

Liverpool ELS

Stage 2: North Liverpool

June 2008

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1. INTRODUCTION

Structure of the report

1.1 The structure of this Draft Report is outlined below.

Section 1: Brief Summary of Part 1 Findings – highlighting the economic projections and role of North Liverpool

Section 2: Strategic Context – Strategic policy context with specific reference to the future role and function of North Liverpool, and Atlantic Gateway SIA.

Section 3: Employment Land Supply – Analysis of the supply of allocated and existing employment land across North Liverpool including assessment of constraints, and allocated site summaries.

Section 4: Economic Prognosis – Desk-based analysis of the economic potential of North Liverpool including likely changes within the business base at sectoral level.

Section 5: Supply and Demand Dynamic – Identification of the nature and extent of mismatch in the supply of and demand for employment land including consideration of specific allocated sites.

Section 6: Conclusions and Recommendations – Findings of Part 2, and recommendations relating to existing allocated employment sites to take forwards within future detailed development plan documents (DPDs).

Background to the commission

1.2 GVA Grimley Ltd were commissioned by Liverpool City Council (LCC) to undertake a Employment and Economic Development Land Study (EEDLS), addressing specifically the issue of availability of land for employment and economic growth.

1.3 In line with the brief the EEDLS has two core components: Stage 1 addressed the headline dynamic between the supply of and demand for employment land across Liverpool, including analysis at Strategic Investment Area (SIA) level; Stage 2 (this report and supporting documentation) assimilates a more detailed review of the supply and demand for land at a

more detailed level – within which North Liverpool has been prioritised in line with the Core Strategy.

- 1.4 As identified within the brief for the commission, Stage 2 is required to:
- be a detailed land study building on Stage 1, addressing the policy making requirements of the North Liverpool area; and
 - identify key site proposals to be allocated and identified / safeguarded for economic development / employment opportunities within a DPD.
- 1.5 The work undertaken within both Parts of the commission has used the (former) ODPM Employment Land Review guidance as a basis for development of a methodology. Any reference made to this in the remainder of this report refers to 'the guidance'.

Commission in context

- 1.6 Liverpool is recognised to be a key economic driver at the regional and sub-regional level, recognised throughout the strategic documentation at all hierarchical levels, and reflected in the level of European funding available to deliver economic development.
- 1.7 Its role in contributing to the Northern Way agenda, including driving the North West economy forwards through improving productivity and growing the market; growing the size and capability of the workforce; and creating and maintaining the conditions for sustainable growth, is clear.
- 1.8 A key supporting component of this agenda is the need to provide *sufficient and appropriate* employment land to facilitate economic development, both at the headline level but also importantly at the localised, in this case North Liverpool and Atlantic Gateway SIA, level.
- 1.9 All of the allocated employment sites within North Liverpool are located within the Atlantic Gateway SIA, with the background to definition and characteristics of this area forming a significant backdrop to this report.

Atlantic Gateway SIA

- 1.10 Atlantic Gateway is one of eight Merseyside Strategic Investment Areas (SIAs) that have been identified as having the greatest potential for delivering economic growth. European Objective 1 funding obtained has been focused on delivering growth and change in these defined areas.

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- 1.11 The full boundary of the SIA covers parts of South Sefton and North Liverpool and falls under the jurisdiction of a delivery group which includes representatives from both areas. It stretches from the northern edge of Liverpool City Centre to Seaforth within the Borough of Sefton. It also stretches from Seaforth in the west to the Switch Island M57/M58 junction in the east, where it links to the national motorway network.
- 1.12 The aim of the designation of Atlantic Gateway as an SIA is to expand the business base of the area, increasing job opportunities for local people, creating an environment that will attract investment and overall improve the quality of life for residents. Specific attention is intended to be focused on delivering new jobs along the northern docks, including the Stanley Dock and stretching into Bootle.
- 1.13 Key projects in this area will:
- make the best use of local and port related industry;
 - address issues associated with traffic and congestion;
 - deliver a sustainable office quarter and town centre within Bootle;
 - introduce an exciting leisure / tourism redevelopment to the Stanley Dock; and
 - strengthen residential communities and improve the built environment.

EEDLS Stage 1 findings

- 1.14 The analysis undertaken within Stage 1 of the study culminated in a number of conclusions at headline SIA level. Those for Atlantic Gateway SIA are presented below, including those relating to revealed demand and the resultant dynamic between supply and demand of employment land over the forthcoming plan period.

