirral’s economic context is reflective of its industrial and maritime past. The Borough has witnessed slower economic growth over the last 30 years compared to the rest of the country and region. This has been driven by a decline in traditional local industries such as ship building and heavy industry more generally. Consequently, large swathes of brownfield land remain available to the east of the M53, around the docks in Birkenhead and Wallasey, and to the south-east of the Borough around Bromborough in particular. The largest area of available land is situated in and around the Wirral Waters EZ, which represents a very significant development opportunity for the Liverpool City Region as a whole. Targeted regeneration of key sites such as Wirral Waters could act as a catalyst for wider growth over the coming plan period.

#### Population Demographics

3.3 Understanding the demographic context of an area is critical to understand its future economic growth prospects. Up to date demographic evidence, informed by the 2011 Census and other nationally consistent data sources such as the Annual Population Survey [APS] and ONS Mid-Year Population Estimates, enables us to understand how a district’s population has evolved in the past; how the key components of change (notably births, deaths and migration) have influenced this; and, how they are likely to continue shaping population and household change in the future and crucially, allow us to draw conclusions on the likely size of the labour force willing and able to take up the jobs available in the Borough.

Figure 3.1 Population and Household Change in Wirral



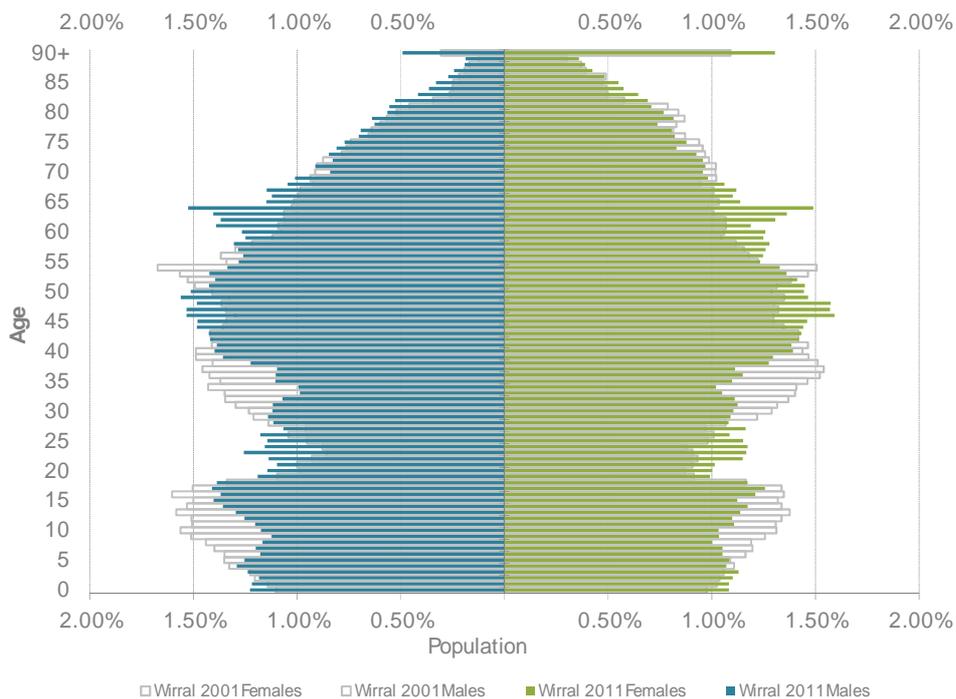
Source: ONS Mid-Year Population and Household Estimates (1991-2014)

3.4 The Mid-Year Population Estimates for Wirral identify that the population of the Borough was approximately 320,900 residents in 2015. This represented an overall decline of approximately

13,400 people since 1991, a decrease of 4%, although the population has since stabilised and begun to grow once more.

- 3.5 The majority of the decline in population in Wirral up to 2005 was attributable to migration (i.e. more people moving out of the Borough than moving in) as well as negative natural change (fewer births than deaths). Whilst net international migration has remained negative in the last four years, Wirral’s population has stabilised and grown by 5,500 since 2006. This population growth has been driven by net positive natural change and domestic migration.
- 3.6 These demographic trends have led to a 2011 population profile in Wirral as illustrated in Figure 3.2. The 2011 population profile is compared to the 2001 population profile, illustrating the relative change in population for each age group over the previous 10 years. In particular, this highlights that the population profile in Wirral has been ageing, with a majority of population growth associated with age groups 60-65 and the younger age cohorts between ages 45-50. There has however been decline almost universally across all the age cohorts between ages 5-15 and between ages 30-40, which have not been replaced over time.
- 3.7 Notwithstanding this, there has also been a growth in population in some of the younger age cohorts, most notably those aged 0-5 and 20-25. The growth in the size of the 0-5 age cohort is likely to be primarily due to high birth rates in the Borough.

Figure 3.2 Wirral Population Profile 2001 and 2011



Source: Census 2001 and Census 2011 population estimates

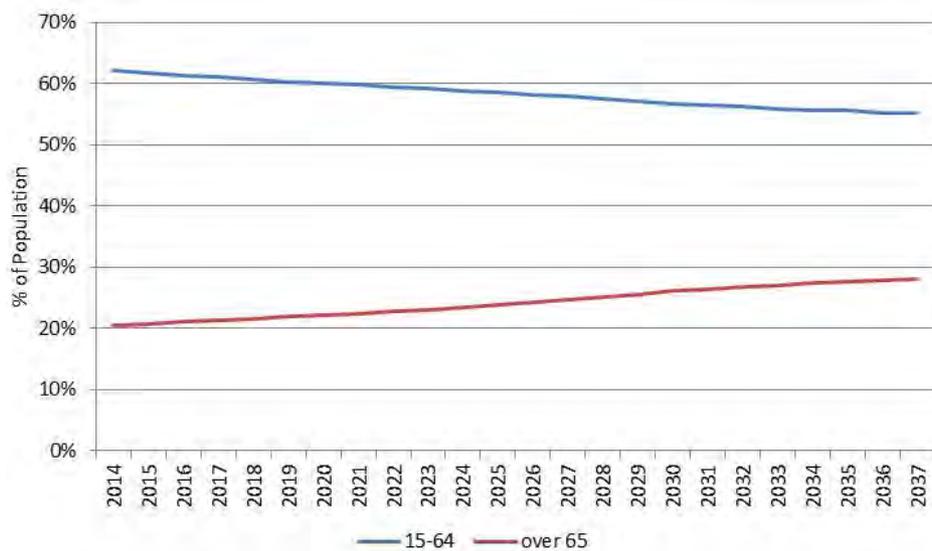
- 3.8 If such population trends continue, Wirral will see an increasingly ageing population, with a shrinking pool of available labour supply. In this regard, the latest 2014-based Sub-National Population Projections [SNPP] suggest that Wirral’s population will grow by 11,600 residents between 2014 and 2037. However, this is entirely due to very strong levels of growth in the numbers of residents aged 65 and over. As of 2014, there are currently 66,000 Wirral residents

aged 65 and over, out of a total of 320,900 residents (20.6%). This contrasts with 199,300 residents aged between 15 and 64 (62.1%).

3.9 However, as can be seen from Figure 3.2, the number (and proportion) of Wirral residents in this key workforce age-bracket is projected to decline significantly over the next few years, to be replaced by an ageing population that is likely to be significantly less willing and able to take up the jobs on offer (even allowing for the anticipated increases in the state pension age). Hence whilst the number of residents aged 65 and over is forecast to increase by 27,500, or 42%, the number of residents aged 15-64 is forecast to shrink by 15,800, or 8%. By 2037 the proportion of Wirral residents who are aged over 65 is likely to have increased to 28.1% of all residents, whilst the proportion aged between 15 and 64 is forecast to fall to 55.2%.

3.10 These trends will have significant implications for the ability to maintain the current number of jobs in Wirral without significant levels of in-migration/in-commuting.

Figure 3.3 Population by Age Cohort in Wirral Borough 2014-2037



Source: 2014-based SNPP

## Economic Conditions and Trends

### Economic Performance

3.11 As can be seen in Table 3.1, there are around 103,000 jobs based in Wirral Borough (as of 2015). This has increased by around 4% since the recession in 2008/09, a slightly higher rate of recovery than the North West as a whole (3.8%), although some way below the England and Wales growth rate for the same period (6.6%). The main driver of this change has been in the health sector, which increased by 5,000 jobs (26%), with robust growth also seen in ICT and business services, compared to ongoing losses in manufacturing (-2,000 jobs), construction (-1,000), arts and entertainment (-1,500) and public administration and defence (-1,000).

Table 3.1 Total Employment by Industrial Sector for Wirral and Comparator Areas

	Wirral				NW	England & Wales
	2009	2015	+/-	2015 %	2015 %	2015 %
Agriculture, forestry & fishing	100	150	50	0.1%	1.2%	1.5%
Mining, quarrying & utilities	900	1,250	350	1.2%	1.1%	1.1%
Manufacturing	10,000	8,000	-2,000	7.8%	9.5%	8.1%
Construction	5,000	4,000	-1,000	3.9%	4.5%	4.6%
Motor trades	1,500	1,250	-250	1.2%	1.5%	1.8%
Wholesale	2,250	2,500	250	2.4%	4.3%	4.0%
Retail	12,000	12,000	0	11.7%	10.7%	9.9%
Transport & storage (incl. postal)	3,000	3,500	500	3.4%	4.6%	4.6%
Accommodation & food services	7,000	7,000	0	6.8%	7.4%	7.1%
Information & communication	1,250	2,250	1,000	2.2%	3.2%	4.2%
Financial & insurance	1,500	1,000	-500	1.0%	2.6%	3.5%
Property	1,750	1,500	-250	1.5%	1.7%	1.9%
Professional, scientific & technical	6,000	7,000	1,000	6.8%	7.3%	8.7%
Business administration & support services	6,000	7,000	1,000	6.8%	8.6%	8.8%
Public administration & defence	6,000	5,000	-1,000	4.9%	4.5%	4.1%
Education	11,000	11,000	0	10.7%	8.6%	9.0%
Health	19,000	24,000	5,000	23.3%	14.3%	12.7%
Arts, entertainment, recreation & other services	6,000	4,500	-1,500	4.4%	4.4%	4.5%
<b>Total Jobs</b>	<b>99,000</b>	<b>103,000</b>	<b>4,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: ONS BRES 2009-2015

- 3.12 The table also compares the sector distribution of employment in Wirral with the rest of the North West and England and Wales as a whole. It shows that following its decline in recent years, the manufacturing sector employs proportionally fewer people in Wirral as it does in the North West or England & Wales. In contrast, jobs in Wirral are over-represented in retail and most particularly the public sector (such as public administration, education and health), which has 38.9% of the total workforce compared to 27.4% across the North West and 25.8% nationally.

### Business Demography and Enterprise

- 3.13 Wirral has 8,844 businesses, and like the rest of the region and country the vast majority of these are classed as Small and Medium Enterprises [SMEs] with up to 249 employees. However there are slightly fewer micro businesses with fewer than 10 employees in Wirral than the North West or UK as a whole. Table 3.2 summarises the business stock in Wirral and draws comparisons with the North West and UK.

Table 3.2 Size of businesses

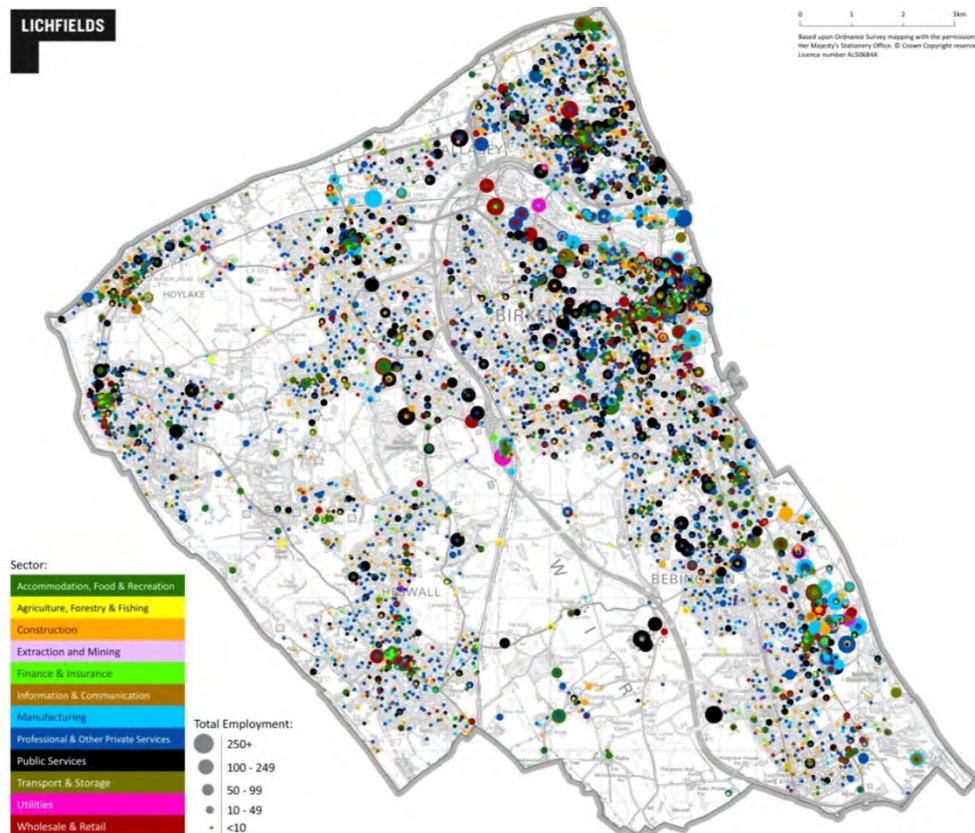
Size band	Wirral		North West	UK
<b>Total</b>	<b>8,844</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Micro (0 to 9)	7,111	80.4%	82.1%	83.6%
Small (10 to 49)	1,411	16.0%	14.4%	13.3%
Medium-sized (50 to 249)	283	3.2%	3.0%	2.7%
Large (250+)	39	0.4%	0.5%	0.4%

Source: ONS (2016) Inter-Departmental Business Register

3.14

ONS' Inter-Departmental Business Register [IDBR] data records details of the size, sector and location of businesses above the VAT threshold. When this IDBR data is mapped (Figure 3.4), we can see that the majority of larger businesses are located in and around Birkenhead, Wallasey and Bromborough and immediately adjacent to the strategic road junctions on the M53 Corridor. There are clusters of larger manufacturing and utilities companies in and around Bromborough, in and around Wirral Waters and around the Tarran Industrial Estate in Moreton. The largest employers in the Borough are the NHS (particularly at Wirral University's Teaching Hospital), the Department for Work and Pensions, the Clatterbridge Cancer Centre, Unilever, Cammell Laird ship repairs, Apex Europe Ltd, and Wirral Borough Council. Given the very high proportion of public sector jobs based in Wirral, it is unsurprising that Figure 3.4 presents a considerable number of public sector employers scattered throughout the peninsula.

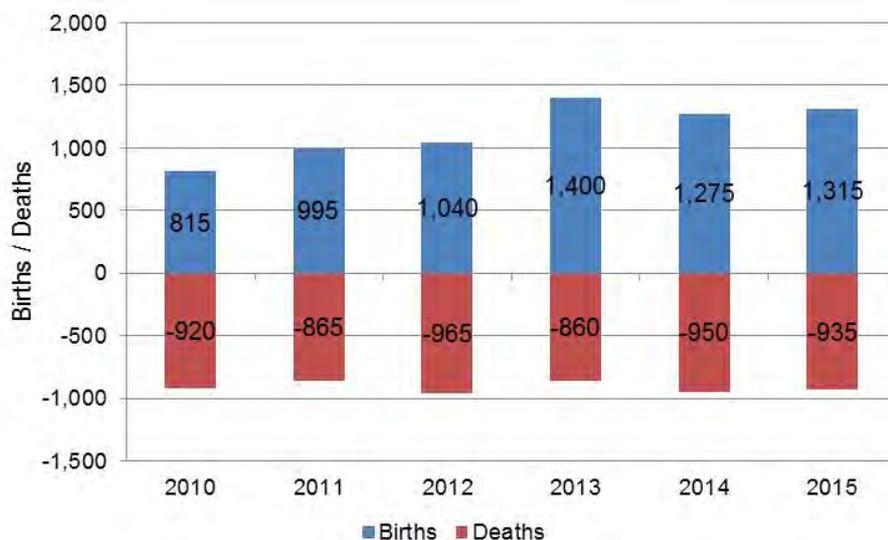
Figure 3.4 Spatial Distribution of Business Sectors by Size in Wirral Borough, 2016



Source: ONS (2016) Inter-Departmental Business Register

3.15 The stock of businesses in Wirral has been steadily increasing since 2011, with the number of business births exceeding deaths in each year. Including the net loss in 2010, over the past 6 years the Borough has seen a net increase of 1,345 businesses, or 224 annually (see Figure 3.5).

Figure 3.5 Business births and deaths in Wirral (2010 to 2015)



Source: ONS (2015) Business Demography

3.16 Business deaths as a percentage of the whole business stock have been slightly higher in Wirral than for the UK as a whole in most years between 2010 and 2015. However, the Borough is also more enterprising and business births as a percentage of the whole business stock was generally higher than the region or UK. This is shown in Table 3.3 which summarises business births and deaths as a percentage of the total business stock.

Table 3.3 Business births and deaths as a percentage of business stock (2010 to 2015)

	Area	2010	2011	2012	2013	2014	2015
<b>Births</b>	<b>Wirral</b>	<b>9.8%</b>	<b>12.1%</b>	<b>12.4%</b>	<b>16.1%</b>	<b>14.0%</b>	<b>14.1%</b>
	North West	9.7%	11.1%	11.4%	14.7%	13.7%	14.1%
	UK	10.0%	11.2%	11.4%	14.1%	13.7%	14.3%
<b>Deaths</b>	<b>Wirral</b>	<b>11.1%</b>	<b>10.5%</b>	<b>11.5%</b>	<b>9.9%</b>	<b>10.5%</b>	<b>10.0%</b>
	North West	11.2%	10.9%	11.3%	10.1%	10.1%	9.9%
	UK	10.6%	9.8%	10.6%	9.7%	9.6%	9.4%

Source: ONS (2015) Business Demography

## Labour Market

3.17 Wirral has an economically active population of 145,100, with an activity rate of 72.1%<sup>9</sup>. This is

<sup>9</sup> ONS (2016) Annual Population Survey 2005 to September 2016

lower than both the regional average of 75.6% and the UK rate of 77.8%. In response to the economic climate the size of the economically active population has fluctuated in recent years but overall has decreased over the last decade by 0.4%. This growth rate is lower than the North West (+1.1%) and also lower than the UK (+.2%).

3.18 Most people who are economically active in Wirral are also employed; 139,200 were employed in September 2016. This is 69.0% of the working age population aged 16-64. This is again slightly lower than the UK rate of 73.9% and the North West rate of 71.6%.

3.19 As can be seen in Figure 3.6, between 2005 and 2016 the number of people employed in Wirral has fluctuated significantly. In contrast with the national rate, which saw a pronounced dip following the 2008/09 recession, but which has since seen a steady increase, Wirral’s decline in levels of employment began earlier, in 2007, and saw an earlier recovery, in 2010. However, following a significant dip in 2013/14 the overall level of employment is virtually identical to the position in 2005.

Figure 3.6 Employment rate (2005 to 2016)

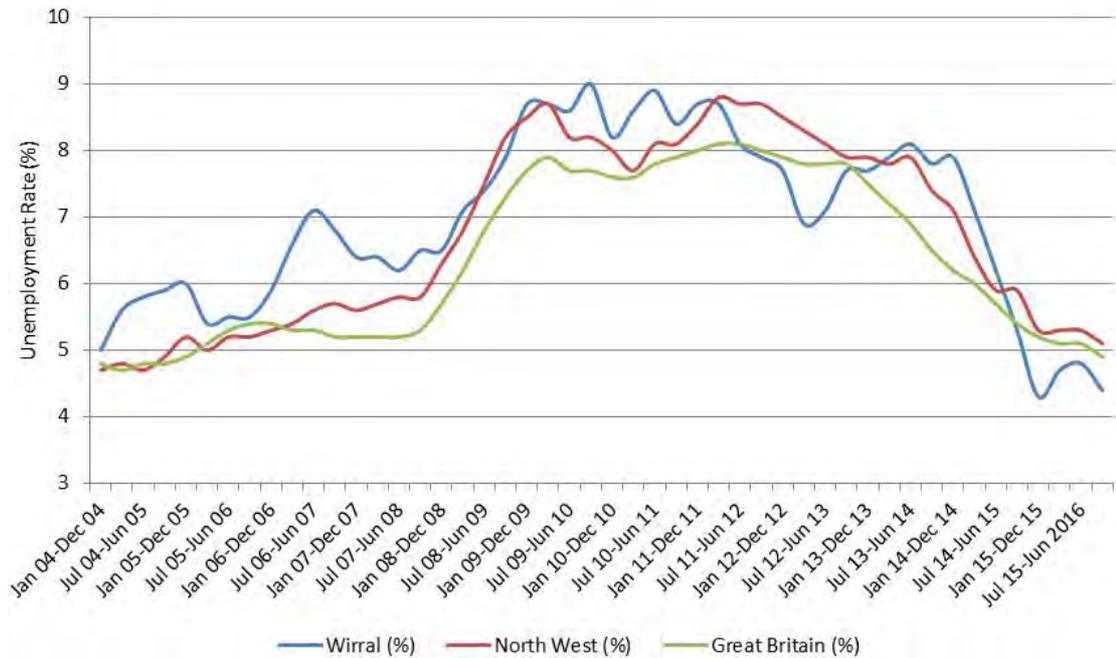


Source: ONS (2016) Annual Population Survey 2005 to 2016

3.20 Model-based estimates of unemployment in Wirral have fallen significantly in recent years since the peak of 9.0% in September 2010. It is currently at 4.4%, which is significantly lower than the pre-recession level (at around 6%)<sup>10</sup>. As can be seen in Figure 3.7, this is significantly lower than the current unemployment rate across the North West (5.1%) and UK (4.9%).

<sup>10</sup> ONS (2016) Annual Population Survey Model Based Estimates of Unemployment October 2015-September 2016

Figure 3.7 Unemployment in Wirral, the North West and Great Britain



Source: ONS Annual Population Survey, NOMIS 2016

3.21

In terms of alternative estimates of unemployment in Wirral, the number of JSA claimants has largely followed the national trends, albeit the Borough has moved from a position whereby the proportion of claimants was significantly in excess of the national levels prior to the recession and peaked at a level over 5%; it has since declined significantly and now sits at a level (0.9%) that is actually lower than the regional (1.1%) and national (1.2%) rate (as of August 2016). In reality, unemployment is likely to be better reflected in the aforementioned (and significantly higher) model-based estimate, as only a portion of unemployed residents will be eligible or will sign on for Job Seekers Allowance. It is also worth noting that the introduction of Universal Credit benefits in 2013 has affected the number of people claiming JSA, resulting in a tail-off at the end of the series across all spatial areas.

Figure 3.8 Jobseekers Allowance claimant rate of people aged 16-64 (1999 to 2016)



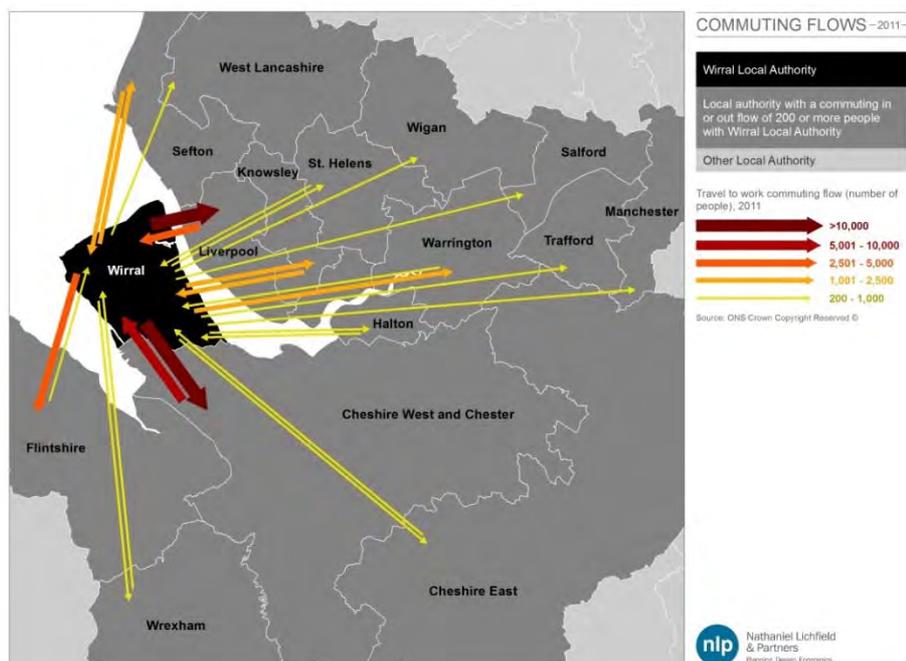
Source: ONS (2016) Jobseekers Allowance

### Commuting Patterns

3.22

Figure 3.9 illustrates the district-level commuting relationship between Wirral and the wider area at the time of the 2011 Census. It demonstrates significant commuting inter-dependency between Wirral and Liverpool as well as with Cheshire West and Chester.

Figure 3.9: Wirral commuting flows 2011



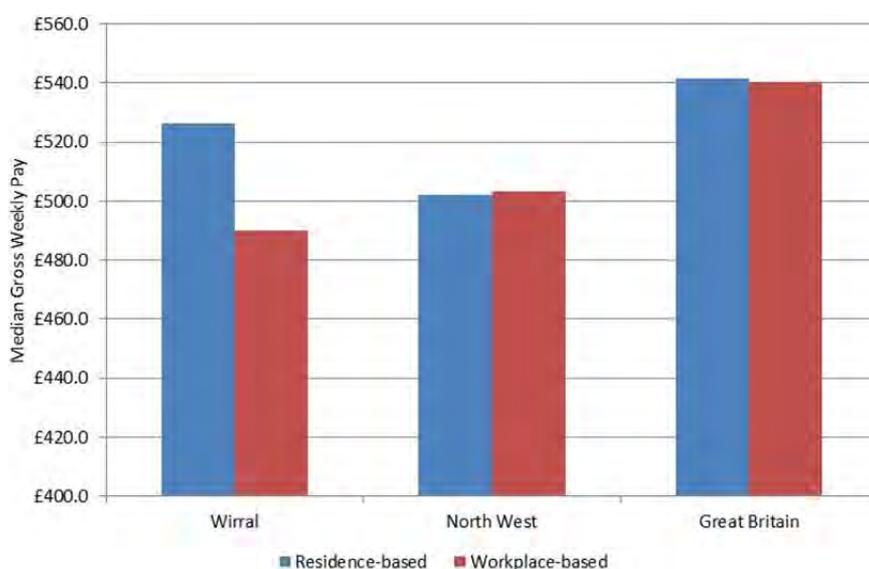
Source: Census 2011 / Lichfields analysis

- 3.23 The 2011 Census identified that in total, the Borough had a workplace population of 112,947 people, of whom 95,075 (85%) lived and worked in the Borough<sup>11</sup>. As such, 84% of all jobs in the Borough are taken up by local residents, suggesting a very high level of self-containment. Of those who commute from other authorities, the majority came from Cheshire West and Chester (6,135 or 34%); Liverpool (4,195 / 24%); and Sefton (1,194 / 7%).
- 3.24 However, Wirral has a more significant net out-flow of commuters, with 45,025 residents (32% of Wirral’s working age population) commuting out of the Borough on a daily basis for work elsewhere in 2011, particularly Liverpool (18,094 or 40% of out commuters); Cheshire West and Chester (10,189 / 23%); and Flintshire (2,828 / 6%). In total, the Borough had a net out-flow of 27,734 commuters daily in 2011.
- 3.25 At present Wirral does not provide a sufficient number of jobs to occupy its working age population, as exemplified by a job density figure of 0.60, i.e. there were are 60 jobs per 100 residents in 2016, compared with Liverpool which has a job density ratio of 80 jobs per 100 residents<sup>12</sup>. Wirral is also performing below the regional and national average rates, of 79 and 73 jobs per 100 residents respectively. Through the emerging Local Plan the Council is seeking to increase the number of jobs and businesses, improving the balance between jobs and homes, in order to reduce the need for out-commuting.

### Earnings

- 3.26 Gross weekly median resident earnings are currently £526.40 per week in Wirral, whilst workplace earnings are just £489.90<sup>13</sup> (see Figure 3.10). Workplace-based earnings are significantly higher across the North West, at £503.20, and even higher (at £540.20) for the UK as a whole. Whilst this is unfavourable for residents and people working in Wirral it is advantageous for businesses as labour costs are lower. Lower earnings can however create issues of low mobility in the labour market. This can be caused where potential workers are discouraged from travelling long distances (whether real or perceived distance) for lower wages.

