



Wirral Waters

East Float Outline Planning Application

Regeneration Statement

11 December 2009

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Introduction

- 1.1 This Regeneration Statement is provided in support of the outline planning application by Peel Land and Property (Ports) Ltd for the redevelopment of East Float. The Statement has been prepared by Turley Associates and Regeneris Consulting.
- 1.2 A full description of the scheme proposals can be found within the Planning Statement, the Design and Access Statement (DAS) and the Environmental Statement (ES) submitted with the outline application.
- 1.3 The project is visionary, large scale and long term in its nature. It represents a marriage of regeneration need and opportunity on an unprecedented scale. This statement sets out the following:
- Section 2 presents the key regeneration needs and challenges in the area; and
 - Section 3 presents the opportunity and benefits that can be derived from the East Float project.
- 1.4 There are four appendices, each dealing with a specific regeneration theme:
- Appendix 1 – Enterprise;
 - Appendix 2 – Skills & Employability
 - Appendix 3 – Social & Community Infrastructure; and
 - Appendix 4 – Viability Statement
- 1.5 Each of these Appendices contains information on how regenerative impacts can be maximised through the delivery and implementation process.
- 1.6 The Regeneration Statement should principally be read alongside the Planning Statement, the Housing Statement, the Retail, Office & Leisure Statement and the Markets & Future Statement that accompany the planning application.
- 1.7 This Statement should also be read alongside the relevant sections of the *Wirral Waters Baseline Study*, and also the following Stage 3 Guiding Principles documents. Alongside the Vision Statement, these documents have been produced to set out the 'Guiding Principles' for the project. These are the working embodiment of how Wirral Waters will deliver the Vision. Each Guiding Principles Document is owned by one of the Working Groups established between partners to inform, guide, shape and crucially, realise, the project.
- 1.8 Each Guiding Principles document will be taken forward and delivered through individual masterplans and proposals brought forward within the SRF area, and through partnership working between Peel Holdings, Wirral Council and other key stakeholders such as the Homes and Communities Agency, the North West Regional Development Agency, Merseytravel and a range of other local, regional and national groups.
- 1.9 The Guiding Principles documents which should be read in conjunction with this statement are:
- Guiding Principles: 1. Planning & Implementation;
 - Guiding Principles: 3. Sustainability & Physical Infrastructure;
 - Guiding Principles: 4. Transport;
 - Guiding Principles: 6. Markets & Futures;
 - Guiding Principles: 9. Enterprise and Innovation;
 - Guiding Principles: 12. Skills and Employability;
 - Guiding Principles: 13. Housing; and
 - Guiding Principles: 14. Social & Community Infrastructure.

Regeneration Needs and Challenges

Major economic challenges, profound socio-economic consequences

- 2.1 Wirral's economy has under-performed over the short, medium and long-terms. The prolonged decline of traditional industries has been followed by the loss of many important replacement industries and employers. This has been coupled with a failure to attract, create and sustain sufficient new economic activity in higher value adding and growing sectors, particularly within the service sector.
- 2.2 Wirral's employment and economic base (particularly in 'Inner Wirral' as defined by the HMRI area) is marked by an over-reliance on public sector employment and a small private sector. The private sector employer base in Wirral is over-reliant on declining industries, and on low-value adding service sector activities that serve and rely on already weakened local markets.
- 2.3 This underperformance has fundamentally weakened Inner Wirral's *supply-side offer* (the quality of the environment, housing stock, quality of life and the supply of skilled labour). This now severely limits Inner Wirral's ability to secure future growth and regeneration. Inner Wirral is now locked firmly into a low-value added – low growth trajectory economy, in which the shortfall of economic opportunities leads to outward migration of the most mobile and skilled workers, reduced demand for housing and local services, further reductions in the quality of life available to new and existing residents resulting in further weakening of the economic base.
- 2.4 Wirral, and in particular, Inner Wirral, has been unable to take full advantage of wider socio-economic trends and regional and national economic growth over the last 15 years. The sectoral composition of Wirral's economy is such that it is simply poorly geared to take full and proper advantage of wider economic growth. Indeed, the employment base actually shrank in Wirral during a time of strong national and regional employment growth between 2003 and 2007 employment in Wirral fell by some 5%, or 5,500 jobs, while England saw growth of 3%.
- 2.5 The sectors and activities that have, and that will in future, drive economic growth are poorly represented in Wirral. As a result, when the UK economy begins to grow, Wirral will continue to underperform. All things being equal, it is likely that the economic downturn in Wirral will be longer lasting and that future growth will be weaker and more fragile.
- 2.6 Substantial and prolonged public sector investment in economic development and regeneration has had some minor, localised positive yet unsustainable impacts however Wirral has still been unable to break out of its lower value adding–low growth trajectory. This under-performance has had profound socio-economic consequences, particularly within central, eastern Wirral, with deprivation being both widespread and intense (as demonstrated below).
- 2.7 Wirral's economic structure is such that Wirral is fully exposed to further decline. Public sector employment is expected to contract significantly and is unlikely to reach current levels for the foreseeable future. Lower value added manufacturers and low-value added local service sector activities are similarly vulnerable. The public sector resources available to support economic development and regeneration are expected to contract substantially on Merseyside in the next few years (with the impact of the transition from Objective One status now exacerbated by the recent deterioration of the public finances).
- 2.8 Without major and prolonged investment - led by the private sector - to improve the supply-side offer (including the quality and profile of business and residential accommodation), Wirral will be unable to break out of its current economic trajectory, and this under-performance will continue to make its mark in communities across Wirral. To break out of this trajectory Wirral will need to address successfully a number of issues including the twin challenges of productivity and participation. This requires:
- Economic sector diversification; and
 - Improving the productivity of those in work; and
 - Improving participation rates (ensuring that more people in Wirral move from worklessness into employment).
- 2.9 It will be essential to broaden the range of economic sectors within the area, to increase the scale of economic development, increase the productivity of businesses and the participation rates within the area through action to ensure that residents are able to secure and retain employment.
- 2.10 The second of these priorities will require getting more value out of each business and employee. Individual businesses, irrespective of which sector they operate in, must become more productive.

Table 1: Wirral's Economic Dashboard

Indicator	Change	Direction of Travel	Relative Performance
Employment Rate (Apr 2004 – March 2009)	-0.8 percentage points	↓	↓
Economic Activity Rate (Apr 2004 – March 2009)	-3.3 percentage points	↓	↓
Employment Density (2007)	0.61	↓	↓
GVA per Capita (2000-2006)	+ 28%	↑	↓
Total Employment (2003 -2007)	-5% (fall of 5,500)	↓	↓
Knowledge-Based Industries (% of total employment, xx)	+ 1.1 percentage points (23.1)	↑	↓
Index of Multiple Deprivation 2007 (rank out of 354 districts)	All domains – 60 th Employment – 8 th Income – 21 st		
Population change (1998-2008)	-2.9% (a fall of 9,100 residents)	↓	↓
Years of Potential Life Lost	95.4 years of lost life per 1,000 residents.	-	↓

presented analysis of the communities adjoining Wirral Waters¹ and eastern Wirral more widely. The pattern of this deprivation, and its concentration and intensity in the communities surrounding the Wirral Waters area is shown in Figure 1 overleaf.

2.16 A number of other points have emerged from analysis:

- A poor performance on wealth-generation:**
 In 2006 (the latest year for which local Gross Value Added data is currently available), Wirral had the third lowest GVA per capita in the United Kingdom (at £11,199) and the lowest GVA in England. Only two deeply rural districts in Wales generated lower GVA per capita than Wirral.
- Low employment density:** In 2007 Wirral had an employment density of just 0.61 (i.e. there are 0.61 jobs for every working-age resident. This compares to 0.8 in the North West and 0.84 in England. Moreover, employment density in Wirral has fallen from 0.64 in 2003 to 0.61 in 2007.
- A weak enterprise culture:** In 2007 there were 29 VAT registrations per 10,000 resident adults (16+) compared to England average of 43. In order to bring Wirral up to the regional average (VAT registered) business density (the number of VAT registered businesses per 10,000 residents), Wirral would need more than 2,000 additional businesses.
- Persistently high levels of worklessness:** The Annual Population Survey found that Wirral has an economic activity rate of 75.3% in the quarter to March 2009, compared to 76.5% in the North West and 79% in England. To equal the national economic activity rate Wirral would need an extra 7,000 people to become active. Between April 2004 and March 2009 Wirral's employment fell by 0.8 percentage points, whilst in contrast the employment rate across England rose by 0.6 percentage points in the same period. In eastern Wirral, worklessness is even more of a critical issue. In May 2009 nearly 26,000 residents (X% of the population of the area) in Eastern Wirral were in receipt of some form of benefit (up 10% on the previous year), compared to the national average

2.11 Therefore, a key objective of local economic development policy must therefore be to grow, attract and retain a much broader range of key value added activities (including so-called knowledge economy activity), particularly in the services sector. To do so it will be important to take full advantage of key assets, including waterfront business locations, in order to help drive sectoral change. The development of East Float and Wirral Waters more widely represents an outstanding, and unique opportunity to reinvigorate and re-position Wirral's economy, changing its trajectory and raising Wirral's profile as a business location.

2.12 Table 1 (above) provides a brief summary of Wirral's recent economic performance against key indicators,

demonstrating trends on socio-economic measures and its performance relative to the national average.

2.13 A number of important observations can be made from this review of performance.

2.14 In the Index of Multiple Deprivation (IMD) 2007, Wirral is ranked as the 60th most deprived district of 354 districts in England. This high ranking is driven by high levels of deprivation in the *Employment* and *Income* domains of the IMD, where Wirral is ranked 8th and 21st respectively. This deprivation is concentrated in inner and eastern Wirral, where 22 Super Output Areas are in the 3% most deprived in England.

2.15 The Socio-Economic Baseline Study for Stage 2 of the Wirral Waters Strategic Regeneration Framework

1 This work was undertaken in January 2007 and therefore drew upon the IMD 2004.

of 4.8% in the same month. This figure included 17,800 in receipt of the main out of work benefits (Jobseekers Allowance and incapacity benefits), up 15% in the last year. Worklessness is particularly concentrated in and around the Wirral Waters area. Most recently, the Birkenhead parliamentary constituency was found to have the second highest rate of benefit claimants out of all 628 constituencies in the UK in league tables published by The Conservative Party in November 2009.

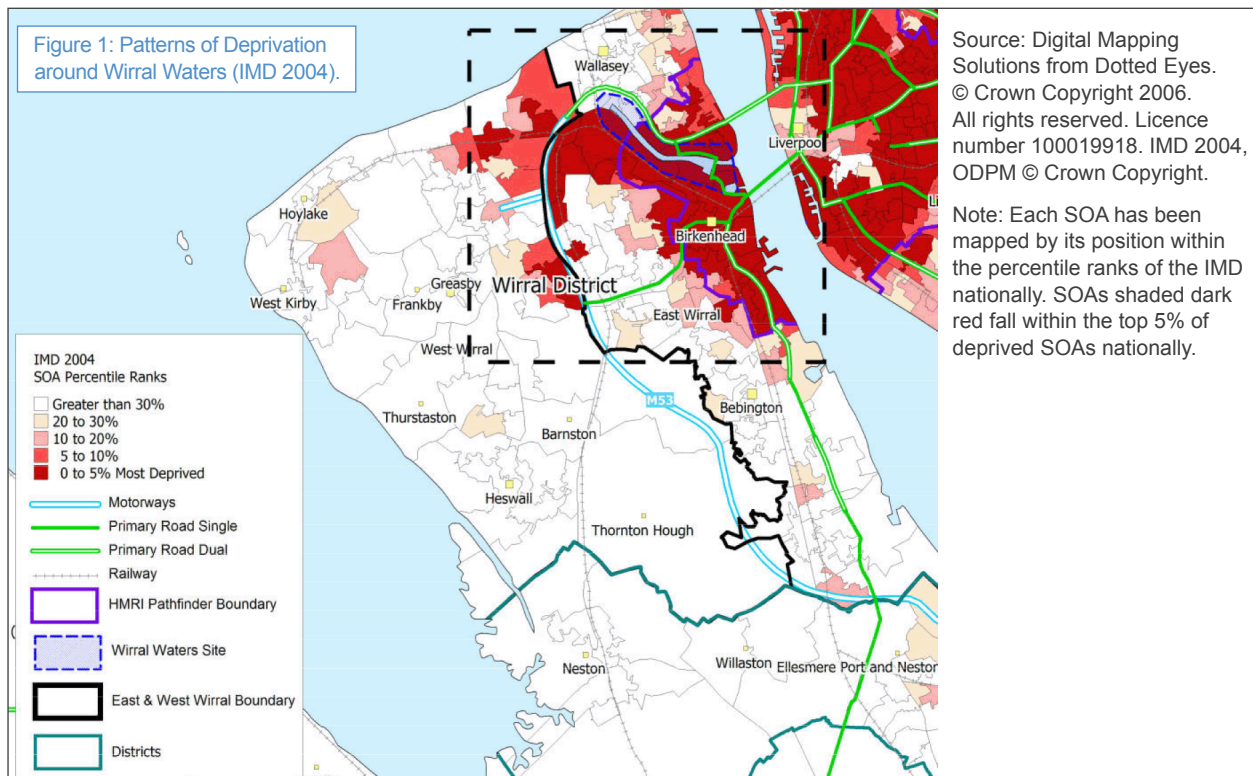
- Deprivation that is both widespread and intense:** In the communities surrounding the Wirral Waters area, relative multiple deprivation is both widespread and intense. In the Index of Multiple Deprivation (IMD) 2007, Wirral is ranked as the 60th most deprived district of 354 districts in

England. This high ranking is driven by high levels of deprivation in the *Employment* and *Income* domains of the IMD, where Wirral is ranked 8th and 21st respectively. This deprivation is concentrated in inner and eastern Wirral, where 22 Super Output Areas are in the 3% most deprived in England.

- Negative demographic consequences:** Over the period 1998-2008 Wirral's population has declined by 2.9% (9,100 residents). Much of this decline has been driven by out-migration of young working adults within the 25-39 age group seeking a wider range of employment opportunities and/or quality of life improvements away from Wirral. This statistic highlights how stark this issue is: there are now over 15,000 fewer young adults resident in Wirral than there were in 1998. Residents of

this age group, as well as their children (there are now 7,000 fewer children aged 0-14 years) are key to the labour market that Wirral Waters will seek to draw upon as it develops, as well as the wider future economic success of Wirral.

- Human costs of under-performance:** The communities surrounding the Wirral Waters area, and central, east Wirral more generally, also suffer from higher levels of premature death i.e. these residents have a higher propensity to die younger through ill health. This is measured using the 'Years of Potential Life Lost' dataset. This is a direct age and sex standardised measure of premature death (i.e. under the age of 75 – the national death rate). The 10% most deprived SOAs in Wirral (which are largely concentrated in central, east Wirral and around the Wirral Waters location) experience the highest 'potential lost years' ratios across Wirral. On average the 10% most deprived SOAs in Wirral have 95.4 lost years of life, per 1,000 of population, compared to 75.2 in Wirral borough when taken as a whole, and the national average of 64.2. In East Wirral the average is 78.6. The life expectancy for both males and females within the borough as being significantly worse than the England average.



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Regeneration Benefits and Solutions

East Float: Overview

- 3.1 The development of East Float and Wirral Waters more widely is a major opportunity for Wirral and its residents. Wirral Waters, and in particular East Float, will be at the forefront of the growth and transformation of the local and regional economy. It will provide a wide range of opportunities for employment (at entry, intermediate and higher levels), enterprise and business growth.
- 3.2 East Float represents an opportunity to achieve a 'once in a lifetime' step change in the economic and market profile of Wirral and to generate major and sustained flows of private sector investment in the heart of significant deprivation. The development proposed will establish a city waterfront location of international significance and profile. Over the next 30-40 years it will provide:
- 422,757 m² of new office floorspace;
 - 13,521 new residential units of mixed typologies;
 - 100,000 m² of new education, community, cultural and leisure facilities; and
 - 38,000 m² of conference and hotel development;
 - 60,000 m² of retail development.
- 3.3 The above figures represent the East Float planning application. It is anticipated that through its implementation, East Float will act as a major catalyst to further development in surrounding neighbourhoods.
- 3.4 The proposals make excellent use of the dockland setting and waterfront location, ensuring that

Wirral develops the quality of place (confident and distinctive) that successful urban centres need in order to prosper in the global economy, attracting mobile investment, businesses and residents.