Demand and Supply Dynamic

- 1.15 Atlantic Gateway SIA has traditionally, and continues to be, linked to the dock industries, including goods transportation, manufacturing, storage and distribution, and associated small-scale manufacturing.
- 1.16 The area is also found to contain a strong element of automotive engineering and repair businesses which have continued to thrive despite a poor quality industrial stock. It is perceived that this evidenced demand is indigenous, and has in part resulted from the 'urban renaissance' effect (including significant displacement of indigenous uses) as a result of the

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- continued development of the City Centre, and is indeed attracted to the area on the basis of this cheaper supply.
- 1.17 Commercial consultations undertaken suggest this area is likely to continue in much the same vein without any significant public sector intervention (i.e. through strategic level spatial planning, management of expectations, land assembly, and investment).
- 1.18 The future potential of the area is therefore very closely linked with the degree, and nature of, intervention that will take place in the future. Albeit based on this assumption, consultation suggests that initial occupier interest will remain from small to medium sized enterprises requiring cheap flexible workspace. This is in part due to the nature of supply coming forwards in the other SIA areas, targeted more at inward investors and larger indigenous occupiers.
- 1.19 Analysis of surveys undertaken as part of the City of Liverpool Growth Strategy suggests that manufacturers in the north and south of the City recognise their current premises as being their main barrier to growth. The surveys also identified the shortage of affordable, easy-in, easy-out accommodation for immediate occupation alongside owner-occupier opportunities for companies wishing to combine their investment and operational needs.
- 1.20 A supply-led approach to economic development across Atlantic Gateway can address some of these issues identified, but significant public sector involvement is required to realise the full market potential of the area. This includes the potential to develop more niche / 'other business services' related activities in the area.
- 1.21 This response would go some way to address the identified disparity between supply and demand across Atlantic Gateway identified within the Stage 1 work.

2. STRATEGIC CONTEXT

National and Regional Context

- 2.1 A number of strategic documents, from national to local level set the context for economic development within the North Liverpool area. It is pertinent to consider this strategic context as a precursor to appreciating the economic potential of the area in terms of both supply of land to facilitate growth and 'natural' (baseline) sectoral growth forecast.
- 2.2 The national and regional strategic context has been detailed within the Stage 1 report, which is referenced as relevant to this Stage 2 report.

Local Policy

- 2.3 The analysis undertaken within Stage 1 has established the policy context for Liverpool at headline city wide level: it is now necessary to consider the context which guides investment and activity at the North Liverpool level. Specific reflection at this level is presented within this section, assuming that the national and regional context has been reported within Stage 1.
- 2.4 North Liverpool is an area of significant regeneration need, including large expanses of designated employment land and premises associated with traditional dock-related activity and housing market renewal to the east. This backdrop of economic and social challenge has prioritised a number of initiatives that are now setting the future context of potential for North Liverpool.
- 2.5 The **Liverpool City Region Development Programme** (CRDP), produced by LCC alongside sub-regional partners and guided by The Mersey Partnership (TMP), was updated in 2006. In addition to setting out key projects to deliver the Northern Way agenda, the CRDP highlights issues against which actions can be prioritised.
- 2.6 Within this document North Liverpool is recognised as a result of a number of different drivers of need and change, as summarised below.

Physical business infrastructure

- 2.7 The lack of a ready stock of quality commercial sites and premises has inhibited the City Regional economy for a number of years according to the CRDP, with a significant change in provision required to meet the demand of modern businesses.

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- 2.8 The Peel Holdings plans (pre-application at the time of writing) for Wirral Waters and Liverpool Waters including a combined investment of £10 billion (private sector led) would have a significant impact on the prominence of both as investment locations as they come forward. However a comprehensive delivery programme has not yet been outlined.
- 2.9 It is understood that the vision for both schemes is to bring forward significant job creation, world-class business facilities, enhancement to key waterfront locations, and residential provision. There is also the potential to create a visitor destination as part of the Liverpool Waters development, although this is unconfirmed as the masterplan continues to be developed.
- 2.10 Although the projects are long term investment programmes, to span a twenty year-plus period, it is imperative that investment in the wider North Liverpool area provides a strategic uplift as a result. This includes the provision of sufficient and appropriate employment land that complements and maximises the opportunity emerging from developments coming forwards.