Figure 3.10 Gross annual median earnings (2016)



Source: ONS (2016) Annual Survey of Hours and Earnings

<sup>11</sup> This includes those which are classed by the ONS as ‘Mainly work at or from home’; ‘Offshore installation’ and ‘No fixed place’

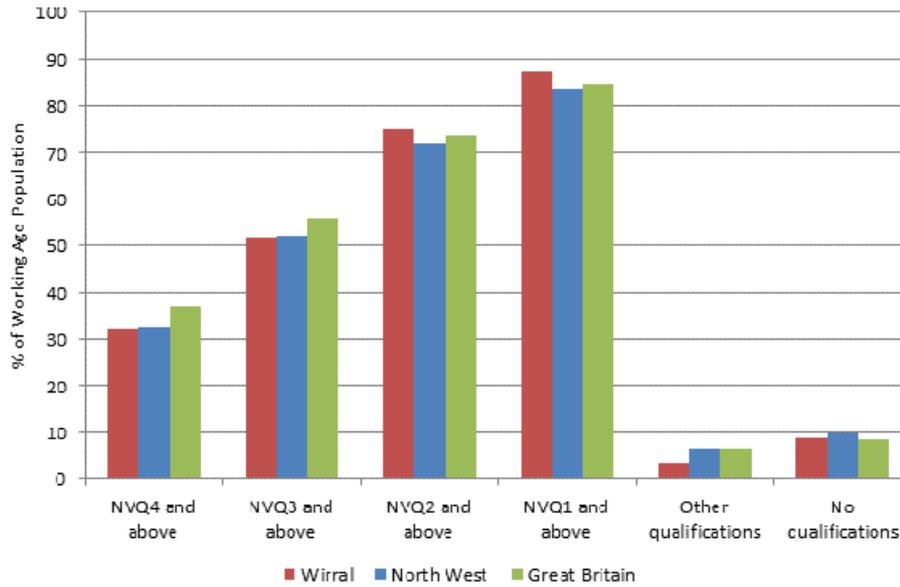
<sup>12</sup> ONS Job Density (2016 is the latest available data)

<sup>13</sup> ONS (2016) Annual Survey of Hours and Earnings

### Skills and Occupations

3.27 Figure 3.11 illustrates the skills profile of the population aged 16 to 64 in Wirral, the North West and UK. The population in Wirral tends to have comparable skill levels to the rest of the North West, but generally lower skills levels than the country as a whole. Hence we see that just 62,600 residents (32.2% of the resident population aged 16-64) are qualified to NVQ level 4 and above (i.e. degree level), compared to 37.1% for Great Britain as a whole.

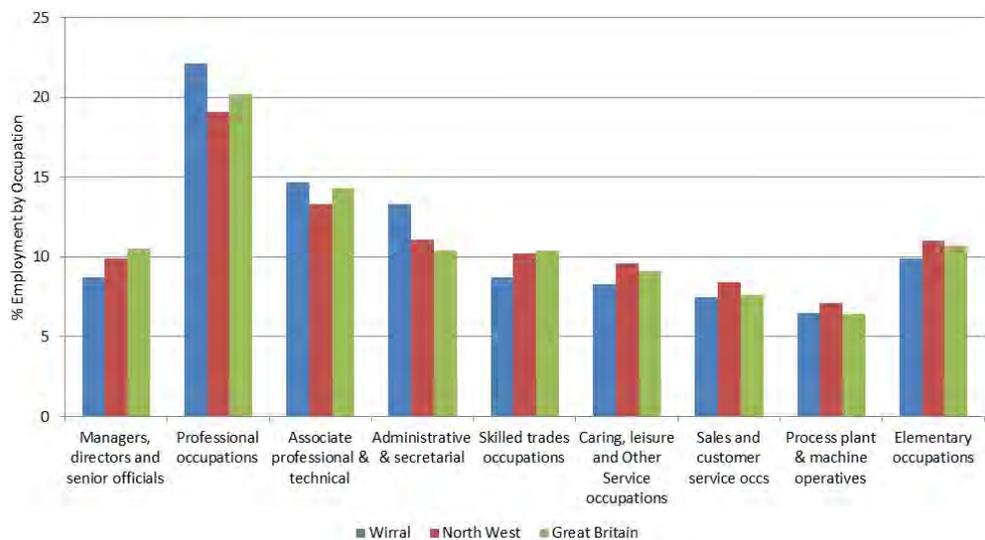
Figure 3.11 Qualifications of population aged 16-64



Source: ONS (2016) Annual Population Survey

3.28 Figure 3.12 compares the occupations of people employed in Wirral to the North West and the UK.

Figure 3.12 Workforce occupations, by residence (2016)



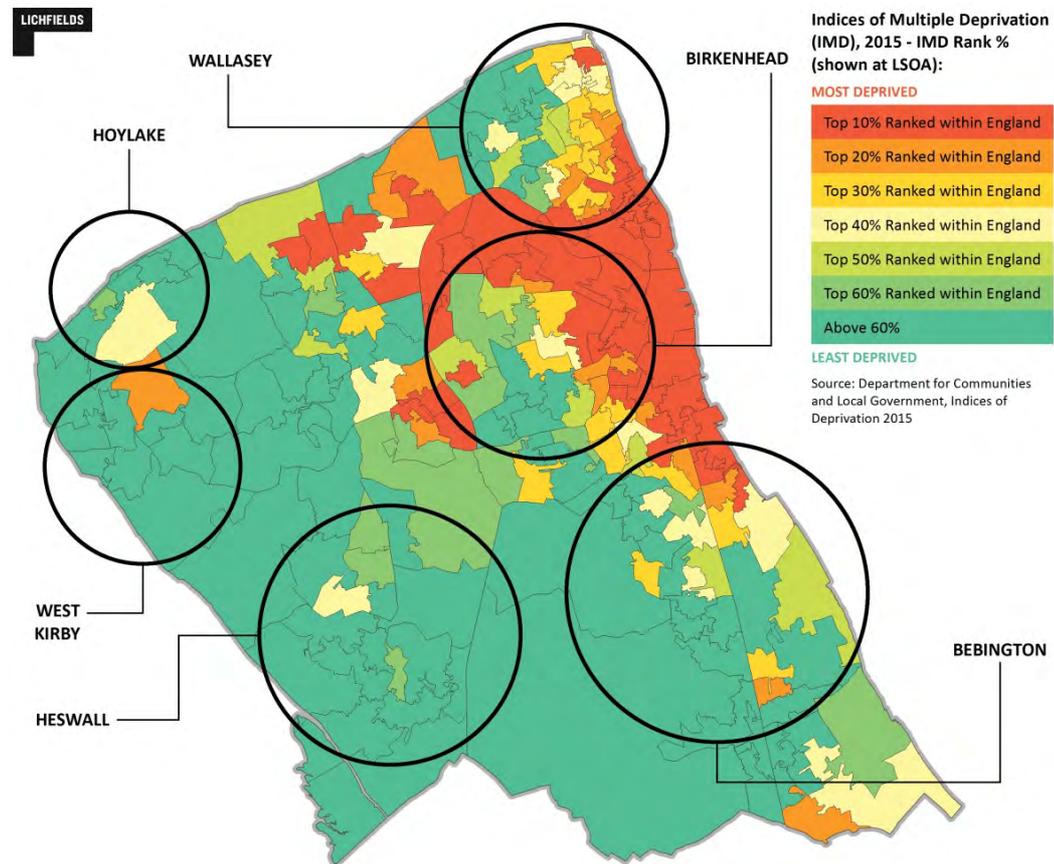
Source: ONS Annual Population Survey (October 2015 – September 2016)

3.29 Wirral has a greater proportion of residents who have professional roles than the region and UK, although a lower proportion of the very highest ranked occupations (such as managers and directors). The Borough also has proportionately more residents working in associate professional & technical and particularly administrative and secretarial, which is perhaps a reflection of the very high levels of public sector employment in the Borough.

### Deprivation

3.30 Wirral is ranked as the 66<sup>th</sup> most deprived local authority area in England according to the 2015 Indices of Multiple Deprivation [IMD] (based on the rank of average score) and a significant portion of the north-eastern part of the Borough around Wallasey, Birkenhead and particularly the Commercial Core, fall within the top 10% lowest ranked areas in England. Locations in Mid-Wirral that also fall into this highly deprived category include Leasowe, Moreton, Upton and Woodchurch.

Figure 3.13: Indices of Multiple Deprivation in Wirral



Source: CLG Indices of Deprivation 2015

3.31 As a result, Wirral has been the focus for significant public regeneration initiatives since the late 1970s, most recently including the nationally promoted Newheartlands Housing Market Renewal [HMR] Pathfinder scheme, which closed prematurely in March 2011 as a result of the Government's Comprehensive Spending Review. Funding for the Mersey Heartlands Growth Point, designed to further accelerate housing delivery in these areas alongside parts of north Liverpool and support economic revitalisation at the core of the conurbation, also ceased in March 2011.

- 3.32 In contrast, the west of the Borough presents a high quality environment and acts as an affluent commuter area for Liverpool and Chester, which is facilitated by strong transport linkages. A significant proportion of the rural land in the Borough is designated as Green Belt. The emerging Core Strategy places a strong emphasis on retaining the Green Belt, as part of a wider aspiration to maintain and enhance the Borough's environment and to continue to promote regeneration in east Wirral.

### SWOT Analysis

- 3.33 Table 3.4 provides an analysis of the Strengths, Weaknesses, Opportunities and Threats [SWOT] facing Wirral. This draws upon the analysis in this section to consider the main implications for employment land in the Borough.

Table 3.4 SWOT analysis

Current Strengths	Current Weaknesses
<ul style="list-style-type: none"> <li>• Job growth rates are currently higher than the North West region</li> <li>• Strong employment growth in business services, health and ICT over the last decade</li> <li>• Higher business birth rates than the region or UK between 2010 and 2015</li> <li>• Lower unemployment rate than the region and UK in recent years</li> <li>• High resident earnings</li> <li>• Strong proximity to and commuting relationships with key growth areas of Liverpool, Manchester and Chester</li> </ul>	<ul style="list-style-type: none"> <li>• The size of Wirral's population has declined in recent years, though this trend has halted</li> <li>• Employment in manufacturing and construction sectors has reduced over the last decade</li> <li>• Over-representation of employment in retail and public sector</li> <li>• Business death rate as a proportion of the stock is high compared to the region and UK</li> <li>• Employment has only recently reached pre-recession levels</li> <li>• Hotspots of deprivation driven by lower incomes and fewer employment opportunities</li> </ul>
Current Opportunities	Current Threats
<ul style="list-style-type: none"> <li>• High business birth rates in recent years and an entrepreneurial culture will help drive future employment growth</li> <li>• Low workplace earnings are attractive to businesses</li> <li>• Competitive workforce skills compared to the region (though worse than the rest of the UK)</li> <li>• High workforce representation in professional and associate professional/technical occupations to support growth in the knowledge economy</li> </ul>	<ul style="list-style-type: none"> <li>• Working-age population is forecast to shrink, and economically active population has grown at a slower rate than the region and UK in recent years</li> <li>• Workforce attainment rates of high level qualifications (degree level and above) are low compared to the rest of the UK</li> <li>• Smaller proportion of the workforce employed in technical and vocational skilled occupations compared to the region and UK</li> </ul>

## 4.0 Employment Space and Commercial Property Market

### Introduction

4.1 This section provides an overview of the current stock of B-Class employment space in Wirral. It also summarises recent trends and changes to supply, before analysing the commercial property market from an agency perspective. The analysis has focused on the three main types of employment uses; office [B1 a/b], manufacturing and light industrial [B1c/B2] and warehousing and distribution [B8].

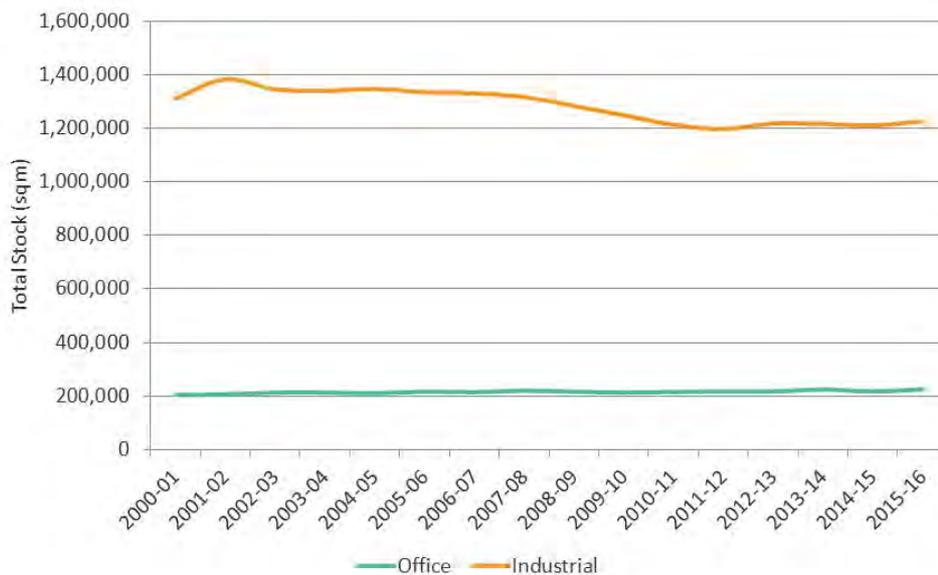
4.2 This analysis uses data from the following sources:

- 1 Commercial floorspace data from the ONS and various datasets from the Valuation Office Agency [VOA];
- 2 Monitoring data on commercial space from Wirral Council and the local Chamber of Commerce; and
- 3 EGi Property Link database, CoStar and other commercial property sources.

### Employment Space

4.3 In total, Wirral has approximately 1.45 million sqm of employment floorspace, of which 85% is industrial<sup>14</sup>. Figure 4.1 shows that over the period 2000 to 2016, commercial office space in Wirral increased by 10% to approximately 225,000 sqm. In comparison the increase in the North West was 22%. Total industrial space reduced by 6.5% to approximately 1.23 million sqm over the same period, compared with a 12% decrease across the North West.

Figure 4.1 Stock of Employment Space (2000 to 2016)



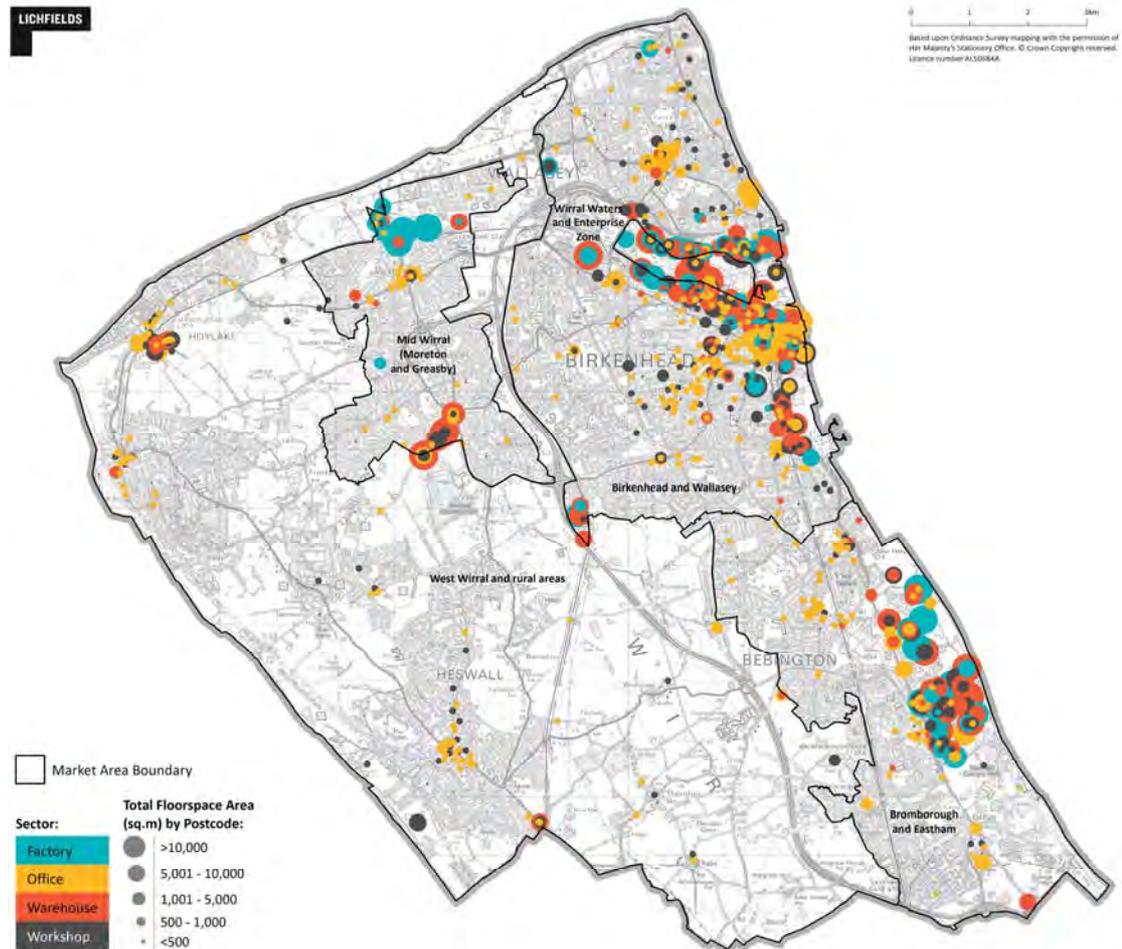
Source: Valuation Office Agency (2016) Floorspace Statistics

<sup>14</sup> Valuation Office Agency (2012) Floorspace Statistics

## Spatial Distribution

- 4.4 Table 4.2 presents the spatial distribution of B-Class employment space across Wirral using the latest available VOA data. This indicates that the majority of employment sites are located in and around Birkenhead, Wallasey and Bebington, with large sites also located in Moreton and Greasby, and to a lesser extent Hoylake and the North Cheshire Trading Estate off Junction 3 of the M53.

Figure 4.2 Spatial Distribution of Employment Floorspace in Wirral, 2017



Source: VOA 2017 / Lichfields analysis

## Development Rates

### Completions

- 4.5 Wirral Council collates data on the development of employment land for Annual Monitoring purposes. Take-up (i.e. completion) of land for employment development has been provided from 2006-07 onwards and is displayed in Table 4.1. Gross completions have averaged around 6.8 ha over the past ten years or so, predominantly relating to larger sites (over 0.2 ha). Around 13% of this has come forward on greenfield land.

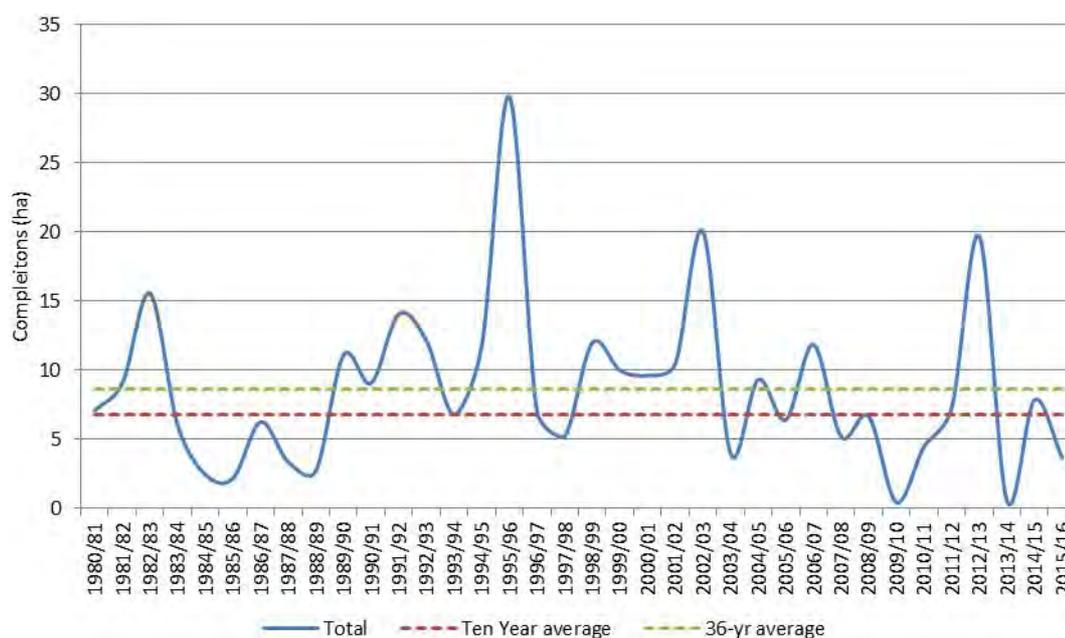
Table 4.1 Gross Employment Completions in Wirral 2006-07 to 2015/16 (ha)

Year	Small Sites (0-0.2ha)	Large Sites (0.2ha)	Total Land (ha)	...of which Greenfield (ha)
2006/07	0.37	11.49	11.86	4.19
2007/08	0.46	4.75	5.21	1.28
2008/09	0.72	5.94	6.66	1.20
2009/10	0.25	0.21	0.46	0.00
2010/11	0.48	4.01	4.49	0.00
2011/12	0.02	7.24	7.26	0.00
2012/13	0.47	19.22	19.69	1.35
2013/14	0.58	0	0.58	0.00
2014/15	0.57	7.28	7.85	0.34
2015/16	0.84	2.83	3.67	0.62
<b>Total</b>	<b>4.76</b>	<b>62.97</b>	<b>67.73</b>	<b>8.98</b>
<b>Annual Average</b>	<b>0.46</b>	<b>6.30</b>	<b>6.77</b>	<b>0.90</b>

Source: Wirral Borough Council Annual Monitoring Reports 2006-07 to 2015-16

4.6 Since 1980/81 (i.e. over a 36-year period), a total of 311.26 ha of employment land has been delivered (gross), equating to 8.65 ha on average – higher than the 10-year annual rate highlighted in the Table above. This rate has fluctuated from a peak of 30 ha in 1995/96 to a low of around 0.5 ha in 2009/10 and 2013/14.

Figure 4.3 Gross Employment Land Take Up since 1990/81 in Wirral Borough



Source: Wirral Borough Council (2017)

4.7 In terms of floorspace by B-Class use, Table 4.2 presents a breakdown of development. It is

clear from the table that the majority of development in the last 10 years has been B2 manufacturing use, which is reflective of the industrial nature of the Wirral.

Table 4.2 Gross Employment Completions in Wirral 2006-07 to 2015/16 (sqm)

Completed Floorspace (sqm)	Use Class B1 (a)	Use Class B1 (b)	Use Class B1 (c)	Use Class B2	Use Class B8	Total Floorspace
2006/ 2007	8,542	0	0	13,576	53	<b>22,171</b>
2007/ 2008	3,801	0	0	12,797	0	<b>16,598</b>
2008/ 2009	8,803	0	0	19,099	0	<b>27,902</b>
2009/ 2010	275	0	0	1,948	0	<b>2,223</b>
2010/ 2011	1,426	0	0	14,380	440	<b>16,246</b>
2011/ 2012	91	0	0	7,751	18,694	<b>26,626</b>
2012/ 2013	1,008	0	0	159	1,956	<b>3,123</b>
2013/ 2014	619	0	621	0	1,234	<b>2,474</b>
2014/ 2015	178	0	0	10,432	290	<b>10,900</b>
2015/ 2016	11,189	0	418	5,631	2,070	<b>19,308</b>
<b>TOTAL</b>	<b>35,932</b>	<b>0</b>	<b>1,039</b>	<b>85,773</b>	<b>24,737</b>	<b>147,571</b>
<b>Annual average</b>	<b>3,593</b>	<b>0</b>	<b>104</b>	<b>8,577</b>	<b>2,474</b>	<b>14,757</b>

Source: Wirral Borough Council Annual Monitoring Reports 2006-07 to 2015-16

## Losses

- 4.8 Information provided by Wirral Council in its Annual Monitoring Reports suggests that over the period 2004 to 2015 the Borough lost a total of 12.4 ha of employment land to alternative uses (notably residential and retail), at an annual average rate of 1.1 ha. Losses peaked in 2012/13 when almost 4 ha was lost to alternative uses.
- 4.9 The losses of employment land from 2004/05 to 2015/16 are summarised in Table 4.3.

Table 4.3 Losses of Employment Space in Wirral 2005-06 to 2015-16 (ha)

Year	Losses
2004-05	0.00
2005-06	0.77
2006-07	0.00
2007-08	unavailable
2008-09	0.63
2009-10	0.61
2010-11	2.73
2011-12	0.32
2012-13	3.83

Year	Losses
2013-14	0.90
2014-15	1.34
2015-16	1.30
<b>Total</b>	<b>12.44</b>
<b>Annual average</b>	<b>1.13</b>

Source: Wirral Council Annual Monitoring Reports 2004-05 to 2015-16

- 4.10 Permitted Development Rights now also facilitate changes of use from B1(a) offices to residential<sup>15</sup>. Because the value of residential land is often higher than the equivalent value for office use, there is little incentive for owners of office space to redevelop in order to improve the quality of the employment space. Wirral Council monitoring data shows that at the time of writing (31<sup>st</sup> March 2017), since August 2013, nine prior approval notices had been processed by the Borough Council. Of these, 8 were approved (i.e. prior approval was not required). This includes the loss of Birchen House in Birkenhead, to be redeveloped for 62 apartments. The only refusal was for the change of use of Thorndale Business Centre to 6 flats in December 2015.

## Enquiries

- 4.11 Data provided by Wirral Council, summarised in Table 4.4, suggests that over the past ten years the Borough has received a total of 825 enquiries for industrial floorspace, the majority of which were in the 1,001-10,000 size bracket (as well as the very large 100,001+ bracket). The Borough has also fielded 675 enquiries for offices, serviced or otherwise, of which the vast majority (77%) were for units smaller than 5,000 sq ft.

Table 4.4 Number of Enquiries, by Property Type in Wirral Borough 2006-2016 (sq ft)

Range	Industrial	Leisure	Managed/ Serviced Office	Office
0-500	21	1	43	46
501-1,000	78	4	80	96
1,001-2,500	125	3	58	82
2,501-5,000	185	8	34	84
5,001-10,000	107	4	4	28
10,001-20,000	80	6	2	19
20,001-40,000	58	4	2	13
40,001-60,000	27	4	2	7
60,001-100,000	21	1	1	1
100,001+	123	10	28	45
<b>Total</b>	<b>825</b>	<b>45</b>	<b>254</b>	<b>421</b>

Source: Wirral Borough Council 2017

<sup>15</sup> These measures, which came into force on 30 May 2013, allow premises to undergo change of use, subject to conditions and limitations to control impact and to protect local amenity, without the need to obtain planning permission. More recent changes to planning laws mean that B1(c) and B8 uses will also come under Permitted Development Rights.

## Commercial Property Market

- 4.12 This section of the report provides an overview of the property market from a national, regional and local perspective. It looks at the key office and industrial employment locations in the Borough, provides an opinion on prime rents and analyses key developments currently being proposed. Unless otherwise stated data is drawn from LSH's internal commercial property market monitoring.

## National Economy

- 4.13 At the time of writing there remains considerable uncertainty regarding the implications of Brexit and other macro-economic issues, and what this may mean for the strength of Wirral Borough's industrial and commercial market going forward.
- 4.14 Following the result of the EU referendum in June 2016, the Bank of England made the unprecedented step of reducing the base rate to 0.25%, a new historic low. The Bank has stated they will not hesitate to take additional measures as required as the markets adjust and the UK economy moves forward. This includes supporting the functioning of markets by being ready to provide more than £250 billion of additional funds.
- 4.15 To set the scene, the Bank of England has identified the main risks facing the financial system in the United Kingdom as: the global geopolitical environment; the reduction in growth in emerging markets; the United Kingdom's current account deficit; the housing market in the United Kingdom (especially buy-to-let); fragile market liquidity; and cyber-attacks.
- 4.16 The uncertainty within the UK market no longer surrounds the vote to leave the EU, but more what will happen now that Article 50 and the process of leaving the EU has been triggered. Much depends on future trade negotiations and what type of access the UK has to the European single market.
- 4.17 In March 2017 the Office for Budget Responsibility [OBR] published its Economic and Fiscal Outlook. This outlined expectations for real GDP growth to moderate during the first half of 2017, as rising inflation squeezes household budgets and real consumer spending. However there has been stronger than expected growth at the start of the year, implying 2.0% growth in real GDP in 2017 as a whole, up from 1.4% in their previous set of forecasts in November 2016. Largely due to a weaker outlook for whole economy inflation (and the dampening effect this is likely to have on consumer spending and business investment), growth for 2018 is forecast at 1.6% (down 0.2% from the November forecasts); 1.7% in 2019; 1.9% in 2020 and 2.0% in 2021.
- 4.18 The spread between the IPD All Property initial yield, 10 year gilt yields and the property risk premium are above 3% and at an attractive level despite current yields approaching an all-time low. As a consequence, it is likely that rental growth will become the dominant driver of future capital growth.
- 4.19 In the immediate period following the vote to leave the European Union, the value of the pound fell to a 31 year low. The combination of attractive yield levels, lower prices, plus exchange rate effects should draw in overseas investors looking to acquire assets in the UK, attracted by a G7 country with a track record of achieving strong economic growth.
- 4.20 Some £54 billion of new real estate debt was issued in 2015, 19% more than in the previous year, with this year's figures still unpublished. Conversely, a quarter of the new financing last year came from non-bank lenders including insurance companies and private equity groups.
- 4.21 With the current market uncertainty surrounding the United Kingdom's decision to leave the European Union and activating Article 50; buying, selling and lending has become riskier because the market is more turbulent and less predictable. Immediately following the vote, institutional

retail funds froze trading to mitigate losses, although confidence has since returned to the market with trading resuming. However the lending institutions are braced for a rush of re-finance applications as loans could become cheaper with a potential fall in interest rates. This would likely have an adverse knock on effect to commercial property lending.