- 3.5 In this section we provide a summary of the economic and regeneration benefits that the development of East Float will generate, and highlight the importance of maximising local and sub-regional economic impacts. We cover the following issues:
- **Economic Development and Regeneration Policy Fit:** A brief demonstration of the strong contribution that East Float and Wirral Waters more widely will make to a range of key policy goals.
 - **Economic Benefits:** Setting out the scale of the economic impact that may be generated in Wirral, Merseyside and the North West.
 - **Social Benefits:** An overview of the social benefits that the development of East Float is likely to bring, including population growth, increases in the local tax base and the potential to trigger major improvements in new social, community and physical infrastructure.

Economic Development and Regeneration Policy Fit

- 3.6 Looking across local, sub-regional and regional policy on economic development and regeneration there are a number of core strategic objectives and common priorities. The development of East Float

and Wirral Waters will make important contributions towards many, if not all, of these objectives.

- 3.7 Table 1 below sets out a number of the core strategic objectives and priorities shared by partners at local, sub-regional and regional levels and the way in which the development of East Float (and Wirral Waters more widely) contributes. It is clear that the proposals for the development of East Float offer very strong strategic fit with the core aims of partners in economic development and regeneration.
- 3.8 East Float provides the opportunity to deliver a step change in the volume and value of economic activity in inner Wirral and to improve the positioning and profile of Merseyside and the North West in domestic and Foreign Direct Investment (FDI), in employment, as well as residential and visitor economy markets.
- 3.9 Moreover, it does so in a highly sustainable location in close proximity to communities experiencing major socio-economic and deprivation challenges, as highlighted in section 2 above and in the Wirral Waters Baseline Study. These communities bear the marks of long-term disinvestment by the private sector. By creating a sustained flow of private sector investment in inner Wirral, the development of East Float and Wirral Waters more widely, will create an opportunity to tackle these challenges and reverse what is otherwise a cycle of decline for inner Wirral.

Table 1: East Float – Fit with Key Economic Development and Regeneration Policy Objectives

Policy Objective	Rationale	East Float's Contribution
Closing the output gap.	The North West and the Northern Way regions generate substantially lower GVA per head than the average across England. A major expansion of output – through bringing more people into employment and moving to higher value added activity – is required in local and regional economies across the North.	The creation of a business location of international profile and significance will allow Wirral, Merseyside and the North West to attract and sustain higher levels of inward investment (domestic and FDI), thus expanding the economic base.
Promoting an accelerated sectoral change in the business and employment base.	Too much of the economic activity in Wirral, Merseyside and the North West is in lower value-added and/or declining sectors.	The development of a high profile and high quality waterfront business location will transform or enhance the ability of Wirral, Merseyside and the North West to attract investment in higher value added sectors and higher value added functions (e.g. regional, national and divisional HQ functions).
Developing and exploiting key assets.	Northern Way policy, the Regional Economic Strategy and sub-regional policy all place great emphasis on the importance of improving and exploiting key assets and opportunities. In Merseyside, the importance of exploiting the waterfront on both sides of the Mersey is emphasised.	High density, mixed use, sustainable development of East Float represents an excellent use of the waterfront site at Birkenhead Docks.
Attracting and retaining skilled workers.	Wirral, Merseyside and the North West need to attract and retain skilled labour in much larger numbers if they are to meet core economic development and regeneration objectives.	East Float will create an attractive, diverse and distinctive residential environment in inner Wirral, which will allow the district to attract and retain skilled workers. Similarly, the increase in the number, range and quality of employment opportunities will attract and retain skilled workers in Merseyside.
Maximising the impact of public and private sector investment.	Public sector resources allocated to economic development and regeneration in Merseyside – particularly for physical development – are set to contract. This further emphasises the importance of attracting and maximising the impact of private sector investment to tackle the major challenges of the region.	East Float and Wirral Waters will provide a long term flow (over 30 - 40 years) of private sector investment in inner Wirral.
Competing for and winning investment internationally and domestically.	Economic development policy at all levels is built upon a firm understanding of the need to compete for and win investment internationally.	The creation of a business location of international profile and significance will allow Wirral, Merseyside and the North West to attract and sustain higher levels of inward investment (domestic and FDI), thus expanding the economic base.
Linking opportunity and need.	Policy at all levels seeks to link economic opportunities with areas, communities and residents of economic need. Physical proximity is an important component of this, although significant and sustained action on skills, confidence and aspirations is also required.	East Float and Wirral Waters represent a major opportunity to provide substantial economic and employment benefits to those deprived communities in close proximity to the site and across Merseyside.
Tackling worklessness.	Wirral (particularly Inner Wirral), Merseyside and the North West face major and growing challenges associated with worklessness and its socio-economic consequences. There are major concentrations of long-term worklessness in close proximity to the East Float site and across the region unemployment is expected to continue to rise significantly. Preventing and tackling worklessness is an important and overarching objective for partners in Wirral.	East Float and Wirral Waters will provide a wide range and high volume of opportunities for employment at entry, intermediate and higher levels. Supporting action will be required to maximise local employment impacts.
Development of the Birkenhead Docks Strategic Regional Site.	Birkenhead Docks is identified as a Strategic Regional Site by the NWDA. Its development is supported by local, sub-regional and regional partners.	High density, mixed use development of East Float represents an excellent use of the Birkenhead Docks Strategic Regional Site.
Developing the Atlantic Gateway.	GONW and NWDA are developing the concept of the Atlantic Gateway – a corridor stretching from Wirral/ Liverpool to Greater Manchester – and the role that this should play in economic development, regeneration and planning policy.	East Float and Wirral Waters will, along with Liverpool Waters, provide the western anchor of the Atlantic Gateway concept.

Economic Impacts

- 3.10 The development of East Float and Wirral Waters more widely will generate major economic impacts across Wirral, Merseyside and the North West. The scale, quality and nature of the proposed development at East Float – providing a major new business and residential destination at a key waterfront location – is such that it will transform the competitive position of Wirral and dramatically enhance the profile of Merseyside.
- 3.11 Below we provide an assessment of the impact of East Float when developed out, taking into account:
- On-site (gross) economic impacts, taking into account direct, indirect and induced effects;
 - Net impacts (taking account of possible deadweight effects) in Wirral, Merseyside and the North West; and
 - Net additional impacts (taking account of possible displacement effects) in Wirral, Merseyside and the North West.
- 3.12 East Float is a very long-term development project. The precise phasing and market strategy for East Float will evolve in light of market conditions and opportunities over the life of the development, which is likely to stretch over 30 - 40 years. It is difficult to estimate net additional impacts across the region over this timeframe. We have therefore drawn upon published guidance in making our assessments, adjusting key assumptions to reflect the development vision and strategy for East Float and its likely market positioning within the region.
- 3.13 We also briefly consider the potential for development at East Float to generate *catalytic impacts* (through changing the investment behaviour of decision-makers in wider markets). By their nature, these impacts are difficult to predict and estimate but have the potential to be highly significant across Wirral, Merseyside and the North West.
- Gross Direct Economic Impacts**
- 3.14 When fully developed out, East Float will accommodate an estimated 20,500 Full-Time Equivalent jobs, generating an estimated £969m in Gross Value Added, as shown in Table 2 above. Figures are shown both with and without the consented Northbank East proposals.

Table 2: East Float Fully Developed: Employment and GVA Impacts (£, 2009)

WITHOUT NORTHBANK EAST (EAST FLOAT APPLICATION ONLY)					
	Workspaces	Full-Time	Part-Time	FTEs	GVA (£m)
Office	19,604	14,640	4,964	17,122	811
Retail	1,883	829	1,054	1,250	59
Hotel & Conference	877	423	454	605	29
Culture, Education, Community & Leisure	2,461	1,188	1,273	1,697	80
	24,825	17,080	7,745	20,674	979
WITH NORTHBANK EAST					
	Workspaces	Full-Time	Part-Time	FTEs	GVA (£m)
Office	19,890	14,853	5,037	17,372	823
Retail	2,095	922	1,173	1,391	66
Hotel & Conference	877	423	454	605	32
Culture, Education, Community & Leisure	2,497	1,206	1,291	1,722	82
	25,359	17,404	7,955	21,090	1,003

- 3.15 These estimates reflect a number of key assumptions, each of which we believe are reasonable and appropriate at this stage, as follows:
- GVA per FTE is averaged to £47,378, which is equal to that for the North West all sector average as a whole (inflated to 2009 prices) – Given that East Float is intended to attract higher order activity and over 80% of the FTEs are accommodated in office floorspace, this is an appropriate and reasonable assumption.
 - Floorspace is occupied at densities in line with the published guidance²
 - Employment floorspace is occupied in line with key masterplanning assumptions e.g. 30% in Year 1 post-development, 50% in Year 2 and 90% in Year 3.

² Employment Densities: A Full Guide, English Partnerships and the Regional Development Agencies, 2001

Indirect and Induced Economic Effects

- 3.16 Businesses and employees at East Float will also generate economic impact through:
- Indirect Impacts (Supply Chain Effects): the goods and services purchased by businesses at East Float will support additional employment and employment income. The strength of these supply chain effects is dependent on the strength of economic linkages in the local or regional economy.
 - Induced Impacts: these are the multiplier effects that arise as spending by those directly and indirectly employed circulate through the economy.
- 3.17 At an ex-ante (pre-development stage) the scale of these impacts can be estimated through the application of simple combined multipliers. Our estimates of these effects are shown opposite in Table 3.

- 3.18 Clearly, estimates of indirect and induced effects are sensitive to the multiplier assumed. We have drawn on national guidance, research and our understanding of the positioning of East Float in the local and regional economy in selecting the multipliers shown above and would highlight:
- For Wirral we are conservatively applying a multiplier of 1.1. National guidance suggests that this is appropriate for the assessment of neighbourhood level impacts where economic linkages (supply chain potential) is considered average. Guidance advises that most schemes will fall into this category.
 - RDA investments in physical infrastructure have been observed to generate combined multiplier effects of 1.33 at a sub-regional level and 1.4 at a regional level. The nature of activity at East Float is such that we are confident that regional multiplier effects will be somewhat higher than this. National guidance suggests that this would be characteristic of a development with *average linkages* to the regional economy. The North West is a large and diverse economy and we would therefore regard an assumed multiplier of 1.5 to be appropriate.
- 3.19 Residents at East Float will also generate additional economic impacts through their spending on goods and services, much of which may be expected to be retained locally. This will not only support additional employment but also encourage further private sector investment within Inner Wirral. These effects, which over time will become very significant, are not estimated here.

Table 3: East Float (with Northbank East) Fully Developed Out: Direct, Indirect & Induced Impacts

	Combined Multiplier	FTEs	GVA (£m)
Wirral	1.1	23,199	1,099
Merseyside	1.33	28,050	1,323
North West	1.5	31,635	1,499

Net Economic Impacts

- 3.20 In order to estimate net impacts we need to consider *deadweight* effects. For East Float, we need to consider the counterfactual scenario(s) i.e. what would happen on-site at Birkenhead docks if East Float did not proceed as proposed.
- 3.21 Previous analysis of the performance of the property market in the Wirral Waters area suggests that deadweight will be very low or minimal. The costs of construction relative to resultant investment values achievable are such that development is often not viable without public sector support. Public sector funding for physical development is expected to contract, particularly within Merseyside, over the coming years. Whilst this has been a route by which to secure some model development in inner Wirral in the recent past, the scope to repeat this will be reduced significantly. Therefore, even the modest level of development and investment that has occurred in inner Wirral (being a level that has resulted in a continued decline of the economy) is unlikely to be sustained in the future. In addition to the reduced availability of public funds, the situation is exacerbated by the recession. The rate of decline may therefore be set to accelerate if nothing 'transformational' takes place.
- 3.22 Nonetheless, using those limited public funds that are available, it is possible that some relatively modest development would proceed on site in the absence of the current East Float proposals, including very modest interventions to refresh aged business units (in the maritime and other sectors), small scale, piecemeal development of SME accommodation and the possible addition of small industrial or hybrid business units. Such a level of development would have very limited measurable impact on the scale of deprivation present in the area.
- 3.23 By contrast, only large scale, long term and high density development (supported by public funders in the early years of the scheme) can bring forward substantial, transformational development (dealing with the area wide constraints and costs, such as poor quality public realm and wider dereliction) and attract the higher value and high impact occupiers at which East Float is targeted.

- 3.24 National research, drawing on the evaluations of RDA investment since 1999, suggests that deadweight for physical infrastructure investment is relatively low. This work found that mean average deadweight at a sub-regional level was just 7.5% (10.3% for capital projects).
- Net Additional Economic Impacts**
- 3.25 To calculate net additional impacts we need to consider the possibility of displacement effects. These will arise if the benefits of development at East Float (expressed in terms of comparable floorspace developed, jobs and GVA) are generated merely by displacing activity elsewhere within Wirral, Merseyside and the North West. For displacement to be considered fully it is necessary to understand the type of development proposed and the nature of target occupiers.
- 3.26 The markets strategy for East Float and Wirral Waters will evolve over time in light of anticipated delivery timescales and changing economic and market conditions. East Float is intended to create a new investment destination of international significance, with strong appeal to higher order and higher value activities (e.g. regional, national and divisional HQ functions and supporting professional and business services, public administration, business and financial services and a wide range of other commercial sectors).
- 3.27 The nature of the target occupiers at East Float is such that displacement of activity from other parts of Wirral is considered to be very low or minimal.
- 3.28 In Liverpool City Centre a significant volume of office floorspace has been created or refurbished in recent years (a proportion of which has yet to be taken up), and it is likely that the rate of increase will slow over the next few years (with schemes such as Phase 3 of City Square driving some growth). There is also the potential for some intensification or in-filling as well as refurbishment of existing facilities within the Commercial Quarter. However, relatively early in the 30 - 40 year lifespan of the East Float development Liverpool City Centre will reach a point at which it can provide limited opportunities to create the scale and type of high profile, super high density development and surrounding environment that Wirral Waters will offer.
- 3.29 In considering displacement across Merseyside we must also consider the proposed development