Enterprise

- 2.11 Economic analysis reported in the CRDP recognises the need for the wider City Region to tackle two specific economic issues relating to enterprise: developing the existing business base to drive up productivity and competitiveness; and raising the overall level of enterprise and business density.
- 2.12 Projects identified as being key to delivering this change in North Liverpool (linked with Sefton) include the implementation of Local Enterprise Growth Initiatives (LEGI) pending the outcome of funding applications including the potential delivery of £29 million investment delivering 1,500 new jobs and 500 new businesses over a 20 year period.

Tackling the regions most deprived locations

- 2.13 North Liverpool is prioritised as a major regeneration area due to the level and nature of deprivation evidenced.
- 2.14 Significant projects identified within and around North Liverpool to address this deprivation include the New Anfield development, Stanley Park regeneration, provision and improvement of District shopping and community centres including Project Jennifer at Great Homer Street, new education and health facilities, and investment in business development (support) and premises. The area will also benefit from significant Housing Market Renewal Initiative (HMR) investment. Liverpool has also been designated as part of the Mersey Heartlands New

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- Growth Point, under a new Government partnership initiative to support local communities in pursuing large scale, sustainable growth; its successful implementation in Liverpool/Wirral would see a 20% uplift in the number of new houses proposed under draft Regional Spatial Strategy, with a particular focus on provision in North Liverpool.
- 2.15 At City-wide level LCC are developing a Core Strategy which will outline a vision for Liverpool including a spatial direction for investment and development. The Core Strategy forms the primary Development Plan Document (DPD) within the Local Development Framework (LDF).
- 2.16 A **Core Strategy Preferred Options Report** (POR) has recently been consulted upon by the City Council. The Core Strategy POR identifies three sub-areas within the City, within which varying degrees of development and investment are advocated. North Liverpool falls within the Inner Liverpool strategy area and adjoins the City Centre sub area to the north. These spatial patterns reflect those set out in the Secretary of State's proposed changes to the draft Regional Spatial Strategy which is expected to be finalised and adopted later in 2008.
- 2.17 It is within North Liverpool that the majority of economic development, employment creation and housing market restructuring will take place outside of the City Centre (which continues to be prioritised above all other locations for these activities), to ensure long term regeneration of Liverpool.
- 2.18 Within North Liverpool the Core Strategy POR states the objective of securing economic development within the Atlantic Gateway SIA which will ensure transformation of the wider area.
- 2.19 The POR recognises the need to focus on the development of the area's substantial land resource for long term sustainable economic growth and employment creation.
- 2.20 Alongside this focus on economic development there is a recognised need to restructure North Liverpool's housing market through the implementation of the HMR programme and linked to this the prioritisation of North Liverpool as a location for new housing development.
- 2.21 This is an important consideration for the area in the future, and one which must be given specific attention within this report. In particular existing employment land has the potential to deliver economic development, but also provides a potential location for residential development to deliver restructuring of the housing market. It is imperative that employment land is protected sufficiently to ensure delivery of economic objectives whilst recognising the importance of achieving the other policy objectives, particularly the requirement to meet housing supply targets. The proposed changes to the RSS emphasise the need to align need
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with opportunity while making use of existing infrastructure. The need for new employment growth in North Liverpool is considerable and therefore there is a strong RSS policy imperative for it to be delivered in the Atlantic Gateway SIA area.

2.22 **Strategic Physical Investment Framework** (SPIF) has recently been undertaken for Liverpool, which prioritises public sector intervention across the City. The SPIF was commissioned by the newly formed “Liverpool Vision”, an economic development company formed by the merger of Liverpool Vision, Liverpool Land Development Company, and BusinessLiverpool. The overarching objective of the SPIF is to deliver physical change in priority areas through targeted intervention and investment in key job creating, environment and value enhancing activities.