- 4.22 The RICS UK Property Market Chart Book prepared in April 2016 states that consumer spending remains the principal driver of UK growth for 2017. With business investment likely to weaken in the coming quarters, consumer spending will remain the overarching determinant of growth.
- 4.23 The sentiment behind consumer spending remains and there is no defined reason why long-term success should be impacted by the referendum outcome.
- 4.24 Reports suggest recent stamp duty tax changes announced in the 2016 Budget has reduced overall commercial property capital values in the UK and a slowdown in transactions. Investors in commercial property saw capital values fall by circa 0.4% in March, following the Stamp Duty Land Tax changes.

### National Office Market

- 4.25 LSH research<sup>16</sup> identifies that following a strong performance in 2015 and Q1 2016 also delivered sustained levels of take up across the Big 6<sup>17</sup> markets during the first half of 2016 totalling 232,000 sqm / 2.5 million sq ft and on track to surpass the 10 year annual average of 371,500 sqm / 4 million sq ft. Within these markets, Glasgow has been particularly strong with 61,000 sqm / 657,000 sq ft being transacted in Q1 2016, already exceeding the 10 year annual average, with Birmingham, Cardiff and Bristol also seeing a strong performance.
- 4.26 Considered overall, the UK occupier market had a subdued start to 2017, with nation-wide take-up of 566,700 sqm / 6.1 million sq ft in Q1 down 9% year-on-year. That said, take-up was only 3% below the 10 year quarterly average, which seems a reasonable performance given the uncertainty in the market surrounding the UK's future relationship with the EU.
- 4.27 A lack of large deals also weighed on take-up in the big six markets. No deals over 3,700 sqm / 40,000 sq ft transacted in Q1 with only five deals in excess of 2,800 sqm / 30,000 sq ft. Collectively, take-up totalled 140,000 sqm / 1.5 million sq ft across the six markets, down 25% year-on-year, while 4% below the 10 year quarterly average.
- 4.28 Evidence suggests that prime rental growth is continuing to slow, with only eight of the 52 Pulse<sup>18</sup> markets recording headline rental growth during Q1 2017. Nationally, Uxbridge and Salford recorded the strongest increases, both rising 9% on the previous quarter. Central London prime rents remained stable, with no movement across the submarkets during the quarter, although landlord incentive packages are more generous.
- 4.29 LSH's office agency network forecast prime headline rents to rise in 33 of the 52 Pulse markets over the next three quarters of 2017.
- 4.30 The volume of speculative space under development increased further in all four quarters of 2016 and Q1 2017, with circa 418,000 sqm / 4.5 million sq ft currently at the construction phase outside of London. A number of new starts in Q1 2017 have pushed this volume up 3% compared to the previous year.

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<sup>16</sup> Lambert Smith Hampton Office Market Pulse, Q1 2017

<sup>17</sup>The 'Big 6' office markets in the UK (outside London) are Birmingham, Bristol, Edinburgh, Glasgow, Leeds and Manchester

<sup>18</sup> LSH Office Market Pulse provides a comprehensive guide to the UK's 52 main commercial property markets and is published quarterly

- 4.31 Occupier demand remains strong whilst the lack of Grade A availability could subdue take-up in the short term. It is estimated that the total Grade A availability in regional cities is around 20% down on pre-recession, 2007 levels.
- 4.32 Despite a return to pre-recession development levels, availability continues to reduce, reflecting both healthy net absorption rates and pressure for alternative uses. UK-wide supply edged down by 5% during 2015, its sixth consecutive year-on-year fall, to stand at c.5 million sqm / 53.9 million sq ft at the end of the year.
- 4.33 LSH research suggest that yields for offices in Q1 & Q2 2016 were 3.50% for the West End, 4.5% for London City, 5.25% for the South East and 5.25% for the remainder of the UK. The Northern Powerhouse cities have shown yields for prime offices of between 5.25% and 7.0% for Q1 2017.
- 4.34 The 2008/09 financial crisis demonstrated that big businesses and corporate occupiers abhor uncertainty. In light of the vote to leave the European Union, uncertainty remains over the future growth prospects of the UK economy. It seems likely that occupier behaviour may be stifled over the short-term and the recent delays in occupier decision making may continue.
- 4.35 Over the medium-term, history has shown business to be highly flexible and adaptable to changing operating environments. Real estate professionals have reported that the initial shock has been overcome and as the economy stabilises, businesses will reconnect with the underlying qualities of the United Kingdom as a business location. Strengths range from low corporate tax rates, a strong and equitable legal system, the large consumer market, and its skilled and educated workforce.
- 4.36 Restructuring remains a feature of modern businesses as they, and the economic market more generally, respond to disruption and a low growth economic environment. The extent of any restructuring will depend to a large extent on whether the UK retains access to the single market.

### National Industrial Market

- 4.37 LSH research<sup>19</sup> cites that the Industrial market was the one core sector where volume was up on the previous year. However, a significant proportion of this was accounted for by two portfolio deals early in the year; Malaysian Employees PF's £200 million purchase of the Phoenix portfolio and Legal & Generals £176.5 million portfolio switch sale of 47 Trade Parks across England, Scotland and Wales.
- 4.38 Demand in the UK industrial sector, particularly logistics, remains strong. By the end of Q3 2016, it was being reported that more warehouse space had been transacted than by the year end of 2015, accounting for approximately c.2.4 million sqm / 26.2 million sq ft. This has been attributed to strong growth in e-commerce and last-mile fulfilment.
- 4.39 Retailers, supermarkets and third party logistics providers have been particularly active across the country, with much of the demand still focused on modern, 'big box' space. There is also solid demand for mid-box space in prime and secondary locations as occupiers look for opportunities to optimise their distribution networks across the UK.
- 4.40 As technology in the logistics sector becomes more sophisticated, such as automated racking systems, its requirement for space is changing. Developers are highlighting that these technologies are becoming so important to the efficient operation of modern logistics companies that buildings need to be designed around them, rather than retrofitting the technology to a building. With the logistics market still being occupier led rather than speculative in all but the top prime locations, there needs to be a degree of planning flexibility to help bring forwards large B8 developments that are occupier led.

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<sup>19</sup> LSH Industrial and Logistics Market 2017, LSH

- 4.41 Strong levels of take-up and decreasing levels of speculative development have led to a fall in total supply of industrial space by 22% year on year to reach circa 2.5 million sqm / 26.4 million sq ft.
- 4.42 The make-up of existing supply had shifted by the end of 2016 as speculative schemes entered the market. It is reported that 60% of the market will comprise Grade B & C units at the end of 2016, as opposed to nearly 75% at the end of 2015.
- 4.43 The supply of Grade A units has therefore increased, with 19% of deals in Q3 2016 being for this new space. Development of this space has been particularly strong in the South East, Midlands and North West. Outside of the traditionally strong M1 and M6 corridor markets, there has been a strong appetite for development opportunities along other primary routes, including the M4, M5, M62 and the main trunk roads across the Midlands.
- 4.44 The industrial investment market remains buoyant with circa £660 million invested in Q3 2016. With the number of transactions being above average, there is encouraging liquidity in the market given the immediate market volatility following the decision to leave the EU.
- 4.45 Despite the market exceeding the Q3 2015 and Q2 2016 levels, just six deals account for over half of the capital deployed in the quarter. These include Legal & General committing £150 million to the Amazon warehouse at the Port of Tilbury and the Tritax Big Box Real Estate Investment Trust [REIT] forward-funding the construction of a 50,600 sqm / 545,000 sq ft unit near Wolverhampton at a cost of £56.3 million.
- 4.46 LSH research suggests that prime Industrial yields in Q1 & Q2 2016 were 4.75% in London Heathrow, 5.25% in Birmingham, 5.5% in Manchester, 6.0% in Edinburgh and 6.5% in Newcastle.
- 4.47 The increased uncertainty around how (and when) the UK will leave the EU will inevitably have an effect on the industrial occupational market with occupier behaviour being stifled over the short-term until there is more certainty in the market. How Britain negotiates its trade deals and border control will have a significant impact on the industrial market as the United Kingdom exported over £200 billion to the EU in 2014 alone. If the EU waits until the UK's formal withdrawal, these negotiations may drag on for another five years or more, leaving the potential for prolonged uncertainty over the industrial occupational market.

### Northern Powerhouse Office Market

- 4.48 LSH's second annual Northern Powerhouse Office Market Report (November 2016) found that for the seven core Northern Powerhouse office markets combined, take-up is on course to finish 2016 in line with the 10-year annual average at 381,000 sqm / 4.1 million sq ft – a 20% fall from 2015's high.
- 4.49 The fall in take-up is largely attributable to the reduced volume of large headline deals to corporate occupiers, with 80% of the total number of transactions for space sub 460 sqm / 5,000 sq ft in size. Interestingly however, the uncertainty generated by the EU Referendum did not have an immediate effect on the region, with half of the six national deals above 4,600 sqm / 50,000 sq ft taking place in the North - namely Freshfields, Manchester (7,500 sqm / 81,300 sq ft), HSBC, Sheffield (13,000 sqm / 140,000 sq ft), and LJMU, Liverpool (5,900 sqm / 63,600 sq ft) - completing in Q3 2016.
- 4.50 As expected, the professional services sector dominated office activity in 2016, accounting for 31% of the total volume of space transacted – up from 26% in 2015. Activity from the technology, media and telecoms sector remained fairly consistent at 18% - down from 20% in 2015.
- 4.51 While overall supply across the seven Northern Powerhouse core cities has fallen steadily over the past four years – reflecting a sustained period of strong take-up, a relatively modest development cycle and significant quantum of space lost to alternative uses – Grade A supply in the region has increased by 33% since the end of 2015, to stand at 297,000 sqm / 3.2 million sq ft. This figure includes development scheduled to complete within 12 months. This development activity remains

focused in Manchester and Leeds, which together account for 90% of the 171,000 sqm / 1.84 million sq ft of space under construction - 34% of which is already pre-let.

- 4.52 The increase in Grade A office supply has restricted prime headline rental growth, with only two of the region's seven markets seeing an upwards shift. Newcastle's prime headline rents increased 4.5% year-on-year to a new high of £248 per sqm / £23.00 per sq ft, while Warrington, the most affordable of the Northern Powerhouse markets, saw prime headline rents increase 2.6% to a new high of £215 per sqm / £20.00 per sq ft. In the 12 months to the end of October 2016, £1.2 billion of office assets changed hands across the five principal cities<sup>20</sup> of the Northern Powerhouse; down 7% on the previous year. The total number of transactions also fell by 24% during the same period, the three largest of which accounted for 30% of the total volume invested and were all confined to Manchester City Centre.
- 4.53 Pricing for prime, well-let office assets has also softened, with prime yields edging out by a quarter of a percentage point in each of the key cities of the Northern Powerhouse.
- 4.54 Overseas buyers significantly ramped up their exposure to UK regional offices to overtake institutional buyers as the main driver of activity. Boosted significantly by Deka Immobilien's £164 million purchase of One St Peter's Square in Manchester from its developer Argent, overseas investment in the region's five principal cities combined stands at £544 million in 2016 to date, a record annual total with Q4 yet to be accounted for.

### Liverpool City Region

- 4.55 Wirral is located within the Liverpool City Region [LCR], which has experienced annual growth of 4.3% since 1997.
- 4.56 Office take-up levels for the City Region remain on a positive trend, with 191 deals recorded in 2016 (215 in 2015). Overall office take-up for the City Region was 48,630 sqm / 523,456 sq ft in 2016; a 9.3% fall on the 2015 figure. Take-up in the City Region was once again dominated by Liverpool's Commercial District (62% of transactions and 65% of total take-up occurred in the Commercial District). 2016 saw significant increases in take-up in Knowsley (up 64%) and North Liverpool, including Bootle/Waterloo (up 60%). The out of town market's largest deals were in North Liverpool to Kura (3,250 sqm / 34,983 sq ft at Caspian House) and South Liverpool to Duality Group (935 sqm / 10,070 sq ft at Hurricane Court).
- 4.57 Industrial take-up levels for the City Region remain remarkably consistent over recent years. The key industrial deal in the City Region was in Speke comprising 125,000 sq ft pre-let to GEFECO. Following the opening of Peel's Liverpool 2 container port, Chancerygate is bringing forward 3,160 sqm / 34,000 sq ft speculative build in phase 1, while phase 2 comprises 8,360 sqm / 90,000 sq ft on a design and build basis. Meanwhile, reflecting an increasing lack of choice in the second hand market, Barwood Capital and DB Symmetry have commenced the refurbishment of 10,960 sqm / 118,000 sqft at Aquila in Huyton.
- 4.58 The region has a particular specialism around seven key sectors, which include:
- 1 **Advanced manufacturing** – an industry employing nearly 50,000 employees and 3,000 companies who directly contribute £3.2 billion to the economy. There is a diverse mix of companies in this sector including Jaguar Land Rover, Uni Lever, Pilkington, Ineos and Astra Zeneca. On top of this there are many small innovative SME's and engineering and fabrication companies.
  - 2 **Digital and creative industries** – this sector employs almost 19,000 people with 3,500 businesses. Key successes include the most powerful super computer in the UK at

<sup>20</sup> Leeds, Liverpool, Manchester, Newcastle, Salford, Sheffield and Warrington

Daresbury. The University of Liverpool and John Moores University sustain many spin off digital and creative industries from their world leading research projects, as well as many SMEs who operate in this space.

- 3 **Financial and professional services** – Liverpool City Centre is the prime location for this sector, with secondary clusters in Southport, Bootle and Birkenhead. There are 2,500 businesses and 80,000 people employed in this sector that is worth over £5 billion GVA.
- 4 **Health and Life Sciences** – this sector has over 100,000 people employed within it and worth over £1.7 billion in GVA. The region is a global hub for R&D in bio-pharmaceutical manufacturing with companies such as Astra Zeneca, Seqirus, Eli Lilly and Actavis all active locally in this sector.
- 5 **Low carbon** – over 20,000 people are employed in this sector with 1,400 businesses and a contribution of over £2 billion to the economy.
- 6 **Superport** – The creation of Liverpool2 deep water container terminal gives the city region a competitive advantage by being able to accommodate 95% of the world’s largest container freight ships. This infrastructure investment will drive the logistics sector and create opportunity all over the region; 35 million people live closer to the port than to comparably sized ports in the south.
- 7 **Visitor Economy** – The City of Liverpool has a world-wide reputation as a visitor destination, based on its culture and heritage. Whilst the Wirral peninsula is less well known, it boasts a number of visitor attractions including its attractive coastline and major international events such as the Open Championship at Hoylake.

## Wirral

- 4.59 As set out in Section 3, the public sector remains the largest employer in Wirral Borough. Civic functions are predominantly found in Wallasey and Birkenhead but Birkenhead and Bromborough dominate the area’s commercial activity. This is further cemented by the creation of the Wirral Waters EZ at Birkenhead Docks.
- 4.60 Birkenhead is the traditional heart of the Wirral. The Council continues to occupy the old Cheshire Lines building and the Town Hall. Other key employers in the town include Cammell Laird, which despite some major restructuring over the past 30 years or so is now going strong with some major contracts in the pipeline.
- 4.61 Wirral Waters EZ is being promoted by Peel Holdings as a 500 acre regeneration project with a mix of commercial and residential projects promoted to transform the area. Within the EZ there are a number of projects that will help to transform the docks area in Birkenhead.
- 4.62 Current schemes include:
- 1 **MEA Park** – Phase 1 includes 9,300 sqm / 100,000 sq ft of B2/B8 focusing on the energy, maritime and automotive sectors located at West Float.
  - 2 **The Maritime Knowledge Hub** – 8,360 sqm / 90,000 sq ft of office, incubation, studio, cultural and ancillary retail space in a grade II listed Hydraulic Tower on Tower Road.

## Offices

- 4.63 The office market in the Wirral (Council offices aside) is relatively small, and is secondary to Liverpool in the city region context. The main occupiers are the Land Registry and the Department of Work and Pensions. Birkenhead and Wallasey are the main public administrative areas, whilst Birkenhead is home to the main office facilities in the Borough. The majority of available units are in small suites above shops. The remainder are in purpose built office buildings that have been vacated or partially vacated by long term occupiers or in serviced offices.

- 4.64 Examples of available properties include:
- 1 Egerton Court, Tower Road, Birkenhead – 300 sqm / 3,358 sq ft of available office space;
  - 2 Price Street Business Centre, Birkenhead – Multi Let business centre containing 55 suites, rents here are between £86-£102 per sqm / £8-£9.50 sq ft; and
  - 3 Marcus Street, Birkenhead – A 185 sqm / 2,000 sq ft serviced office facility with suites from 5 sqm / 55 sq ft available for £200 per person or £117 per sqm / £10.91 per sq ft.

- 4.65 Outside of Birkenhead there are a few small purpose built office buildings on industrial estates in the area. Examples include:
- 1 Buildings 1 and 3 Riverside Park, Bromborough – With 2 units of circa 2,800 sqm / 30,000 sq ft with rents of between £113-£123.80 per sqm / £10.50-£11.50 sq ft this is the highest specification purpose built office development on the market at present;
  - 2 Gateway House, Bromborough – A good quality modern office building of 2,970 sqm / 32,000 sq ft with 464 sqm / 5,000 sq ft of space currently available at £86- £107 per sqm / £8-£10 sq ft;
  - 3 Unit 1 and 2, Old Court House Road, Bromborough – 90 sqm / 969 sq ft of available space at £100 per sqm / £9.29 sq ft; and
  - 4 Moreton Street Police Station, Moreton – 260 sqm / 2,775 sq ft of floorspace over 2 floors with a rent of £77.50 per sqm / £7.20 sq ft.

- 4.66 Whilst this is not an exhaustive list this represents a snapshot of the majority of office floorspace available in the Borough according to EGPropertyLink and CoStar. What this highlights is that there is a dearth of good quality stock and the low rents that are currently being achieved. We would expect that new office space built in either of the prime locations around Birkenhead, Wirral Waters and Bromborough could achieve rents of up to £140 per sqm / £13 per sq ft, with offices in more secondary locations achieving £118.40 per sqm / £11 per sq ft.

### Industrial

- 4.67 The industrial sector is driving demand in the local commercial property market; commercial agents reported strong demand for smaller units up to 2,300 sqm / 25,000 sq ft, but particularly up to 930 sqm / 10,000 sq ft. Commercial agents reported that a shortage of smaller units was constraining the growth of smaller businesses looking to expand. Away from the established industrial locations around the Docks and the Cammell Laird plant in Birkenhead the prime industrial locations are in Bromborough and Moreton. There have been a couple of recent developments in Birkenhead with the Lightbox and Turbine Business Park being developed in the last 18 months.

- 4.68 In Bromborough there are several long established industrial locations that together combine to form the Borough's largest industrial area. These include:
- 1 The Unilever Complex at Port Sunlight;
  - 2 Pool Lane Industrial Estate;
  - 3 Dock Road South industrial Estate;
  - 4 Croft Business Park; and
  - 5 Old Hall Industrial Estate.

- 4.69 Recent developments in this location include the 15,800 sqm / 170,000 sq ft Great Bear Distribution unit and the current development by Redsun of the former Power Station site that will deliver 8,800 sqm / 95,000 sq ft of industrial warehousing in the summer of 2017. Redsun has been the most active of all developers in the employment space sector over the last few years. As

well as the power station site they have also completed the development of 8,300 sqm / 90,000 sq ft in six industrial buildings next to Cammell Laird in Birkenhead and completed the development of 12,000 sqm / 130,000 sq ft of industrial space in seven 'BREEAM excellent' rated buildings at Wirral International Business Park in Bromborough. Redsun has had some major successes in attracting occupiers including Smylie Ltd, ABB, Bibby Engineers, Regal, Travis Perkins, Smith Brothers and Star International. Capital and Centric has also been active delivering 1,900 sqm / 20,400 sq ft in six industrial units aimed at the offshore energy sector at Lightbox in Birkenhead.

4.70 The development market is however occupier led rather than speculative. Agents highlighted that the market is slowly returning towards speculative development with most recent developments being fully sold or let before construction completes. This reflects the confidence of the market and high demand from occupiers, and if these trends continue the market will move to speculative development. Recent developments have focused on prime locations and favour larger industrial premises than smaller premises which are in strong demand from local SMEs. Commercial agents highlighted that this is likely to remain the case for some time unless market conditions changed dramatically. This means there is a potential role for the public sector to play in de-risking developments to encourage new modern premises to be provided to meet the high levels of demand from local businesses.

4.71 Outside of Birkenhead and Bromborough the other main industrial estates are found in Moreton around the Tarran Industrial Estate. The majority of the stock here is small units catering for the local market. A new development on Tarran Way South achieved rents of £71 per sqm / £6.60 per sq ft for 90 sqm / 1,000 sq ft units.

4.72 In terms of available property and deals done we have assessed the available information on EGPropertyLink and CoStar and the following comprise the key schemes with availability:

- 1 Pool Business Park, Bromborough – This comprises 5 acres of open storage land and 20 acres of development land available for design and build up to 17,500 sqm / 190,000 sq ft of floorspace;
- 2 Arena Court, Bromborough – Modern 1,200 sqm / 13,000 sq ft Industrial Space in 10 units available at £70 per sqm / £6.50 per sq ft;
- 3 Turbine Business Park – 1,580 sqm / 17,000 sq ft industrial/manufacturing unit available at £64.60 per sqm / £6 per sq ft;
- 4 Lord Street, Birkenhead – A terrace of 4 units totalling 1,340 sqm / 14,432 sq ft available for £64.50 per sqm / £6 per sq ft;
- 5 Lightbox, Knox Street, Birkenhead – 2 terraces, providing 6 units of 315 sqm / 3,400 sq ft each with two units available from £43 per sqm / £4 per sq ft; and
- 6 Riverview, Wirral International Business Park, Bromborough – three units ranging from 740 sqm / 8,000 sq ft to 4,275 sqm / 46,000 sq ft available from £48 per sqm / £4.50 sq ft.

4.73 Aside from some cases of recent industrial developments, the commercial market in Wirral is dominated by secondary stock. The quality of stock is generally good in Bromborough and Wirral International Business Park, with many units dating to the 1990s and early 2000s. Elsewhere however the secondary stock is frequently of poor quality; this is especially the case in Birkenhead where many premises date back to the 1950s. Although many of these premises are now economically obsolete vacancy levels are still low because there is a shortage of industrial premises and low values are attractive to some occupiers. Agents reported that there was a pressing need to improve the quality of industrial premises in Wirral.

## Conclusions

- 4.74 The UK's economic growth has been stronger than expected following the EU referendum and forecast growth has dampened only moderately for 2017 and beyond. In part, the lower value of sterling is helping exporters and manufacturers, and increasing the attractiveness of property to overseas investors. The UK's commercial property market has seen significant growth in the distribution sector in recent years, driven by retail and internet shopping. In the core cities, office space is largely driving demand but elsewhere the industrial sector is typically more dominant, especially in the North West.
- 4.75 Wirral's commercial property market is driven by the industrial sector rather than office space. In recent years the office stock has grown more slowly than in the rest of the North West, and industrial stock has seen less of a decline. Completions have averaged at c.6.8 ha a year, with B2 industrial forming the majority of this, whilst annual losses have averaged at 1.13 ha. Reflecting the industrial heritage of Wirral and the prevalence of brownfield land, only 13% of completions were on greenfield land.
- 4.76 Both the Council's monitoring data and consultations with commercial agents and developers highlighted that the industrial sector is driving demand and enquiries for business space in Wirral.
- 4.77 Industrial demand is particularly driven by businesses looking for smaller premises up to 930 sqm / 10,000 sq ft to 2,300 sqm / 25,000 sq ft, though there are also relatively frequent enquiries for larger premises above 9,300 sqm / 100,000 sq ft. Commercial agents reported that the shortage of smaller industrial premises was constraining business growth. There have been several good quality industrial developments in Wirral in recent years, though this has been occupier led rather than speculative development.
- 4.78 The office market is typically characterised by smaller secondary converted premises above shops in town centre locations. However there are a number of good quality purpose-built premises in Birkenhead and Bromborough.

## 5.0 Viability Analysis

### Employment Sites Viability

5.1 In this section of the report we set out our generic methodology to establish the potential viability of employment sites for a range of appropriate development typologies within each of the five market areas across the Borough.

5.2 We have appraised each of the development typologies having regard to open market land and property values and normal development costs to establish whether an acceptable return or developers profit will be generated.

### Policy Guidance

5.3 In carrying out our Economic Viability Appraisal we have had regard to RICS Guidance Note 94 /2012 (GN94) – Financial Viability in Planning. GN94 stresses that it is grounded in the statutory and regulatory planning regime that currently operates in England. It is consistent with the Localism Act 2011, the NPPF and Community Infrastructure Levy (CIL) Regulations 2010. GN94 concludes that the fundamental issue in considering viability assessments in a town planning context is whether an otherwise viable development is made unviable by the extent of planning obligations or other requirements.

5.4 GN94 defines financial viability for planning purposes as follows:

*“An objective financial viability test of the ability of a development project to meet its costs including the cost of planning obligations, while ensuring an appropriate Site Value for the landowner and a market risk adjusted return to the developer in delivering that project”.*

5.5 GN94 proposes the use of a residual appraisal methodology for financial viability testing. A residual appraisal allows for either the level of developer return or Site Value to be inputted with the consequential output (either a residual land value or return respectively) being used as a benchmark, having regard to the market.

5.6 GN94 adopts the RICS definition of market value as the appropriate basis to assess Site Value. This is consistent with NPPF, which acknowledges that ‘willing sellers’ of land should receive ‘competitive returns’. Competitive returns can only be achieved in a market context (i.e. market value) not one which is hypothetically based with an arbitrary mark-up applied, as in the case of Existing Use Value (or Current Use Value) plus a premium.

5.7 In the absence of any guidance, a variety of approaches have evolved to assess a reasonable benchmark land value. One approach has been to adopt Current Use Value (CUV) plus a margin or a variant of this, i.e. Existing Use Value (EUV) plus a premium. GN94 states that the problem with this singular approach is that it does not reflect the workings of the market as land may not be released at CUV or CUV plus a margin (EUV plus). It is possible, however, that current use represents Market Value, providing that the CUV is in excess of the residual value produced by a proposed development.

5.8 The site value used by LSH will be based on Market Value, which will be risk- adjusted, so it will normally be less than current market prices for development land for which planning permission has been secured and planning obligation requirements are known. LSH will give regard to CUV, alternative use value, market/transactional evidence (including the property itself if that has recently been subject to a disposal/acquisition), and all material considerations including planning policy in deriving the Site Value.

## Viability Modelling

- 5.9 Based upon the wider findings of this Employment Land and Premises Study, we have identified eight development typologies that might be expected to come forward on allocated sites in the Wirral. The employment type, size and land requirement of these development typologies are listed in Table 5.1

Table 5.1 Development Typologies Tested for Viability

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

Source: Lambert Smith Hampton (March 2017)

Note: 'Out of Centre' and 'Out of Town' terms relate to the definitions set out in the Framework

- 5.10 Not all of the development typologies will be appropriate or expected to come forward in each of the five market areas. For example larger office and industrial developments will be very unlikely to come forward in West Wirral and Rural Areas, whilst large distribution development is unlikely in areas other than Wirral Waters or Bromborough and Eastham market areas. Table 5.2 identifies, for the purposes of viability modelling, which development typologies might be expected in each market area. Blank cells indicate where development typologies are not expected in the market area; for example large out of town offices are not expected to be developed in Bromborough and Eastham.
- 5.11 Development appraisals have then been prepared for the development typologies that might emerge in each market area. Thus a total of 26 development appraisals have been prepared.

Table 5.2 Development Typologies and Market Areas

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

Source: Lambert Smith Hampton (March 2017)

- 5.12 Simple development appraisals have been prepared discounting the total development costs (including land acquisition) from the gross development value (GDV) to calculate the surplus or deficit. Developers will typically require a profit (surplus) of 20-25% of cost. Where the surplus is below 20% or a deficit, development will be unviable and speculative development is unlikely.

### Appraisal Assumptions

- 5.13 The Gross Development Value (or GDV) is the total gross value of any particular development scheme on completion. The valuation approach differs depending upon whether the scheme is residential (e.g. comparable approach) or commercial (e.g. investment approach: rent £ per annum capitalised at the appropriate yield %).
- 5.14 We have used an investment approach to valuation based on the estimated rental value (per sq ft) for the use type and capitalised by the appropriate yield taking into account investment purchasers' costs. The yield for any particular property will depend upon the location of the property; the specification; use; and crucially the covenant strength of the tenant. For this exercise we have had regard to market yield benchmarks and discussions with property agents. Value assumptions for the various commercial uses (such as rents and yields) are set out below in Table 5.3.