- of Liverpool Waters. Assessments of displacement will depend upon the extent to which the market strategies and phasing plans for employment uses (and critically, office occupiers) are differentiated. The intention of both is to grow the Merseyside market.
- 3.30 Wirral Waters will be catalysed and therefore targeted to an extent at larger occupiers who might have historically relocated to business parks but are looking for a more sustainable and central location, but perhaps their locational choices would be less about 'city centre' and more about value, quality, sustainability, accessibility and amenity. East Float has a strong offer on all fronts, being a naturally more 'value' location, strategically accessible by water, rail and the motorway network, and benefitting from the creation of new amenities, facilities and the wider environmental assets of the Wirral peninsula. Liverpool Waters on the other hand will be targeted to a greater extent on city centre office occupiers, as expansion space for, and an extension of the city centre. Clearly there will be the potential for some overlap, but it is important that the City Region can provide a range of suitable investment locations to compete with other City Regions.
- 3.31 As a comparison, the Manchester City Region (MCR) is more developed as a commercial office market but has not only a city centre, but a knowledge nucleus to the south and a redeveloped waterfront to the west in addition, to a large number of business parks around strategic routes and interchanges. Indeed, the defined 'regional centre' of the MCR now incorporates the traditional city centre and areas of Trafford and Salford which are in close proximity and connected by public transport, but which offer a very different business location. A combination of strong leadership, joined-up thinking and healthy competition has allowed the MCR to capitalise on these assets and plan for the longer term, which has most notably resulted in the recent attraction of the BBC to Salford Quays as the first major phase of MediaCityUK. It is this type of growth and opportunity that Wirral Waters can facilitate.
- 3.32 Through continued investment in Liverpool city centre, the expansion of that centre to Liverpool Waters, the creation of a sustainable new business (and residential) centre at Wirral Waters, and continued investment in the regeneration of deprived areas around these key assets,
- alongside investment in public transport to connect these places together, the central core of the Liverpool City Region has a sustainable and bright economic future.
- 3.33 If such locations are not developed within the Liverpool City Region, it is likely that it will not have the assets to compete in the future with other areas vying for investment, particularly international/European inward investment and relocations from elsewhere in the UK (including from the public sector).
- 3.34 Across the wider North West region, East Float is unlikely to compete with other established and developing locations (Manchester City Centre, Warrington, Omega, Salford Quays and so on) and new emerging locations elsewhere in the region. However, it is possible that East Float will compete against other northern/midlands City Regions for outward migration from London and the South East.
- 3.35 It is however the scale of need and challenge (as outlined in section 2 above) and the fact that Wirral Waters is the only realistic opportunity to reverse the ongoing decline of one of the most deprived and economically weak areas in the UK that should provide the project with a priority above most (if not all) other areas in making decisions about where investment should be prioritised. In very simple terms, where the need to tackle existing and future problems is greatest, the efforts to address those needs and the priority given to investment opportunities in those areas should also be greatest. In this sense, East Float translates itself into sustainable regenerative development in its purist form.
- 3.36 Assessing displacement and additionality within the City Region is therefore difficult. The national research on RDA activity found that mean average displacement for physical infrastructure projects at the sub-regional level was 38.7% (and 43.1% for capital projects). However, anecdotal evidence from the Guiding Principles for Markets and Futures (CBRE) indicates that the scale and indicative delivery rate of East Float in relation to the City Centre is unlikely to represent a threat to the Regional Centre. Moreover, East Float will provide a better quality of major office developments within the City Region, in an accessible location. The Retail, Office and Leisure Statement under production for East Float will also consider the relative role of East Float in policy terms, as a Strategic Regional Site within the inner area of the City Region. Further work nonetheless is required to better understand the level displacement and additionality issues, and should be progressed in discussion with sub-regional and local partners.
- 3.37 These estimates of net additional impacts exclude potential leakage effects, in which a proportion of the benefits of the development (e.g. employment) are not captured by residents or businesses within Wirral, Merseyside or the North West. Below (under the heading *Maximising Local Regeneration Impact*) we set out the importance of action by public and private partners to equip local residents and firms to compete for trade and employment in order to maximise impact and avoid undue high leakage effects.
- Catalytic Impacts**
- 3.38 As a result of its focus, scale and quality, development at East Float will play an important role in changing the investment behaviour of occupiers, residents, developers and investors across a wide range of markets (e.g. inward investment, commercial and residential property). These effects will not only be localised (e.g. encouraging investment in communities in inner Wirral), but will also apply across Wirral, Merseyside and the North West. The creation of market confidence and a change in investor perceptions is key. The East Float model, through the generation of critical mass and the demonstration of success, will encourage other investors to consider Wirral and Merseyside as a candidate location for national and international headquarters functions.
- Social Impacts**
- 3.39 As highlighted in section 2 above, Wirral has relatively high levels of deprivation. In the communities surrounding the Wirral Waters area, relative multiple deprivation is both widespread and intense.
- 3.40 The development of East Float will have a substantial socio-economic impact locally and regionally, driving the growth and restructuring Wirral's economy, creating a range of new, sustainable employment opportunities for the residents of Wirral and beyond.

3.41 The development of East Float and Wirral Waters must provide economic and employment opportunities for residents of regeneration priority areas (for example Housing Market Renewal Areas) in Wirral. It also offers the opportunity to achieve a step change in economic performance across the district, generating a major upturn in aggregate demand and creating new market opportunities for the people and businesses of Wirral.

3.42 The aim of public and private partners must be to maximise economic impact in Wirral and Merseyside, ensuring that firms in Wirral are able to win higher volumes of business in new and existing markets and working to equip residents of all parts of Wirral with the skills, the confidence and the qualifications they will need to access employment and other economic opportunities.

3.43 Without action and investment to improve the *supply side* of skills and capability within Wirral, the increase in demand will be out of reach for local residents and business in Wirral. This means that public and private partners must take action to reduce the *leakage* of socio-economic benefits through lack of skills and/or capability of local business partners, to ensure that they can directly benefit from the wider quality of life to be enjoyed in inner Wirral. Lessons are being learnt from other major, long-term development schemes and the extent to which they have delivered positive local economic impact and the regeneration of wider communities.

3.44 All partners will need to work to ensure that the development of East Float and Wirral Waters creates opportunities for local residents and businesses, and that people and firms are ready and able to take advantage of them. The emerging Strategic Regeneration Framework against which this East Float planning application is being brought forward sets out a wide range of supporting actions, including:

- Raising aspirations amongst young people yet to enter the labour market and those already within it, so that they can gain the skills, aptitudes and drive to take advantage of new opportunities
- Tailoring business support and action on business leadership so that firms and entrepreneurs in

Wirral are better prepared to win new business in emerging and expanding markets

- Creating a strong outward-facing branding and market profile for Wirral Waters to help pull in new investment, and creating a strong inward-facing profile so that all residents of Wirral (including school pupils, business leaders and those currently at risk of labour market exclusion) can become engaged with and excited by the future of Wirral Waters.
- Recruitment support and jobs and skills brokerage services to bring together those seeking work with employers, training providers and specialist forms of support.
- Supporting ongoing improvements to the quality of life available in inner Wirral through Housing Market Renewal and investment in social and community infrastructure.

3.45 Public and private partners are committed to working together to further develop these approaches, combining an understanding of what has worked (and not worked elsewhere) with local knowledge about the challenges and opportunities of communities in Wirral and Merseyside. Tackling these challenges is also explored further, by theme, within the Guiding Principles documents and the Appendices to this Statement.

Population impacts

3.46 As highlighted in section 2 above, Wirral's population is falling. The Borough's population is estimated at 309,500 in 20083. ONS Mid-Year population estimates show that Wirral has experienced a declining population since the early 1980s. Since 1995 Wirral has experienced a drop in population of over 13,000 people. This has taken the population from 326,300 in 1995 to 309,500 in 2008, a fall of 5% (or -0.4% per annum). Declining populations in major urban authorities are very rare.

3.47 In Wirral, this long term decline has been led by the most mobile members of the workforce (young adults) and is likely to be associated with the availability of employment and career development options. This population loss contributes to the problems of lower demand (e.g. in housing markets) that affect inner Wirral so significantly.

Table 4: Estimated Council Tax Revenue (gross) from East Float Development (per annum).

	Occupied Units	All Band D	50% Band C, 50% Band D
2010	0	£0	£0
2020	3,670	£5,285,387	£4,991,769
2030	7,705	£11,096,433	£10,479,994
2040	10,933	£15,744,549	£14,869,895
2050	12,800	£18,433,976	£17,409,916

Notes: Assumes no rebates or discounts given, all units are occupied at 50% in the first year and 95% thereafter.

3.48 The development of East Float and Wirral Waters more widely will lead to a substantial increase in population, accommodating up to circa 30,000 new residents by 2050. These residents will also generate additional economic impact and support additional employment through their spending on goods and services.

Local Tax base impacts (impacts on Council Tax base)

3.49 Emerging models of economic development and local government funding place an increasing emphasis on allowing local authorities to retain or lever a proportion of the uplift in revenues from business and domestic rates. These include Accelerated Development Zones and other forms of Tax Increment Funding.

3.50 The development of East Float will lead to a substantial increase in local taxation revenues as the population and business base expands. In future this is likely to allow the local authority and its partners to raise funds for supporting infrastructure investment.

3.51 In Table 4 (above) we provide a broad estimate of the scale of increase (gross) in Council Tax revenues that may flow from the development of East Float (excluding Northbank East), using a number of

3 Mid Year Population Estimates, Office for National Statistics.

broad and simplifying assumptions⁴. This shows that, in current prices and assuming all units are Band D5, by 2020, 3,670 residential units could generate circa £10.5m in Council Tax revenue, rising to £11.1m in 2030 (7,700 units) and £15.7m in 2040 (10,990 units). All estimates are gross.

3.52 In addition to increased local taxation revenues from domestic property, East Float will also deliver a major uplift in revenues from business rates levied on up to circa 500,000 m² of floorspace when developed out. Increases in local tax will allow the local Council to invest more in the future in meeting the social needs of its communities.

A trigger for investment in new community facilities

3.53 The development of East Float and of Wirral Waters will act as a trigger for investment in new facilities and new infrastructure in Wirral as the resident and daytime population of inner Wirral increases. Development at East Float will create both a *need* for additional, higher quality social, community and other infrastructure provision and an *opportunity* to improve the quality of provision for new and existing residents and workers alike.

3.54 In many cases, investment in social, community and other infrastructure (including transport) is driven by population distribution. Areas with relatively large and growing populations are more likely to attract higher levels of revenue and capital funding, and can exert a stronger pull on the investment priorities of funders.

3.55 By contrast, areas with relatively low and declining populations are generally able to exert a weaker pull on the priorities of funders. Development at East Float leading to sustained increases in population in inner Wirral will ensure that the area is better able to attract the infrastructure, investment and resources it requires to support a higher quality of life.

4 Assuming that all residential properties fall within Council Tax Band D (£1,440) and no rebates or discounts are given (e.g. simplifying discounts).

5 Existing apartments at East Float Dock are predominantly Band D.

3.56 Work undertaken as part of Stage 3 of the Wirral Waters Strategic Regeneration Framework suggests that investment in the following areas will be required at certain trigger points in inner Wirral as East Float and Wirral Waters are developed out:

- Nursery provision
- New and improved primary school provision
- An expansion of primary health care provision and improvements to primary health care infrastructure.
- New and improved community, leisure and recreation facilities
- Places of Worship

3.57 Opportunities for investment in other facilities, including Further and Higher Education, will also be generated as East Float and Wirral Waters are developed out. Further explanation is given in the Guiding Principles for Social & Community Infrastructure, and in Appendix 3.

Balanced communities in Inner Wirral

3.58 The development of East Float and Wirral Waters more widely has a vital role to play in growing a more balanced and sustainable community in inner Wirral by introducing more economically active people into the area and creating a better balance of housing types and tenures. It will also make vital contributions towards the provision of the range of ingredients required for successful, sustainable communities.

3.59 It is vital that inner Wirral grows and sustains a housing and community offer that is desirable. Ongoing efforts to promote housing market renewal and the long-term development of East Float and Wirral Waters more widely both have vital roles to play in this (please refer to Housing Statement for further detail).

3.60 East Float and Wirral Waters will not only provide an attractive and complementary housing product but will also contribute towards the development and maintenance of balanced communities in inner Wirral by attracting the right type of economic activity, enhancing public realm, addressing perceptions of inner Wirral and supporting the development of social and community infrastructure. Please refer to the Housing Statement for further explanation of the approach to housing at East Float.

Appendices

1. Needs and Priorities

The Enterprise Challenge

1.1 Wirral currently faces a major enterprise challenge. The business base is relatively small, the rate and the number of new business formation is relatively low and too many of the firms and entrepreneurs in Wirral are engaged in lower value added sectors. Social and economic indicators are considered within the main Regeneration Statement. In terms of enterprise, Wirral MBCs recent Enterprise Strategy provides an assessment of the current enterprise challenges in Wirral.

1.2 The key messages from this work were that Wirral suffers from a:

- **Low stock of VAT-registered businesses** – in order to bring Wirral up to the regional average (VAT registered) business density (the number of VAT registered businesses per 10,000 residents), Wirral would need an additional 2,300 businesses.
- **Low rate of business start-ups** – VAT registrations per 1,000 working age residents are only 80% of the North West average
- **Low rate of self-employment** – relatively few people in Wirral are self-employed
- **Very low job density** - with the volume of employment in Wirral declining in the period from the late 1990s to 2007, whilst growing strongly nationally
- **Below national average productivity** - in both manufacturing and services

- **Shortfall in quantity and quality of sites/premises for modern business needs** - Wirral needs an additional 3.4m ft² of business accommodation if it is to close its business density gap. This shortfall, which importantly does not take into account the need to improve the quality of supply in order to attract the higher value added firms that Wirral needs to attract, includes 0.9m ft² of manufacturing space and 1.4m ft² of office floorspace.

1.3 Wirral effectively faces a major enterprise deficit, as highlighted in the Wirral Waters Baseline Study. This deficit serves to restrict the rate at which wealth and employment are generated in Wirral and to constrain the rate at which productivity grows within the local economy. Although a relatively high number of Wirral's residents commute outside Wirral for employment and enterprise, this lack of dynamism is clearly reflected in the physical and economic fabric of Wirral. The public sector investment in economic development and regeneration has not been able to fundamentally address this enterprise deficit.

The Policy Response

1.4 The key statement of local policy on enterprise and employment in Wirral is the Wirral Employment & Enterprise Investment Framework, also known as the **Investment Framework**. The structure of the Investment Framework is based around three priority pillars:

- Competitive People (individuals and communities)
- Competitive Places (locations and sites/ premises)

- Competitive Businesses (start-ups and existing firms)

1.5 **Priority 1: INSERT**

1.6 **Priority 2: Competitive Wirral Places** is intended to guide the use of resources to focus on tackling the supply-side constraints that inhibit the growth of enterprise. It seeks to improve the stock of business premises, ensuring that they are of sufficient quality to provide entrepreneurs with places to set up and grow their businesses and to reduce accommodation-based barriers to firm creation. It also seeks to ensure that the existing stock is efficiently utilised and that businesses have the flexibility required to grow. Two strands of activity are supported under Priority 2:

- **Strand 2A: Create the environment and infrastructure for enterprise to thrive and provide adequate space for businesses to establish and grow:** The Investment Framework provides a number of examples of specific projects that may be funded under this strand, including a proposed *flagship business centre* (located close to areas of need), a series of *Catalyst Centres* (to be located within deprived neighbourhoods) and a *Buildings for Business* Gap Fund (to promote and part-fund development and property improvements and acting as an incentive to much-needed private sector development).
- **Strand 2B: Raise Perceptions about Wirral as an enterprising location:** Place-marketing

and the identification of opportunity for franchise operation expansions within Wirral.

1.7 **Priority 3:** Competitive Wirral Businesses is intended to guide the use of resources to focus on support to accelerate the migration of Wirral's business base from an over-concentration on lower-value added (and primarily local) markets to one that increasingly trades in higher value markets (locally, regionally, nationally and internationally). It focuses on support for businesses with growth ambition, with interventions delivered under two strands:

- **Strand 3A: Competitive Start-ups:** Support for existing entrepreneurs, providing appropriate post-start assistance and advice (for firms up to 3 years old). There is a focus on those firms which trade in higher value added sectors or which otherwise have the potential to add to GVA generated in Wirral
- **Strand 3B: Competitive Businesses:** Support for businesses to improve productivity and growth, encompassing a range of initiatives aimed at existing businesses and social enterprises, including general business support; network and supply chain development, innovation encouragement and cluster engagement, provision of grants and loans.

1.8 At the centre of investment in enterprise support and promotion in Wirral during the three years between April 2008 and March 2010 is the Working Neighbourhoods Fund (WNF). Monies from WNF are invested under the banner of *Working Wirral*. Across all priorities, the remaining c. £14m of WNF investment will be focused on the following themes:

- **Apprenticeships:** Increasing the numbers of young people in Wirral who are engaged in on-the-job training and reduce the number of young people not in education, employment or training.
- **Construction Employment Integrator:** Engaging workless people in deprived wards and work with new or expanding employers to link them to specific job opportunities in the construction sector in order to increase employment and decrease economic inactivity.
- **High Speed Broadband Infrastructure:** Introducing a local fibre-optic broadband network

to provide high-speed internet access to business, residents, and the public sector in order to boost productivity and employment potential.