- Key strategic actions of specific relevance to North Liverpool include exploiting the opportunity that Northshore (the area of Atlantic Gateway that falls within Liverpool rather than South Sefton) presents for the long term growth and sustainability of the City; focusing support on the development of key economic locations, in particular those with the greatest potential to attract jobs in knowledge sectors through the provision of appropriate sites and premises; improvement of key gateways and corridors into the city by tackling environmental detractors, derelict buildings and vacant sites and improving streetscape and amenity.
- Key emphasis within the SPIF is given to ensuring a mutual responsibility is taken by both the public and private sector to tackle the key challenges across the City. The SPIF has tested the appropriateness of the SIA areas as continuing focus areas for investment, and has concluded that in the most part this is the most appropriate approach for commercial development activity given concentrations of business, properties, and land assets.
- It is stated that this area based approach is the most appropriate given the nature of the City’s market offer, specifically the need for continued public sector intervention in the City Centre and a more fundamental input into Northshore to bring forward development.
- Northshore is recognised as providing a key opportunity to ensure long term economic and commercial prosperity. This will be achieved through the provision of the right product offer, delivered through an appropriate phased approach to ensure consolidated and sustained City Centre growth alongside the creation of a mixed use environment which will retain businesses and residents in its own right.
- The SPIF highlights the needs to realise large scale private sector investment at Northshore as part of this process, including the likely requirement for significant long

term investment in infrastructure as well as co-ordination and lobbying on planning issues to facilitate growth.

- It recognises the fundamental role of Northshore in the wider regeneration of the North Liverpool area, and wider City. Its opportunity is ironically linked to the decline evidenced in recent years, specifically the gravitation of port activities to the north leaving expanses of vacant waterfront land for redevelopment, alongside some examples of quality and heritage in the built environment, albeit juxtaposed with often poorly designed infill developments.

- 2.23 Given the opportunity identified, Northshore will be the primary focus of the Investment Frameworks intervention in the North Liverpool area, complementing the wider range of investment in residential, community, and business development across the area.
- 2.24 Intervention will include the development of new employment opportunities in North Liverpool, addressing deprivation, and supporting the development of sustainable housing markets. This will also provide the setting for a new residential neighbourhood supplying open market family housing at the city fringe.
- 2.25 According to the SPIF, Northshore presents a long-term development opportunity including the rare opportunity to create a new district which should be mixed use, but with an emphasis upon residential and 'destination' uses that complement the City Centre. This is an important context to bear in mind within this study, and an example of the potential conflict between the need to protect employment allocations to ensure diversification and development of the local economy, and other key policy objectives, as discussed earlier.
- 2.26 The SPIF outlines an aspiration and focus for Northshore, including (of specific relevance to this Study) the provision of modern industrial premises linked to the Port, development of new business space to drive up business density in the area and to accommodate displaced businesses, the establishment of long-term goals and aspirations for the commercial offer, and provision of infrastructure improvements to link the east west connections and improve the gateways.
- 2.27 Priority projects are identified within Northshore, of which three have key significance as context for this piece of work, summarised below.

Pumpfields / Leeds Street Development Framework

- 2.28 There is the opportunity to develop modern commercial premises alongside mixed-use (residential led) developments including offices, leisure and retail. The SPIF states that

employment uses should be lower density than the adjacent Commercial District, reflecting their secondary nature or non-office uses. There is a strategic objective to safeguard employment land at the heart of the area around the Liverpool College site. The analysis undertaken within Stage 2 of this commission agrees with the sentiment of the SPIF in recognising the importance of this area of the City Centre, but identifies the need to ensure protection of quality employment land provision at the site alongside a mix of wider uses – particularly recognising pressure from residential development at the site.

Transport Infrastructure Improvements

- 2.29 The completion of the duelling of the A565 corridor and upgrading the associated public realm, alongside the enhanced east west connections between the Northshore employment opportunities to the residential communities of North Liverpool, improvements to open up waterfront development sites, and the investigation of the feasibility of a new station at Vauxhall, are identified priorities within the SPIF.

Sites and Premises Development Facilitation

- 2.30 It is a stated priority within the SPIF to bring forward a number of key new employment sites within Northshore, to upgrade the building stock, increase business density and provide a modern operating environment for new and existing businesses, complemented by improvements to the highway and infrastructure networks.
- 2.31 Peel Holdings are in the process of developing detailed proposals for investment within the **Port of Liverpool**; which, if realised in their full, will have a significant impact on the North Liverpool area and will act as a key driver of regeneration.
- 2.32 The Port of Liverpool is recognised to be the UK's leading gateway for imports of grain and animal feed, for the export of recycled metal and the movement of freight between Britain and Ireland.
- 2.33 Other commodities handled in the 1,200 acres of operational docks on both banks of the River Mersey include timber and forest products. Approximately 11 million tonnes of crude oil for Shell's Stanlow Refinery in Cheshire, imports of coal amounting to 3 million tonnes a year, 1 million tonnes of edible oils and fats, cocoa, steel, copper, aluminium and other metals, granite, chemicals, and general cargo, plus approaching 3 quarters of a million people travelling in on Irish Sea ferry services, and the growing number of cruise ships embarking passengers and making daily calls at the port are handled annually at the Port.