Table 5.3 Development Typology Viability Assumptions

Development Typology		Rent	Yield	Build Cost (per sqm)	Land Price (per ha)	Development Size (sqm)	Land Requirement (ha)
1.	Small Industrial	£65	7.50%	£756	£250,000	465	0.08
2.	Medium Industrial	£55	7.50%	£554	£250,000	1,858	0.37
3.	Large Industrial	£55	7.50%	£442	£250,000	4,645	0.93
4.	Small Offices (Out of Centre/Out of Town)	£145	7.50%	£1,263	£250,000	186	0.02
5.	Medium Offices (Out of Centre/Out of Town)	£145	7.50%	£1,263	£250,000	929	0.09
6.	Large Offices (Out of Centre/Out of Town)	£145	7.50%	£1,263	£250,000	2,787	0.19
7.	Large in-centre Offices	£145	7.50%	£1,509	£250,000	3,716	0.12
8.	Large Distribution	£55	7.50%	£442	£250,000	9,290	1.86

Source: Lambert Smith Hampton (March 2017)

- 5.15 Rent for small and medium offices in Mid and West Wirral market areas is assumed to be £130 sq ft based on lower existing market rents. Build costs have been taken from BCIS (Building Cost Information Service) and have been weighted to reflect the Wirral market. Land price has been assumed at £250,000 (approximately £100,000 per acre), which from experience is about the minimum price at which land owners will willingly sell employment sites.
- 5.16 Grant funding has been excluded from the viability modelling, as this varies significantly depending on site characteristics, eligibility and availability from different funding projects and programmes. Site specific viability assessments would be expected to consider grant funding availability. Other appraisal assumptions are listed in Table 5.4.

Table 5.4 Viability Analysis Assumptions

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

Item	Assumption
Marketing and promotion	Allowance for typology

Source: Lambert Smith Hampton (March 2017)

## Appraisal Outturns

- 5.17 This section of the report summarises the results of our financial viability modelling and sensitivity testing. It assesses the viability of the employment development for each of the development type scenarios identified in the previous section.
- 5.18 The full outputs from appraisals of various development scenarios are attached as Appendix 2.
- 5.19 Generally, the modelling paints a challenging picture of development viability across both the development typologies and market areas in Wirral. Table 5.5 summarises the surplus and deficit position by each development typology and market area.

Table 5.5 Viability Analysis Outputs

Market Area		Development Typology							
		1. Small Industrial	2. Medium Industrial	3. Large Industrial	4. Small Offices (out of centre/out of town)	5. Medium Offices (out of centre/out of town)	6. Large offices (out of centre/out of town)	7. Large in centre Offices	8. Large Distribution
A.	Wirral Waters Enterprise Zone	-28.4%	-16.4%	4.1%	-6.9%	-2.7%	-6.4%	-20.5%	9.7%
B.	Birkenhead and Wallasey	-28.4%	-16.4%	4.1%	-6.9%	-2.7%	-6.4%	-20.5%	
C.	Bromborough and Eastham	-28.4%	-16.4%	4.1%	-16.7%	-12.7%			
D.	Mid Wirral (Moreton, Greasby and Upton)	-28.4%	-16.4%		-16.7%				
E.	West Wirral and Rural Areas	-28.4%			-16.7%				

Source: Lambert Smith Hampton (March 2017)

## Summary

- 5.20 The Wirral provides a range of very affordable employment premises and sites for existing and potential businesses. This is a significant benefit to these businesses. However, the modest rent and freehold prices upon which employment premises can be secured does have an adverse effect on the viability of new employment development. This is evident from the viability modelling which highlights potential viability challenges for each of the development typologies across the market areas in which they might be anticipated to come forward. This is further compounded by the abundance of brownfield land which can increase development costs (though this varies significantly from one site to another and so has been excluded from the viability analysis).
- 5.21 Whilst property market conditions have continued to improve since the 2008 financial crash it is evident that the viability of commercial development in market areas across the Wirral remains very challenging.

- 5.22 This is not surprising given the impact that the economic recession had on commercial property prices and access to finance for businesses and developers. Viability testing in the planning context is about the viability and deliverability of property development. Conventional residual appraisal of employment development across the Wirral identifies viability issues for new build development, simply because potential returns (gross development value) will generally be outweighed by the total costs of development (build costs, professional fees, land, profit, etc.).
- 5.23 As can be seen clearly through the developments that have been brought forward (such as Lightbox in Birkenhead and Riverview in Bromborough), where Wirral Council and others have created the right environment, employment development is being delivered. Any lack of development viability is not just down to poor sites or high abnormal costs. More generally, it is a factor of prevailing economic and market conditions.
- 5.24 The identification and protection of an appropriate portfolio of sites and premises and the development of workspace is an important element of the Council's strategic objectives. The Council's role is to create the best possible environment to facilitate development.
- 5.25 The Council is already taking significant steps in terms of facilitating employment development. For example identifying significant employment allocations as part of major mixed-use development of brownfield sites and the support that has been made available to developers and potential occupiers within the Wirral Water EZ.
- 5.26 We would also recommend that the Council gives careful consideration to how it can further facilitate employment development. These steps may include allowing enabling development, such as including a hotel or similar to provide an element of cross subsidy.
- 5.27 The Council is already doing much in this direction. Historically it worked with the Homes and Communities Agency and is now an active participant in the Liverpool City Region LEP. Through continuing to provide the best possible portfolio of sites and environment for business, employers will continue to be attracted to the area – even if in pure monetary terms is not viable to build the required premises on a speculative development basis.

## 6.0 Stakeholder Consultation

### Introduction

- 6.1 This section outlines the approach to stakeholder engagement. Detailed consultation is vital to ensuring that the report is founded on commercially realistic and robust evidence, especially as the study needs to be defensible in examinations in public and planning inquiries.
- 6.2 Significant weight has therefore been given to the views of local businesses, commercial agents, developers, economic development officers, surrounding Local Authorities and other key stakeholders. Appendix 1 lists the consulted stakeholders, though individual local businesses have not been identified to protect their anonymity. The consultation has taken the form of face-to-face meetings, a comprehensive Business Survey and a stakeholder workshop, the findings of which are set out below.

### Key Stakeholders

- 6.3 A number of key economic development stakeholders were consulted to provide insight and validate the findings of the study. This included representatives from the Liverpool City Region LEP, Cheshire & Warrington LEP, Wirral Chamber of Commerce, Homes & Communities Agency, and Egerton House Group. These organisations have an excellent understanding of economic development issues in the Liverpool City Region and North West, and the needs and opportunities for local businesses.

### Local Planning Authorities

- 6.4 Consultations with neighbouring Local Authorities are vital to meet the Duty to Co-operate requirements of the Framework and Practice Guidance. The Framework sets out how Local Authorities should collaborate with other bodies to ensure that strategic priorities are properly coordinated across local boundaries for mutual benefit [§178-181]. The Practice Guidance also outlines how Local Plans need to demonstrate that they have complied with the duty to cooperate.
- 6.5 Throughout the study, consultations were held with Wirral Council Officers and Officers in neighbouring Local Authorities. This was important to understand the local context and development history, as well as Wirral's shared economic and employment space needs with neighbouring Local Authorities. This is particularly important given its location within the Liverpool City Region and the precedent for collaboration set by its devolution deal. The close ties between Wirral, Cheshire and North Wales also need consideration given the proximity of major employment sites and land to Ellesmere Port and Deeside.

### Cheshire West and Chester

- 6.6 Cheshire West and Chester [CWAC] is located to the south of the borough. The Council completed its Employment Land Study Update in 2013 as part of the evidence base to support the Local Plan (Part One) Strategic Policies (2015).
- 6.7 The Local Plan (Part One) Policy STRAT 2 makes provisions for the delivery of at least 360 ha of employment land over the plan period, of which is informed by the findings of the ELS Update in 2013 which identified an OAN range of between 290 ha – 370 ha to be provided up to 2030 and a headline supply of 432.15 ha of employment land. The overall provision of employment land will be monitored and reviewed as part of the emerging Housing and Economic Land Availability Assessment (HELAA). This will provide evidence on the spatial distribution range

of sizes and types of employment land Borough wide to inform the preparation of the Local Plan (Part Two) Land Allocations and Detailed Policies.

- 6.8 The boroughs share a common boundary, a number of large employment sites are located within close proximity to the boundary, including; the Vauxhall employment site which is recognised for its regional importance, Ellesmere Port which is identified as a strategic employment area within the Local Plan (Part One), and the Port Wirral proposals utilising the Manchester Ship Canal. The Officers at the Council considers that there is a balanced relationship between the two boroughs and consider it unlikely that Wirral will be expected to accommodate any of its future employment need and vice versa.

### Knowsley

- 6.9 Knowsley is located to the east of the borough, beyond the River Mersey and Liverpool. The Council completed its Joint Employment Land and Premises Study in 2010 alongside Halton, Sefton and West Lancashire Councils. Along with other studies produced internally by the Council, this formed the evidence base to support the Local Plan Core Strategy [Local Plan] (2016).
- 6.10 The Local Plan identifies a requirement of 164 ha of employment land to be delivered over the plan period. The focus of this development being in the following locations; Knowsley Industrial Park, Huyton Business Park, South Prescott and Jaguar Land Rover (Halewood). Additional areas of Green Belt land have been released and allocated in order to meet development requirements up until 2028. The recent Local Plan Monitoring Review identifies a supply of 245.1 ha of employment land, of which 70.8 ha is deliverable within the next 5 years, the bulk of this deliverable employment land being within the Knowsley Industrial and Business Park. Positive progress is also being made on delivering employment development on former Green Belt sites.
- 6.11 Knowsley along with other Liverpool City Region authorities is currently participating in the SHELMA, which will provide a revised need assessment for employment land for the wider FEMA, including needs for strategic logistics and distribution land uses. This is intended to inform both any Liverpool City Region spatial plan, as well as Local Authority Local Plans.
- 6.12 The Council Officers consider that there is an economic relationship between the two boroughs due to the work that is being completed on the emerging SHELMA however; given the physical separation of the two authorities the main relationship comes through Liverpool. This is reflected in the city region's commuting patterns as set out in Figure 3.9.

### West Lancashire

- 6.13 West Lancashire is located to the north of the Borough beyond Sefton. The Council completed its Employment Land and Premises Study in 2010 alongside Halton, Sefton and Liverpool as part of the evidence base to support the Local Plan (2013). The Council is currently undertaking a Local Plan Review and has recently published its Issues and Options paper for consultation of which provides options for the amount of employment land development required for West Lancashire.
- 6.14 The current Local Plan identifies a requirement for 75 ha of employment land to be provided over the plan period. The focus of this development being in Skelmersdale with Up Holland and Burscough. The Council is currently working to identify an employment land supply for the Local Plan Review and consider that they will be likely to be able to accommodate their own requirements within the borough. Notwithstanding the above, due to the work that is currently being completed on the emerging SHELMA, the requirement for the borough may change through the iterative process of the plan.

- 6.15 The Council Officers consider that there is an economic relationship between the two boroughs due to the work that is being completed on the emerging SHELMA. However, given the distance between the two authorities there are no prominent linkages, travel to work data indicating that the borough has stronger links with Liverpool and north Preston than with Wirral.

### Flintshire

- 6.16 Flintshire is located to the south west of the borough in North East Wales and shares a boundary with Wirral in the Dee Estuary. The Council completed its joint Employment Land Review [ELR] in October 2015 which forms part of the evidence base for the emerging Local Plan.
- 6.17 The ELR identified a minimum annual requirement of 1.9 ha a year and therefore a total minimum requirement of 28.5 ha of employment land to be delivered over the plan period 2015 to 2030. The ELR confirmed that there was no immediate need for the Council to identify further land allocations in the emerging LDP, other than those already allocated in the UDP. The need remains unaltered. In regards to supply, the ELR demonstrates that there is a substantial surplus of employment land within the borough and, that there is no immediate need for the Council to identify further land allocations for B1, B2 and B8 uses.
- 6.18 The Council Officers consider that there is in part a relationship between the two boroughs due to the Mersey Dee Alliance and, travel to work data indicating that there are extensive linkages between Wirral, Wrexham and Flintshire. However, given the concentration of Wirral's economic activity being towards its eastern side, there is no substantive employment relationship between the boroughs.

### Liverpool

- 6.19 Liverpool is located to the east of the Borough, separated by the River Mersey. The Council completed its Employment Land Study [ELS] in 2016 which will form part of the evidence base for the emerging Local Plan.
- 6.20 The ELS identifies a requirement for 149.5 ha of employment land to be delivered over the plan period, 2013 to 2033, this figure is a combination of the city's need c. 120 ha and, those arising from the Super Port c. 28 ha. Taking into account completions, commitments and losses, the Council has identified as residual requirement for 56.2 ha and have identified a supply of 62.8 ha. Given that the balance between the supply and demand is tight, the ELS has recommended that the emerging Local Plan should include a policy which sets out a presumption against redevelopment for alternative (non B-Class) uses on existing employment sites, particularly those identified through the ELS. Notwithstanding this, although the ELS shows that the borough can quantitatively meet its requirement, it does also identify a gap in the supply of larger units, capable of support larger distribution uses.
- 6.21 Although being separated by the River Mersey, there is a prominent relationship between the two boroughs due to their strong port related activity. The emerging SHELMA indicates that there is also an economic relationship between the two boroughs. Furthermore, the work that the Council has completed on the Strategic Housing Market Area [SHMA] concludes that the borough shares a Housing Market Area [HMA] with Wirral as well as Sefton, Knowsley and West Lancashire. The ELS identifies the Travel to Work Area as being self-contained on both residence based and workplace bases measures. The analysis of commuting patterns as set out in Figure 3.9 demonstrated that there are significant volumes of commuters travelling from Wirral to Liverpool.

## Halton

- 6.22 Halton is located to the south east of the Borough beyond Cheshire West and Chester. The Council completed its Joint Employment Land and Premises Study in 2010 along with Knowsley, Sefton and West Lancashire, which formed part of the evidence base for the Core Strategy Local Plan [Local Plan] (2013). Within the Local Plan, Halton identified a requirement for 313 ha (gross) of employment land to be provided across the plan period 2010-2028. Halton's most recent monitoring report which was completed in 2016 identifies a supply of 200.63 ha, 210.63 ha, including completions 2010-2015.
- 6.23 Halton have recently comprehensively reviewed its employment land records to remove historic anomalies, with this work informing the emerging SHELMA which will inform the formulation of an employment land requirement figure. Halton is confident it can meet its employment development needs within its own administrative area and do not envisage seeking assistance from neighbouring authorities. Given the physical separation between Halton and the Wirral, it is unlikely that the development in Wirral could contribute to need arising in Halton.
- 6.24 The emerging SHELMA indicates that the two boroughs fall within the same functional economic market area (centred on the City of Liverpool) however travel to work data suggests that there is limited direct interaction between the two authorities. Furthermore, given the physical separation between the two authorities there are no cross boundary sites between the two boroughs.

## St Helens

- 6.25 St Helens is located to the north east of the Borough beyond the River Mersey and Liverpool. The Council completed its Employment Land Needs Study [ELNS] in 2015 which identifies an Objectively Assessed Need [OAN] of 147 ha to 174 ha of employment land for St Helens between 2012 and 2037. This range included a 5 year buffer for choice and flexibility.
- 6.26 The Council has recently consulted on their Local Plan Preferred Options (December 2016) which identified an employment land requirement of 306 ha up to 2038. The Preferred Options proposes to allocate 306.09 ha of land for employment use up to 2038, with an additional 52.82 ha of land safeguarded for employment use beyond 2033. The Council therefore considers that it is able to meet its employment land requirements within its own administrative boundaries, assisted by Green Belt land release.
- 6.27 The Council Officers consider that there is an economic relationship between the two boroughs due to the work that is being completed on the emerging SHELMA; however, given the physical separation between the two authorities there are no cross boundary sites. The 2011 Census identifies a small percentage of travel to of travel to work data between the two authorities.

## Summary

- 6.28 Wirral has economic relationships with a number of nearby Local Authorities, most notably Cheshire West and Chester and Liverpool. This is highlighted in the emerging SHELMA, and Council Officers provided further anecdotal evidence of these relationships. Council Officers confirmed that there is no expectation for Wirral to accommodate employment needs arising elsewhere and vice versa. This is largely due to Cheshire West and Chester being the only Local Authority that directly borders the Borough. Large scale developments would, however, affect the existing commuting and employment relationships; for example, between Wirral and Liverpool and between Cheshire West and Chester and Wirral.

## Commercial Agents, Developers and Landowners

- 6.29 A range of local, regional and national commercial agents, developers and landowners were consulted in Q1 2017 through telephone calls, face-to-face discussions and a workshop held on 9<sup>th</sup> March 2017. The findings from these discussions reflect the market conditions at that time. Discussions focused on stakeholders' local knowledge of Wirral, recent transactions and developments, and market demand and supply.
- 6.30 These findings have informed numerous components of the study; particularly the assessment of the commercial property market (Section 4.0) and the employment land portfolio review (Section 7.0). Significant weight has been given to these discussions when assessing the demand and supply balance (Section 8.0) and recommending an appropriate employment land portfolio.

## Local Businesses

- 6.31 Local businesses were consulted in Q1 2017 with an online survey distributed by Wirral Chamber of Commerce. 61 businesses from a variety of sectors and sizes engaged with the survey. Responses from non B-Class businesses were excluded from the analysis (except with regards the profile of respondents). The survey was used to gain a better understanding of the needs of local businesses, such as the type and size of premises required and their growth ambitions.

## Profile of Businesses

- 6.32 Table 6.1 compares the size of businesses in Full Time Equivalent employees [FTEs] between the survey responses and Wirral's wider business population. This indicates that there is an under-representation of micro sized businesses with 0 to 9 FTEs in the survey responses compared to the wider business population, and a high representation of medium and larger businesses.
- 6.33 As larger businesses require more substantial sites and premises it is perhaps unsurprising that they engaged with the survey to a greater extent than smaller businesses. It is worth highlighting that the employment space needs of smaller businesses were raised by various other stakeholders throughout the consultation process.

Table 6.1 Comparison of Business Size

Size of Business	Business Survey	Wirral Business Population
0 to 9 FTEs	21.3%	83.2%
10 to 49 FTEs	14.8%	13.9%
50 to 249 FTEs	10.7%	2.5%
250+ FTEs	53.3%	0.4%

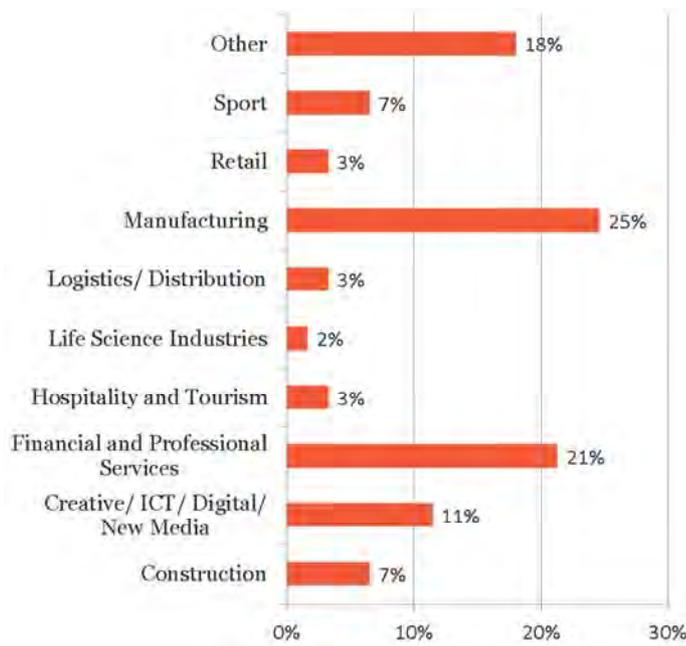
Source: Lichfields' analysis and ONS (March 2017) Inter-Departmental Business Register

- 6.34 Business respondents covered a broad range of sectors, though B-Class industries such as manufacturing and financial and professional services were strongly represented. There were also a number of responses from niche growth sectors, such as life sciences and creative industries, ICT and digital. Figure 6.1 shows the sector distribution of respondent businesses.
- 6.35 Reflecting the high proportion of manufacturing businesses responding to the survey, 30% of businesses said they served international markets and 76% served the UK market. Less than a fifth said they only served local markets (15%).

6.36 The survey respondents included both new and long standing businesses. Whilst 15% of the businesses reported they had been at their current premises for more than 15 years, a surprisingly high number had moved relatively recently; 41% reported they had been at their current premises for 3 years or less.

6.37 Of the businesses for whom their current premises were not their first, the majority had moved from elsewhere in the Wirral (85%). 38% of businesses were previously located in Birkenhead whilst the other respondents were distributed relatively evenly across Wirral's other market areas. Only 15% were previously located outside Wirral, half of which were based in Northern Ireland or the USA whilst the others were previously based in Chester, Daresbury or Liverpool.

Figure 6.1 Distribution of Business Sectors

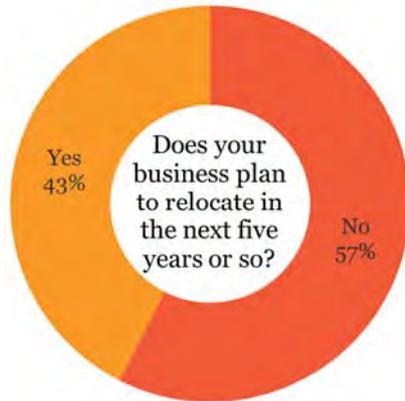


Source: Wirral Business Survey (Q1 2017), Lichfields' analysis

### Current and Required Premises

6.38 The following analysis of the business survey excludes answers from respondents in non B-Class sectors. Businesses were asked to describe their current premises, and the 43% of respondents planning to relocate in the next five years described their requirements. This generated both quantitative and qualitative insights into what businesses need.

Figure 6.2 Businesses Planning to Relocate



Source: Wirral Business Survey (Q1 2017), Lichfields' analysis

6.39 Figure 6.3 shows the type of premises occupied by B-Class respondents and the premises required by businesses planning to relocate. A third of respondents' current premises were industrial units or workshops. Nearly half of businesses planning to relocate require industrial units or workshops, and an additional 12% require warehouse or industrial premises with office space. Whilst 28% of respondents were currently located in converted offices, only 11% were located in purpose built offices. Of those planning to relocate, 35% are seeking purpose built offices. Incubator space was required by one respondent planning to move.

Figure 6.3 Type of Business Premises

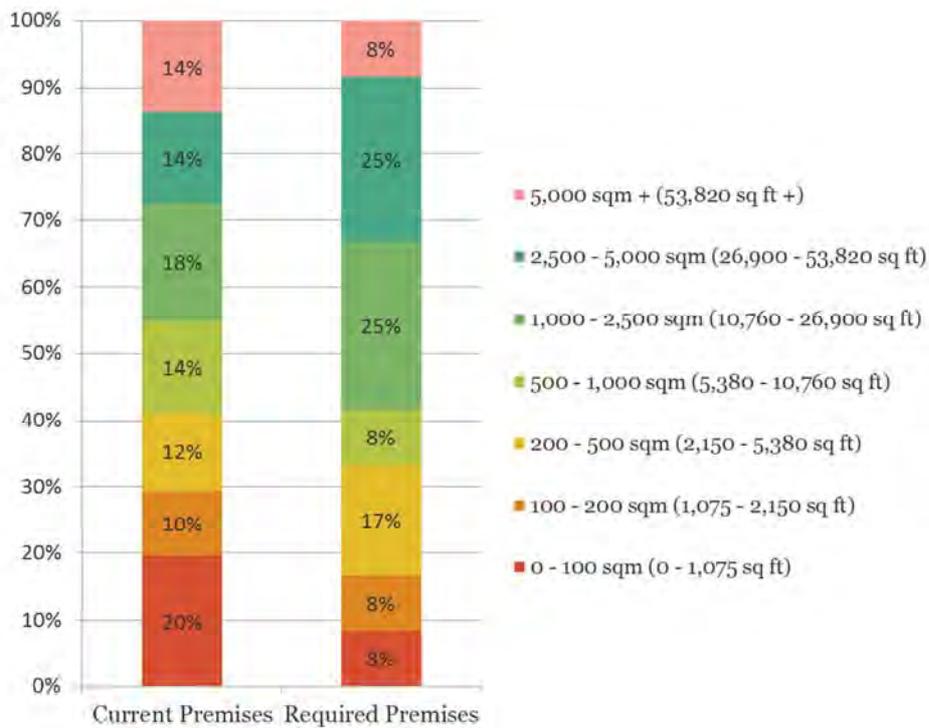


Source: Wirral Business Survey (Q1 2017), Lichfields' analysis

6.40 Figure 6.4 shows the size of premises occupied and the size of premises required by businesses planning to relocate. This shows ambitions for growth. Generally, businesses require larger premises; only 16% of respondents require premises of 200 sqm / 2,150 sq ft or smaller compared to 30% of businesses occupying these sized premises. In comparison, a quarter of respondents require larger premises between 1,000 sqm / 10,760 sq ft and 2,500 sqm / 26,900 sq ft, with a similar proportion requiring premises between 2,500 sqm / 26,900 sq ft and 5,000 sqm / 53,820 sq ft in size.

6.41 The reasons why businesses plan to relocate reflects their requirement for larger premises. They reported business growth, bigger contracts, and the need for larger premises with dedicated production, warehousing and office facilities. Of all respondents based in B-Class accommodation (regardless of their plans to relocate or not), 28% reported they did not have enough space whilst only 5% reported they had spare space.

Figure 6.4 Size of Premises

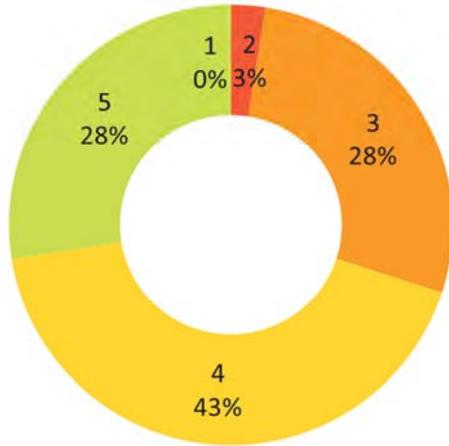


Source: Wirral Business Survey (Q1 2017), Lichfields' analysis

6.42 Whilst 53% of respondents reported that their premises completely met their operational needs, 38% reported they only partially met their needs and 10% stated they did not meet their operational needs. When asked why their current premises did not or only partially met their operational needs, businesses listed a variety of reasons. One common theme was that their current premises prevented them from expanding either the scale of production or staff numbers. Other businesses reported that they had insufficient storage space, or that they needed better quality meeting rooms for client meetings. Only one business reported that they were downsizing and another that they intended to consolidate their separate sites.

6.43 When asked to rate the quality of their current premises (where 1 is poor and 5 is excellent), most businesses reported an above average score of 4 or 5. More than a quarter rated it as average quality at 3 out of 5, whilst only 3% rated it below average.

Figure 6.5 How would you rate the quality of your premises? (1 is poor and 5 is excellent)



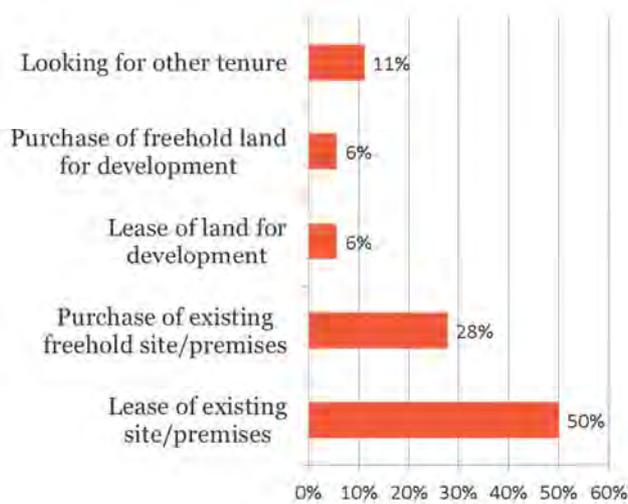
Source: Wirral Business Survey (Q1 2017), Lichfields' analysis

6.44 Whilst it is positive that the majority of businesses rated the quality of their premises as above average to excellent, the spatial patterns are important to take into account. The majority of businesses that rated the quality of their premises as '5' (excellent) were located in Bromborough, whilst two fifths of businesses located in Birkenhead rated their premises as average or below average quality.

6.45 This aligns with the stakeholder consultations and site assessments which suggested that in general, the highest quality premises were located in Bromborough and Eastham, with a prevalence of poorer quality and older stock elsewhere in the Borough. With the exception of new developments around Tower Road and Campbeltown Road, poorer quality stock is a particular issue for Birkenhead Town Centre.

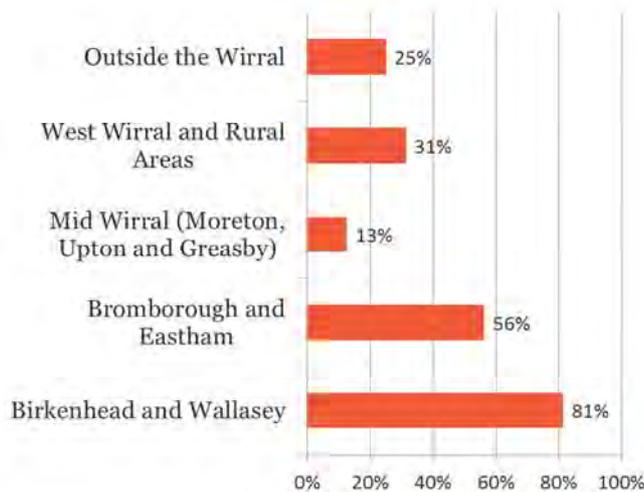
6.46 Figure 6.6 shows the tenure required by relocating businesses: half want to lease existing sites and premises, whilst more than a quarter wish to purchase existing freehold sites and premises.