- **Power Supply to Key Developments:** Increasing the electricity generating capacity on Wirral to meet the demands of business and households in a manner consistent with environmental sustainability principles.
- **Gap funding/ Land Assembly (for provision of employment land and SME premises):** Bringing derelict, contaminated, under-used or vacant land and buildings back into productive use in order to increase the scale and improve the quality of business premises.
- **Business Support:** Supporting businesses in dealing with challenges encountered during the current recession and preparing them to take advantage of future growth.
- **Innovation, technology and R&D:** Increasing the competitiveness of Wirral businesses through improved appreciation, anticipation and exploitation of future developments in science and technology.
- **Promotion of Wirral Businesses (for international trade):** Improving competitiveness and raising survival rates by encouraging existing SMEs to develop and exploit new markets.

1.9 The Land Use Gap Funding theme above is intended to support developers with a commercial or industrial development opportunity which is currently financially unviable. Schemes may include major employment sites, science, business and enterprise parks/centres. It is envisaged that uses for this funding will include:

- Preparing land for development (e.g. site investigation, remediation, reclamation, decontamination and demolition)
- Constructing or refurbishing buildings, including the provision of space to meet the needs of occupiers with specialist requirements
- Marketing, letting and disposal of units.

1.10 The **Wirral Enterprise Strategy** sets out partners' approach to tackling the enterprise deficit. It seeks to tackle it on three fronts:

- **Priority 1: Building an Enterprising Culture –** Action to raise entrepreneurial activity in communities across Wirral. A weak enterprise culture in which people are less likely to enter self-employment or start up their own business is seen as a key weakness that will need to be tackled if the enterprise gap is to be closed. These actions include:
 - Targeted action to embed an enterprise culture in East Wirral through awareness raising and enterprise readiness support, intensive and tailored support for specific groups, and promotion of social enterprise opportunities.
 - Targeted action to stimulate greater interest in enterprise and self-employment amongst women
 - Increasing interest in setting up a business in Wirral of residents who have previous experience of work and enterprise.
 - Increase the numbers of young people who view enterprise and self-employment as an attractive career choice
- **Priority 2: Providing the Infrastructure for Enterprise –** Action to tackle the shortage of appropriate business and enterprise accommodation in Wirral, through:
 - Increasing the quantity of appropriate business space available by raising awareness of market demand
 - Filling any gaps in private sector provision for size/type through information, policy support and gap funding to ensure that provision meets particular sectoral or start-up needs.
 - Making better use of the existing stock of business premises by providing workspace solutions that match business needs and managing tenancies to ensure that blockages in early stage accommodation are minimised

- Encouraging wider business support providers to co-locate or deliver into start-up space
- Inward investment marketing.
- Priority 3: Building on Existing Enterprise – Maximising the competitiveness of existing businesses, start-ups and entrepreneurs, through:
 - Action to increase the start-up and survival rates amongst entrepreneurs and raise the stock of VAT registered firms through business support, mentoring and advice
 - Tackling the underlying causes of poor productivity performance through support in the areas of innovation, marketing, ICT and skills.

1.11 The Enterprise Strategy confirms that there are successful and highly competitive SMEs in Wirral and progress is being made to tackle many of Wirral's enterprise challenges. However, Wirral's SME sector needs to significantly increase in both size and diversity, and achieve greater competitiveness, if it is to support wider economic growth and in particular take full advantage of Wirral Waters opportunity.

2. Stage 3: Guiding Principles

- 2.1 Wirral Waters is being brought forward through a Strategic Regeneration Framework (SRF). A refreshed Vision Statement has been produced as part of Stage 3 of the SRF and a series of Guiding Principles documents have been produced to inform, guide, shape and realise the Vision for Wirral Waters. This document should be read in conjunction with the **Guiding Principles: 9. Enterprise and Innovation**. This section provides a summary of the key points highlighted within this.
- 2.2 The enterprise deficit, which is stark within Wirral but also prevalent across Merseyside and the North West, manifests itself in relatively few private sector businesses able to generate wealth and employment and to drive innovation. This acts as a significant brake on Wirral's economic development and regeneration.
- 2.3 The single most important enterprise challenge is the relative weakness of the enterprise culture. Attitudes to enterprise have their roots in the economic history of

the district and will take time to change. Accelerating this change will make the greatest contribution to closing the enterprise gap in Wirral. Most specifically, sustained investment in engagement with young people and others already in the labour market is critical.

2.4 The development of Wirral Waters is a tremendous opportunity for Wirral's current and future entrepreneurs and the SME community more widely. This Guiding Principles for Enterprise set out the key themes and actions that will need to be pursued in order to maximise the impact of Wirral Waters through the development of a strong and enterprising SME sector. Broadly, these themes can be split between:

- **Action to promote, embed and support enterprise and enterprising behaviour:** Partners can maximise the economic impact of Wirral Waters by continuing to work to increase the SME sector and improve its competitiveness, and by ensuring that firms and potential entrepreneurs are aware of, prepared for and able to win the new business that Wirral Waters will generate.
- **Providing new, high quality accommodation for SMEs:** Wirral Waters will play an important role in attracting major inward investors to Merseyside and the North West, but it must also offer a sufficient volume and range of accommodation for a wide range of SMEs. Much of this accommodation will be provided by the market but there is a real opportunity to promote the growth of enterprise and the SME sector through partner support for new business space within the Wirral Waters area (e.g. incubation and other start-up facilities).

2.5 The growth of a sustainable and enterprise-rich economy in Wirral cannot be achieved by the development of new business accommodation alone. Within the evolving enterprise and business support framework within Wirral, the impact of Wirral Waters will be maximised when investment in sites and premises is complemented by the Guiding Principles: 9. Enterprise and Innovation and Guiding Principles: 12. Skills and Employability. The aims are therefore to:

- Identify ways in which the development of Wirral Waters can contribute to the development of the sites and premises offer required to

support the growth of a vibrant, diverse and sustainable enterprise economy in Wirral;

- Set out the ways in which local partners can maximise the impact of Wirral Waters and their own enterprise promotion and business support activity by bending or tailoring interventions to respond to the economic opportunities that Wirral Waters will provide.
- Use Wirral Waters as a vehicle to transform attitudes to enterprise and ensure that people are motivated and equipped to take advantage of the opportunities that East Float and Wirral Waters will bring.
- Begin the process of assigning lead and supporting roles and responsibilities for a number of specific actions. Whilst this report identifies actions it will be the role of partners to design and deliver specific interventions.

2.6 The implementation of the actions flowing from this approach – delivered wherever possible through existing mechanism and projects – will be led by Wirral MBC and planned and monitored by the Wirral Waters Economic Working Group. It will be important to ensure that action to capitalise on the economic opportunities presented by Wirral Waters is designed and delivered within the existing and emerging enterprise and business support framework in Wirral (and is consistent with the principles and guidelines of BERR's Business Support Simplification Programme).

How Wirral Waters can help

- 2.7 East Float clearly has the potential to generate transformational change, across Wirral and Merseyside. If this potential is to be realised it is vital that the *leakage* of flows of expenditure from Wirral and Merseyside is minimised. The development of a stronger enterprise culture and a larger and more competitive SME base will be vital.
- 2.8 Enterprise is an important tool for regeneration and the promotion of economic inclusion. Self-employment and business start-up provides a way for local people to take advantage of the full range of economic opportunities that will be created in the supply chains of firms attracted to Wirral Waters and through uplifts in local spending on goods and services by employees

in Wirral. A stronger SME community in Wirral will also generate a wider range of employment opportunities for local residents, including those better suited to residents with NVQ 2 and below qualifications.

- 2.9 The development of East Float therefore offers a great opportunity to help tackle the enterprise deficit in Wirral. Tackling this gap will also be essential if the local economic impact of Wirral Waters is to be maximised. In addition to its role as a major business centre, Wirral Waters can play a significant role in efforts to tackle the enterprise gap by:
- **Inspiring and motivating young people and those already in the labour market:** Wirral Waters will deliver transformational change at Birkenhead Docklands and in the wider economy of Wirral. It offers the potential to change the way young people in Wirral feel about their neighbourhoods, themselves, their future prospects and their attitudes to education and training. Partners should use this high profile and sustained investment in the creation of a major new world class business location to inspire and motivate young people and those already in the labour market, highlighting the enterprise and employment opportunities that it will bring.
 - **Physically transforming Birkenhead Docklands and creating a range of new business accommodation:** Due to its scale Wirral Waters is an opportunity to tackle the major environmental constraints associated with long-term disinvestment.
 - **Providing a major and sustained demand-side boost:** Wirral Waters will increase the demand for goods and services in Wirral, both through additional spending on goods and services by firms located at Wirral Waters but also through increased local spending by people employed at Wirral Waters and in supply-chain companies. This is a major opportunity to support an expansion in the size and performance of the SME community in Wirral.
- 2.10 There may be opportunities through planning contributions, subject to viability and deliverability, to secure additional resources for:
- **Engagement with Young People and Others:** This will remain primarily the responsibility of a range of public sector bodies, although business

must also play an active role. Wirral Waters provides an opportunity to provide resources to work with young people and others to ensure that they remain motivated and engaged in education and training and that they develop positive attitudes towards enterprise.

- **The Construction Employment Integrator:** Wirral Waters will generate a major flow of construction activity that will provide opportunities for training and enterprise in the construction sector. Wherever possible, partners should seek to ensure that additional apprenticeship and other training provision is supported through agreements with and contributions from developers.
- **Marketing Wirral as a Business Location:** Wirral Waters will be at the forefront of inward investment marketing in Wirral for many years to come. There is clearly great merit in pooling resources for the marketing of Wirral Waters and Wirral more widely as a place to live, work and invest.
- **New Workspace:** Wirral Waters will provide a major uplift in the volume and quality of business accommodation in Wirral, while further public sector investment will still be required to tackle specific market failures and to achieve social equity benefits through investment in start-up, early stage and other SME accommodation. Key priorities being:
 - Incubator and other start-up space – small office and workshop units provided within the SRF area.
 - *Touchdown space* – high quality accommodation available to selected potential inward investors on flexible terms, allowing them to get a taste of operating in Wirral Waters before entering into larger and/or longer term commitments.

2.11 Clearly, further work will be required with partners to identify priority requirements for new workspace, business support and engagement activities.

3. Delivering Economic Growth and Regeneration through East Float

- 3.1 The development of East Float and Wirral Waters more widely is a tremendous opportunity to secure economic growth and regeneration in Wirral and Merseyside. East Float is intended to attract a wide range of businesses and other organisations, including many in higher value added sectors.
- 3.2 The wages and salaries paid to and then spent by workers at Wirral Waters and the wider area should generate substantial economic impact. When fully developed, and at target occupancy levels, East Float could accommodate some 20,674 Full-Time Equivalent jobs. These businesses and organisations will also generate major flows of expenditure on goods and services. When fully occupied, the employment floorspace at East Float will generate over £950m in Gross Value Added¹ per annum. In addition, new residents at East Float will generate substantial increases in local expenditure on goods and services.
- 3.3 East Float clearly has the potential to generate transformational change, across Wirral and Merseyside. If this potential is to be realised it is vital that the *leakage* of these flows of expenditure from Wirral and Merseyside is stemmed. People and businesses in Wirral and Merseyside will need to be able to compete for and secure the economic opportunities that East Float will create. If not, too much of the economic impact of the scheme will leak away to people and businesses outside the area. This means competing for and winning:
- Employment created at East Float (or indirectly as a result of East Float); and
 - New business and trade opportunities created by organisations at East Float (or indirectly as a result of growth at East Float).
- 3.4 Public and private partners can help to ensure that residents and businesses are better able to capture these opportunities.
- 3.5 In this section we set out the actions and interventions that partners should consider to better prepare and

1 Assuming average GVA per FTE matches the North West average.

- equip businesses in Wirral to win and retain a greater share of new business created as a result of Wirral Waters. The focus is on the Small and Medium Enterprise (SME) sector which makes up over 90% of the business base in Wirral and Merseyside.
- 3.6 Developed out, East Float, over the next 30 - 40 years (to 2050) will provide 20,674 (FTE) jobs on site, and a further 10,000 more in the wider economy.
- 3.7 Although East Float is a very long term development its impacts will be begin to be felt relatively quickly. There will be a major and sustained flow of opportunities for firms, entrepreneurs and employees in the construction industry beginning in the near-term. As floorspace is built out it is projected, based on the indicative trajectory, that East Float will provide:
- By 2015: 2,375 workspaces and 1,700 homes
 - By 2020: 5,617 workspaces and 4,100 homes
 - By 2030: 12,726 workspaces and 8,300 homes
- 3.8 Growth on this scale will generate a major increase in aggregate demand in Wirral, creating opportunities for current and future entrepreneurs and employees. The scale of physical change and investment at East Float provides an opportunity to grow the SME sector across Wirral and to enhance the SME accommodation offer in inner Wirral (where economic development and regeneration challenges are centred).
- 3.9 There is an opportunity for the public sector to invest in support of its enterprise policy goals.
- 3.10 In the early years of the scheme relatively high development costs will need to be absorbed. In these early years the investment values that can be achieved for phases will be relatively low and private sector resources will need to be focused on delivering the development itself.
- 3.11 It is important to recognise that the development of Wirral Waters itself is by far the most important contribution that the private sector can make to economic development and regeneration in Wirral. The development of East Float will provide the stronger economic environment against which the public sector will be better able to achieve its enterprise objectives.
- 3.12 As development viability improves at Wirral Waters there may be opportunities to secure additional developer contributions through later phases of development. However, in the nearer term it is important to ensure that the development of East Float and Wirral Waters is not inhibited and burdened by additional costs on development.
- 3.13 Occupiers at East Float and Wirral Waters may also make important contributions to the promotion of enterprise in Wirral. As East Float is developed and occupied, public and private partners should consider opportunities to:
- Establish a *Timebank* project in which occupiers pledge staff time (in-kind contributions) to work with young people and others e.g. careers advice, work experience placements.
 - Communicate supply chain opportunities generated by occupiers and ensure that local SMEs are aware of and better able to meet tendering requirements.
 - Promote good business leadership in the SME sector.
- 3.14 It is important that further, detailed planning is undertaken to better understand future priorities, costs and the availability of funding. The development of proposals for Enterprise promotion and support will need to be taken through an iterative process in which all parties – developers and the funders and deliverers of this enterprise services and infrastructure – will need to participate.
- 3.15 A range of partners are engaged in the promotion of enterprise and enterprising behaviour across Wirral and in the delivery of start-up and other business support across Wirral. Significant amounts of public sector investment has been made in these intervention areas, sustained over a number of years, including the successful ERDF-funded Wirralbiz enterprise and business start-up programme.
- 3.16 Very significant investment in enterprise support is to continue. Government has allocated investment of circa £30m in Wirral through the Working Neighbourhoods Fund (covering the three years between 2008/09 and 2010/11) to address worklessness, enterprise and skills challenges in the most deprived areas of Wirral (which are concentrated in inner Wirral).
- 3.17 Any actions funded through developer contributions should, wherever possible build on existing structures and frameworks, and be consistent with the Wirral Employment and Enterprise Investment Framework and the aims of government's Business Support Simplification Programme. They must be complementary to existing activities, projects and programmes. It will be important to avoid proliferation of support services and to ensure that private sector contributions are not absorbed by the overhead costs associated with new delivery arrangements.

1. Needs and Priorities

Introduction

1.1 Allied to Appendix 1 Enterprise, and as highlighted within the Regeneration Statement, there are prevailing issues relating to skills and employability within inner Wirral.

1.2 Wirral faces major and long-term economic and labour market challenges associated with prolonged underperformance and reduced demand. Many of these challenges are continuing to grow and there is little evidence to suggest that, on current trajectory, Wirral will be able to tackle these challenges. Capturing major private sector investment, such as that proposed at East Float, and taking action to ensure that local residents are able to benefit through employment and other economic opportunities, is vital.

Deprivation Challenges

1.3 In the communities surrounding the Wirral Waters area, relative multiple deprivation is both widespread and intense. Employment and income deprivation are the key drivers of this. If substantial numbers of residents of these communities are better able to compete for, win and retain employment, and progress once in employment, at East Float, as a result of action to tackle worklessness, it will make a major contribution towards the goals of the Sustainable Communities strategy for Wirral.