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- 2.34 A second container terminal is planned for the Port, to be built in the River Mersey at a cost of circa £100million. It is intended that the container terminal will be able to simultaneously accommodate two of the new generation post-Panamax container ships. The new facility, capable of handling 500,000 teus a year will almost double Liverpools container capacity to nearly 1,500,000 teus a year.
- 2.35 Clearly the impact of this development would be hugely important for the North Liverpool area. Investment on this scale will generate significant employment opportunities, increase the flow of people and goods through this area, and should go some way to enhance the Port-related environment which currently blights a lot of the western side of the SIA area. Opportunities to link employment opportunities, including supply-chain linkages, across the North Liverpool area should be promoted.

3. EMPLOYMENT LAND SUPPLY

- 3.1 A key element of the brief for Stage 2 of this study was to produce an assessment of the supply of allocated and identified employment land in the North Liverpool AAP area.
- 3.2 The assessment has been conducted in both qualitative and quantitative terms, in line with the guidance. The guidance stipulates the need for a fine grained approach to the assessment of sites, factoring in qualitative considerations as well as deliverability and market appeal.
- 3.3 A bespoke database has been developed for this commission to allow the nature and complexities of constraints acting on employment land to be recorded and analysed in line with the guidance. This database will form a key output of this commission and will be a useful monitoring tool for the City Council's use in line with the plan, monitor and manage approach advocated in national planning policy. It is submitted as Appendix 1 to this report.
- 3.4 The database holds information on site location, planning history, site classification, and site characteristics, including the following:
- Strategic Access
 - Quality of the existing environment
 - Market conditions/demand
 - Ownership
 - Site development constraints
 - Accessibility
 - Sequential testing
 - Social and regeneration policy
- 3.5 The analysis provides a clear picture of the quality and quantity of existing and identified employment land and provide a hierarchy of sites based on a range of criteria. From this analysis it will be possible to identify the key constraints of each site and propose methods to overcome these problems and encourage sites to become attractive to the future market in light of prevailing policy approaches.
- 3.6 The sites included in the database, and the analysis of supply of employment land across North Liverpool are those identified by the City Council in their existing land database (which

includes all allocated and existing employment, retail, housing, and 'white' land across the City). A schedule of sites included is included at Appendix 2.

City-wide Analysis of Employment Land Supply

- 3.7 As detailed in the Stage 1 report there are a total of 299 sites providing 322.862 hectares of employment land allocated and identified across Liverpool, as of August 2007. In general, they are distributed around traditional 'key' employment locations, including the Liverpool Dock areas, and along key infrastructure (road) routes.
- 3.8 All of the 299 sites are located within the Strategic Investment Areas (SIAs). The City Centre and Atlantic Gateway SIAs contain over 80% of the total number of allocated and identified sites. Although plentiful, the sites are relatively small in size (between 0.2 and 0.5 hectares) and account for just over 20% of the overall supply of allocated and identified employment land.
- 3.9 A total of 87 sites are included within the Stage 2 assessment of employment land within the North Liverpool area, providing a total supply of 41.72 hectares of employment land.
- 3.10 The identified employment sites within North Liverpool are all located within the Atlantic Gateway SIA. The sites contribute 30% of the total number of sites and 12.5% of Liverpool's overall supply, with an average area of 0.5 hectares.
- 3.11 The sites are located within the southern half of the Atlantic Gateway SIA, with significant clusters around the Princes Dock area, and along the A565. This is shown on Plan 1 within Appendix 3.
- 3.12 A total of 222.9 hectares of the allocated and identified employment land across Liverpool is identified on the LCC database as having planning permission (either full or outline); 69% of the total allocated and identified supply.
- 3.13 10.9 hectares of allocated and identified land in North Liverpool is identified on the LCC database as having extant planning permission, 8.2 hectares for industrial/business use and 2.6 hectares for mixed use (including residential).
- 3.14 A total of 103.1 hectares of employment land across Liverpool does not currently have planning permission. 78 sites, equalling 30.8 hectares of employment land in the North Liverpool area do not currently have planning permission.