Figure 6.6 Tenure Required by Relocating Businesses



Source: Wirral Business Survey (Q1 2017), Lichfields' analysis – more than one location permitted

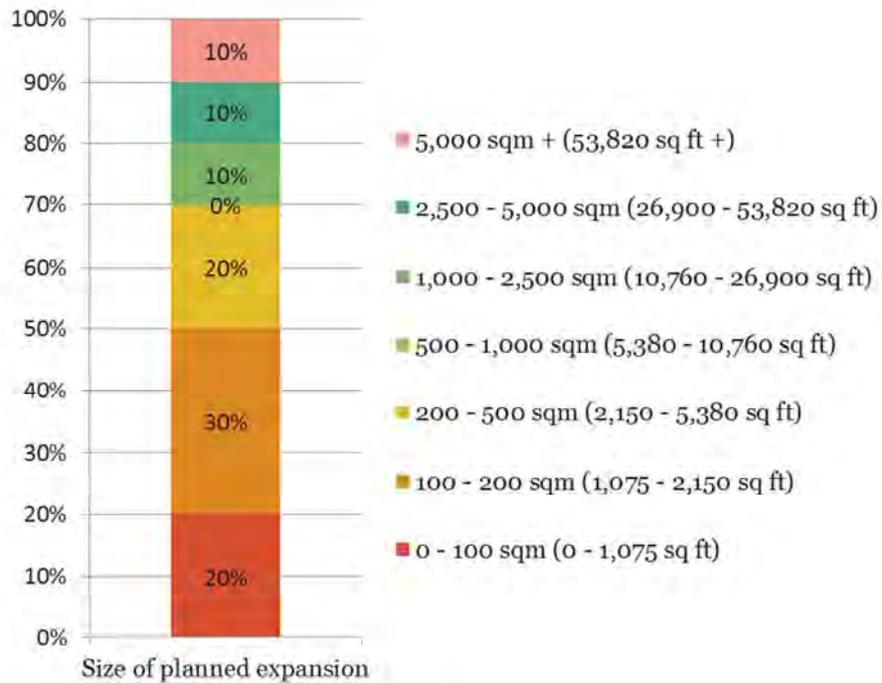
Figure 6.7 Locations Considered by Relocating Businesses



Source: Wirral Business Survey (Q1 2017), Lichfields' analysis

- 6.47 **Figure 6.7 shows the locations considered by businesses that are planning to relocate. Four fifths of businesses were considering Birkenhead and Wallasey, and more than half were considering Bromborough and Eastham. A third of businesses planning to relocate were also considering a location in west Wirral.**
  
- 6.48 **Of the businesses considering locations outside Wirral, these were generally in nearby Liverpool and/or North Wales. The businesses considering relocating outside Wirral highlighted issues in finding suitable units in the Borough; access to a more skilled workforce in Liverpool; and consolidating with their other sites based in Deeside.**
  
- 6.49 **Two fifths of businesses said they plan to expand their current site or premises in the next five years or so. Of these, 44% are also planning to relocate in the next five years or so. Of the businesses that were not planning to expand their current premises, 61% had no plans to relocate either.**
  
- 6.50 **Figure 6.8 shows the size of planned business expansion on current sites and premises. This shows that the majority of businesses plan to expand by up to 500 sqm / 5,380 sq ft, and that half require up to 200 sqm / 2,150 sq ft. Of the businesses planning to expand on their current sites and premises, 60% planned to make changes or refurbishments at the same time.**

Figure 6.8 Size of Planned Business Expansion

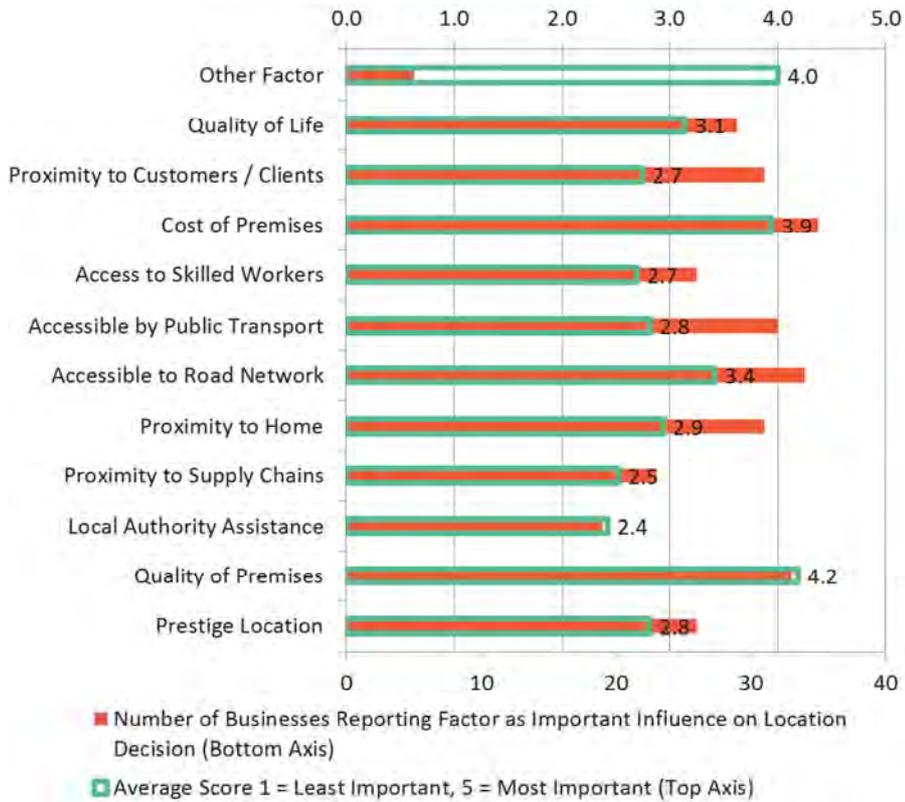


Source: Wirral Business Survey (Q1 2017), Lichfields' analysis

### Location Insights

- 6.51 The business survey highlighted a number of factors that businesses consider to be important when relocating, and the advantages and disadvantages of Wirral more generally.
- 6.52 Businesses were asked to score how important different factors were in their decision to locate in Wirral, with 1 being the least important and 5 being the most important. This is summarised in Figure 6.9; the top axis relates to the average score whilst the bottom axis relates to the number of businesses that rated each factor.
- 6.53 Quality of premises was reported as the most important factor influencing decisions to locate in Wirral, with an average score of 4.2, followed by the cost of premises (3.9). Accessibility to the road network and quality of life were also important factors. The least important factors were Local Authority assistance (2.4) and proximity to supply chains (2.5).
- 6.54 A small number of businesses reported other important factors specific to their circumstances. This included free car parking; proximity to their workforce; access to both office and warehouse space; and the size of premises available at the time of moving.

Figure 6.9 Factors Important to Businesses' Decision to Locate in Wirral

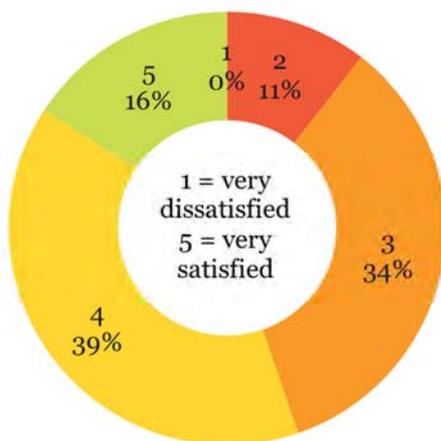


Source: Wirral Business Survey (Q1 2017), Lichfields' analysis

6.55

When asked how satisfied they were with the local area as a place to do business, respondents were very positive (Figure 6.10). 55% of respondents scored a four or five out of five (where five is very satisfied), and only 11% scored below three.

Figure 6.10 Satisfaction with the local area as a business location



Source: Wirral Business Survey (Q1 2017), Lichfields' analysis

- 6.56 When asked what advantages Wirral has as a place to do business, many businesses cited the transport infrastructure and connectivity strengths. Businesses reported access to the labour market and customers as a particular strength, alongside proximity to their homes.
- 6.57 In contrast, some businesses reported that Wirral's transport infrastructure was a disadvantage whilst others reported that there is a lack of skilled workers in the local area, and that they had to recruit from areas further afield (notably Liverpool). Some businesses commented that the regeneration potential offered by Wirral Waters was delaying investment and development from local occupiers as they wait for the scheme to be delivered. Business rates were also considered to be high and a disadvantage of the local area to some businesses. Businesses also highlighted very localised issues, such as limited car parking; a lack of local services such as restaurants and cafes; and anti-social behaviour.

## Conclusions

- 6.58 A wide range of public and private stakeholders were consulted as part of the ELPS, including representatives from the commercial property market and a survey of local businesses.
- 6.59 Importantly, whilst Wirral has significant economic relationships with a number of nearby Local Authorities, Council Officers confirmed that there is no expectation for Wirral to accommodate employment needs arising elsewhere and vice versa. This is largely due to Cheshire West and Chester being the only Local Authority that directly borders the Borough. Large scale developments would, however, affect the existing commuting and employment relationships; for example, between Wirral and Liverpool and between Cheshire West and Chester and Wirral.
- 6.60 Local businesses from a range of different sectors were consulted through an online business survey, as well as their representative organisations including Liverpool City Region LEP, Cheshire & Warrington LEP and Wirral Chamber of Commerce. These consultations and the survey reported ambitions for growth amongst the local business community. In particular, significant proportions of businesses plan to relocate and move to larger premises. This has implications for the Borough's employment land needs; many SMEs reported they needed larger premises to expand into and it is important that there is a sufficient supply of suitable premises to accommodate them.

## 7.0 Review of Employment Land Portfolio

### Introduction

- 7.1 This section presents the findings from the employment land supply assessment. This analysis considered the characteristics and quality of land and sites in Wirral, and their suitability and deliverability to meet future employment development needs.
- 7.2 The review focused upon sites and land currently in existing employment use, or allocated for employment use within the adopted UDP. This represents Wirral's current employment land supply. Additional potential sites were also assessed to determine their suitability for employment use. These were mostly sites with no notation in the UDP along with those subject to designations such as Key Town Centre. These sites are not currently part of Wirral's allocated employment land supply but were assessed to determine whether they are suitable for such uses.
- 7.3 In total 93 sites were assessed, covering 237 ha (gross) of land. Across the Borough there is a further 0.154 ha of land (within existing Primarily Industrial Areas) with extant planning permission for B-Class uses:
- 1 Former M53 Ford, Hind Street – renovation of existing car showroom and garage, replacement of existing workshop building and subdivision of former NHS building as a separate unit for B1, B2 and B8 use. Total net change in B-Class floorspace of 190 sqm (0.019 ha). Original planning application approved 5 July 2016 (reference APP/16/00668) and variation of conditions granted planning permission 28 June 2017 (reference APP/17/00526).
  - 2 Land adjacent to Howdens, Tarran Way West – proposed industrial unit with mezzanine level and car parking. Outline planning application for B-Class use of the 0.09 ha site approved 13 July 2016 (reference OUT/16/00737).
  - 3 Hoylake Crash and Service Centre, New Hall Lane – erection of additional workshop unit for B-Class use. Total net additional B1c floorspace of 447 sqm (0.045 ha). Planning application approved 01 February 2017 (reference APP/16/01612).

### Approach

- 7.4 The sites were inspected for their suitability for employment use in line with the Practice Guidance. This focused on the following criteria:
- 1 Physical limitations or problems such as strategic road/local access, infrastructure, ground conditions, flood risks, pollution or contamination (where known);
  - 2 Potential impacts including the effect upon nature and heritage conservation;
  - 3 Appropriateness and likely market attractiveness (including vacancy and market activity on site) for the type of development proposed;
  - 4 Proximity to labour and services;
  - 5 Barriers to, and timescales for, delivery; and
  - 6 Environmental/amenity impacts experienced by would be occupiers and neighbouring areas.
- 7.5 In addition to the above criteria, the assessment also considered other site-specific factors such as their policy status, planning constraints and suitability for specific uses. Although flood risk was considered as a part of this assessment, it is recognised that being in a flood zone does not necessarily preclude some types of commercial uses from coming forward for development.

- 7.6 The site visits were supplemented by discussions with key stakeholders such as commercial agents, developers and Council Officers. The assessments also reviewed data provided by Wirral Council such as flood risk, listed buildings status, conservation areas, remediation constraints such as pollution control areas and oil pipelines, and relevant planning history. The assessment of gross site areas to net developable areas was based upon standard plot adjustment assumptions as set out in Appendix 3, except where site specific factors required adjustments, for example if steep topography further limited the net developable area. Sites that are fully developed or in existing use are given a net developable area of 0 ha. Fully developed sites that are in existing employment use and recommended to retain their employment use are included within the calculation of the Borough's employment land supply, however because they have a net developable area of 0 ha they effectively do not contribute to any net change in the supply.
- 7.7 Development viability for different sizes of industrial and office development were appraised for each of Wirral's commercial property market areas, as set out in Section 5.0. This has been bolstered by discussions with commercial agents and developers, providing a commercially realistic perspective on the viability of development for each site and market area.
- 7.8 Individual sub-area maps for the assessed sites are included in Appendix 5, while details of the criteria used to rate these sites are contained in Appendix 4. Tables summarising the assessment of each site against these appraisal criteria are also included at Appendix 6. Appendix 7 provides a series of site pro-formas containing photographs, red-line boundaries on aerial maps, descriptions, assessments, the final rating and recommendation for each of the assessed sites.
- 7.9 The criteria rating categories of 'very good', 'good', 'average', 'poor' and 'very poor' are intended to provide a broad indication of the overall quality of employment land supply rather than a comparison of one site against another.
- 7.10 It should be noted that the assessment process in itself does not necessarily provide a complete picture of the local significance of certain sites. For example a site could be assessed to have the potential to satisfy particular business and sector needs (i.e. which can be important reasons for retaining the site) even if it does not perform well against conventional site assessment criteria. A wider commentary is therefore provided to supplement the formal rating exercise.
- 7.11 Site ratings are also informed by factors such as market intelligence, market attractiveness, sustainability considerations and compliance with planning policy set out in the Framework. Greater weight has been given to sites which best respond to the market's needs and where any identified constraints can be overcome (with appropriate mitigation), through the planning process. For example a site could be considered as having the potential to satisfy particular business or sector needs which can be important reasons for retaining it, even if it does not perform well against conventional site assessment criteria.
- 7.12 Similarly, sites with significant known constraints (such as contamination, or subject to significant Flood Risk) have been downgraded. If any site constraints were to be removed in the future (i.e. policy constraints, access improvements, site contamination or remediation works), the site rating would be likely to improve.
- 7.13 It is also important to note that the assessments are based on the conditions and data observed during the timescales of the study. Such information is time-sensitive and may change in the future. The intrinsic qualities of sites and the associated ratings have been derived on this basis of assessment. It is possible that the relative rankings of sites could change in the future if measures were put into place to enhance their functioning as employment sites (for example through new infrastructure and servicing).
- 7.14 The assessment provided in the following sections is presented on a 'without prejudice' basis as evidence to inform the preparation of Wirral Council's emerging Local Plan. It does not

constitute Council policy and future employment allocations should be determined through the formal consultation process as part of the Local Plan.

- 7.15 Table 7.1 summarises how site recommendations are either included or excluded from the Borough's employment land forward supply. The two categories in the left hand column of Table 7.1 provide important distinctions for planning policy purposes. Sites '*included as part of the employment land supply*' refer to areas that are either currently existing employment sites; are allocated for B-Class uses; or are sites that Lichfields considers should be allocated for employment purposes. The second category, '*retain in portfolio but exclude from employment land supply*', relates to sites that Lichfields considers should not contribute to the overall supply of employment land in the short to medium term (although some may have the potential to contribute over the longer term). This category includes some sites which Lichfields considers should be released to a mix of uses, such as residential or retail, which may have a small component of B-Class land as part of the overall schedule of uses.

Table 7.1 Site recommendations and inclusion / exclusion from employment land supply

Considered in the Borough's employment land supply?	Site recommendation category
Included as part of the employment land supply	Employment Development Site - retain designation
	Primarily Industrial Area - retain designation
	Potential site - allocate for B-Class employment
Retain in Portfolio but exclude from employment land supply	Employment Development Site - release for mixed use development
	Employment Development Site - de-allocate
	Employment Development Site - safeguard land for long term employment use
	Primarily Industrial Area - safeguard land for long term employment use
	Primarily Industrial Area - release for residential or other use
	Primarily Industrial Area - release for mixed use development
	Potential site - allocate for mixed use development
	Potential site - do not allocate for B-Class use
Potential site - safeguard land for long term employment use	

Source: Lichfields

## Overview of Employment Land Portfolio

- 7.16 93 sites were assessed for their suitability for employment uses. Most of the assessed sites were Primarily Industrial Areas or allocated as Employment Development Sites. Some assessed sites were not formally allocated for employment use, to determine their suitability for future industrial/commercial development. These were mostly unallocated sites without notation, although some were allocated or designated for other alternative uses. Table 7.2 summarises the assessed sites.

Table 7.2 Summary of Assessed Sites

Site category	Site designation	Number of sites	Gross area (ha)	Net area (ha)
Allocated	Employment Development Site	19	59.41	50.3
Existing	Primarily Industrial Area	49	82.0	45.8
Potential	White Land	13	69.7	38.9
	Primarily Residential Area	6	17.7	15.7
	Housing Development Site	1	2.0	1.9
	Key Town Centre	2	0.3	0.3
	Recreation Development Site	1	1.3	1.2
	Green Belt*	2	4.7	3.6
<b>Total</b>		<b>93</b>	<b>237.0</b>	<b>156.5</b>

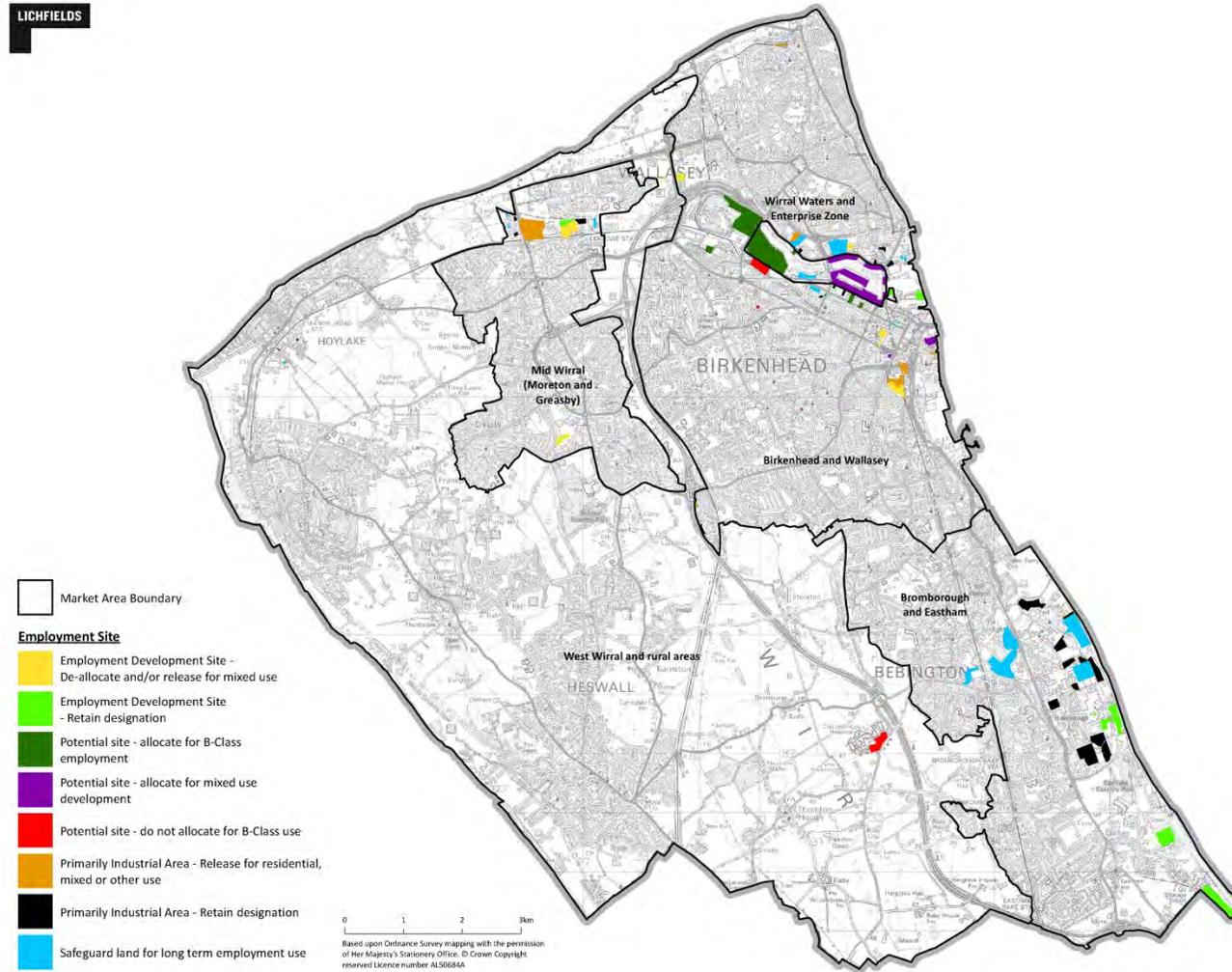
Source: Wirral Council Monitoring Data February 2017

\* Previously developed sites in the Green Belt

7.17

A further three sites with extant planning permission for a total of 0.154 ha of B-Class uses within existing Primarily Industrial Areas were identified as of July 2017 (listed in para 7.3) and form part of the Borough's employment land supply. These three sites were not assessed as part of the study.

Figure 7.1 Overview of Assessed Employment Sites and Market Areas



Source: Lichfields' analysis



- 7.18 Most sites are in Birkenhead and Wallasey, though the overall net developable area is moderate, indicating that a significant proportion of the sites are fully developed. Bromborough and Eastham had the second biggest number of sites, and nearly half of the Borough's net developable area. Table 7.3 summarises the distribution of sites across the different market areas.

Table 7.3 Distribution of Sites across Market Areas

Market Area	Number of sites	Gross area (ha)	Net area (ha)
Birkenhead and Wallasey	41	57.1	38.6
Wirral Waters Enterprise Zone	13	53.2	29.4
Bromborough and Eastham	23	97.8	72.2
Mid Wirral (Moreton, Greasby, Upton)	10	23.8	12.5
West Wirral and Rural Areas	6	5.1	3.8
<b>Total</b>	<b>93</b>	<b>237.0</b>	<b>156.5</b>

Source: Lichfields analysis

- 7.19 The following sections present the assessment of employment land for each market area. This includes recommendations to retain, release or allocate each site for B-Class employment use and identifies the sites to be included in the employment land supply.

## Wirral Waters

- 7.20 Wirral Waters is defined as a distinct market area to reflect its EZ status and the large scale regeneration proposed by Peel's Wirral Waters scheme. The area benefits from business rate relief and enhanced capital allowances on part of the site.
- 7.21 The East Float proposals which already have outline planning permission, proposes large scale mixed use development for commercial, residential, leisure, retail and education uses, whilst the West Float area concentrates on new advanced manufacturing space at Marine, Energy and Automotive Park (MEA Park). Wirral Waters EZ is being promoted by Peel Holdings, covering 500 acres (c. 202 ha) of dockland sites, a significant proportion of which is vacant brownfield land.
- 7.22 In the short term up to 2020, the focus is on the Four Bridges and Northbank East areas at East Float and the MEA Park at West Float. These areas have been remediated; a Wirral Waters Investment Fund has been established to tackle viability challenges, and sites are expected to be actively marketed from April 2017. It is understood that negotiations are on-going with potential catalyst tenants.

Figure 7.2 Proposed MEA Park



Source: Peel Group March 2017

- 7.23 The Wirral Waters scheme covers all of the dock fronting sites and land in East Float and West Float; and 13 sites were assessed in this study. These are predominantly large vacant brownfield sites and active dockside facilities occupied by distribution, industrial and manufacturing related businesses. Of the assessed sites containing existing premises, they are generally 1950s era, of a relatively poor quality, linked to present and past port/industrial uses.
- 7.24 The 13 Wirral Waters sites cover a combined gross area of 53 ha, with an estimated 29.4 ha of net developable area. In general these sites were considered to be of good quality, reflecting their strong transport connectivity and labour market accessibility. Many of these sites have development constraints however, which is predominantly due to potential remediation costs associated with their past industrial/maritime heritage. Three sites were rated as very good overall, whilst six were rated as good and only four were rated as average.
- 7.25 Seven of the sites, with a combined net developable area of 7.1 ha, are recommended for mixed use development, reflecting the latest proposals of the Wirral Waters scheme. These sites are located in East Float which constitutes the focus of Peel's current proposals for mixed use development. Site 96 is recommended to be safeguarded for long term employment use because it is in use as a quayside loading area and cannot be developed without redevelopment of the wider estate and neighbouring premises. The remaining five sites are recommended for B-Class employment use, most of which form the proposed MEA Park area.
- 7.26 Table 7.4 summarises the recommendations for the sites within the Wirral Waters market area.

Table 7.4: Summary of Wirral Waters Site Recommendations

Site ID	Gross site area (ha)	Net area (ha)	Overall site rating (no. sites)	Current status and recommendation*
30	1.01	0.91	Very Good (3)	WW Employment Development Site – retain designation as part of the overall land portfolio, but exclude from local supply
86	4.23	3.80		WW Potential site - allocate for mixed use development
253	2.66	2.39		WW Potential site - allocate for mixed use development
59	0.32	0.21	Good (6)	WW Potential site - allocate for B-Class employment as part of the overall land portfolio, but exclude from local supply
81	14.17	12.75		WW Potential site - allocate for B-Class employment as part of the overall land portfolio, but exclude from local supply
265	5.41	0.00		WW Potential site - allocate for mixed use development
266	6.36	0.00		WW Potential site - allocate for mixed use development
267	4.82	0.00		WW Potential site - allocate for mixed use development
357	9.36	8.43		WW Potential site - allocate for B-Class employment as part of the overall land portfolio, but exclude from local supply
87	0.40	0.40	Average (4)	WW Potential site - allocate for mixed use development
96	2.01	0.00		WW Potential site - safeguard land for long term employment use
129	0.83	0.50		WW Potential site - allocate for mixed use development
419	1.60	0.00		WW Potential site - allocate for B-Class employment as part of the overall land portfolio, but exclude from local supply
<b>Total</b>	<b>53.2</b>	<b>29.40</b>	<b>13</b>	
<b>Employment Land Portfolio after recommendations (contributing to wider LCR strategic supply)</b>				
<b>Total</b>	<b>26.47</b>	<b>22.30</b>	<b>5</b>	
<b>Contribution to Wirral's Employment Land Supply after recommendations</b>				
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	

Source: Lichfields' analysis

\* Red text denotes sites to be excluded from the employment land supply

7.27 As is set out in more detail elsewhere in this report, given the strategic nature of the Wirral Waters sites it is important that they are treated separately to the Borough's employment land supply to ensure that other sites come forwards to meet the needs of local businesses. Hence although the remaining 5 sites identified in Table 7.4 would normally qualify for inclusion as part of the local employment land supply, it is considered that they should be re-categorised as contributing to the wider Liverpool City Region's employment land supply.

7.28 Should the recommendations set out in Table 7.4 be taken forward by the Council, the Wirral Waters market area would have one site retained for B-Class employment totalling 0.91 ha; 4 sites allocated for B-Class employment uses (totalling 21.39 ha); one site safeguarded for long term employment use and a further 7 sites allocated for mixed use totalling 7.09 ha, of which a proportion is likely to be suitable for office use. These 5 retained sites would however meet a strategic need, hence their contribution to WBC's local employment land supply would be 0 ha.

## Birkenhead and Wallasey

- 7.29 The Birkenhead and Wallasey market area contains 41 sites; more than two-fifths of all the assessed sites in Wirral. Birkenhead Town Centre represents the main office market in the Borough. However, the market area is characterised by having a large proportion of poor quality sites, many of which are fully developed and featuring older premises that do not meet the demands of most modern businesses. Additionally, many of the assessed sites in the market area were significantly constrained by their small plot sizes and other issues such as remediation requirements and adjoining uses. The average gross plot size in the market area was 1.39 ha, though this is distorted by the large 17.55 ha brownfield site 79 at Bidston dock: without this site the average gross plot size lowers to just 0.97 ha.
- 7.30 It is worth noting that no sites were available to assess in the Campbeltown Road area which accommodates the prime industrial market in Birkenhead. As well as accommodating Cammell Laird and the Essar Oil Terminal, this area has also attracted significant recent development of high quality industrial units in recent years.