1.4 The current picture of ILO¹ defined unemployment across Wirral is that unemployment has been slowly

increasing in recent years. Although the unemployment rate fell by 1.4% points in overall terms (2000-2008), unemployment has gradually been increasing over the last two years and now accounts for 6.6% of the working age population in the district (9,300 people in December 2008). The ongoing impact of the recession is resulting in a worsening picture, with young people particularly adversely affected by unemployment.

1.5 The Claimant Count², although capturing a lower volume of unemployment across Wirral, shows that until recently unemployment was declining. However, that trend has changed in the last two years with claimant count unemployment rising again, from 3.4% to 3.5% (July 2007-2008), with a significantly greater increase by July 2009 to 5.7% or 10,500 residents of working age. An additional 4,000 residents are now claiming unemployment benefits in Wirral than 12 months previously – a significant increase reflecting the effects of the recession.

are available to work, and who are actively seeking employment. The ILO unemployment rate is based upon the Annual Population Survey/Labour Force Survey

2 The Claimant Count – this only measures those people who are claiming unemployment related benefits i.e. Job-seekers Allowance (JSA) and National Insurance Credits. This measure does not include all unemployed people though, as some unemployed are not entitled to claim these benefits, or they chose not to do so. The claimant count comes from the administrative records of Jobcentre Plus.

1.6 The Claimant Count can also be used to assess the number of claimants at low spatial level using SOA statistics. SOA level analysis suggests that Wirral had approximately 10,500 claimants in July 2009. Over 60% (6,500 claimants) of all JSA claimants come from SOAs in East Wirral. Based on Census 2001 working-age population estimates, claimants of JSA account for 6.1% of the working-age population – **considerably higher** than the district level of 3.8%.

1.7 Data on Incapacity Benefit (IB) claimants is also available at a low spatial level. The data shows that there are 18,125 residents in the district claiming IB (February 2009), although the number of claimants has fallen over the last five years by 20% (a decrease of nearly 4,000 people). However, the Table below illustrates the location of these claimants over the period 2000-2009. In general, the majority of the claimants are resident within East Wirral, with just under 60% of the district's claimants in 2009 (10,865). The highest concentration of IB claimants is within the district's most deprived SOAs. In 2008, approximately half (45%) of all IB claimants were resident in this area of high deprivation.

1.8 Employment rates in Wirral have however fallen since 2004, with gradual decreases falling to 71.4% by the end of 2007 – 3 percentage points lower than national level. However, by 2008 the position in Wirral had worsened reflecting the wider economic downturn and subsequent recession. Wirral's employment rate fell to 68.7% by

1 International Labour Organisation (ILO) unemployment – this measures all those people who want to work,

December 2008 resulting in an employment rate similar to levels experienced towards the start of the decade.

2. Skills & Employability Principles

- 2.1 Wirral Waters is being brought forward through a Strategic Regeneration Framework (SRF). A refreshed Vision Statement has been produced as part of Stage 3 of the SRF and a series of Guiding Principles documents have been produced to inform, guide, shape and realise the Vision for Wirral Waters. These documents include the Guiding Principles for Skills and Employability which set out the key themes and actions that partners will need to pursue if they are to ensure that residents are equipped and able to access employment opportunities at Wirral Waters. It seeks to:
- Set out the actions required to ensure that the development of Wirral Waters is an important catalyst for the creation, attraction, development and retention of a highly and multi-skilled workforce in Wirral.
 - Set out the actions required to ensure that local residents, especially those in Wirral's more deprived communities, can access the jobs which will be created in and around Wirral Waters.
- 2.2 The implementation of the actions flowing from this approach – delivered wherever possible through existing mechanism and projects – will be the responsibility of the Wirral Waters Economic Working Group. It will be important to ensure that action to capitalise on the employment opportunities presented by Wirral Waters is designed and delivered within the existing and emerging structures for action on skills, employability and worklessness. However, in time it may become necessary to develop more bespoke arrangements to identify the demand for skills, training and IAG (information, advice and guidance) services and ensure that the supply is able to meet that demand as it arises.
- 2.3 The Guiding Principle for Skills and Employability has been developed in order to be consistent with wider skills, employment and worklessness policy in Wirral, ensuring that, wherever possible, actions can be planned, funded and delivered within the existing framework. The local, regional and

national policy and strategy frameworks are very supportive of the actions proposed here and in the Guiding Principles for Skills and Employability.

- 2.4 The approach to Wirral Waters has recognised that Wirral contains many highly skilled workers and there are many more within the travel to work area. Wirral also has strong educational attainment and is also able to offer an excellent quality of life, and as such it has much to offer new investors, particularly in higher value added sectors. To date it has lacked the business environment to attract substantial inward investment in higher value added sectors and targetted marketing/ branding initiatives for reaching them. The development of East Float – a high quality docklands development making outstanding use of a waterfront location – provides the opportunity to exploit Wirral's inherent labour market, educational and quality of life advantages.

3. Labour Market Implications

- 3.1 Although East Float is intended to attract occupiers in a range of higher value added sectors it is clear that it will accommodate and support large volumes of employment in a wide range of sectors and at all skills levels. It will expand substantially the pool of employment opportunities suitable to those with higher level skills (NVQ Level 4 and above), as well as those with skills at NVQ Level 3. However, it will also support a substantial number of employment at NVQ Level 2 and below.
- 3.2 When fully developed out (estimated circa 2050), East Float will accommodate over 20,000 Full-Time Equivalent jobs, generating an estimated circa £1 billion in Gross Value Added (2009 prices), as calculated in the Regeneration Statement.
- 3.3 Indirect and induced impacts are estimated to take this employment impact to over 23,000 FTEs in Wirral. These estimates exclude the substantial employment that will be supported as a result of local spending on goods and services by the large number of residents of the new residential units at East Float. These estimates also exclude construction employment impacts.
- 3.4 In the short term, by 2015, development at East Float will accommodate an estimated 1,952

FTEs, excluding construction and employment supported by residential spending, as follows:

- Office/Workshops: 1,521 FTEs;
- Retail: 146 FTEs;
- Hotel/ Conference: 95 FTEs; and
- Culture, Education, Community and Leisure: 190 FTEs.

- 3.5 The occupational profile of employment accommodated at East Float will be skewed towards managers and senior officials, professional occupations, associate professional and technical, administrative and secretarial and sales and customers services roles.
- 3.6 It is important to highlight here that the Bidston Dock project may deliver a significant amount of leisure/ retail/ service sector employment in the period to 2015, which aligns closely with the skills and opportunities likely to be available within the local community. This project is being progressed separately as part of Wirral Waters, but outside of the scope of this planning application.

Maximising Local Regeneration Impact

- 3.7 Growth on this scale will generate a major increase in aggregate demand in Wirral, creating employment opportunities both for people already in the labour market and those yet to enter it. Indeed it will create opportunities for Wirral residents yet to be born. The long-term nature of the opportunity presented means that efforts to maximise local employment impacts also need to be based on a long-term approach to education and training.
- 3.8 East Float will create substantial additional demand for labour. Occupiers at East Float will need to be able to draw on pools of labour with the appropriate volume and range of skills required. Action on skills, employability and worklessness will help to ensure that occupiers at East Float and elsewhere in the sub-region are better able to recruit and retain staff.
- 3.9 East Float creates an opportunity for the public sector to invest in support of its skills and employability policy goals, with support from the private sector. However, action to tackle worklessness in Wirral is primarily the responsibility of public

sector partners, although engagement with and support from the private sector will be vital (e.g. through private sector recruitment practices).

3.10 East Float clearly has the potential to generate transformational change, both at Birkenhead Docklands themselves but also across Wirral and Merseyside. If this potential is to be realised it is vital that the leakage of these flows of expenditure from Wirral and Merseyside is minimised. Ensuring that residents of Wirral are better equipped to compete for and secure new employment opportunities – whether that be a first job or a return to employment, or progression up the salary and career ladder – will be vital if local economic impact is to be maximised.

3.11 Similarly, the local economic impact of East Float will be maximised when occupiers are better able to attract and retain labour with the skills and aptitudes required. These will support the business growth of occupiers at East Float and ensure that Wirral Waters (and Merseyside more widely) is able to continue to attract investors.

How will Local Benefits be Maximised?

3.12 Delivering the actions on skills, employability and worklessness required to maximise the local economic impact of East Float and Wirral Waters more widely will need to be drawn from a range of sources, combining public sector investment from a number of different funding streams with private sector financial and in-kind contributions.

3.13 A range of organisations will be involved in the planning, funding and delivery of the Wirral Waters Skills and Employability strategy and the actions required to maximise the impact of the development of East Float. For the most part, these organisations should be able to fund and deliver actions through core or mainstream funding, using East Float and Wirral Waters as an opportunity to deliver services that meet the need of residents and employers in the sub-region. These organisations include:

- **Learning and Skills Council:** The key agency for the planning, commissioning and funding of education and training. From April 2010 the LSC will end and its responsibilities will be split between the Skills Funding Agency (responsible

for the allocation of funding for skills for all post-19 educational institutions and employers, excluding universities) and the Young People's Learning Agency (supporting local authorities in discharging their responsibilities for the planning and commission of education and training of all young people up to the age of 19).

- **Wirral Council:** After April 2010 Wirral Council will have responsibility for the planning and commissioning of all education and training provided up to the age of 19, supported by the Young People's Learning Agency. As a key partner in Wirral's Local Strategic Partnership and the City Employment Strategy Wirral Council will also play an important role in commissioning and co-ordinating a range of initiatives on skills, employability and worklessness (e.g. the Construction Employment Integrator).
- **Jobcentre Plus:** JobCentre Plus, is the key government agency that supports people of working age from welfare to work and also plays a role in helping employers fill their vacancies. JCP will have a major role to play in the success of efforts to maximise local employment impacts and to use the development of East Float as an opportunity to tackle Wirral's worklessness challenge.
- **Connexions:** The Local Connexions Service will have a key role to play as the advisory service for young people aged 13-19. In particular, Connexions and its partners should seek to use the development of East Float and Wirral Waters to raise aspirations amongst young people and to inform their choices on education and training.
- **Merseytravel:** As the co-ordinator of public transport on Merseyside, Merseytravel will have a key role to play in the marketing and promotion of public transport services to East Float. They will need to ensure that the relevant services are in place to assure occupiers that skilled workers from a wide area can access East Float readily. Working with partners, Merseytravel will also have a key role to play in the planning, funding and delivery of Demand Responsive Transport (DRT) services to East Float.

3.14 There will also be opportunities to develop new interventions or expand, enhance or tailor existing activity with the use of additional (non-mainstream) public sector funds. Looking towards the medium and longer terms it is difficult to identify future streams of funding particularly area-based funding – since these are liable to change. However, important existing sources include:

- **European Social Fund (ESF):** Merseyside has been allocated £134m of ESF to be invested between 2007 and 2013. Funds are invested in support of two broad priorities: Priority 1 – Extending Employment Opportunities, which focuses on tackling worklessness, and Priority 2 – Creating a Skilled and Adaptable Workforce, which focuses on tackling basic and higher level skills deficits. Until 2011 partners in Merseyside have increased flexibility to pool ESF with Deprived Area Funding and Working Neighbourhoods Funding.
- **Working Neighbourhoods Fund (WNF):** Between 2008/9 and 2010/11 it is anticipated that some £14m of WNF funding will be used in support of Working Wirral Priority One (Competitive Wirral People), which seeks to reduce adult worklessness in Wirral through support for targeted groups to access employment.

3.15 It is intended that all area-based funding will be used to contribute towards Local Area Agreement Objectives. Liverpool City Region is one of 15 UK areas to be awarded City Employment Strategy (CES) Pathfinder status. The CES Pathfinder3 is providing the basis for delivering the ESF 2007-2013 programme, as well as other discretionary funding available within the city region to tackle skills and employability issues.

3.16 Partners across the Liverpool City Region are signed up to an MAA which seeks to improve the way in

3 Partners in the CES are: the Local Authorities of Liverpool, Wirral, Sefton, St Helens, Knowsley and Halton; JCP; Greater Merseyside LSC; Greater Merseyside Connexions; Merseytravel; Unionlearn North West; Merseyside Employer Coalition; Liverpool Council for Voluntary Service (representing the CVS); The Mersey Partnership and the Merseyside Policy Unit; Mersey Maritime representing key sectors; Health at Work; New Heartlands HMR Pathfinder and NWDA.

which partners work together in tackling issues such as skills and employability, as well as the priorities required for action. MAAs are in essence an effort to strengthen cross-boundary working and promote greater flexibility in shaping interventions in sub-regions.

3.17 The MAA has a specific skills and employability focus:

- Ensuring the supply of appropriately skilled labour to meet current and future employer demand and increasing productivity. Both of these require higher level skills and qualifications.
- Bringing a greater number of people into the labour market to secure economically sustainable communities. It is also focused on lowering levels of deprivation which in itself is a constraint on the progression of many people in the city region.

3.18 An overview of the different funding streams and mechanisms is provided within the Guiding Principles documentation, including existing streams and potential future streams.

3.19 One further noteworthy opportunity is the potential introduction of Accelerated Development Zones and/or **Tax Increment Finance**, which is a model that could be applied across a wide range of regenerative ambitions for Wirral Waters.

The Private Sector's Key Contribution – Skills and Employment Demand

3.20 It is important to recognise that the development of East Float itself is by far the most important contribution that the private sector can make to economic development and regeneration in Wirral. The development of East Float will provide the stronger economic environment against which the public sector will be better able to achieve its skills, employability and worklessness objectives.

3.21 Planning obligations towards the regeneration agenda must avoid over-burdening the scheme with costs that it cannot carry. East Float is being brought forward within an area of acknowledged market failure; hence it starts from a position where development has viability constraints. Furthermore, the economic downturn has placed a heightened strain on the Section 106 model. Even for existing agreements, responses to the

recession have included (although implementation is highly variable) waiving interest on late contributions, flexible payment policies, allowing developers to defer payments (on production of viability information showing what can be afforded) and the prioritisation of payments where a scheme cannot support them all.

3.22 It is essential that a high quality and comprehensive place-making approach is adopted at Wirral Waters with 'quality' of design and product being a high priority. This means that the development will be costly to deliver. However, through a long term investment approach, partnership working and use of public funds where available, the early phases of Wirral Waters can be brought forward. There will however be very little opportunity in early phases for monies to be directly provided into regeneration funds from the development itself.

3.23 Wirral Waters will therefore be, particularly in the early years of its delivery, primarily a demand side opportunity and solution for the public sector to invest against, in order to maximise local impacts.

3.24 Responsibility for the design, planning, funding and delivery of actions on skills, employability and worklessness should rightfully remain primarily the responsibility of public sector partners. The development of East Float will therefore provide public sector partners with an opportunity to invest in skills and employability to ensure that the supply of local labour matches the major increases in demand from occupiers.

3.24 It is unlikely that in the context there will be a strong case for significant direct financial contributions to support action on skills and employability. However, as development viability improves at Wirral Waters there may be opportunities to secure planning obligations from later phases of development. In the nearer term it is important to ensure that the development of East Float and Wirral Waters is not inhibited by additional costs on development. This is an important balance to reach in achieving the phased delivery of the project.

Long Term Partnership Actions

3.26 Maximising the local labour market impacts of development at East Float and Wirral Waters will require action and investment over the long-term. Clearly, there is scope for thinking on the role that Section 106

and other agreements can play in support of action on skills and employability to evolve in future. At this stage we can only set out the broad principles and parameters for long term actions. Further, detailed work involving all partners is needed to develop and implement a programme of action and investment.

3.27 Regardless of the group/vehicle established to manage the process, the planning of the types of provision needed and the delivery mechanisms and funding sources required, it is essential that a rigorous approach to research and planning is adopted. This is important in enabling a more coordinated and systematic provision and delivery of activities in light of the nature and phasing of the Wirral Waters development (which is over a 30 - 40 year timeframe).