Classification of Sites

Introduction

3.15 In accordance with the guidance, the site classifications considered are:

Established or Potential Office Locations. Sites and premises, predominantly in or on the edge of town and city centres, already recognised by the market as being capable of supporting pure office use¹ (or high technology R&D / business uses).

High Quality Business Parks. These are likely to be sites, no less than 5ha but more often 20 ha or more, already occupied by national firms or likely to attract those occupiers. Key characteristics are high quality of buildings and public realm and access to national transport networks. Likely to have significant pure office, high office content manufacturing and R&D facilities. Includes 'Strategic' inward investment sites.

Research and Technology / Science Parks. Usually office based developments, which are strongly branded and managed in association with academic and research institutions. They range from incubator units with well developed collective services, usually in highly urban locations with good public transport access to more extensive edge / out of town locations.

Warehouse / Distribution Parks. Large, often edge / out of town serviced sites located at key transport interchanges.

General Industrial / Business Areas. Coherent areas of land which are, in terms of environment, road access, location, parking and operating conditions, well suited for retention in industrial use. Often older, more established areas of land and buildings. A mix of ages, qualities and site / building size.

Heavy / Specialist Industrial Sites. Generally large, poor quality sites already occupied by or close to manufacturing, and process industries. Often concentrated around historic hubs such as ports, riverside and docks.

Incubator / SME Cluster Sites. Generally more modern purpose built, serviced units.

Specialist Freight Terminals e.g. aggregates, road, rail, wharves, and air. These will be sites specifically identified for either distribution or, in the case of airports, support services. Will include single use terminals, e.g. aggregates.

¹ NB: 'pure' office use refers to B1 office use

Sites for Specific Occupiers. Generally sites adjoining existing established employers and identified by them or the planning authority as principally or entirely intended for their use.

Recycling / Environmental Industries Sites. Certain users require significant external storage. Many of these uses e.g. waste recycling plants can, if in modern premises and plant, occupy sites which are otherwise suitable for modern light industry and offices. There are issues of market and residential perceptions of these users. Some sites because of their environment (e.g. proximity to heavy industry, sewage treatment works etc) may not be marketable for high quality employment uses.

- 3.16 The nature of classification given to each site has been determined through the consideration of the commercial market as it stands, assuming that there are no constraints on the land (or that mitigation has been undertaken to address the constraints identified in the database). This process has been supplemented by both site visits and commercial market analysis undertaken as part of the commission. This is presented on Plan 2 within Appendix 3.
- 3.17 In general, the current land offer focuses on general industrial uses, with only a small proportion considered appropriate for office use, and no sites identified as appropriate for specialist activities. In total, the supply for North Liverpool currently offers only 4 of the possible 10 site classifications, dominated by 'general/business use category' which represents 78% of the land offer.
- 3.18 The sites classified as Established or Potential Office locations are found to be in a fairly localised cluster, close to the main access routes, within relative proximity to the City Centre.
- 3.19 Despite the dockside location of North Liverpool and the Atlantic Gateway SIA, only 4 sites are classified as Heavy/Specialist Industrial Park. There are two dimensions to consider in the context of this finding. Firstly, the nature of such sites against the emerging market expectations for a higher quality environment (i.e. the relative importance of the spaces between buildings and ensuring limited negative externalities of employment operations), and secondly, the future potential of such heavy industrial (port related) activities.

Land Supply Constraints

- 3.20 The guidance (Employment Land Review Guidance Note, ODPM, 2004, para 4.25) highlights the importance of understanding the total supply of immediately available land – being the supply that is not affected by physical constraints preventing development taking place.
- 3.21 This section uses the site characteristics, as set out within the guidance, to provide an indication of the extent that each site is constrained in terms of development. Within each category, each site was assessed and allocated a score depending on its degree of constraint; the higher the perceived level of constraint, the higher the score. Importantly the scoring is consideration alongside a qualitative appreciation of each site, with no recommendations based solely on the score achieved by any individual sites.
- 3.22 The guidance is very clear on key considerations that should be factored into recommendations relating to existing and potential future employment allocations, as summarised in the tables below. This approach has been integrated into the database prepared and utilised within this commission, and is adhered to within the emerging recommendations.