Figure 7.3 Turbine Industrial Development, Birkenhead



Source: Lichfields

- 7.31 The market area is characterised by lower land values and has been subject to ongoing regeneration initiatives over a number of years to respond to high levels of deprivation within the surrounding communities. Several sites do however provide good development opportunities, such as the Twelve Quays – Morpeth Waterfront (site 31). A number of sites adjoin or are in proximity to the Wirral Waters scheme and could support strategic regeneration initiatives to complement the longer term vision for the area. However, some of the business survey and consultation responses suggested that the potential offered by Wirral Waters could be delaying occupier investment and development due to uncertainties and the sheer scale of the land available and the length of the delivery programme. For example, whilst site 79 is constrained by its former industrial use and filled dock land, it is expected to attract market interest following the nearby ongoing development of MEA Park in Wirral Waters.

- 7.32 More than half of the sites in the Birkenhead and Wallasey market area are recommended to be removed from the supply of B-Class employment land. These 25 sites were generally rated as being of poorer quality, and are existing sites within designated Primarily Industrial Areas. 11 of these sites are, however, recommended for mixed use development which may provide an element of B-Class use. Additionally, seven sites are recommended to be removed from the supply but safeguarded for long term employment use. This is because their deliverability or availability is currently unknown, but it is considered that alternative uses would be unsuitable based on the site characteristics and/or current market conditions.
- 7.33 More than a third of the sites in the market area are rated as either poor or very poor, reflecting the poorer quality premises and smaller infill sites that are available. Whilst there are eight sites rated as good or very good in this market area, as a whole it suffers from a number of poor quality sites in locations where non B-Class uses are less likely to come forward under current market conditions. It is recommended that several of the sites should be released for other uses, such as residential development or restored for open space amenity use.
- 7.34 Cross Lane is Wallasey's only dedicated Industrial Estate, although its B-Class offer has been watered down by the introduction of a number of non-B Class Sui Generis uses including a Jewsons, RSPCA Centre, MOT service centre and West Wallasey Van Hire. The latter has incorporated the only remaining expansion land to the south for additional car parking for its fleet. The remaining B-class land allocation comprises a small rectangle of land at the far south-east of the site, which is rendered effectively unviable for development due to the presence of reedbeds and a stream which runs through the site.
- 7.35 Table 7.5 summarises the site recommendations in the Birkenhead and Wallasey market area.

Table 7.5 Summary of Birkenhead and Wallasey Site Recommendations

Site ID	Gross site area (ha)	Net area (ha)	Overall site rating (no. of sites)	Current status and recommendation*
31	1.51	1.36	Very Good (1)	Employment Development Site - retain designation
29	1.25	1.25	Good (7)	Employment Development Site - release for mixed use development
57	0.21	0.09		Primarily Industrial Area - retain designation
60	0.98	0.88		Primarily Industrial Area - safeguard land for long term employment use
64	1.28	1.15		Potential site - allocate for B-Class employment
72	0.48	0.43		Primarily Industrial Area - retain designation
79	17.55	10.40		Potential site - allocate for B-Class employment
108	1.97	1.87		Potential site - allocate for mixed use development
247	0.25	0.25	Average (15)	Potential site - allocate for mixed use development
94	0.47	0.23		Primarily Industrial Area - release for mixed use development
110	0.34	0.34		Primarily Industrial Area - retain designation
148	0.11	0.11		Employment Development Site - release for mixed use development
239	0.16	0.16		Employment Development Site - release for mixed use development
259	0.11	0.11		Primarily Industrial Area - safeguard land for long term employment use
229	6.88	1.44		Primarily Industrial Area - safeguard land for long term employment use
66	4.02	3.42		Potential site - do not allocate for B-Class use

Site ID	Gross site area (ha)	Net area (ha)	Overall site rating (no. of sites)	Current status and recommendation*
97	0.23	0.38	Good (7)	Primarily Industrial Area - retain designation
123	0.50	0.50		Primarily Industrial Area - retain designation
217	0.98	0.98		Potential site - allocate for B-Class employment
328	0.63	0.63		Primarily Industrial Area - retain designation
355	0.17	0.00		Primarily Industrial Area - release for mixed use development
365	0.58	0.00		Primarily Industrial Area - release for residential or other use
391	0.50	0.25		Primarily Industrial Area - release for residential or other use
15	3.45	3.27	Poor (15)	Employment Development Site - release for mixed use development
35	0.78	0.78		Employment Development Site - de-allocate
45	2.71	2.57		Primarily Industrial Area - release for mixed use development
84	1.27	1.21		Primarily Industrial Area - release for mixed use development
133	1.59	1.35		Primarily Industrial Area - release for residential or other use
219	0.35	0.00		Primarily Industrial Area - retain designation
232	0.52	0.33		Potential site - allocate for B-Class employment
255	0.10	0.00		Potential site - do not allocate for B-Class use
308	0.07	0.06		Primarily Industrial Area - safeguard land for long term employment use
309	0.13	0.00		Primarily Industrial Area - retain designation
327	0.05	0.05		Primarily Industrial Area - safeguard land for long term employment use
332	0.31	0.31		Primarily Industrial Area - release for mixed use development
392	0.38	0.17		Primarily Industrial Area - safeguard land for long term employment use
417	2.33	2.09		Primarily Industrial Area - safeguard land for long term employment use
418	0.18	0.00		Primarily Industrial Area - retain designation
342	0.18	0.18	Very Poor (3)	Potential site - do not allocate for B-Class use
403	0.02	0.02		Primarily Industrial Area - retain designation
421	1.61	0.00		Employment Development Site - de-allocate
<b>Total</b>	<b>57.14</b>	<b>38.61</b>	<b>41</b>	
<b>Employment land supply after recommendations</b>				
<b>Total</b>	<b>24.91</b>	<b>16.60</b>	<b>15</b>	

Source: Lichfields' analysis

\* Red text denotes sites to be excluded from the employment land supply

7.36 Should the recommendations set out in Table 7.5 be taken forward by the Council, the Birkenhead and Wallasey market area will have 15 sites with a net developable area of 16.6 ha. Most of the sites recommended to remain part of the employment land supply are generally the better quality employment sites (such as site 31), or are located where alternative uses would be unattractive or inappropriate due to the adjacent employment use.

7.37 Four potential sites are recommended to be allocated for B-Class employment use. Two of these are cleared housing sites surrounded by existing or planned employment uses (sites 217 and

232), whilst site 64 is well placed to provide an expansion for the Valley Road Industrial Estate. The majority of the employment land supply in the market area is accounted for by site 79 which is recommended to be allocated for B-Class employment use and has an estimated net developable area of 10.4 ha.

- 7.38 In total 26 sites are recommended to be removed from the supply of B-Class employment land. Six sites (designated as Employment Development Sites) are recommended to either be re-allocated for mixed use development or de-allocated altogether, whilst a further 15 existing employment sites within designated as Primarily Industrial Areas are recommended to be released from the employment land supply. This includes recommendations, to release sites for mixed use development (such as site 84), or to change the designation to another use (such as site 391). The five other sites not recommended to form part of the employment land supply are potential sites that have no formal B-Class allocation currently.

## **Bromborough and Eastham**

- 7.39 The Bromborough and Eastham market area is characterised as having better quality sites than the rest of Wirral both in terms of the strength of market demand and the general sustainability of the sites themselves. This is reflected in the site ratings; 10 sites are rated as good or very good and none are rated as being below average. The 23 assessed sites in the market area have a combined gross area of nearly 98 ha and a net developable area of 72 ha.
- 7.40 The quality of sites in the market area is primarily driven by its market attractiveness, the demand for space in Wirral International Business Park, and its excellent transport connectivity. The market area accommodates good quality premises with relatively large average gross plot sizes of 4.25 ha. Bromborough is also home to a number of Wirral's larger companies such as Unilever, CSM Bakery Solutions and Tulip Ltd.
- 7.41 The market area is the focus of new build B-Class development in Wirral, with a number of sites under construction when assessed as well as the recent development of the Great Bear distribution centre. Even here, new build development is driven by occupier-led demand rather than speculative development. Nevertheless there is strong demand from the local market; stakeholders highlighted that a number of sites under construction are already partially or fully pre-let.
- 7.42 The Homes & Communities Agency is a significant landowner in the area and has released a number of sites in Bromborough in recent years. Despite its attractiveness to businesses, gap funding still has a critical role in bringing sites forward in Bromborough and Eastham due to the remediation costs associated with many of the sites. This has been the case with each of the HCA sites delivered in recent years.
- 7.43 A consistent theme raised in the stakeholder consultations was that Bromborough was the focus of prime industrial space in the Borough. However stakeholders considered that it is now beginning to run out of space with few undeveloped plots remaining; those that are undeveloped generally have remediation issues. A number of sites, especially those fronting the Mersey Estuary, are constrained by their former heavy industrial uses and need ground remediation works.
- 7.44 Table 7.6 summarises the recommendations for the sites assessed in the Bromborough and Eastham market area.

Table 7.6 Summary of Bromborough and Eastham Site Recommendations

Site ID	Gross site area (ha)	Net area (ha)	Overall site rating (no. of sites)	Current status and recommendation
234	2.36	2.36	Very Good (2)	Primarily Industrial Area - retain designation
74	8.07	6.85		Primarily Industrial Area - retain designation
17	2.94	1.91	Good (8)	Employment Development Site - retain designation
49	3.37	3.03		Primarily Industrial Area - retain designation
116	1.01	1.01		Primarily Industrial Area - retain designation
263	1.78	1.42		Primarily Industrial Area - retain designation
330	2.17	2.06		Employment Development Site - retain designation
334	2.78	0.00		Primarily Industrial Area - retain designation
341	0.16	0.16		Employment Development Site - retain designation
324	5.03	0.00		Primarily Industrial Area - retain designation
6	6.57	6.57	Average (13)	Employment Development Site - retain designation
13	9.32	8.38		Employment Development Site - retain designation
50	0.97	0.97		Primarily Industrial Area - retain designation
78	6.44	4.18		Primarily Industrial Area - safeguard land for long term employment use
82	11.95	10.75		Potential site - safeguard land for long term employment use
100	9.66	8.21		Employment Development Site - safeguard land for long term employment use
101	0.60	0.00		Primarily Industrial Area - retain designation
242	2.03	1.35		Employment Development Site - retain designation
254	1.89	1.13		Primarily Industrial Area - safeguard land for long term employment use
329	2.93	0.77		Primarily Industrial Area - safeguard land for long term employment use
364	3.87	1.93		Primarily Industrial Area - retain designation
415	3.89	1.94		Primarily Industrial Area - retain designation
43	8.07	7.26		Employment Development Site - safeguard land for long term employment use
<b>Total</b>	<b>97.84</b>	<b>72.25</b>	<b>23</b>	
<b>Employment land supply after recommendations</b>				
<b>Total</b>	<b>56.90</b>	<b>39.94</b>	<b>17</b>	

Source: Lichfields' analysis

\* Red text denotes sites to be excluded from the employment land supply

7.45

Reflecting the high quality of employment land available in Bromborough and Eastham, no sites are recommended to have their employment use protection removed. There are however six sites recommended to be safeguarded for long term employment use (rather than be allocated for immediate development); primarily where they could only currently be used as expansion

land by existing adjacent occupiers. For example sites 78, 82 and 329 fall within Unilever's existing site complex and would currently be unavailable to the open market; they have therefore been treated separately from the wider supply of employment land. Several sites were also recommended to be safeguarded for long term employment use because their deliverability is currently unknown due to potential remediation issues, such as site 43.

7.46 Six of the eight designated Employment Development Sites are recommended to be retained, whilst the other two are recommended to be safeguarded for long term employment use, because of existing ground conditions and their location at the heart of the wider employment area, they would be unsuitable for alternative uses.

7.47 Should the recommendations set out in Table 7.6 be taken forward by the Council the Bromborough and Eastham market area would have 17 sites offering a combined 40 ha net developable area.

## Mid-Wirral

7.48 The Mid-Wirral market area covers the settlements of Greasby, Moreton, Upton and Woodchurch. Reflecting its predominantly residential character, only ten sites were assessed within this market area, covering a gross site area of just 24 ha. These are mainly located in Moreton, in the Tarran Industrial Estate, or the adjacent sites near to Burtons Biscuits and Typhoo Tea. The main industrial area in Upton is the Arrowe Brook Road Industrial Estate, which is separated into three separate parks – the Wirral Business Park, Arrowe Commercial Park and Champions Business Park. The Industrial Estate is of a good quality, albeit with some vacant units, but has no further expansion land as the UDP Allocation EM4/01 to the north (comprising 2ha gross), is currently under construction as part of a 180 residential-led development. There are a variety of users on the Arrowe Brook Road Industrial Estate, from solicitors to large self-storage warehouses. The site is an important source of local employment in mid-Wirral, and is readily accessible to the A-road Network and the M53 Motorway.

7.49 Elsewhere, the market area predominantly serves the local occupier market with the exception of Typhoo Tea, Premier Foods and Bristol-Myers Squibb; and the Tarran Industrial Estate provides popular affordable smaller scale premises to mainly indigenous occupiers. Assessed sites within the market area generally comprised small infill plots or undeveloped land. Three of the sites, 8, 24 and 420, are designated as Employment Development Sites, whilst the remainder are all existing sites designated as Primarily Industrial Areas. Six of the sites were rated as good whilst three were rated average and one rated very poor.

7.50 Table 7.7 summarises the recommendations for sites in the Mid-Wirral market area.

Table 7.7 Summary of Mid-Wirral Site Recommendations

Site ID	Gross site area (ha)	Net area (ha)	Overall site rating (no. of sites)	Current status and recommendation
24	1.46	1.46	Good (6)	Employment Development Site - retain designation
65	12.51	3.63		Primarily Industrial Area - release for residential or other use
125	0.24	0.24		Primarily Industrial Area - retain designation
248	0.20	0.20		Primarily Industrial Area - safeguard land for long term employment use
251	0.64	0.65		Primarily Industrial Area - safeguard land for long term employment use

Site ID	Gross site area (ha)	Net area (ha)	Overall site rating (no. of sites)	Current status and recommendation
300	0.14	0.14		Primarily Industrial Area - safeguard land for long term employment use
8	5.02	5.02	Average (3)	Employment Development Site - release for mixed use development
70	1.26	1.13		Primarily Industrial Area - retain designation
358	0.30	0.00		Primarily Industrial Area - retain designation
420	2.00	0.00	Very Poor	Employment Development Site – de-allocate
<b>Total</b>	<b>23.78</b>	<b>12.47</b>	<b>9</b>	
<b>Employment land supply after recommendations</b>				
<b>Total</b>	<b>3.27</b>	<b>2.83</b>	<b>4</b>	

Source: Lichfields' analysis

\* Red text denotes sites to be excluded from the employment land supply

- 7.51 Should the recommendations set out in Table 7.7 be taken forward by the Council, the mid-Wirral market area would have 4 sites offering a combined 2.83 ha net developable area. Six sites are recommended to be released from the employment land supply. Three of these sites (248, 251 and 300) are recommended to be safeguarded for long term employment use; their availability to the open market is unknown as they are being retained as expansion land by existing adjacent occupiers.
- 7.52 Site 420, an existing employment allocation located to the rear of Arrowe Brook Road, Upton, is currently under construction as part of the wider 'Upton Pines' 180 unit residential development and should be de-allocated from the employment land supply as a consequence.
- 7.53 Site 65 (the former Burton Biscuits site) is also recommended to be released for residential uses. The site has received a planning application for residential development which is recommended for approval subject to a Section 106 agreement. Whilst the residential development on site 65 would be located adjacent to the existing Typhoo Tea factory, the proposals provide a suitable landscape buffer and new industrial access road from the west. This would help to safeguard the existing adjacent employment use.
- 7.54 Site 8 is recommended for mixed use development as it borders the existing Typhoo Tea factory to the west and residential properties to the east. It is considered that the most appropriate use of the site would be to accommodate a small development of B1a office or B1c light industrial units on the western portion of the site to act as a buffer to the existing employment uses at the Typhoo Tea factory. It is noted however that the site is within Flood Zone 2 and 3 (as is site 65) and that appropriate flood defences would be required.

## West Wirral and Rural Areas

- 7.55 The West Wirral and Rural Areas market area covers the main settlements of Hoylake, Heswall and West Kirby and the surrounding rural areas of west and mid-Wirral. As with Mid-Wirral, this market area is predominantly a residential area rather than an employment area. Only six sites were assessed in the market area, and with one exception had a gross site area of 0.2 ha or less. The assessed sites were predominantly small infill plots in existing industrial estates that serve the local market. Three of the assessed sites were designated as Primarily Industrial Areas; one was designated as a Key Town Centre site; and the other two are designated as Green Belt.

7.56 Table 7.8 summarises the recommendations for sites within the West Wirral and Rural Areas market area.

Table 7.8 Summary of West Wirral and Rural Areas Site Recommendations

Site ID	Gross site area (ha)	Net area (ha)	Overall site rating (no. of sites)	Current status and recommendation
54	4.74	3.55	Good (3)	Potential Green Belt site – do not allocate for B-Class use
252	0.20	0.19		Primarily Industrial Area - safeguard land for long term employment use
360	0.01	0.00		Potential site - do not allocate for B-Class use
359	0.05	0.00	Average	Primarily Industrial Area - retain designation
356	0.07	0.00	Poor	Primarily Industrial Area - retain designation
343	0.01	0.01	Very Poor	Potential Green Belt site - do not allocate for B-Class use
<b>Total</b>	<b>5.07</b>	<b>3.75</b>	<b>6</b>	
<b>Employment land supply after recommendations</b>				
<b>Total</b>	<b>0.12</b>	<b>0.00</b>	<b>2</b>	

Source: Lichfields' analysis

\* Red text denotes sites to be excluded from the employment land supply

- 7.57 Should the recommendations set out in Table 7.8 be taken forward by the Council, two existing employment sites would retain their current designation, with one potential site to be allocated for mixed use development. The market area would, as a result, have no land immediately available for development for B-Class use, though this may be of only limited significance given the generally low demand with the market area.
- 7.58 Sites 360 and 343 are not recommended to be allocated for B-Class employment use due to their poor characteristics and limited plot sizes. Given its town centre location (in Hoylake), site 360 is considered appropriate for commercial use but is likely to be unattractive for B1 office space redevelopment.
- 7.59 It is not recommended that site 54 be allocated for B-Class employment use. Any development of the site would be subject to national controls for the redevelopment of previously developed sites in the Green Belt and may have a niche appeal as a 'medi-park' development for life science businesses if brought forward. Part of the site is also constrained by Flood Zone 3 and any future proposals should be framed by the adjacent sensitive uses at Clatterbridge Hospital. The site also has interest for residential development which may only be suitable subject to the future of the wider site. These factors influence the recommendation to not allocate the site for B-Class use.
- 7.60 Site 252 is recommended to be safeguarded for long term employment use, until its availability for new development can be confirmed. The site has a small plot size and if brought forward would help to meet the needs of local SMEs.

## Conclusions

- 7.61 In total, 93 sites were assessed for their suitability for employment uses. Whilst most of these were identified as Primarily Industrial Areas or allocated Employment Development Sites, some

potential sites with no existing formal B-Class allocation were also assessed for their suitability. These were predominantly dockland sites currently shown as land without notation in the existing UDP, but also included some cleared residential sites and previously developed sites in the Green Belt.

7.62 The purpose of these site assessments was to identify an appropriate portfolio to inform the Council's emerging Local Plan and calculation of the future employment land supply. Following the site assessments the proposed employment land supply would comprise 38 sites, with a combined net developable area of 59.4 ha, and an additional 3 sites with extant planning permission for 0.154 ha. This excludes the five Wirral Waters sites, totalling 22.3 ha net. This is summarised in Table 7.9.

7.63 The recommended supply of employment land includes 8 retained Employment Development Sites; 26 existing employment sites to be retained with Primarily Industrial Area designations; 4 new potential sites recommended to be allocated for B-Class employment; and 3 sites with extant planning permission for B-Class use. Specific recommendations for each of the assessed sites are provided in individual site pro-formas in Appendix 7.

7.64 The recommended portfolio includes sites that cannot currently be considered as part of the employment land supply, for example where they are unavailable on the open market or fulfil a wider strategic role. Such sites are categorised in the following categories:

- 1 **Wirral Waters sites** – these are strategically significant to the Liverpool City Region and specifically target long-term inward investment. For example, sites in East Float are the focus of the vision of new large scale mixed use development in the longer term, whilst sites in West Float are expected to be delivered sooner as part of the MEA Park proposals. The Enterprise Zone status also appeals to potential inward investors, providing benefits from business rate relief and enhanced capital allowances. The sites therefore have a role in meeting the needs of the wider Liverpool City Region and providing sites for inward investment, rather than meeting the needs of Wirral's local businesses. A number are also currently in operational port use. Given the strategic nature of the Wirral Waters sites it is important that they are treated separately to the Borough's employment land supply to ensure that other sites come forwards to meet the needs of local businesses.
- 2 **Mixed use sites** – these sites will create new employment opportunities, though only a proportion will be in B-Class use. The quantum of B-Class space (typically B1a office or B1c light industrial) that these mixed use sites could supply is currently unknown until specific development proposals come forward, and such sites are also typically driven by market demand. Mixed use sites have been treated separately for these reasons. This category includes existing sites in Primarily Industrial Areas and Employment Development Sites now recommended to be released for mixed use development, as well as potential sites that have been assessed as being more suitable for mixed use development.
- 3 **Land safeguarded for long term employment use** – these sites typically relate to undeveloped expansion plots that are owned by existing business occupiers that are only accessible from within their existing sites and are unavailable to other businesses at present; or sites where deliverability is currently unknown or is unlikely within the next plan period. For example three sites owned by Unilever are only accessible through their existing complex at Port Sunlight and could only be utilised to meet their existing or future operational requirements (78, 82 and 329). They should therefore be removed from the calculation of the employment land supply and protected to allow for any potential expansion by Unilever. There are also several sites which are recommended to be safeguarded for long term employment use which have significant development constraints such as land remediation requirements, which means that their deliverability within the

plan period is unknown (for example site 43).

Table 7.9 Site Assessment Summary of Recommendations

Employment land portfolio recommendations	No of sites	Gross ha	Net ha
<b>Recommended retained and allocated sites and new allocations</b>	<b>38</b>	<b>85.3</b>	<b>59.4</b>
Employment Development Site – retain designation	8	26.1	23.2
Primarily Industrial Area – retain designation	26	38.7	23.3
Potential site – allocate for B-Class employment	4	20.3	12.9
<b>Extant planning permissions</b>	<b>3</b>	<b>-</b>	<b>0.2</b>
<b>Recommended employment land supply (excluding Green Belt, mixed use, safeguarded and Wirral Waters)</b>	<b>41</b>	<b>85.3</b>	<b>59.5</b>
<b>Mixed use sites</b>	<b>12</b>	<b>17.1</b>	<b>16.3</b>
Employment Development Site – release for mixed use development	5	10.0	9.8
Primarily Industrial Area – release for mixed use development	5	4.9	4.3
Potential site – allocate for mixed use development	2	2.2	2.1
<b>Safeguarded expansion land</b>	<b>17</b>	<b>52.9</b>	<b>38.3</b>
<b>Wirral Waters sites</b>	<b>13</b>	<b>53.2</b>	<b>29.4</b>
Of which B-Class employment	5	26.5	22.3
Of which safeguarded for long term employment use	1	2.0	0.0
Of which mixed use development	7	24.7	7.1
<b>Total employment land portfolio</b>	<b>83</b>	<b>208.5</b>	<b>143.6</b>

Source: Lichfields analysis (note figures are rounded)

7.65

The four potential sites recommended to be allocated for B-Class uses are summarised below.

- Site 64 Former Training Ground** – 1.28 ha gross, 1.15 ha net – the site is owned by Wirral Council and is adjacent to the established Valley Road Industrial Estate and Wirral Sports Centre in Bidston, in the Birkenhead and Wallasey market area. The site benefits from a level topography and excellent connectivity to the strategic road network. The site could accommodate small scale B1 development that would be compatible with the adjacent sensitive use at Wirral Sports Centre. The site was rated as good.
- Site 79 Bidston Dock** – 17.55 ha gross, 10.4 ha net – the large brownfield site is located west of the proposed Wirral Waters MEA Park, to the south of the A5139 and A59. The site benefits from excellent transport links and could accommodate a significant scale of industrial and distribution space. The site was previously used as an industrial dock prior to the dock being filled and the buildings were demolished; the filled dock significantly reduces the net developable area of the site. The site is expected to require further remediation, and reflecting this it is expected to be delivered towards the end of the plan period in 10 to 15 years, following the delivery of MEA Park.
- Site 217 Ten Streets Phase 1** – 0.98 ha gross and net – the cleared housing site offers a small but regularly shaped plot of brownfield land for development. The site is located amongst existing B-Class uses and development of the site for other uses, especially residential, would be inappropriate. Much of the surrounding area is characterised by poor

quality premises, though there is a recently refurbished / under construction unit adjacent. There is a need to decant existing occupiers to more modern premises, which the site could facilitate. The site is located adjacent to the main focus of Wirral Waters' mixed use scheme, though this area is expected to be delivered in the longer term.

- 4 **Site 232 Ten Streets Phase 4** – 0.52 ha gross 0.33 ha net – the cleared housing site offers a small plot for development. The site is located amongst existing B-Class uses and development of the site for other uses, especially residential, would be inappropriate. Much of the surrounding area is characterised by poor quality premises. The site benefits from its proximity to Birkenhead Town Centre and could accommodate a development providing small units for SMEs. The site is located in close proximity to the prime focus of Wirral Waters' mixed use scheme, though this area is expected to be delivered in the longer term.

7.66 Table 7.10 summarises the remaining 13 sites that were recommended to be de-allocated, released for other uses or not allocated for B-Class employment use. This includes seven allocated and existing sites, totalling 6 ha (net), and six potential sites that are considered inappropriate to be allocated for B-Class use. These are generally poor quality sites with significant development constraints and low market attractiveness. Some of the sites are considered to have challenging deliverability within the Local Plan period up to 2033, are under construction for alternative uses, or are simply inappropriate for B-Class use.

7.67 These sites, along with mixed use sites, safeguarded long term employment sites, Wirral Waters sites, and the potential Green Belt sites should be removed from the Borough's future employment land supply unless they subsequently obtain planning permission for employment uses.

Table 7.10 Sites Recommended to be De-Allocated, Released or Not Allocated for B-Class Use

Site category	No of sites	Gross ha	Net ha
Sites recommended to be de-allocated	3	4.41	0.8
Sites recommended to remove protection for employment use or release for residential use	4	15.2	5.2
Potential sites not recommended to be allocated for B-Class employment	6	9.0	7.2
<b>Total</b>	<b>13</b>	<b>28.61</b>	<b>13.2</b>

Source: Lichfields analysis

## 8.0 Demand and Supply Balance

### Introduction

- 8.1 This section considers the balances between the demand for and supply of employment land in Wirral. It draws on the site assessment findings and recommended portfolio, consultations with stakeholders (especially commercial property agents, landowners, developers and businesses), and the draft Liverpool City Region SHELMA (2017).
- 8.2 The section begins by outlining the strategic approach to balancing demand and supply, as well as considering both quantitative and qualitative factors.

### Strategic Approach

- 8.3 Whilst it is recognised that Wirral Council needs to provide a range of B-Class employment opportunities across the Borough, the recommended employment land supply also needs to reflect the distinct market areas within Wirral.
- 8.4 As highlighted in Section 4.0 the market areas are characterised by very different demand and supply drivers. In brief, the most significant demand for modern and good quality industrial premises is driven by Bromborough; the office market focuses on Birkenhead Town Centre (whilst much of the wider settlement accommodates some of the poorest-quality industrial stock in the Borough), and Wirral Waters offers the prospect of large scale mixed use and strategic industrial regeneration over the longer term. The Mid-Wirral and West Wirral & Rural market areas have smaller commercial property markets and their economies generally orientate more around retail and leisure uses than typical industrial or office based activities.
- 8.5 The recommended employment land supply has been developed in response to the key opportunities and challenges facing Wirral. The strategic approach to determining Wirral's demand and supply balance was framed by three key objectives:
- 1 Protect and provide good quality sites suitable for employment uses with the greatest prospect of deliverability over the Local Plan period to 2033, and to respond to areas of strong market demand. This focuses on ensuring that Bromborough - Wirral's nucleus of prime industrial space - has sufficient good quality sites to meet levels of demand. As highlighted in Section 5.0, viability is challenging in Wirral even in prime locations such as Bromborough. The recommended portfolio therefore needs to focus on the best quality sites with positive viability to ensure that supply is able to respond to demand with limited intervention;
  - 2 Remove policy protection for employment designations and de-allocate poorer quality sites that don't meet businesses' needs, and those that have significant deliverability and viability issues. This responds directly to feedback from local businesses and stakeholders that much of the existing employment space is of poor quality and is not fit for purpose. This is particularly the case in Birkenhead where there is a wider need for regeneration, and to provide opportunities for businesses to relocate from poorer quality premises (particularly in and around Wirral Waters) to better quality premises that better meet the needs of modern occupiers; and
  - 3 Distinguish between meeting Wirral's local business needs and those strategic requirements generated by the wider Liverpool City Region and inward investment. Whilst Wirral can expect to benefit from new investment and development specific to the Liverpool City Region, this opportunity is predominantly driven by the Wirral Waters scheme. This proposes large scale mixed use development in East Float, and MEA Park in West Float (to

target growth in the Marine, Energy and Automotive sectors). The proposals aim to attract investment of a scale over and above the needs of Wirral Borough in isolation. Parts of the EZ benefit from business rate relief and enhanced capital allowance, which appeals to potential inward investors. Furthermore, several of the assessed sites, such as site 74 in Bromborough, are identified in the draft SHELMA as having the potential to meet the need for strategic large scale B8 development in the Liverpool City Region. Additionally, the draft SHELMA highlights the need for the Liverpool City Region to provide land or sites of c. 40 ha or greater for large scale inward investment<sup>21</sup>. To attract inward investment such sites will need to be well located to the transport network and labour market; there are a limited supply of candidate sites in the Liverpool City Region. Wirral has a role in identifying sites that could accommodate large scale inward investment to the Liverpool City Region.