3.28 To ensure that this planning happens over the development timeframe it will be essential that:

- Local partners continue to gather, commission and share labour market information;
- Existing provision is identified and, where additional provision is required, there is a clear process for prioritising and allocating resources;
- The main opportunities for local residents are assessed and there is a clear understanding of the requirements for them to access these jobs and the assistance they will need to achieve this;
- Local partners continue to draw on and learn from good practice from elsewhere. They also need to understand the effectiveness of their provision through some early interventions; and
- A decision is taken by partners on the appropriate grouping/vehicle to take forward the skills and employability agenda.

3.29 In Wirral the commitment to tackle skills and employability issues through extensive partnership working has been strengthened through working as part of the Liverpool City Employment Strategy Partnership and the WEDS group (particularly where discretionary funding available to the Council (e.g. WNF) has been utilised). The partnerships and practices which already exist represent an excellent infrastructure to address the skills and employability

issues and opportunities which will arise as a result of East Float. It will be important to make good use of these existing planning and delivery arrangements, particularly in the short and medium terms.

3.30 The Economic Working Group, a partnership working group between Peel Holdings and Wirral Council, is currently focussed on shaping these aspects of the Strategic Regeneration Framework for Wirral Waters. In due course this group will also play an important role in managing more detailed planning and design of skills and employability actions. However, the scale of the opportunity at East Float and Wirral Waters more widely is such that in the longer term there may be merit in the establishment of a partnership group specifically tasked to plan and deliver future support and investment.

3.31 Consideration should be given to whether the existing WEDS partners group is an appropriate vehicle to meet these needs. Although this group contains a wide range of partners from across Wirral, it is focussed on addressing supply side skills and employability issues, with little employer representation (apart from the Employer Coalition representative). It will be important to bring in representatives of the business and employer community at Wirral Waters in order to better understand and plan for the skills and aptitudes that will be in demand.

Short Term Actions

3.32 Notwithstanding the crucial viability and phasing issue, the private sector can make a number of important contributions towards action on skills and employability. For the most part this support will be through engagement with the public sector (e.g. in understanding the volume and timing of demand for skills in more detail) and co-operation with a range of public sector-led recruitment and employability initiatives.

3.33 Many of these contributions will be made through the adoption of certain procedures and protocols in recruitment and training, rather than through direct financial contributions. However, in order to be successful it will be necessary to secure good levels of buy-in and support from the occupiers and construction firms at East Float. These "easy wins for the private sector" may include:

- Liaison with public sector partners in order to inform the planning, timing and design of skills and employability support;
- Supporting the design and development of educational and engagement materials;
- Agreement to use public sector led recruitment services for all or a proportion of their recruitment needs with these services better able to identify and work with those not in work and those at risk of labour market exclusion, integrating education, training and mentoring support and able to tailor training to the specific demands of particular jobs;
- Offering guaranteed interviews to residents completing employability support programmes and training; and
- The potential creation of a *Timebank* project in which occupiers at East Float pledge staff-time to work with young people and others e.g. careers advice, work experience placements, etc.

3.34 However, in the short-term (to 2015), in addition to the easy wins outlined above, a number "priority actions for both public and private partners" should include:

- The design and delivery of a range of materials and programmes to demonstrate the volume and range of employment opportunities that East Float will accommodate and support for use in schools, youth and other community settings. These materials and programmes should be used to promote engagement (or reengagement) with education, learning and training amongst young people. This should include demonstrating study and career paths to the higher value added employment that will be created at East Float. More targeted information and programmes may be required to demonstrate the availability of specific job opportunities to those already of working age;
- Using Wirral's Construction Employment Integrator to ensure that Wirral residents are able to access the training, experience and qualifications they will need to gain employment in the construction sector;
- Potential expansion of the Wirral Apprenticeship Scheme in order to increase the pool of

apprenticeship opportunities, ensuring that there are opportunities at or relevant to the employment offered by East Float occupiers e.g. in business, administration, law, ICT, leisure. Tourism, arts, media, publishing, retail and commercial enterprise;

- Using (and potentially extending) the Wirral's Reach Out programme to identify and refer residents at risk of labour market exclusion to both mainstream delivery organisations and to other relevant projects and organisations in order to help them access the support they will need to access and retain employment created at or as a result of East Float;
- Development of a Wirral Waters recruitment, training and job brokerage service. There is strong merit in pulling a range of existing information, advice and guidance (IAG) and training, together with recruitment service activities under a single Wirral Waters identity (as well as newly fund activity) in order to establish clear and supported routes into employment at Wirral Waters;
- Expand provision to enable residents in Wirral holding NVQ Level 1 and 2 to raise their skills to NVQ level 3 and 4;
- Workforce development as part of a shared investment in on-going workforce development by employers, employees and the public sector; and
- A detailed examination of options to ensure that residents of Wirral's most disadvantaged areas can access employment and training at Wirral Waters, followed by implementation of an accessibility plan for Wirral Waters.

3.35 In the short to medium terms partners should give consideration to the need for capital investment to create or improve local training infrastructure.

3.36 As noted above, this is a broad and high level assessment of needs and priorities. Partners will need to undertake more detailed analysis in order to identify priority actions.

1 Needs and Priorities

What is Social and Community Infrastructure?

1.1 For the purposes of this document and the wider Wirral Waters Strategic Regeneration Framework, Social and Community Infrastructure is defined as:

- **Education and Learning Infrastructure:** Nursery, primary, secondary and further education¹.
- **Health and Social Care:** Primary care (focussing on General Practice and Dentistry provision) and Acute healthcare.
- **Community Recreation & Leisure:** This includes sports facilities, community centres and libraries.
- **Community & Emergency Services:** A number of local authority services are provided in community settings and growth in residential and daytime populations may also generate additional demands upon emergency services infrastructure.

1.2 It is important to be clear on the distinction between physical infrastructure (capital-funded) and the volume and range of services (revenue-funded) that may be provided within or from this physical infrastructure. Our work on Social and Community Infrastructure has sought to understand the extent to which development at Wirral Waters will lead to requirements to develop new physical infrastructure (e.g. buildings and other

¹ Greater local access to Higher Education would enhance the role of Wirral Waters as a driver of economic development and regeneration significantly, but has not been considered here as Social and Community Infrastructure issue.

accommodation) in order to meet demand for social and community services (quantitatively and qualitatively).

Why is it Important?

- 1.3 The availability of high quality Social and Community Infrastructure is vital to the development and maintenance of sustainable communities. It plays a vital role in creating both:
- **Quality of Place:** the availability of attractive and high quality social and community infrastructure plays a key role in 'place-making' i.e. creating the quality of place that attracts and draws in residents, employers and investors. The success of major development proposals elsewhere – and particularly of efforts to integrate them into successful wider communities - has all too often been limited by the poor access to services and supporting infrastructure.
 - **Quality of Life:** If East Float is to develop as part of a successful and sustainable community within inner Wirral it will need to provide real quality of life to a broad range of residents. Access to healthcare and good quality education experiences, community and recreation facilities are key to retaining residents in Wirral Waters and in inner Wirral.
- 1.4 As the East Float is developed out and occupancy rises (increasing resident and day-time populations) it will be important to ensure that the additional demands this generates does not lower the quality of current social and community infrastructure available to existing and new residents, by creating shortages and bottlenecks.

1.5 Some parts of the existing Social and Community Infrastructure in inner Wirral may be perpetuating the current socio-economic and regeneration challenges facing inner Wirral. Earlier work on this issue found that current provision, is of low quality and that there are clear opportunities to further improve the quality of existing social and community infrastructure to benefit existing residents and users. Resident and daytime population growth, as a result of East float and Wirral Waters, will provide an opportunity to enhance the quality of service and infrastructure provision.

1.6 Finally, improvements to existing Social and Community Infrastructure will be required to further drive regeneration in inner Wirral and will support the development of Wirral Waters as attractive, successful and sustainable communities. It is important to remember that expanded and improved Social and Community Infrastructure will also benefit existing residents of this part of inner Wirral, as well as new residents and users brought in as a result of the development of East Float.

Modernisation and reform in the delivery of Social and Community Infrastructure

1.7 The ways in which many components of Social and Community Infrastructure are delivered to residents and users is subject to ongoing modernisation and change. East Float and Wirral Waters will be developed and occupied over the very long term and we can expect this reform of service and infrastructure provision to continue.

- 1.8 While precise issues vary from component to component, it is clear that there are a number of key common drivers, including:
- **Citizen and consumer preferences and expectations:** Over time, peoples' preferences for the ways in which services and social and community infrastructure are provided will change. Similarly, their expectations will change over time in terms of both the range and quality of services they will expect to receive and this will continue to have impacts on the need for and configuration of services and social and community infrastructure.
 - **Technology:** Developments in technology will continue to alter the ways in which services are delivered, with potential implications for the scale and type of physical infrastructure required in future. Government is currently undertaking a long term programme to encourage greater use of *eGovernment* services, and we can expect this to continue and evolve over the delivery timetable of East Float. Technology may also create new demand for services, most notably in Health.
 - **Continued drives for resource efficiency:** Government will continue and indeed intensify its search for efficiency improvements, ensuring that productivity is increased and that services are delivered in more cost-effective ways. This is still more important in the current to medium term fiscal environment, in which governments will be actively seeking to lower public sector current deficits and the public sector net borrowing (which takes account of capital investment).
 - **Demographic Change:** As the population grows and the age distribution of the population changes the nature and volume of demands on Social and Community Infrastructure provision will change.
- 1.9 Public and private partners in the Wirral Waters Strategic Regeneration Framework will need to work together to identify and take account of evolving changes in the ways in which social and community services and infrastructure are provided, and the extent to which expanded or improved provision will need to be made or required as a result of development at East Float and Wirral Waters.
- Existing Social and Community Infrastructure**
- 1.10 A number of studies have considered the existing Social and Community Infrastructure serving this part of inner Wirral. These include a baseline study², an assessment of the impacts and implications of Wirral Waters³, and the Stage 3 Delivery Strategy document itself.
- 1.11 These assessments considered the nature of the existing social and community provision within the area covered by the Wirral Waters proposals, including an assessment of the adequacy of supply, taking into account the following factors:
- Accessibility – the extent to which provision is readily accessible for current and future residents.
 - Usage – the extent to which there is currently a deficit or surfeit of capacity.
 - Quality – assessing the quality of provision currently available.
- 1.12 We then considered the ability of this existing infrastructure to absorb increased demands and the extent to which there is an opportunity and a need to upgrade provision for new and existing residents as a result of development at Wirral Waters.
- 1.13 We draw on these assessments below in order to assess the broad impacts of the development of East Float (including Northbank East) using updated phasing plans under our model Scenario 3 (in which it is assumed that development at East Float is accompanied by successful Housing Market Renewal intervention).
- ## 2 Social and Community Infrastructure Principles
- 2.1 Wirral Waters is being brought forward through a Strategic Regeneration Framework (SRF). A refreshed Vision Statement has been produced as part of Stage 3 of the SRF and a series of Guiding Principles documents have been produced to inform, guide, shape and realise the Vision for Wirral Waters. These documents include the Guiding Principles for Social and Community
- Infrastructure. This is being brought forward by a partnership including Peel Holdings, Wirral Council, and a wide range of delivery and funding partners.
- 2.2 The Guiding Principles for Social and Community Infrastructure builds upon the social and community infrastructure audit, contained in the Wirral Waters Baseline Study (July 2008). This audit provided a comprehensive mapping and assessment of existing social and community infrastructure serving the population of the Wirral Waters *local area*, defined as the area within 2km of the Wirral Waters site.
- 2.3 The Guiding Principles for Social and Community Infrastructure are based upon an assessment of the following:
- Ongoing changes in the ways in which social and community infrastructure is funded and delivered (with key services being subject to ongoing reform)
 - The extent, nature and timing of new population growth associated with new residential development and with growth of the local employment base (at Wirral Waters and elsewhere)
 - The extent to which there is available capacity within the existing infrastructure to enable service quality standards to be maintained or enhanced as the local population expands, and
 - The extent to which additional or improved provision will need to be made.
- 2.4 In assessing the impact of future population growth (residential and daytime) we have considered:
- The scale and profile of the residential population under the following scenarios:
 - Scenario One – Without Wirral Waters
 - Scenario Two – Successful Housing Market Renewal (a scenario in which it is assumed that ongoing efforts to regenerate the housing markets in the New Heartlands Pathfinder Area are successful).
 - Scenario Three – Wirral Waters Development
 - The scale and profile of the in-commuter population
- 2 *Wirral Waters – Developing Sustainable Neighbourhoods*, Wirral Waters Strategic Regeneration Framework, 2008.
- 3 *Wirral Waters Social and Community Infrastructure – Potential Impacts and Implications: Technical Report*, Wirral Waters Strategic Regeneration Framework, 2009.

- The propensity of residents and in-commuters to place demands upon each element of social and community infrastructure.

- 2.5 The use of the above scenarios allows us to estimate the net impact of Wirral Waters, distinguishing it from those impacts which may be expected to occur in any event. It is clear that wider population growth and public policy (housing market renewal and wider regeneration) will also lead to increases in demands on Social and Community Infrastructure.
- 2.6 As noted above, partners will need to work closely together in order to more fully understand the impact of ongoing changes in the ways in which services and infrastructure are planned, funded and delivered.
- 2.7 The funders and providers of social and community services will need to determine what impact development at Wirral Waters will have for the volume and range of services they will need to provide. This clearly has implications for the physical infrastructure from which these services are delivered. Partners will need to take account of ongoing reforms in the ways in which provision is made.

3. Delivering Social and Community Infrastructure through East Float

Working and Resident Population Increases

- 3.1 The development of East Float, and Wirral Waters more widely, will place additional demands on the existing social and community infrastructure of the surrounding area. In time, these demands will become significant and will trigger requirements for further investment.
- 3.2 Equally, the success of Wirral Waters as a community and a driver of regeneration in inner Wirral is dependent upon the ability of existing and new residents and workers to draw upon high quality social and community infrastructure. The development of Wirral Waters represents an opportunity to improve the quality of infrastructure available to existing and new residents and workers of this part of inner Wirral.
- 3.3 It is clear that residential and daytime population growth as a result of the development of East Float will generate additional impacts upon the existing Social and Community Infrastructure. East Float over

the next 30 - 40 years (to 2050) provide employ over 20,000 people and house up to 30,000 people.

- 3.4 Infrastructure provision will, in future, need to be expanded and/or improved in order to meet the needs of new and existing residents in this part of inner Wirral.
- 3.5 High quality Social and Community Infrastructure is an important part of the creation of a good quality of place, creating places that people want to live in and work. Development at Wirral Waters will also create opportunities to improve provision in inner Wirral as population growth attracts additional capital and revenue funding, with the potential to trigger major expansions or upgrades in facilities.
- 3.6 Very long range forecasting of requirements for Social and Community Infrastructure is of limited value at this stage. The precise phasing of development will need to be continually reviewed in light of market conditions but is clear that there will be both a need for and opportunity to improve Social and Community Infrastructure in inner Wirral. We therefore consider below potential indicative impacts in 2017 and ten years later in 2027, drawing on indicative phasing plans. It is important to note that the rate at which different floorspace uses (office, retail etc.) is developed out will be determined in light of market conditions and may therefore change over time.
- 3.7 In the early years of the scheme relatively high development costs will need to be absorbed (for example, through area-wide environmental improvements delivered through the Strategic Regeneration Framework for Wirral Waters). However, in these early years the investment values that can be achieved on the site will be relatively low. Only a very large scheme (covering a large area and high development density), delivered over a long period, can fully unlock the site's potential.
- 3.8 It will be important to ensure that the development of East Float and Wirral Waters is not over-burdened with costs, particularly in its early years, when partners will be working to generate development momentum.
- 3.9 The indicative phasing trajectory suggests that, by 2017 and 2027, East Float (including Northbank East and Bidston Dock) is likely to be developed out and occupied⁴ as shown in Table 1 (above).