Figure 1: Criteria to be used to assess whether employment sites are to be released (i.e. unsuitable or unlikely to be brought forward for development)

1 Market Attractiveness Factors

- 1.1 Has the site been formally identified for employment for at least 10 years?
- 1.2 Has there been any recent development
- 1.3 Is the site being actively marketed as an employment site?
- 1.4 Is the site owned by a developer or another agency known to undertake employment development?
- 1.5 Is the site in multiple occupation, or owned by an organisation unlikely to bring it forward for development?
- 1.6 Is there a valid permission for employment development, likely to meet market requirements? Or for an alternative use?
- 1.7 Would employment development on this site be viable, without public funding to resolve infrastructure or other on-site constraints?

2 Sustainable Development Factors

- 2.1 Would the site be allocated today for employment development, measured against present sustainability criteria (including public transport and freight access, environmental impacts and brownfield / greenfield considerations)?
- 2.2 Is employment the only acceptable form of built development on this site (e.g. because of on-site contamination, adjoining uses or sustainable development reasons)?

3 Strategic Planning Factors

- 3.1 Is the site within an area identified as of strategic importance to the delivery of the RSS / RES?
- 3.2 Is the site identified or likely to be required for a specific user or specialist use?
- 3.3 Is the site part of a comprehensive or long term development or regeneration proposal, which depends on

the site being developed for employment uses?

- 3.4 Is there public funding committed (or likely to be provided) sufficient to overcome infrastructure or on-site constraints to make employment development viable?
- 3.5 Are there any other policy considerations, such as emerging strategic objectives or spatial vision, which should override any decision to release the site?

Source: Employment Land Reviews Guidance Note, ODPM (2004)

- 3.23 When considering potential new employment land allocations the guidance advocates the use of the following appraisal criteria (which can be scored):

Figure 2: Appraisal Criteria for Assessing the Quality, Market Demand and Availability of Existing Portfolio

- 0 Base Information**
- 0.1 Overall size of site / area
- 0.2 Floorspace in use (by segment / unit size)
- 0.3 Floorspace for sale and vacant (by segment / unit size)
- 0.4 Potential development plots (by size)
- 1 Quality of Existing Portfolio and Internal Environment**
- 1.1 Age and quality of buildings
- 1.2 Noise and other obvious pollutants
- 1.3 State of the external areas and public realm
- 1.4 Parking, internal circulation and servicing
- 2 Quality of the Wider Environment**
- 2.1 Adjacent land uses constraining operations or quality of uses on site
- 2.2 Perception of the wider environmental quality
- 2.3 Local facilities for workforce
- 3 Strategic Access**
- 3.1 Ease of access to main road network
- 3.2 Proximity to rail, sea and air freight
- 4 Market Conditions / Perception and Demand**
- 4.1 Strength of local demand in segment
- 4.2 Recent market activity on site
- 4.3 Likely market demand and viability of development without intervention
- 5 Ownership and User Constraints on Development / Redevelopment**
- 5.1 Identify and number freehold owners
- 5.2 Identity of leasehold or other occupiers, lengths of lease etc
- 5.3 Ransom strips or other known ownership constraints on development
- 6 Site Development Constraints [undeveloped sites only]**
- 6.1 Site access
- 6.2 Topography, size and shape
- 6.3 Utilities
- 6.4 On-site environmental (nature conservation, trees, cultural heritage, landscape)
- 6.5 Contamination / land stability / on-site structures
- 6.6 Amenity of adjacent occupiers

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- 7 Accessibility**
 - 7.1 Workforce catchment
 - 7.2 Access by public transport
 - 8 Sequential Test and Brownfield / Greenfield**
 - 8.1 Urban, urban edge or outside urban
 - 8.2 Previously developed in whole or part
 - 9 Social and Regeneration Policy**
 - 9.1 Availability of other jobs locally
 - 9.2 Deprivation in local communities
 - 9.3 Priority regeneration designation
 - 9.4 Potential availability of 'gap' funding to develop
 - 9.5 Ability of site to support particular economic development priority
 - 10 Other Policy Considerations**
 - 10.1 Alternative uses if no longer allocated for employment
 - 10.2 Other material policy considerations

Source: Employment Land Reviews Guidance Note, ODPM (2004)

- 3.24 In line with the table above the employment land supply (allocated and identified) across North Liverpool have been tested against the guidance criteria – presented in the following paragraphs.