## Quantitative Balance

- 8.6 The draft Liverpool City Region SHELMA indicates a potential requirement of between 57 and 130 ha of B-Class land in Wirral Borough for the period 2012 to 2037. If this is pro-rated across the Wirral Local Plan period 2018 to 2033 (i.e. 15 years rather than 25), the range narrows to 34 to 78 ha. Wirral's requirement for B-Class space over the 15-year plan period is summarised in Table 8.1. Note that this excludes large scale B8 use and sites for inward investment which the draft SHELMA considers at the wider Liverpool City Region level.

Table 8.1 Forecast net requirement for Wirral Local Plan period up to 2033 (ha)

Scenario	B1	B2	Small scale B8	Total	Margin	Total + Margin	Surplus (Total + Margin - Overall portfolio, @ 143.6 ha net)	Total + Margin - Recommended supply @ 59.5 ha net
Baseline scenario (6,600 FTEs)	13.44	6.78	0	20.22	13.8	<b>34.02</b>	<b>+109.6</b>	<b>+25.5</b>
Growth scenario (11,500 FTEs)	17.1	7.44	0	24.6	13.8	<b>38.4</b>	<b>+105.2</b>	<b>+21.1</b>
Past completions	15.66	53.4	8.7	77.76	0	<b>77.76</b>	<b>+65.8</b>	<b>-18.26</b>

Source: GL Hearn (2017) Draft Liverpool City Region Strategic Housing & Employment Land Market Assessment, Lichfields analysis  
Note: Overall Portfolio = 143.6 ha, Recommended Supply = 59.5 ha.

- 8.7 As set out in Section 7.0, the recommended employment land supply of 41 sites with a combined net developable area of 59.5 ha, sits towards the middle of this range. The majority of the recommended supply relates to 8 retained Employment Development Sites and 26 retained Primarily Industrial Area designations. A further four potential sites are considered suitable employment sites and are recommended to be allocated for B-Class use. Three small sites with extant planning permission are also included as part of the Borough's employment land supply.
- 8.8 Discounted from this recommended employment land supply are 13 Wirral Waters sites of strategic importance to the wider Liverpool City Region; 12 sites appropriate for mixed use development and 17 sites safeguarded for long term employment use (i.e. which may come forward in full after 2033). The mixed use sites in particular may contribute B1a/b/c Class

<sup>21</sup> GL Hearn (2017) Liverpool City Region Strategic Housing & Employment Land Market Assessment – paragraph 13.8

employment space over the course of the Plan period, although the quantum of this is unknown at present.

### Portfolio Spatial Distribution and Delivery Timescales

- 8.9 Table 8.2 summarises the spatial distribution and expected delivery trajectory of the recommended employment land supply of 41 sites. This shows both the number of sites and their combined net developable area for each market area. The timescales identify nine sites that are either fully developed or under construction, with the remaining timescales broken down into the five-year periods of the Local Plan. As set out in Appendix 4, indicative timescales for delivery were derived on the basis of the commercial property market review, consultations with stakeholders such as agents, landowners and developers, and site specific information such as viability and known development constraints. These should be kept under review by Wirral Council and adjusted as necessary over the course of the Plan period as further information/updates become available concerning the delivery of individual sites. Sites with extant planning permission are assumed to be delivered within the first five years of the Local Plan.
- 8.10 Whilst the plan period is from 2018 to 2033 the study was undertaken in 2017; it was therefore assumed that sites considered to be immediately available when assessed will be delivered in the first five years of the plan.

Table 8.2 Spatial Distribution and Delivery Trajectory of the recommended employment land supply

Market Area	Fully Developed or Under Construction		2018 to 2023		2023 to 2028		2028 to 2033		Plan period 2018 to 2033	
	No. of sites	Net developable area (ha)	No. of sites	Net developable area (ha)	No. of sites	Net developable area (ha)	No. of sites	Net developable area (ha)	No. of sites	Net developable area (ha)
Birkenhead and Wallasey	3	0.0	8	4.3	3	1.9	1	10.4	15	16.6
Wirral Waters Enterprise Zone	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Bromborough and Eastham	3	0.0	7	12.0	3	9.8	4	18.2	17	39.9
Mid Wirral (Moreton, Greasby, Upton)	1	0.0	1	0.2	1	1.1	1	1.5	4	2.8
West Wirral and Rural Areas	2	0.0	0	0.0	0	0.0	0	0.0	2	0.0
Extant planning permissions	0	0.0	3	0.2	0	0.0	0	0.0	3	0.2
<b>Total</b>	<b>9</b>	<b>0.0</b>	<b>19</b>	<b>16.6</b>	<b>7</b>	<b>12.8</b>	<b>6</b>	<b>30.1</b>	<b>41</b>	<b>59.5</b>

Source: Lichfields' analysis

- 8.11 The recommendations as set out in Table 8.2 reflect the strategic approach to determining the demand and supply balance. This distribution relates solely to the 41 existing, allocated and potential sites and extant planning permissions recommended to form the employment land supply as set out in Table 7.9. Mixed use sites and safeguarded sites are discounted from the recommended supply or delivery trajectory but retained in the overall portfolio of employment land.
- 8.12 All of the sites in the Wirral Waters EZ market area are also discounted from the recommended employment land supply, but retained in the overall portfolio of employment land. This is because the proposed Wirral Waters scheme provides a strategic employment land resource for the wider Liverpool City Region rather than meeting the needs of local businesses (although this still occurs at present), and the deliverability of many of the sites within the EZ is generally under Peel's control.
- 8.13 In the first five years of the plan the employment land supply is expected to be predominantly provided by smaller infill sites in the Birkenhead & Wallasey and Bromborough & Eastham market areas. This period has 19 sites with an average size of 1.03 ha; eight of these sites have a net developable area greater than 1 ha but there are six with a net developable area below 0.2 ha when taking into account the extant planning permissions.
- 8.14 In the medium and longer term most of the employment land supply is expected to be provided in the Bromborough and Eastham market area. This responds to the strong market demand for sites in this area, as well as demonstrating the shortage of good quality sites elsewhere in the Borough. Sites expected to be delivered towards the end of the plan period typically face greater development constraints and have larger net developable areas than sites expected to be delivered within the first five years of the Local Plan. For example, site 79 (Bidston Dock) could provide around 10.4 ha of B-Class employment land, but it is partly filled land and would likely require remediation works due to its former use as a dock.
- 8.15 Table 8.3 shows the distribution of the total net developable area provided by the recommended employment land supply across each market area and five year periods within the Local Plan. More than half of the recommended employment land supply is expected to be delivered in the last five years of the plan, and more than two thirds of the total supply is expected to be provided in the Bromborough and Eastham market area. The amount of employment land supplied by the Birkenhead and Wallasey market area is expected to decrease over the short to medium term before increasing towards the end of the plan period. This is because the most readily developable sites included in the recommended supply for the market area are smaller infill development plots.

Table 8.3 Distribution of Net Developable Area provided by the Recommended Portfolio by Market Area and Delivery Timescales

Market Area	2018 to 2023	2023 to 2028	2028 to 2033	Plan period 2018 to 2033
Birkenhead and Wallasey	7.2%	3.3%	17.5%	27.9%
Wirral Waters Enterprise Zone	0.0%	0.0%	0.0%	0.0%
Bromborough and Eastham	20.1%	16.4%	30.6%	67.1%
Mid Wirral (Moreton, Greasby, Upton)	0.4%	1.9%	2.5%	4.8%
West Wirral and Rural Areas	0.0%	0.0%	0.0%	0.0%
Extant planning permission	0.3%	0.0%	0.0%	0.3%

Market Area	2018 to 2023	2023 to 2028	2028 to 2033	Plan period 2018 to 2033
<b>Total</b>	<b>27.9%</b>	<b>21.5%</b>	<b>50.5%</b>	<b>100.0%</b>

Source: Lichfields' analysis

- 8.16 The employment land supply is heavily weighted towards the end of the plan period and to the Bromborough and Birkenhead market area. This raises the argument that grant funding or other mechanisms should be considered to accelerate delivery of the good quality but constrained sites in Bromborough and Birkenhead. Additionally, the Council should consider qualitative arguments for allocating new strategic sites that are more readily developable than the constrained brownfield sites that characterise much of the supply.

## Employment Areas

- 8.17 Wirral's Employment Areas have also been appraised to provide guidance on their future role and importance in the Borough's overall hierarchy of sites. This analysis is based on the site assessment work set out in detail in Section 7.0. To provide continuity with the 2012 Wirral Employment Land and Premises Study Refresh, this section of the ELPS groups each of the employment areas and sites into four main categories that reflects their position in the study area (rather than their sub-regional significance). The four area types are: Flagships; Narrow Band Areas; Key Employment Areas; and Key Local Areas. A short summary draws together the key points from the analysis for each market area.

## Wirral Waters

- 8.18 The nationally-significant Wirral Waters development is defined as a distinct market area to reflect its Enterprise Zone status. As set out elsewhere in this ELPS, the EZ is being promoted by Peel Holdings as a 500 acre regeneration project with a mix of commercial and residential projects promoted to transform the area. It is clearly a 'Flagship' area for Wirral Borough and should be afforded suitable protection to maintain this status.
- 8.19 The Wirral Waters scheme covers all of the dock fronting sites and land in East Float and West Float. The appraised sites are predominantly large, vacant, brownfield sites and active dockside facilities occupied by distribution, industrial and manufacturing related businesses. Of the assessed sites containing existing premises, they are generally 1950s era, of a relatively poor quality, linked to port / industrial uses.
- 8.20 The East Float proposals which already have outline planning permission will feature large scale mixed use development for commercial, residential, leisure, retail and education uses, which will transform the docks area of Birkenhead and comprise a nationally-significant Flagship development. The West Float area will focus on new advanced manufacturing space at Marine, Energy and Automotive Park (MEA Park), which would align with the 'Narrow Band Areas' category in the Borough's Employment Area Hierarchy.
- 8.21 Site 96 is within the operational Birkenhead dock estate at West Float and accommodates two large mobile cranes and is currently a loading and unloading area and storage yard for the adjacent units. Whilst the site is under-utilised in terms of employment density it supports the operation of the other uses in the industrial estate.
- 8.22 Site 30 was reviewed in the wider Twelve Quays area, which now accommodates the Ro-Ro Ferry Terminal and associated lorry park. The site is being retained by Peel Holdings for potential Ro-Ro expansion of the nearby ferry terminal, which should clearly be supported as a 'Key Employment Area' given the prime waterfront location and excellent dock access. All these sites should be retained, protected and promoted as part of the Borough's employment portfolio.

Table 8.4 Wirral Waters Employment Area Hierarchy

Type	Typical Characteristics	Employment Areas / Sites
<b>Flagships</b>	Sites of scale, location and setting, capable of being broad business park developments competing for investment in the regional/sub-regional marketplace. These are prime sites for marketing to a cross-section of users – including new inward investments into the Borough. They can also meet the needs of image-conscious, aspirational companies already located in the area. They may be B1, B2 or B8 in nature.	<b>Wirral Waters</b> 81, 87, 129, 265, 266, 267, 357, 419
<b>Narrow Band Areas</b>	Key developments where the sites, their locations and environment are promoted for a narrow range of uses. It may be that only a part of a larger site is allocated to this activity. In other cases it may be prudent to dedicate the whole site to this narrow band use. Often they are high technology / key growth sector related.	<b>Birkenhead Dock Estate West Float</b> 59 <b>Birkenhead Dock Estate East Float</b> 86, 253 <b>Birkenhead Dock Estate</b> 96
<b>Key Employment Areas</b>	Sites with an influence over the whole of the study area, geared to serving the needs of indigenous industry. They are likely to be of a size to create presence and able to accommodate a range of uses, but more suited to B2 and B8 activity.	<b>Twelve Quays</b> 30
<b>Key Local Areas</b>	Sites that offer employment opportunities within specific local areas. In most instances their role will be to meet the expansion needs of indigenous companies or to accommodate local start-ups. They tend to focus on use classes B1c, B2 and B8	
<b>De-allocate and/or release for mixed use</b>	Existing employment site to be released from the employment land supply	

Source: Lichfields' analysis

## Birkenhead and Wallasey

- 8.23 The Birkenhead and Wallasey Market Area contains more than two-fifths of all the assessed sites in the Borough and most of Wirral's Industrial Estates, whilst Birkenhead Town Centre represents the main office market in the Borough. This aligns well with the Government's sustainability agenda, given the excellent public transport linkages and high density regeneration opportunities, although fragmented ownership and viability constraints are likely to remain a challenge moving forward. Birkenhead Town Centre clearly remains a 'Key Employment Area' however and should be supported.
- 8.24 WBC did not require Lichfields to assess any sites in the Campbeltown Road area which accommodates the prime industrial market in Birkenhead. As well as accommodating Cammell Laird and the Essar Oil Terminal, this area has also attracted significant recent development of high quality industrial units in recent years and would align with the 'Narrow Band Areas' category in hierarchy, and should be promoted as such.
- 8.25 The Bidston Dock site (79) immediately to the west of the Wirral Waters EZ requires large scale remediation works could provide future large scale development of B1, B2 and B8 employment use following the delivery of the adjacent Wirral Waters EZ, but is very much a longer term 'Flagship' proposition that is dependent on the latter's success.

- 8.26 Aside from these areas, Birkenhead and Wallasey contains a number of smaller Industrial Estates containing a significant proportion of poorer quality sites, many of which are fully developed and featuring older premises that do not meet the needs of many modern businesses. For example, the Russell Road Industrial Estate, located just off the A41, contains a number of relatively low grade uses such as scrap metal dealers, Pallet services and hand car washes alongside manufacturing companies such as North West Precision Ltd (which supplies Airbus). However despite the relatively modest kerb appeal and the age of properties, the Estate has relatively high levels of occupancy. This trend is replicated across the market area, with the Industrial Estates primarily meeting indigenous needs (and generally aligning with the ‘Key Local Areas’ category in the hierarchy), with the estates often constrained by their modest plot sizes, unsuitable adjoining uses (often high density terraced residential properties) due to the historic nature of many of the sites and other issues such as remediation requirements.
- 8.27 To take another example, Cross Lane Industrial Estate comprises the only dedicated Industrial Estate in Wallasey with excellent access to the strategic road network and as such should be retained. However, its B-Class offer has been progressively watered down by the intrusion of non B-Class uses on the estate, such as Jewsons and West Wallasey Van Hire, to the extent that few B1/B2/B8 industries remain. The Estate is also highly constrained by its internal road layout, the proximity of adjoining residential properties and the absence of any expansion land in the immediate vicinity.
- 8.28 Other sites, particularly Rose Brae Phase 2 (108) and the numerous small sites along the Dock Road and Cleveland Street Corridors which adjoin or are in proximity to the Wirral Waters EZ, could support strategic regeneration initiatives to complement the longer term vision for the area.
- 8.29 The popular North Cheshire Trading Estate, located immediately alongside the M53 embankment in the far west of the market area, is one of the few sites in the area that can provide large B8 units, and has some land available for development (albeit delivery challenges remain). It remains a ‘Key Employment Area’ within Wirral Borough.

Table 8.5 Birkenhead and Wallasey Employment Area Hierarchy

Type	Employment Areas / Sites
<b>Flagships</b>	<b>Wirral Waters (Bidston Dock)</b> 79
<b>Narrow Band Areas</b>	<b>Cammell Lairds</b> <b>Twelve Quays</b> 31
<b>Key Employment Areas</b>	<b>Dock Road Corridor, Wallasey</b> 35 (deallocate), 97, 110, 123, 133 (deallocate), 229, 328, 392, 417 <b>Cleveland Street Corridor, Birkenhead</b> 60, 217, 219, 232, 259, 308, 309, 327, 403, 418 <b>Birkenhead Town Centre</b> 29 (deallocate), 108, 148 (deallocate), 239 (deallocate), 247 (deallocate) <b>A41 Corridor, Tranmere</b> 84 (deallocate) <b>North Cheshire Trading Estate</b> 57, 72, 94 (deallocate)

Type	Employment Areas / Sites
	<b>Other sites</b> 66 (Former River Streets)
<b>Key Local Areas</b>	<b>Valley Road Industrial Estate</b> 64 <b>Cross Lane Industrial Estate</b> 421 (deallocate) <b>Hind Street</b> 15 (deallocate), 45 (deallocate), 332 (deallocate), 355 (deallocate) <b>Priory Industrial Estate</b> 391 (Public Car Park, Alabama Way) <b>Russell Road Industrial Estate</b>
<b>De-allocate and/or release for mixed use</b>	<b>Other sites</b> 108 (Rose Brae Phase 2) 255 (Village Road, Oxtan) 342 (57A-59 Norman Street) 365 (Former Hurstwoods International)

Source: Lichfields' analysis

## Bromborough and Eastham

- 8.30 The Bromborough and Eastham market area is characterised as having better quality sites than the rest of Wirral both in terms of the strength of market demand and the general sustainability of the sites themselves. This is exemplified by the Wirral International Business Park, which is the premier, 'Flagship', business park in the Borough with excellent transport connectivity to the A41 and M53 and beyond. Whilst the quality of the sites within the Park is primarily driven by their market attractiveness, with a number of large plots (such as Centuria Business Park, Stadium Road ref. 43) that should be retained as Employment Development Sites, even here new build development is driven by occupier-led demand rather than speculative development.
- 8.31 Despite its attractiveness to businesses and the HCA's involvement, gap funding still has a critical role in bringing sites forward in Bromborough and Eastham due to the remediation costs associated with many of the sites. Nevertheless there is strong demand from the local market. Stakeholders highlighted that a number of sites under construction are already partially or fully pre-let in the area, and protection for employment should be maintained. Stakeholders considered that it is now beginning to run out of space with few undeveloped plots remaining.
- 8.32 In terms of the other key employment areas in the Bromborough and Eastham market area, the Eastham Dock Estate fronts directly on to the Manchester Ship Canal to the southeast of the Borough and is characterised by associated port-related processing and B8 storage/warehousing facilities. Sites within the Estate can generally be categorised as 'Narrow Band Areas' due to their location and environment, with two large plots available (sites 6 and 13). These, and other sites fronting the Mersey Estuary, are constrained by their former heavy industrial uses and need ground remediation works, with such sites likely to form part of the longer term employment land portfolio as a result.
- 8.33 Port Sunlight is dominated by the Lever Faberge manufacturing complex and the adjoining Unilever Research laboratories, which perform a critical economic role for the Borough both in terms of their contribution to local employment and the Borough's advanced manufacturing

portfolio. The three sites that were appraised as part of this study (78, 82 and 329) either fall under the ownership and control of Unilever, and/or represent potential expansion sites for the company going forward. Whilst the future uses of this area will be effectively decided by Unilever’s expansion and/or consolidation plans, it is recommended that the area be retained in the longer term as a ‘Key Employment Area’ to ensure that economic activity on the main site is not compromised by the development of inappropriate uses in its immediate vicinity.

Table 8.6 Bromborough and Eastham Employment Area Hierarchy

Type	Employment Areas / Sites
Flagships	<b>Wirral International Business Park</b> 17, 43, 49, 50, 74, 100, 101, 116, 234, 242, 254, 263, 324, 330, 334, 341, 364, 415
Narrow Band Areas	<b>Eastham Dock Estate</b> 6, 13
Key Employment Areas	<b>Port Sunlight</b> 78, 82, 329
Key Local Areas	
De-allocate and/or release for mixed use	

Source: Lichfields' analysis

### Mid-Wirral (Moreton, Greasby, Upton)

- 8.34 The Mid-Wirral market area covers the settlements of Greasby, Moreton, Upton and Woodchurch. Reflecting its predominantly residential character, only ten sites were assessed within this market area, covering a gross site area of just 24 ha. With the exception of Arrowe Brook Road Industrial Estate in Upton, these are located in Moreton, in the Tarran Industrial Estate, or the adjacent sites near to (the former) Burtons Biscuits and Typhoo Tea.
- 8.35 The Tarran Industrial Estate provides popular affordable smaller scale premises to mainly indigenous occupiers and is appropriately categorised as a ‘Key Local Area’. The estate benefits from close proximity to the urban area with good local accessibility, although the majority of remaining employment land is likely to act as expansion land for existing businesses.
- 8.36 The industrial area to the east of Pasture Road on the other side of the Tarran Industrial Estate is characterised by a number of larger companies, notably Typhoo Tea, Manor Bakeries and Bristol-Myers Squibb. The area is in a state of flux following the closure of Burtons Biscuits with a number of applications submitted for residential development on the site. The sites at the Reeds Lane end are close to Typhoo Tea and Manor Bakeries, hence entirely releasing the sites to other uses could threaten the existing B-Class operations. It was therefore recommended that a small scale B1 use development catering to local SMEs be provided on the western portion of the site (e.g a scheme providing terraced units for light industrial B1c use). This would provide a suitable buffer to residential development on the eastern portion of the site, whilst helping to preserve the wider site’s role as a ‘Key Employment Area’.
- 8.37 The main industrial area in Upton is the Arrowe Brook Road Industrial Estate, which is separated into three separate parks – the Wirral Business Park, Arrowe Commercial Park and Champions Business Park. The Industrial Estate is of a good quality, albeit with some vacant

units, but has no further expansion land as the UDP Allocation EM4/01 to the north (comprising 2ha gross), is currently under construction as part of a 180 residential-led development. There are a variety of users on the Arrowe Brook Road Industrial Estate, from solicitors to large self-storage warehouses. The site is an important source of local employment in mid-Wirral, and is readily accessible to the A-road Network and the M53 Motorway. It should retain its 'Key Employment Area' designation.

Table 8.7 Mid-Wirral Employment Area Hierarchy

Type	Employment Areas / Sites
Flagships	
Narrow Band Areas	
Key Employment Areas	<p><b>Moreton</b> 8 (deallocate), 24, 65 (deallocate), 70, 251</p> <p><b>Arrowe Brook Road</b> 420 (deallocate)</p>
Key Local Areas	<p><b>Tarran Industrial Estate</b> 125, 248, 300, 358</p>
De-allocate and/or release for mixed use	

Source: Lichfields' analysis

## West Wirral and Rural Areas

- 8.38 The West Wirral and Rural Areas market area covers the main settlements of Hoylake, Heswall and West Kirby and the surrounding rural areas of west and Mid-Wirral. As with Mid-Wirral, this market area is predominantly a residential area rather than an employment area. Only six sites were assessed in the market area, the majority of which are very small in size.
- 8.39 The main industrial estate in the area comprises Carr Lane Industrial Estate in Hoylake. The employment units on the estate are generally older, of lower value and occupied by local businesses. Although wider development opportunities are limited, the Industrial Estate nevertheless remains a 'Key Local Area' providing employment opportunities for Hoylake, Meols and West Kirkby residents, with few environmental constraints and good local access (although in strategic terms the Estate remains peripheral).
- 8.40 Regarding the Clatterbridge Hospital site, a large area to the south east of the site that formerly comprised a cleared area of ward accommodation was appraised. It was concluded that whilst the site may have a niche appeal as a 'medi-park' development for life science businesses if brought forward and is highly accessible to the M53 junction, it was located in the Green Belt; lacked a critical mass of employment uses given its detached location from the conurbation; and was constrained by Flood Risk. Critically, any future proposals would be framed by the adjacent sensitive uses at Clatterbridge Hospital. The site also has interest for residential development which may only be suitable subject to the future of the wider site. These factors influenced the recommendation to not allocate the site for B-Class use.

Table 8.8 West Wirral and Rural Areas Employment Area Hierarchy

Type	Employment Areas / Sites
Flagships	
Narrow Band Areas	
Key Employment Areas	
Key Local Areas	<b>Carr Lane Industrial Estate</b> 252, 356, 359
De-allocate and/or release for mixed use	<b>Other</b> 360 (Former Punch Bowl Inn, Hoylake) 343 (Darlington's Yard) <b>Clatterbridge</b> 54 (do not allocate)

Source: Lichfields' analysis

## Qualitative Factors

- 8.41 Wirral's employment land supply is weighted towards the market areas of Birkenhead and Wallasey and Bromborough and Eastham. These areas provide the greatest number of sites as well as the most area for development.
- 8.42 The Bromborough and Eastham market area is recognised by both businesses and stakeholders as providing the prime industrial space in the Borough. The quality of existing premises in Bromborough is generally good and there are recent developments built to a high quality, such as the Great Bear distribution centre on Thermal Road. Several of the sites in the market area were under construction when assessed and others are expected to commence construction later in 2017. Given the demand for industrial space in Bromborough, several stakeholders expect it to be fully developed in the short to medium term aside from the most constrained sites. It is therefore a strategic priority for Wirral's future economic growth to safeguard and prioritise delivery of sites within Wirral International Business Park.
- 8.43 The Wirral Waters scheme offers the potential to regenerate Birkenhead and Wallasey docks, reshaping the surrounding settlements and their economy. The latest proposals are for large scale mixed use and residential development in East Float, with delivery focusing on sites adjacent to Wirral Metropolitan College and the Hydraulic Tower in the short term. Simultaneously, the MEA Park development in West Float will provide new industrial and logistics space to target the Marine, Energy and Automotive sectors. The proposals are ambitious but will be supported by the EZ business rate relief and enhanced capital allowance to attract development; along with the emerging investment fund to unlock sites.
- 8.44 Whilst the Birkenhead and Wallasey market area is the administrative focus of Wirral and accommodates most office space demand, it is characterised as having poorer quality industrial premises. Whilst there are exceptions to this, parts of the market area are in need of large scale regeneration; particularly in North Birkenhead around the docks. The market area features more poor quality sites than elsewhere; many of which are recommended to be released to other uses. One issue facing the market area raised in consultations with some local businesses and stakeholders was that the Wirral Waters scheme is delaying investment, refurbishment and development of sites located in proximity to the docks. Because the market area has a large number of owner occupiers and SMEs, many are postponing development plans and holding on to assets in anticipation of a boost to market values from the Wirral Waters scheme.

- 8.45 The Mid Wirral and West Wirral and Rural Areas market areas have a small number of sites that largely cater to local needs. Because of the lower demand for both industrial and office space these market areas are not expected to have a significant role in meeting Wirral's wider employment land needs.

### Market Strengths and Weaknesses

- 8.46 Much of the stock of employment space no longer meets the needs of modern businesses. This is particularly the case in Birkenhead where there is a surplus of sites offering cheaper poorer quality premises. Whilst commercial property markets need a range of quality and price to meet the needs of businesses, in Wirral this is heavily weighted towards the lower end of the market. Vacancies are an issue and several of the assessed sites were in dilapidated conditions.
- 8.47 In light of this, 15 of the 93 assessed sites are either designated Employment Development Sites or Primarily Industrial Areas recommended to be released for other uses, such as residential or mixed use, or de-allocated. All but two of these are located in the Birkenhead and Wallasey market area. Additionally nearly a fifth of the Borough's assessed sites were rated as either very poor or poor.
- 8.48 Whilst there are challenges to the supply of employment land in Wirral there are also significant strengths. Respondents repeatedly referred to good road, rail and sea based transport accessibility, and the public transport system connects well to the wider Liverpool City Region labour market and Wirral International Business Park in Bromborough is recognised as being a prime industrial location in the Liverpool City Region and Cheshire.
- 8.49 Healthy levels of demand for industrial premises across Wirral's market areas were reported by commercial agents and stakeholders. Whilst this is typically generated by smaller sized businesses looking for units up to 930 sqm / 10,000 sq ft there is demand for medium sized units up to 1,860 sqm / 20,000 sq ft. The Bromborough and Eastham and Birkenhead and Wallasey market areas attract nearly all of this demand. Demand for larger premises up to 4,650 sqm / 50,000 sq ft is also concentrated in Bromborough and Eastham where occupiers look to benefit from the good accessibility to the A41 and M53.
- 8.50 Consultations with local businesses highlighted significant ambitions for growth. Only 16% of respondents to the business survey require premises of 200 sqm / 2,150 sq ft or smaller compared to 30% of businesses occupying these sized premises. In comparison, a quarter of respondents require larger premises between 1,000 sqm / 10,760 and 2,500 sqm / 26,900 sq ft, with a similar proportion requiring premises between 2,500 sqm / 26,900 and 5,000 sqm / 53,820 sq ft in size. When asked why businesses needed more space they reported they were growing, had secured bigger contracts, and needed larger premises with dedicated production, warehousing and office facilities. Of all respondents based in B-Class accommodation (regardless of whether they planned to relocate or not), 28% reported they did not have enough space whilst only 5% reported they had spare space.
- 8.51 In recent years there have been a number of good quality industrial developments in prime areas in Birkenhead (such as the Turbine and Lightbox developments) and in Bromborough (such as the Great Bear distribution centre). Further schemes are under construction, such as site 334 in Bromborough. 17 of the 38 sites recommended to be part of the employment land portfolio were also rated as good or very good. This would lend further support to the recommended strategic approach to release poorer quality sites to other uses and to ensure that the future employment land supply consists of better quality sites more capable of meeting the needs of businesses.