4 Assumptions about the level of occupancy are set out elsewhere in the Regeneration and Planning Statement.

Table 1: East Float (including Northbank East) – Development Phasing and Assumed Occupancy

	Development (m ²)	Population Impacts (Gross)
By 2017	Offices – 60,800	Residents* – 6,300
	Residential* – 3,500 units	Non-Resident Workers (in-commuters) – 2,900
	Conference and Hotel – 8,000	
	Education, Cultural, Community and Leisure – 17,000	
	Retail – 12,000	
By 2027	Offices – 178,800	Residents* – 16,600
	Residential* – 8,750 units	Non-Resident Workers (in-commuters) – 8,200
	Conference and Hotel – 20,000	
	Education, Cultural, Community and Leisure – 42,000	
	Retail – 32,000	
Note: *includes the Vittoria Studios, Sky City, Marina View/Four Bridges, Northbank (East & West) Quarters		

- 3.10 It is estimated by 2017 there will be 6,300 residents and 2,900 in-commuters at East Float (including Northbank East and Bidston Dock). This is estimated to rise to 16,600 residents and 8,200 in-commuters by 2027.
- 3.11 We have assumed that 10% of residents are drawn from the local area⁵, reducing the local net impacts of development at East Float. Allowing for this displacement there will be a further:
- By 2017: 5,600 residents and 2,900 in-commuters
 - By 2027: 14,900 residents and 8,200 in-commuters.

5 Defined as the PCA/SCA area used in Wirral Waters retail studies.

- 3.12 Taking into account projected population decline (even under a successful Housing Market Renewal Scenario) the development of East Float will increase the population of the *Wirral Waters area* (defined for the purposes of Social and Community Infrastructure analysis as a 2km radius from the Wirral Waters site) significantly.
- 3.13 The net impact of development at East Float will increase the resident population of the Wirral Waters area from 82,900 in 2006 to:
- 87,400 in 2017 (an increase of 4,500 or 5%); and
 - 95,600 in 2027 (an increase of 12,700 or 15%).
- [Resident demands](#)
- 3.14 The population modelling described in the previous studies noted above allows us to estimate the demographic profile of residents at East Float, taking into account the experience of comparable developments and the commitment to create a community and a quality of life offer that appeals to a relatively broad mix of residents (at different stages of life). It is assumed

that once this more diverse mix is established the demographic profile will remain broadly unchanged.

- 3.15 The impacts that Population modelling suggests that development at East Float will generate additional demands as shown in Table 2 (below).
- 3.16 Partners in the Wirral Waters Strategic Regeneration Framework are committed to creating a diverse community at Wirral Waters that appeals strongly to family units and in which the demographic profile is therefore more broadly comparable with that of the general population. If this aspiration is met, the *child yield* (the number of children per dwelling) will be substantially higher. This will generate a different pattern of impacts, with greater demands placed upon:
- Education and Learning Infrastructure: Between 450 and 900 additional children in 2017, rising to between 1,200 and 2,300 by 2027; and
 - Health & Social Care: Increased demands upon obstetric and paediatric services.

[In-Commuter demands](#)

- 3.17 People commuting to work at Wirral Waters will also generate some additional demands on Social and Community Infrastructure, albeit with a different pattern of impacts in which the greatest demands are placed on:

- Some parts of the community recreation and leisure infrastructure;
- Some parts of the health and social care infrastructure, including accident and emergency, with some impact on primary services (such as dental care) and potential growth in demand for walk-in health centre services; and
- Emergency services, as increases in daytime populations, potential targets for crime, etc. are likely to require police, fire and ambulance services to increase their cover.

[Social and Community Infrastructure Needs](#)

- 3.18 Here we set out the broad requirements to provide expanded or improved Social and

Table 2: East Float (including North Bank East) – Residential Impacts

	Education and Learning	Health and Social Care	Community Recreation and Leisure	Community & Emergency Services
By 2017	Approximately 560 additional children, with some 340 children of nursery age, 170 of primary school age and circa 60 of secondary school age.	An increase of some 5,600 residents (net) will generate significant additional demands, falling upon primary care services (GPs, dentists and community health centres). There will also be some additional demands for older adult and paediatric health care services.	Significant additional demands, including higher expectations in terms of the range and quality of provision.	Significant additional demands.
By 2027	Approximately 1,500 additional children, with some 900 children of nursery age, 450 of primary age and circa 150 of secondary school age.	An increase of some 14,900 residents will generate substantial additional demands, falling upon primary care services (GPs, dentists and community health centres). There will also be some additional demands for older adult and paediatric health care services.	Substantial additional demands, including higher expectations in terms of the range and quality of provision.	Substantial additional demands.

Community Infrastructure as a result of development at East Float (including Northbank East) and taking into account the following:

- A review of existing supply (focusing on usage, accessibility and quality), and a high level review of future direction;
- Projected population growth in Wirral and inner Wirral, drawing on sub-national population forecasts;
- The population impacts of successful Housing Market Renewal intervention (effectively population stabilisation);
- The probable demographic profile at East Float (reflecting the scheme's vision as a central part of a diverse community at Wirral Waters); and
- The need to improve provision to meet the needs of existing and new residents and other users.

3.19 Below we consider each of the main Social and Community Infrastructure Categories in turn. It must be emphasised that more detailed and ongoing analysis and discussion is required to fully understand the range and scale of future Social and Community Infrastructure requirements. It is important to remember that the prediction of future Social and Community Infrastructure requirements is subject to a significant degree of uncertainty, driven by the:

- ongoing evolution of public policy and practice which will determine how and what services are delivered in the future, which in turn has implications for the volume and type of facilities required;
- need for development at Wirral Waters to be 'market-driven', responding to market demand as it evolves; and
- need to make a number of important assumptions about the build-up and composition of the resident and day-time populations, and their propensity to make demands on Social and Community Infrastructure.

Education and Learning

3.20 Taking into account project population change in the Wirral Waters area and the population impact of East Float, analysis suggests that there will be a substantial net reduction in the number of children

(0-15 years) in this part of inner Wirral. There will be circa 1,800 fewer children by 2017 and 3,100 fewer in 2027. The development of East Float is projected to accommodate circa 550 children by 2017 and 1,500 by 2027 but this will be negated by wider demographic trends which will see the number of children of this age reduce in the wider area.

3.21 Analysis suggests that there will be demand for circa 350 nursery places in 2017, rising to circa 800 by 2027. The decline in the child-age population projected in this area suggests broadly that there will be capacity to accommodate this demand in existing public and private sector facilities, although it will be important to ensure that there is high quality and attractive provision readily accessible to residents of East Float and the wider community. If partners are successful in their aspiration to create a truly diverse community (which appeals more strongly to families as a place to bring up children) the increase in demands on nursery provision will clearly be greater.

3.22 Employees working at East Float will generate some additional demand for crèche facilities. These are perhaps best provided by private sector operators within the Wirral Waters scheme (if not within East Float itself). There will be limited role for the public sector in meeting this demand.

3.23 Population modelling also suggests that East Float may generate demand for some 450 primary school places by 2017, rising to 900 by 2027. If evenly distributed across primary school-age years, growth to 2017 would be equivalent to circa 60 children per year or two extra classes per year group (although greatest demands might be expected in Reception and early year groups in the earlier stages of the development).

3.24 The *Baseline Study* found that at the time of writing Wirral MBC was projecting there would be 1,200 unfilled places by 2011. Assuming that this increase is factored into ongoing reviews of existing primary schools (currently an oversupply of places), this increase in demand should be readily accommodated (although there may be pressure points in some classes at some schools). The success of the East Float and Wirral Waters as a sustainable and diverse community will require a high quality education offer and therefore it may be necessary to invest in school infrastructure and performance.

3.25 However, if child yields are significantly higher, analysis suggests that there could be a need for up to 550 places by 2017 and nearly 1,500 by 2027. Whilst demand could be spread across an improved existing primary school estate, it is likely that there will need to be at least one new primary school provided before 2027. Further work with Wirral MBC is required to fully understand these implications.

3.26 Even under a higher child yield scenario there will be sufficient local capacity to accommodate children of secondary school age locally (although a proportion are likely to travel beyond the local area). Many of the local schools demonstrate good levels of *value-added*. However, the success of a sustainable community in inner Wirral (Wirral Waters and elsewhere) will require a high quality education offer and there remains a need to raise attainment.

Health and Social Care

3.27 Based upon the profiling of residents it is anticipated that the greatest primary care demands will be placed upon GP's, community health centres, and dentistry, by young to middle aged adults. Although to a lesser extent there will be some demands for older adult and paediatric (family) medical care from residents and potential employees from the Wirral Waters development.

3.28 There are currently approximately 17 GP surgeries and medical centres which serve the Wirral Waters local area population – with the population well served in respect to its size by GPs. In close proximity to the Wirral Waters local area there are approximately 23 pharmacies, 9 dentist practices and 11 opticians serving the local population.

3.29 The Primary Care Trust (PCT), working with practitioners and with private finance, has been rolling out a programme of infrastructure rationalisation and improvement over the last 3-5 years to modernise out of date & inflexible practices/surgeries. The PCT has also been investing in the development of community hospitals - Victoria Central now offers a range of primary and secondary care services in the community, whilst St Catherine's Hospital is aiming to bring GP surgeries together under a modern healthcare building during 2010/2011. In total the PCT estimate that they will have invested £90m in new or improved premises, with the Wirral Waters area benefiting from this investment in raising the quality of healthcare infrastructure.

- 3.30 With the local area's population forecast to gradually decline further in years to come the service improvement measures being put in place by the PCT are sufficient to meet the primary care needs of local area residents, whilst also providing a range of additional out-patient services within community hospitals. Forecasts for the Wirral Waters development suggest that there could be 5,600 residents by 2017 and 14,900 residents by 2025 who would require healthcare services. This would generate a net increase in local population of some 4,500 by 2017 and 12,700 by 2027.
- 3.31 Forecasts suggest that by 2017 there could be a requirement for up to a further 3 GPs and 4 dentists to serve the Wirral Waters local area, whilst by 2027 this could rise up to approximately 8 GPs and 11 dentists - the equivalent of approximately 2 health centres.
- 3.32 Employees at Wirral Waters will create some additional demand for health care. There may be some additional demand for dental services and GP services if current proposals to expand choice are implemented. We would also expect to see some increase in demands upon Accident & Emergency services, whilst healthcare providers may wish to offer walk-in healthcare services in or close to Wirral Waters.
- [Community Recreation and Leisure](#)
- 3.33 Wirral MBC is the key provider of community recreation and leisure infrastructure and is responsible for the planning, delivery, maintenance and operation of leisure assets. Increasingly, however, the private sector is also beginning to play a greater role in the development and delivery of leisure assets.
- 3.34 The increase in the resident and in-commuting populations will place additional demands on existing recreation infrastructure, a significant amount of which is already relatively old and poor quality. The community recreation and leisure offer serving the community of East Float and adjoining areas will need to be improved to meet the needs and expectations of new and existing residents (improving the quality of the infrastructure and ensuring that a wider range of leisure experiences are available). Both Wirral MBC and the private sector will need to play a role in the delivery of this improved infrastructure.
- 3.35 Bringing forward these improvements relatively early in the development of East Float (as it is built out and occupied) would help to ensure that Wirral Waters is able to offer the quality of life and facilities to residents and workers that will be required to enhance its market appeal and its success as a sustainable community. This applies in particular to on-site recreation and leisure provision, as proposed within the outline masterplan proposals.
- 3.36 Detailed review and planning is required to consider the needs of an expanded and more diverse community in this part of inner Wirral. However, key medium term priorities for this area based on Wirral Waters delivery programme appear to be the delivery of the following:
- The provision of better quality multi-functional sports facilities;
 - Improvements to existing parks, and the provision of new on-site parks and other open spaces (quality and volume), including promenades; and
 - The provision of a modern and high quality community centre or multi-purpose community building (meeting rooms, performance and activity space, potentially library services).
- 3.37 Improvements to infrastructure may be best achieved through reinvestment on existing sites or premises or through new development in this part of inner Wirral. It should be noted that at the time of writing Wirral MBC were embarking on a Strategic Asset Review of their community and leisure facilities.
- [Community and Emergency Services](#)
- 3.38 Analysis suggests that demands placed upon civic and community services from local residents are likely to remain relatively stable over time. With the addition of the Wirral Waters development it is anticipated that the additional services would need to be gradually provided, although the increasing acceptance of eGovernment service delivery routes will need to be taken in to account. This will dampen down the rate at which demands may impact on the physical infrastructure.
- 3.39 The Council's one-stop shop service already has centres in close proximity to the site and is one of the community services which may feel the pressures of increases in residents. The Council, to maintain its high levels of customer service, will need to factor in this demand to ensure that there is capacity to deal with increased levels of enquiries, as well as the provision of additional services to residents e.g. refuse collection.
- 3.40 With many of the existing one-stop shops located near public transport routes and in central locations, utilising mainly existing well-known and council buildings, (e.g. libraries and sports centres) there could be scope for an expanded service to be provided within any future multi-purpose community building within the Wirral Waters development as part of a joint venture with healthcare, education or other leisure providers.
- 3.41 The Police and Fire Services operate resource models and risk plans to estimate the required service levels they will need to provide to cover an area. These take into account a range of factors including population, incident patterns and risks. These models are typically refreshed every 6-12 months.
- 3.42 A net increase of some 6,300 residents by 2017 would impact upon these models, as would an increase of circa 2,900 in-commuters. Residents and workers (and their premises) will require some increase in inputs from the Police and Fire Services. While this will require additional person-hours deployed (all other things being equal) it is not clear at this stage that there will be any material impact upon the infrastructure that the Police and Fire Services will require.
- 3.43 By 2027 East Float (including Northbank East) is projected to generate a net increase in residents of some 14,900, with 8,200 in-commuters. This will clearly require an uplift in the level of resources deployed and may have some impact on the physical infrastructure required to provide emergency services cover. However, it is not clear at this stage what this impact will be and further discussions with emergency service providers are needed to understand future implications.
- 3.44 Clearly, the development of tall buildings at East Float will require the emergency services to develop or expand appropriate incident response plans and approaches. It is also worth noting that there is a new Area Command Centre proposed within the Wirral Waters SRF area, in the Rivers Streets neighbourhood immediately to the south of West Float.
- [Summary of Needs](#)
- 3.45 Table 3 (below) summarises the needs identified above.

Funding and Delivery

3.46 In this section we provide a brief overview of the ways in which Social and Community Infrastructure required as a result of development at East Float may be funded. Broadly, potential sources of funding can be split into two types:

- **Mainstream Funding:** Social and Community Infrastructure is funded by central and local government through a range of departmental budgets (and delivered via traditional procurement routes or through the Private Finance Initiative)

- **Development and Growth Funding:** Developer contributions are used to fund social and community infrastructure to meet additional demands arising from development. A number of public sector (or public sector-backed) initiatives are increasingly used to fund key infrastructure, including Growth Point funds, JESSICA and emerging models of Tax Increment Funding.

3.47 Government has pursued a strategy of accelerated investment in recent years, with modernisation and improvement being a primary driver. A range of specific investment programmes which channel increased resources into various forms of Social and Community

Infrastructure have achieved a relatively high profile (e.g. Building Schools for the Future, Building Colleges for the Future and a range of other capital modernisation funding streams).

3.48 Models and formulae for the allocation of resources vary significantly for different forms of infrastructure (health, education, community services, etc.), as do the ways in which budgets are channelled to local, sub-regional and regional bodies. However, for all forms of Social and Community Infrastructure certain key considerations are typically taken into account when allocating funds for the development or improvement of infrastructure. These include:

- **Growth in the Population or User Group:** Increases in total population or in specific demographic or service user groups place clearly generate demand for services. At some point, this increased demand will trigger a requirement for new or improved Social and Community Infrastructure. As user groups grow, this trigger point may be delayed by finding new ways to deliver services (e.g. promoting greater use of eGovernment services and increasing the amount of care delivered at home). Although the precise formula in use varies significantly, each funder must take account of the number of service users and each service user attracts additional (per capita) funding for services and infrastructure.
- **Replacing existing facilities:** Social and Community Infrastructure (e.g. schools, health centres, community buildings, sports facilities) will become obsolete over time and will need to be replaced or substantially refurbished. Buildings reach the end of their natural economic life. Through obsolescence they can limit opportunities to user experience.
- **Policy and Equity Goals:** In some areas a decision may be taken to improve Social and Community Infrastructure in order to help to tackle major challenges in a local area e.g. the provision of additional community centre facilities or additional sports facilities in areas of multiple deprivation.

3.49 As noted within the Regeneration Statement, the intention that Wirral Waters can act as a direct

Table 3: East Float: Social and Community Infrastructure Implications

2017	<p>Education & Learning:</p> <p>Nursery provision: Some additional provision likely to be required under higher child yield scenarios; may require investment to improve provision.</p> <p>Health and Social Care:</p> <p>A further 3 GPs and 4 dentists likely to be required to meet resident needs, plus possible further provision to meet needs of in-commuters.</p> <p>Community Recreation and Leisure:</p> <p>A proactive approach to raising quality of provision may require the provision of high quality multi-functional sports facilities, improvements to parks and other open spaces and the provision of a modern and high quality community centre or multi-purpose community building.</p> <p>Community and Emergency Services:</p> <p>Council One-Stop Shop within Wirral Waters SRF area.</p>
2027	<p>Education & Learning:</p> <p>Nursery provision: Additional provision will be required under higher child yield scenarios; may require investment to improve provision.</p> <p>Primary provision: At least one additional primary school likely to be required under higher child yield scenarios; existing schools will require investment to enhance quality.</p> <p>Health and Social Care:</p> <p>A further 8 GPs and 11 dentists likely to be required to meet resident needs (equivalent of two health centres), plus possible further provision to meet needs of in-commuters. Opportunities to provide walk-in healthcare facilities.</p> <p>Community Recreation and Leisure:</p> <p>Further demand and market led provision.</p>

catalyst to the regeneration of the area through cross-subsidisation (as planning obligations) is constrained by market conditions, both locally as an area of market failure, and more generally due to the current recession. The ability of the private sector to cross-fund the provision of SCI to supplement public funds will therefore be limited within the early years of development.

- 3.50 The funding mechanism for SCI therefore needs to focus on maximising opportunities for both public and private partners, and leveraging in contributions where they can be made, but at the same time ensuring that SCI funding priorities do not inadvertently undermine wider objectives (e.g delivery and quality).
- 3.51 Importantly, the masterplan principles of the outline planning application incorporate a significant amount of space for the on-site delivery of Social and Community Infrastructure. There is 100,000 sqm (over 1 million sqft) of development floorspace attributed to leisure, education, community and cultural uses. This is a major part of the scheme, which allows a range of building uses to come forward, including all of those described above, plus others which link in more directly with the cultural and leisure-orientated aspirations of the project.

Detailed planning to meet future needs

- 3.52 Although the modelling undertaken above has been undertaken, understanding the precise needs for investment in Social and Community Infrastructure as a result and in support of development at Wirral Waters and East Float is challenging, particularly when looking beyond the short to medium term. The Guiding Principles for Social and Community Infrastructure prepared for the Wirral Waters Strategic Regeneration Framework – on which the above assessment of requirements emerging from the development of East Float is based - sets out a broad assessment of future requirements.
- 3.53 It is important that further and more detailed planning is undertaken to better understand future requirements and funding provision. The development of proposals for the provision of Social and Community Infrastructure as a result and in support of East Float will need to be taken through an iterative process in which all parties – developers and the funders and deliverers of this infrastructure – will need to participate.

Part of a wider agenda

- 3.54 It is important to be clear that not all of the additional demands that will be placed on social and community infrastructure will be the direct result of development at Wirral Waters. There will be a need to expand and/or improve social and community infrastructure provision as a result of:
- Wider regeneration and economic development in inner Wirral which, if successful, will drive up the population of the area;
 - Demographic changes in the wider population which will impact on different parts of the social and community infrastructure in inner Wirral; and
 - Wider population growth, which will have some impact in Wirral.
- 3.55 Furthermore, improvements in social and community infrastructure required as a result of or in support of East Float will also be of benefit to the wider population of inner Wirral. It will be important to understand the opportunities for enhanced public sector investment in social and community infrastructure as facilities are replaced, improved or expanded as a result of wider demographic change, obsolescence and service reform.

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Appendix 4 – Viability

1 The Viability Challenge

- 1.1 The needs and challenges outlined in the main Regeneration Statement and Appendices 1-3 have a significant bearing on the broad market positioning of the area and the ability to command sales/rental values to make development viable. Investors and occupiers be they looking for a new location or individuals seeking a place to live, do not currently recognise inner Wirral as a viable or desirable business or residential destination. Indeed, as proven by the analysis, the opposite is the case with Inner Wirral locked in a negative downward spiral of increasing unemployment and deprivation, deteriorating quality and decreasing population and economic activity.
- 1.2 This negative cycle is reflected in the lack of development activity to date in the area. Despite a sustained period of economic growth and a highly favourable planning policy context, very little development activity of quality and scale has taken place. Much of the development that has occurred has been subsidised by the public sector. Furthermore, of the development that has occurred, most has been piecemeal and of poor, or at best medium, quality. This is part of the negative cycle which reinforces the poor environmental quality and further deters confidence and investment. The public sector is seeking to reverse the trend through HMRI and other initiatives, but the cycle of decline has continued despite these investments.
- 1.3 The recession of 2008/09 will make the challenge for Birkenhead even more acute. The development industry is very fragile and many projects across the UK, in more economically successful and recognised locations have stalled. The viability

issues for delivering the initial phases of Wirral Waters were recognised at the outset by Peel. Peel is unique however in that it has a consistent and long term investment in the areas it operates. Being a private company means they can take a non institutionalised approach towards risk and delivery.

- 1.4 Within the current context however, there remains a major viability challenge for Wirral Waters. At present, early phases of Wirral Waters for which planning permission exists do not command the values needed to allow the construction of these schemes to commence. In simple terms, the costs of construction are more than the sales and capitalised rental values that can be currently achieved at this time. Confidential financial appraisal work has been provided to Wirral Council demonstrating this to be the case for Plot 1 of Northbank East.
- 1.5 The reason for this is simply the relative level of projected values based on current local market condition that can be achieved in the area at present. Indeed, this is within the context of Peel Holdings having not attributed a premium land value within the appraisal and having kept costs down through only the minimal necessary commitments to infrastructure and sustainability performance.
- 1.6 What this shows is that Peel Holdings and its partners must take a long term perspective, be flexible in the application of planning obligations that add cost and work in partnership to achieve viable development. Peel Holdings, since the launch, have committed to a long term delivery timetable for Wirral Waters of 30 +

years. At the outset, Peel acknowledged that they would encounter three recessions and six general elections.

2 Overcoming the Viability Challenge

- 2.1 Without a major catalyst project coming forward, it is anticipated that Birkenhead will continue its steady decline. Without the delivery of East Float, it is considered that the surrounding area will continue to be largely unviable for new development. The economy and property markets across the sectors will continue to fail. The communities and places within these areas will increasingly rely on state support and suffer the effects of deprivation in an economic period where public funding is to be cut.
- 2.2 Similarly, without it being viable, development at East Float cannot occur. The private sector will not invest if development is not fundamentally worthwhile. Given the limited availability of public funding, it is vital that Peel and its public partners work together to achieve deliverability.
- 2.3 This can best be achieved by creating confidence. This attracts tenants and occupiers who will pay sufficient rental and pay prices to enable the delivery of quality, sustainable development. This is central to the vision, the creation of a high value self-sustaining economy, where reinvestment can occur and contributions can be made to facilitating the wider regeneration of the area. However, from the starting point of a weak local economy, with no real

investment profile, within a recession there is clearly a long way to travel before arriving at this vision.

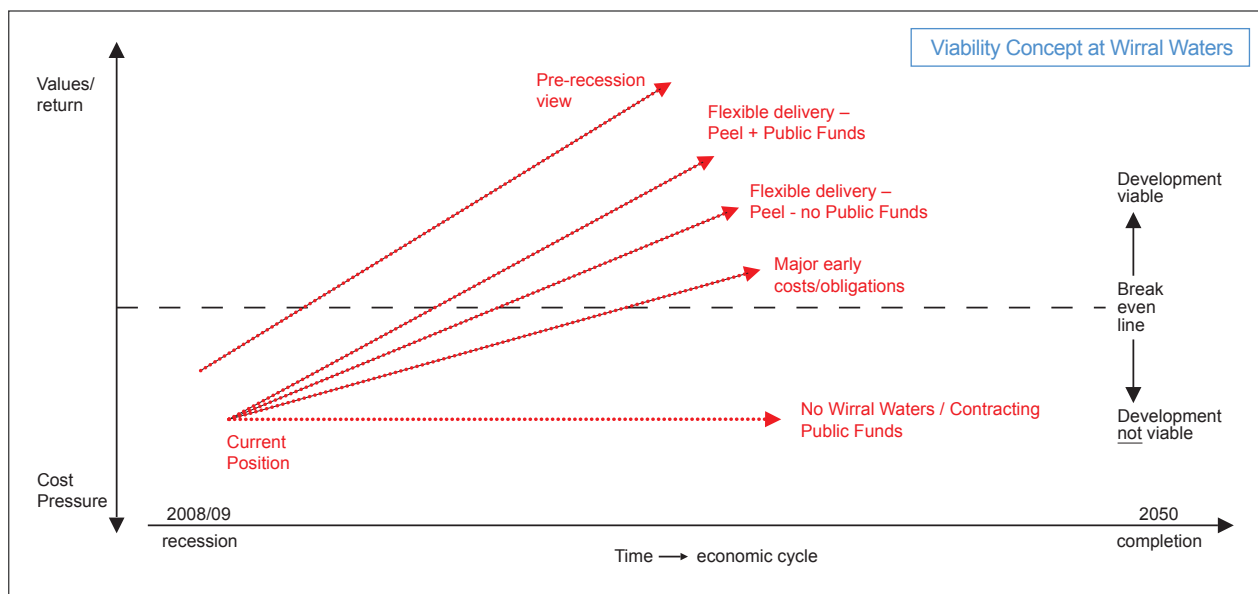
- 2.4 Wirral Waters is comparable in terms of changing long term perceptions, the scale of its need, and the potential opportunity, with the most significant major regeneration projects in the UK. The *Regeneration & Renewal Top 100 Regeneration Projects 2009* shows very clearly that most major projects receive tens of millions of public finance to assist with their delivery. Unlike many such projects however, Wirral Waters has not yet received any funding and is being led by the private sector. The aim is for Wirral Waters to be driven and funded first and foremost by the private sector. Indeed it is Peel Holdings' track record, scale and ability to attract other investors that makes Wirral Waters a realistically deliverable proposition.
- 2.5 It is clear however that to facilitate such investment in an area of market failure, all available public funding streams should be explored and opportunities taken to utilise subsidies and grants to assist with the delivery of Wirral Waters, in particular the critical early phases. It is also clear that the more the public sector can commit to Wirral Waters, the quicker progress will be made and the more effective the project will be in tackling the weak local economy and associated social challenges.
- 2.6 A number of such potential public funding opportunities have already been explored and are in progress. Regional Investment Funds and other instruments are likely to play an important role, with monies fed into the creation and maintenance of *infrastructure funds*. Capital may come from a range of sources.
- 2.7 As such, whilst likely to be principally a private-led project, given the scale of the challenge, it will be important to make best use of available public funds, whether these are for gap funding, Kick Start, investment or skills.
- 2.8 In considering the ability of the private sector to fund the regeneration challenge, the constraints on viability confirm what a number of observers have noted i.e. that the ability of the private sector to pay for infrastructure, affordable housing and other benefits will be significantly reduced over the medium to long term and that new mechanisms that do not rely on extracting some of the uplift in value at the start of a scheme will be needed. A range of ideas

(all of which provide for *forward funding*) to deliver infrastructure are currently being considered, including:

- Tax Increment Funding (TIF) – pledging the increased tax revenue (e.g. Council Tax) that will result from a development to repay a bond issued to raise money for supporting infrastructure (for example, Accelerated Development Zones);
 - Local Authority Bonds – borrowing by local authorities to forward fund infrastructure (similar to above); and
 - Public sector acting as banker i.e. forward funding infrastructure and recouping value from land receipts as they arise.
- 2.9 The potential for these more innovative mechanisms may evolve as the project is progressed and as some of these ideas become more firmly established within the regeneration sector. It is therefore important not to rule in or rule out any fixed funding mechanism at this stage.
 - 2.10 From Peel Holdings' perspective, short term actions on viability mean first and foremost continuing to invest

in design/planning and associated profile-raising and marketing activities. This is one of the ingredients needed to create confidence. Securing a planning permission plus having a vacant and deliverable site with no potential legal obstacles to overcome will also help. Securing a major catalyst occupier will also be key, whether a cultural building, educational establishment, central government location, etc. The Council's own Strategic Asset Review may also assist in throwing opportunities. Without this, East Float simply cannot be taken forward. Indeed the achievement of an outline planning permission for East Float is an essential part of this process, as it will generate confidence plus some value itself through demonstrating to funders and investors that there is a robust and agreed framework for delivery with a supportive local authority.

2.11 Also critical within the short-medium term is ensuring that the early phases of development do not compromise on quality. This will be critical in starting the transformation of inner Wirral. As single landowner and a major private investment company, Peel can take a long term perspective and rationalise investment decisions against longer term legacy



objectives. Like every developer and investor, Peel's ability to secure funds from the financial sector (i.e. banks) has been constrained over the last 18 months. However, with the support of partners, the benefit of an outline planning permission and economic recovery commencing through 2010, Peel will be able to successfully work towards investment and delivery of early phases and infrastructure.

- 2.12 There is thus a need to take a flexible approach to the planning and delivery of East Float, to allow development to emerge quickly and effectively, not compromising on quality and sustainability, with the outcome being that local communities can access the benefits of the project.
- 2.13 In moving towards delivery, after the grant of planning permission, there will be a need to prioritise where limited funding is spent. Decisions will inevitably need to be made in balancing competing objectives. This will be no more apparent than in balancing planning obligations. Unless a major funding package such as TIF can be put in place, it is clear that not all of the normal suite of planning obligations expected on a scheme of this scale, will be achievable until the development has developed a certain critical mass and become self-reinforcing, as part of a sustainable economy.
- 2.14 Establishing a legal framework for competing objectives, and the obligations associated with them, to be prioritised and balanced against each other, is a key challenge for the planning system to deliver for East Float. This will involve a legal agreement and/or use of planning conditions, which is explored further within the Planning Statement and Development Specification.
- 2.15 The objectives are summarised below:
1. Changing the perceptions of the area and achieving buy-in of local, regional and national stakeholders and confidence in the wider regional/ national business community;
 2. Transforming the physical environment through place-making and high quality built development, which will attract and sustain high value economic activity;
 3. Addressing local deprivation and ensuring that local communities have access to the new economic opportunities;

4. Safeguarding the port sector and maritime SMEs, through relocations and investment in the port;
 5. Providing the right physical infrastructure to support economic activity – including transport, energy, waste and water – to ensure that Wirral Waters becomes an exemplar in sustainable development;
 6. Creating a new housing market that is viable and supports economic growth, including different tenure offers and mixture of typologies; and
 7. Delivering the right type of social infrastructure to support communities, including health, education and community facilities.
- 2.16 The viability challenge and routes to overcoming it are shown graphically in Figure 1. This shows, conceptually and very simply, the current position and how viability will be influenced over the life of the project by the availability of public funds and the obligations and costs placed on the private sector.
- 2.17 As a result of the challenging economic situation, viability will be monitored and used to inform the phasing of planning obligations and infrastructure requirements over time. This approach, as set out within the HCA Guidance on Planning Obligations and Responding to the Downturn, has become common practice on major long term housing and regeneration projects and will be established through a legal agreement.

TURLEYASSOCIATES