## Development Viability and Site Constraints

- 8.52 Most of Wirral's employment land portfolio is brownfield land; only 13 of the 93 assessed sites were greenfield land. This is probably to be expected given the number of sites where former industrial uses have been demolished. Take up of employment land in Wirral has been dominated by redevelopment of brownfield sites in recent years, often with gap funding. This has constrained development as the market has been driven by occupier-led demand rather than speculative build. This is in part due to the higher development costs of brownfield land compared to greenfield land. Identifying appropriate and well located greenfield sites that are suitable for employment use would therefore respond to the needs of the commercial property market.
- 8.53 One of the Core Planning Principles of the Framework is to encourage reuse of previously developed brownfield land [§17]. The assessed sites therefore respond positively to the Framework and Practice Guidance, but brownfield land can pose development challenges. For example Section 5.0 shows that viability is challenging across all of Wirral's market areas for most development typologies. Abnormal development costs, such as brownfield land remediation and topography levelling, will further challenge development viability.
- 8.54 Recent developments of new good quality industrial space in Bromborough have been delivered with grant funding or higher value ancillary uses. Because the recommended employment land supply predominantly features brownfield land there is therefore a greater challenge to delivering sites within the Local Plan period to meet the needs of businesses.
- 8.55 Consultations with stakeholders suggested that there is a case for a new strategic greenfield site that is more viable to develop than the constrained brownfield sites that have been developed in recent years. Such a site would need to be well located to respond to market demand, and have good transport links.
- 8.56 Stakeholders also highlighted that there is a risk from Wirral Waters, one of the biggest potential drivers of economic development in the Liverpool City Region, being delivered by just one landowner / developer. If delivery of this strategically important site is delayed it could result in dampened growth and continue to delay investment and refurbishment from owner occupiers located in proximity to the scheme. An alternative strategic site could therefore provide Wirral with an alternative catalyst for growth. No such site has yet been identified and none of the sites within the current portfolio would currently meet this requirement.
- 8.57 With the number of undeveloped plots diminishing in the prime industrial location of Wirral International Business Park, there will be a need to identify a suitable alternative to facilitate long term economic growth. If this is not achieved within Wirral then the economic benefits of this demand will inevitably need to be captured elsewhere within the City Region, Cheshire and North Wales. The Council should therefore consider the strategic merits of releasing an additional site as part of the Council's wider review of development options.

## Conclusions

- 8.58 The recommended employment land supply of 41 sites covering 59.5 ha (net) falls within the upper range of Wirral's local plan requirement of 34 to 78 ha estimated by the draft Liverpool City Region SHELMA. However, much of this supply is expected to be delivered towards the end of the plan period, and it is concentrated in the Bromborough and Eastham market area. Ways to accelerate the delivery of sites should be investigated, and finding alternative sites capable of providing good quality space for employment use should be considered.
- 8.59 The recommended supply has particular strengths in the Bromborough and Eastham market area, with a number of good quality sites available. However, as Wirral International Business

Park is running out of undeveloped plots Wirral Council should consider where demand for good quality industrial sites will be accommodated in the future. There is also a clear regeneration challenge in Birkenhead and Wallasey with its prevalence of poorer quality premises that increasingly do not meet the needs of modern businesses.

- 8.60 Wirral needs a robust portfolio of employment land that responds to the commercial reality. The recommended employment supply reduces the reliance on poorer quality sites, predominantly from within the Birkenhead and Wallasey market area, and retains the better quality sites that are most suitable for continued B-Class employment use.

## 9.0 Conclusions and Recommendations

- 9.1 This section outlines the conclusions and recommendations for Wirral Council to plan for sufficient employment space to meet growth aspirations in the emerging Local Plan. The section also highlights potential policy approaches and other measures to support economic growth.

### Context

- 9.2 Wirral Council appointed Lichfields and Lambert Smith Hampton to undertake this ELPS with the aim of recommending an appropriate employment land portfolio for the Borough. The study forms part of the Council's evidence base for its emerging Local Plan which will set out the B-Class employment land portfolio up to 2033.
- 9.3 This report has recommended an appropriate employment land portfolio for Wirral to meet the needs of local businesses and attract inward investment. Emphasis is placed on the suitability, deliverability and viability of sites and land for employment use. The report does not assess the overall scale of the demand for employment land which is to be considered in a separate report; the Liverpool City Region Strategic Housing and Employment Land Market Assessment [SHELMA].
- 9.4 The study conforms with the recommended methodology for assessing the existing and future supply of land available for economic development as set out in the National Planning Policy Framework [the Framework] and Planning Practice Guidance [the Practice Guidance].

### Economy

- 9.5 Wirral's economy is strengthening following more challenging years during the recession that followed the global financial crisis. Job growth rates in Wirral are currently higher than the rest of the North West region, and the unemployment rate has been lower than the region or UK in recent years. Employment has only just reached its pre-recession levels, however, and there are still areas of concentrated deprivation in the Borough.
- 9.6 Wirral benefits from high resident earnings and low workplace earnings which both improve its attractiveness as a place to do business. Business birth rates were higher than the regional or UK averages between 2010 and 2015. Wirral also benefits from its proximity and access to key growth areas in Liverpool, Manchester, Chester and North Wales.
- 9.7 Economic restructuring has however been a challenge for Wirral like much of the North West. Employment in some key industries such as manufacturing, construction and ship building has shrunk over the last decade, and there is an over representation of employment in retail and the public sector. In contrast to this, there has been relatively strong job growth in the knowledge economy over the last decade, and particularly business services, health and ICT. The turbulence caused by economic restructuring has been exacerbated by a declining population which has just halted in recent years.
- 9.8 Looking ahead there are both opportunities and challenges facing Wirral's economy. Its strengths in business services and workforce representation of professional occupations mean that it is well placed to capitalise on future growth in the knowledge based economy. However, whilst its workforce has comparable degree level attainment to the rest of the region it falls behind the rest of the UK. The working age population is forecast to shrink in Wirral which could cause problems for overall labour supply and increase the skills replacement needs of businesses.

## Market Conditions

- 9.9 The UK's economic growth has been stronger than expected following the EU referendum and forecast growth has dampened only moderately for 2017 and beyond. In part, the lower value of sterling is helping exporters and manufacturers, and increasing the attractiveness of property to overseas investors. The UK's commercial property market has seen significant growth in the distribution sector in recent years, driven by retail and internet shopping. In the core cities, office space is largely driving demand but elsewhere the industrial sector is typically more dominant, especially in the North West.
- 9.10 Wirral's commercial property market is driven by the industrial sector rather than office space. In recent years the office stock has grown more slowly than in the rest of the North West, and industrial stock has seen less of a decline. Completions have averaged at c.6.8 ha a year, with B2 industrial forming the majority of this, whilst annual losses have averaged at 1.13 ha. Reflecting the industrial heritage of Wirral and the prevalence of brownfield land, only 13% of completions were on greenfield land.
- 9.11 Both the Council's monitoring data and consultations with commercial agents and developers highlighted that the industrial sector is driving demand and enquiries for business space in Wirral.
- 9.12 Industrial demand is particularly driven by businesses looking for smaller premises up to 930 sqm / 10,000 sq ft to 2,320 sqm / 25,000 sq ft, though there are also relatively frequent enquiries for larger premises above 9,300 sqm / 100,000 sq ft. Commercial agents reported that the shortage of smaller industrial premises was constraining business growth. There have been several good quality industrial developments in Wirral in recent years, though this has been occupier led rather than speculative development.
- 9.13 The office market is typically characterised by smaller secondary converted premises above shops in town centre locations. However there are a number of good quality purpose built premises in Birkenhead and Bromborough.
- 9.14 Wirral's employment land supply has been dominated by redevelopment of brownfield sites in recent years, often with gap funding. This has constrained development as the market has been driven by occupier-led demand rather than speculative build. This is in part due to the higher development costs of brownfield land compared to greenfield land. Identifying appropriate and well located greenfield sites that are suitable for employment use would therefore respond to the needs of the commercial property market.

## Future Requirement

- 9.15 Wirral Council may choose to allocate a quantity of employment land over and above any objectively assessed need. For instance if it was felt that a previous lack of good quality employment developments has resulted in unmet demand, or spatially imbalanced supply across the Borough.
- 9.16 The draft Liverpool City Region SHELMA indicates a potential requirement of between 57 and 130 ha of B-Class land in Wirral Borough for the period 2012 to 2037. If this is pro-rated to the Wirral Local Plan period to 2033, the range narrows to 34 to 78 ha. Wirral's requirement for B-Class space over the plan period is summarised in Table 9.1. It should however be noted that this excludes the assessment for the additional need for sites for large scale B8 use which the SHELMA will consider at the wider Liverpool City Region level.

Table 9.1 Forecast net requirement for Wirral Local Plan period up to 2033 (ha)

Scenario	B1	B2	Small scale B8	Total	Margin	Total + Margin	Surplus (Total + Margin - Overall portfolio, @ 143.6 ha net)	Total + Margin - Recommended supply @ 59.5 ha net
Baseline scenario (6,600 FTEs)	13.44	6.78	0	20.22	13.8	<b>34.02</b>	<b>+109.6</b>	<b>+25.5</b>
Growth scenario (11,500 FTEs)	17.1	7.44	0	24.6	13.8	<b>38.4</b>	<b>+105.2</b>	<b>+21.1</b>
Past completions	15.66	53.4	8.7	77.76	0	<b>77.76</b>	<b>+65.8</b>	<b>-18.26</b>

Source: GL Hearn (2017) Draft Liverpool City Region Strategic Housing & Employment Land Market Assessment, Lichfields analysis

Note: Overall Portfolio = 143.6 ha, Recommended Supply = 59.5 ha

## Accommodating Growth

- 9.17 In total, 93 sites were assessed, covering 237 ha (gross) of land. The recommended employment land supply comprises 41 sites with a combined net developable area of 59.5 ha, as set out in Section 7.0 and summarised in Table 9.2. The majority of the recommended supply relates to 8 retained Employment Development Sites and 26 retained Primarily Industrial Area designations. A further four potential sites are considered suitable employment sites and are recommended to be allocated for B-Class use. The Borough's employment land supply also consists of three extant planning permissions with a total of 0.2 ha net developable area for B-Class employment use.
- 9.18 Discounted from this recommended employment land supply (but retained in the overall portfolio) are 13 Wirral Waters sites of strategic importance to the wider Liverpool City Region, 12 sites appropriate for mixed use development, and 17 sites safeguarded for long term employment use. The mixed use sites may contribute additional B-Class employment space within the plan period, but by their very nature the quantum of this cannot be accurately predicted in advance of planning applications being submitted, however they are likely to predominantly provide for B1a/b/c and related uses.

Table 9.2 Summary of Site Recommendations

Employment land portfolio recommendations	No of sites	Gross ha	Net ha
<b>Recommended retained and allocated sites and new allocations</b>	<b>38</b>	<b>85.3</b>	<b>59.4</b>
Employment Development Site – retain designation	8	26.1	23.2
Primarily Industrial Area – retain designation	26	38.7	23.3
Potential site – allocate for B-Class employment	4	20.3	12.9
<b>Extant planning permissions</b>	<b>3</b>	<b>-</b>	<b>0.2</b>
<b>Recommended employment land supply (excluding Green Belt, mixed use, safeguarded and Wirral Waters)</b>	<b>41</b>	<b>85.3</b>	<b>59.5</b>
<b>Mixed use sites</b>	<b>12</b>	<b>17.1</b>	<b>16.3</b>
Employment Development Site – release for mixed use development	5	10.0	9.8
Primarily Industrial Area – release for mixed use development	5	4.9	4.3

Employment land portfolio recommendations	No of sites	Gross ha	Net ha
Potential site – allocate for mixed use development	2	2.2	2.1
<b>Safeguarded expansion land</b>	<b>17</b>	<b>52.9</b>	<b>38.3</b>
<b>Wirral Waters sites</b>	<b>13</b>	<b>53.2</b>	<b>29.4</b>
Of which B-Class employment	5	26.5	22.3
Of which safeguarded for long term employment use	1	2.0	0.0
Of which mixed use development	7	24.7	7.1
<b>Total employment land portfolio</b>	<b>83</b>	<b>208.5</b>	<b>143.6</b>

Source: Lichfields analysis (note figures are rounded)

- 9.19 In light of the recommended employment land supply a number of options emerge to accommodate growth:

### 1. Allocate New Industrial Sites

- 9.20 The option of allocating additional sites for industrial development would increase the current choice of sites and provide the Borough with new development opportunities of the size and scale necessary to allow local businesses to expand. This is particularly important as a significant amount of demand for premises and development in the Borough is driven by local businesses. Several agents reported that they had unmet enquiries from local businesses looking for new premises. This option should be set out in more detail in a new Policy of the emerging Local Plan, setting out precise locations and sites to allocate.
- 9.21 Within the current economic climate, focus should be placed upon sites in areas of strongest market demand. Whilst there are robust levels of demand for industrial premises across the Borough, the Bromborough and Eastham market area receives the greatest level of interest. Agents reported that in Mid Wirral and West Wirral market areas demand is driven primarily by local indigenous businesses. The demand for industrial premises is primarily from manufacturing and light engineering businesses; distribution businesses tend to locate in Wirral International Business Park where there is good access to the M53. There is a particular shortage of industrial/distribution sites up to 930 sqm / 10,000 sq ft across the Borough, but there is also demand for larger premises above 9,300 sqm / 100,000 sq ft. Demand is concentrated in Bromborough and Eastham, though there is also demand in sites in Birkenhead and the Wirral Waters EZ where there is also good access to the M53. The most popular industrial estate, Wirral International Business Park, is nearly fully developed with significantly fewer sites now available.
- 9.22 Lichfields therefore considers that the focus should be on providing further industrial and warehousing allocations in Wirral despite the greater demand for office space forecast at the City Region level in the draft SHELMA particularly as past completions demonstrates that industrial and distribution-based demand has driven development in the Borough in recent years.
- 9.23 In contrast, although the econometric projections suggest a potential growth in office jobs over the plan period in the Borough, there are concerns regarding the amount of office space that is required in the local context. The office market in Wirral is predominantly focused on Birkenhead, and faces competition with nearby Liverpool. Demand is predominantly from local SMEs looking for small office spaces. This is likely to continue for the short term at least until the Wirral Waters scheme develops further and begins to provide larger-scale higher quality office accommodation.

- 9.24 This is partly because the office market remains relatively weak due to the proximity of the Borough to far more established office centres such as Liverpool and Manchester. Further substantial office allocations could serve to further weaken the attractiveness of secondary office space in Wirral. Furthermore, the current stock of office space in the Borough is biased towards refurbished buildings rather than purpose-built accommodation. Most office enquiries are from local businesses and there is considered to be insufficient demand for significant new build premises in the short term.
- 9.25 In the light of this market intelligence, the best performing potential new allocations are set out in Section 7.0. Of the 12 potential new sites that were appraised, only four sites, totalling 12.85 ha (net), could be considered for allocation for B-Class uses in the emerging Local Plan. A further two potential mixed use allocations could provide 2.12 ha (net) but only a portion of these sites would be developed for B1 employment use during the plan period.
- 9.26 An additional 12 potential sites within the Wirral Waters market area were recommended for either B-Class or mixed use development. However these are expected to have a strategic role for the wider Liverpool City Region and attract inward investment rather than catering to the needs of local businesses; as such they should be treated as separate from the Borough's employment land supply.
- 9.27 The recommended B-Class allocations should be considered by Wirral Council as it prepares its emerging Local Plan; this analysis is intended to act as a starting point that will provide the Council with the flexibility to begin to allocate sites that most closely fit with its wider policy aspirations.

## **2. Intensification of Existing Sites**

- 9.28 The upgrading and refurbishment of existing industrial areas (and where possible, redevelopment so that they can be used more efficiently) provides a further option for accommodating future requirements. Better utilisation of the existing industrial stock could be achieved through gradual redevelopment of individual plots, for example replacing a large older unit with a development of modern smaller units for which there is stronger demand. There is a particular need for this in the Birkenhead and Wallasey market area which has a prevalence of poor quality and older premises, much of it dating to the 1950s.
- 9.29 There may be limited scope to upgrade and renew some of the poorer performing sites, to ensure that this space remains attractive and viable to the market. In the first instance this approach could focus on older employment sites that do not currently reflect modern working layouts, densities, technology and premises and perform relatively poorly based on recent site assessments. In particular, older industrial and dock related buildings should be targeted as these form many of the poorer-rated sites. This may comprise redevelopment, although qualitative improvements can also be delivered through refurbishment of existing buildings (to an extent).

## **3. Policy Delivery Mechanisms**

- 9.30 Alongside provision of new supply as noted above, upgrading and renewal of the Borough's existing office stock will also be important. It will not only ensure that this space remains attractive to the market, but may also provide the opportunity to create some additional supply. This may comprise redevelopment, but qualitative improvements can also be delivered through refurbishment of existing Victorian buildings (to an extent).
- 9.31 Barriers to the redevelopment of industrial premises in the Borough include viability challenges and brownfield land remediation. A greater proportion of lower quality premises in Birkenhead and Wallasey means that standards provided by landlords are often lower than is achieved in

more desirable locations such as Bromborough and Eastham. Consultations with stakeholders highlighted that for some specific premises this is exacerbated by landlords sitting on assets in anticipation of a potential rise in values associated with the Wirral Waters scheme rather than refurbishing their premises. Better utilisation of the stock on such sites could be achieved either through gradual redevelopment of individual plots (e.g. replacing a large older unit with development of modern small units, particularly move on workspace for which there is good demand), or the sub-division of larger units.

- 9.32 Viability testing in the planning context is about the viability and deliverability of property development. Conventional residual appraisal of employment development across the Wirral identifies viability issues for new build development, simply because potential returns (gross development value) will generally be outweighed by the total costs of development (build costs, professional fees, land, profit, etc.). As can be seen clearly through the developments that have been brought forward (such as Lightbox in Birkenhead and Riverview in Bromborough), where Wirral Council and others have created the right environment, employment development is being delivered. Consultations with commercial agents, developers and other stakeholders highlighted that Wirral Council should work with partners such as the Liverpool City Region LEP and HCA to support delivery of employment sites where viability is challenging development. This could include supporting elements of cross subsidy with higher value uses as part of wider employment developments, such as trade counters or food outlets. Additionally grant funding mechanisms or rent commitments could help de-risk development.
- 9.33 Based on experience elsewhere, qualitative improvements on the larger estates could also include the stripping and repainting of older industrial units, and making environmental, security and traffic management improvements through a Business Improvement District [BID] mechanism. Similar processes of gradual upgrading could be encouraged in larger industrial areas to ensure they can make a positive contribution to meeting some of Wirral's future growth requirements. For example the delivery of Wirral Waters is a long term and ambitious proposal. It is anticipated that there will be phased delivery of MEA Park in West Float, which will involve redeveloping brownfield land and existing employment sites.
- 9.34 There may also be some potential to explore different funding sources to enable SMEs to upgrade premises or develop new premises if the market does not deliver these improvements. This could be through either gap funding assistance or de-risking improvements through up-front finance or contractual guarantees. This could include a number of forms of direct Council or LEP financial support, such as a Business Improvement Grant, and direct lending to small firms and/or mortgage support. Such measures may be hard to fund in the current economic climate but could be worthwhile future actions.
- 9.35 Section 106 agreements could potentially be used, either directly or indirectly, to deliver workspace. This particularly applies to schemes which involve a mixed-use redevelopment of existing employment land. Provision could be either on-site or in some cases at an alternative location. It should be noted that the ability for projects to generate sufficient profit to enable such levies may be limited in all but the most buoyant markets, and is likely to vary on a site-by-site basis. Any requirement to use S.106 to cross fund employment development from residential or retail uses will need to be underpinned by strong evidence justifying the need and viability of such an approach. Wirral Council may also wish to explore the potential for using Community Infrastructure Levy [CIL] to deliver infrastructure, such as highways and communications infrastructure, to support the delivery of employment sites. This would be subject to such provision according with the legislation and regulations governing CIL.
- 9.36 Whilst this approach offers the prospect of new employment space in Wirral, there are some potential problems in ensuring such provision is attractive to the market. The layout of the site

and uses, particularly for mixed-use schemes, can make a significant difference to their commercial appeal, with most office occupiers for example wanting a relatively high profile location towards the front of a site and without any potential for amenity conflicts. In addition, there may be issues about matching the type of space delivered to demand in that area.

- 9.37 Where the development lies within an area of low industrial and office demand, subject to the legal provisions governing such approaches, funding from sources such as CIL or S.106 contributions could be pooled and used to develop workspace space on other sites, perhaps including those in Council ownership, and loans or grants to firms to support upgrading of premises. This could also potentially be used to fund further enterprise or incubation workspace.
- 9.38 It may be appropriate to explore opportunities to de-risk planning issues for certain types of development, in a way that is appropriate to the site context. This could include, for example, Local Development Orders [LDOs], design codes, or other forms of planning brief to provide greater certainty on the types of development that will be supported by the Council. This is particularly relevant for large scale logistics and distribution developments. As technology in the logistics sector becomes more sophisticated, such as automated racking systems, its requirement for space is changing. Developers are highlighting that these technologies are becoming so important to the efficient operation of modern logistics companies that buildings need to be designed around them, rather than retrofitting the technology to a building. With the logistics market still being occupier led rather than speculative in all but the top prime locations, there needs to be a degree of flexibility to help bring forwards large B8 developments that are occupier led. This is because the space and spatial configuration required by occupiers can change rapidly as technology progresses; developers need to accommodate these changes. Such an approach would give greater flexibility to developers and occupiers in terms of the spatial configurations and size of developments, and in turn boost market confidence and decrease lead in times.
- 9.39 LDOs allow Councils to identify specific areas or sites where express planning permission is not required for certain types of development. Examples applying to industrial estates, could include alterations or certain levels of extensions to premises, construction of new employment premises within specified limits, and some types of change of use. In some situations, this approach could provide benefits to occupiers or developers through greater flexibility, speed, certainty of outcome and reduced cost.
- 9.40 Mixed use schemes can also be a way forward in delivering some new office or industrial space. This is more likely to be effective on larger sites which offer greater flexibility whereas most of the potential mixed use allocations identified in Wirral are less than 2 ha net developable area.
- 9.41 The market alone is unlikely to deliver these improvements. Encouragement for owners and developers may be necessary, and could be aided by a range of planning and economic development interventions including:
- 1 A Local Plan policy encouraging such forms of upgrading, although this will only work in combination with other actions;
  - 2 Continued and stronger Local Plan policy protection for certain industrial sites (reducing the potential for residential 'hope value' pricing out development);
  - 3 Local initiatives to publicise to local firms case studies of successful upgrading of business premises, including costs, local contractors involved and rental or other benefits achieved;
  - 4 Encouragement of mixed use developments to help facilitate and cross-subsidise the creation of B-class premises; and
  - 5 Wirral Council Economic Development Officers engaging with owners on upgrading of premises.

## Spatial Distribution and Delivery Trajectory

- 9.42 Table 9.3 shows the distribution of the total net developable area provided by the recommended employment land supply across each market area and five year periods within the Local Plan. More than half of the recommended employment land supply is expected to be delivered in the last five years of the plan, and more than two thirds of the total supply is expected to be provided in the Bromborough and Eastham market area. The amount of employment land supplied by the Birkenhead and Wallasey market area is expected to decrease over the short to medium term before increasing towards the end of the plan period. This is because the most readily developable sites included in the recommended supply for the market area are smaller infill development plots.
- 9.43 The employment land supply is heavily weighted towards the end of the plan period and to the Bromborough and Birkenhead market area. This raises the argument that grant funding or other mechanisms should be considered to accelerate delivery of the good quality but constrained sites in Bromborough and Birkenhead. Additionally, the Council should consider qualitative arguments for allocating new strategic sites that are more readily developable than the constrained brownfield sites that characterise much of the supply.

Table 9. .3 Distribution of Net Developable Area provided by the Recommended Portfolio by Market Area and Delivery Timescales

Market Area	2018 to 2023	2023 to 2028	2028 to 2033	Plan period 2018 to 2033
Birkenhead and Wallasey	7.2%	3.3%	17.5%	27.9%
Wirral Waters Enterprise Zone	0.0%	0.0%	0.0%	0.0%
Bromborough and Eastham	20.1%	16.4%	30.6%	67.1%
Mid Wirral (Moreton, Greasby, Upton)	0.4%	1.9%	2.5%	4.8%
West Wirral and Rural Areas	0.0%	0.0%	0.0%	0.0%
Extant planning permissions	0.3%	0.0%	0.0%	0.3%
<b>Total</b>	<b>27.9%</b>	<b>21.5%</b>	<b>50.5%</b>	<b>100.0%</b>

Source: Lichfields' analysis

## Other Policy Issues

### Wirral Waters and the Former Dock Estate

- 9.44 The Wirral Waters market area covers much of the current and former dock estate in Wallasey and Birkenhead. It will be vital for Wirral Council to ensure that any proposed developments featuring sensitive receptors that would adjoin the Wirral Waters EZ (and particularly MEA Park) do not compromise the future deliverability of the employment proposals prior to delivery. For example, if site 66 (Former River Streets, Beaufort Road) were to come forward for residential use it should be designed in such a way that it will not prohibit or undermine future proposals for large scale B1/B2/B8 development at the adjacent MEA Park.
- 9.45 Whilst a significant proportion of the former dock estate was assessed in this study, Wirral Council did not request that Lichfields review all of the active sites in this area, as the port operator still expects large areas to remain in port-related use during the plan period. Whilst

every proposal should be treated on its merits, in very general terms the existing uses within the former dock estate are appropriate in the current context/phase of development. In the long term however there will clearly be a wide-ranging transformation of the dock estate, which is likely to extend beyond the plan period and which could radically change the mix of uses (particularly to the east) that could potentially be accommodated. Wirral Council will need to be mindful of this when planning the wider regeneration of this part of Birkenhead. The current masterplan for the area broadly envisages East Float coming forward for a mix of C2/C3 residential/B1/D1/D2 and Sui Generis uses over the plan period, whilst West Float is intended for B1c/B2 and B8 uses.

### Affordable Space for Small Businesses

- 9.46 As noted in Section 4.0 there is a shortage of good quality industrial premises, with smaller premises up to 930 sqm / 10,000 sq ft being in particularly high demand from local SMEs. The demand is concentrated in Bromborough though there is also a need in Birkenhead and Wallasey and to a lesser extent in Moreton. Agents reported that they had unmet enquiries from local businesses looking for premises to expand into.
- 9.47 Agents and developers highlighted there was a need to provide flexible space that could be adjusted to meet the needs of businesses, for example terraced unit schemes that can have flexible internal wall placements. Such premises should be let on relatively flexible, short term leases, which are attractive to small businesses and can help them to grow. With a large base of SMEs there is a need to provide such accommodation in Wirral. Demand for this type of small scale, affordable space is also likely to continue to grow in future as businesses increasingly seek flexible and efficient workspaces.
- 9.48 Whilst re-development and intensification of the Borough's existing employment sites should be encouraged to allow sites to be used more efficiently and accommodate additional employment space, it will be important to re-provide any cheaper or affordable business units that currently occupy these sites either on-site or elsewhere within the Borough. This could involve delivery of new, purpose-built space and/or the refurbishment of older accommodation into affordable start-up space. Based on experience elsewhere, two approaches to providing such premises could be considered:
- 1 Seek provision of small units within larger employment developments, residential or mixed use schemes. This could be achieved as part of the S.106 obligations with the developer delivering the units for management by the Council or another operator. Caution will be needed in periods of market uncertainty to ensure this does not delay or even prohibit delivery of potentially valuable development.
  - 2 Encouraging conversion or sub-division of older industrial space into a number of small, lower cost units which can provide a more cost effective option than provision of new bespoke space. If the market did not bring this forward, such a scheme could be instigated by the Council with a development partner or consortium.

### Monitoring

- 9.49 Reflecting the Practice Guidance, it will be important to monitor future changes in the demand and supply of employment space to identify changing patterns and inform any policy responses required. Wirral Council currently monitors planning permissions granted for B-Class employment uses in the Borough on an on-going basis and records them in Annual Monitoring Reports [AMRs].
- 9.50 Specific items which it could be useful to monitor are identified below and should be incorporated into a re-booted Monitoring Framework of the emerging Local Plan:

- 1 Levels of future demand for office/industrial space and which range of future requirement estimated by the draft SHELMA this best relates to;
- 2 How much of the currently identified supply of employment space commitments are likely to come forward and whether any new sites emerge;
- 3 The extent and type of any losses of existing employment land to non B-class uses, particularly residential (part of the on-going monitoring of office losses under the amended Permitted Development Rights). This will need to incorporate the proposed changes to Permitted Development Rights to include B1c and B8 uses; and,
- 4 Any on-going deficiencies in provision for specific types of employment premises (e.g. small, low cost, business or industrial units).