Existing Portfolio & Internal Environment

- 3.25 A qualitative assessment of existing site portfolio in terms of age and quality of build (where appropriate), noise and other pollutants, the state of the external area and/or public realm, and evidence and quality of parking, internal circulation and servicing area. This factor is scored on a 0 to 5 basis, 5 representing the most constrained in terms of new development.
- 3.26 The majority of the sites score between 2 and 4 in terms of their existing portfolio and internal site environment, as illustrated on Plan 4 in Appendix 3. This medium to high constraint identified across a significant proportion of the employment land supply is reflective of the existing status of a large number of the sites being general industrial in nature.
- 3.27 A number have derelict or existing poor quality buildings on site, which detract from both their existing amenity and their potential future role and function. This is particularly pertinent given the strategic drive to move beyond general indigenous demands within North Liverpool towards providing more value-added employment functions.
- 3.28 The consideration of the existing portfolio and internal environments gives an indication of the extent to which clearance and redevelopment will be required in order to provide an appropriate supply of premises to meet emerging demand (type and quantum). On the basis

of this analysis it is likely that a significant requirement exists for redevelopment rather than re-use of existing premises.

Quality of the Wider Environment

- 3.29 This factor is assessed qualitatively in terms of adjacent land uses to the north, south, east and west of the site, general perception of the wider environment, and local facilities for the workforce (e.g. retail and leisure provision). These considerations are important for inward investors looking to locate in quality locations that provide appropriate amenity (in the wider context) to attract a quality workforce.
- 3.30 As with the other constraints / factors considered, the quality of the wider environment is scored on a 0 to 5 basis, 5 representing the most constrained in terms of new development. The scores for each site in terms of the quality of the wider environment have been mapped, and are illustrated on Plan 5 in Appendix 3.
- 3.31 Several sites score poorly (scores of 4 and 5), in terms of the quality of the wider environment. These sites are mainly located in proximity to the Dock, to the north of the area. The majority of the sites across North Liverpool are medium constrained (scoring between 2 and 3).
- 3.32 The lowest scoring sites (therefore the sites that are seen to have the highest quality wider environment) are found in the south of the area, receiving the advantage of the near City Centre location, and less heavy industrial / Port related activities in close proximity.
- 3.33 As with the quality of the internal environment of sites, this consideration is an important component of investment decisions. The nature of the external environment across North Liverpool is clearly a potential impact upon site specific investment in stock / premises.
- 3.34 Indeed, the nature of this constraint across North Liverpool suggests the need to approach bringing sites forward in a coherent and strategic manner. Such an approach will allow sites to make a collective contribution to the wider environment, making development more favourable and potentially more viable.

Strategic Access

- 3.35 A qualitative assessment of strategic access issues, including site location in terms of proximity to public transport rail networks, and rail, sea and air connections, has been undertaken. This factor is scored on a 0 to 5 basis, 5 representing the most constrained in terms of new development.

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- 3.36 The strategic access scoring allocated to each site considered within the analysis has been mapped, and is illustrated on Plan 3 in Appendix 3.
- 3.37 All of the sites are located north of the City Centre in the area bounded by the North Liverpool Docks, the A5059 to the south, the A59 to the east and the A5058 to the north. The majority of the sites score between 1 and 2, low to medium constrained.
- 3.38 All sites have access to strategic road networks (M62 is within 5 miles and M62 is within 20 miles), via the A59 and A5058. However, this strategic connectivity is heavily dependent on east – west movement of traffic, which is considered partially restricted by the presence of a railway line which dissects the area.
- 3.39 The importance of strategic access should also not be underestimated in terms of its potential impact on the economic potential of North Liverpool. Specifically, whilst the strategic network is not considered a constraint to existing uses and functions, being largely indigenous in character, it could affect the ability of the sites to attract inward investment.
- 3.40 Access to wider markets is key to attracting inward investments; North Liverpool will benefit from its adjacency to the Port of Liverpool, but should also seek to maximise linkages with Liverpool Lime Street as a key gateway to the wider economy of the North West, and enhanced linkages to London.

Market Conditions / Perception of Demand

- 3.41 The guidance places a clear emphasis on the consideration of the current market context for development sites. Employment land allocations within local plans must be deliverable and attractive to the market within the plan period.
- 3.42 Again measured qualitatively on a 0 to 5 basis, this category seeks to analyse the strength of local demand as manifested in recent market activity, local occupancy rates, development activity in recent years (where evidenced), and overall potential in the context of commercial market consultations undertaken. The scoring against this criteria is illustrated on Plan 6 within Appendix 3.
- 3.43 The sites in North Liverpool all score reasonably well in terms of market perception and demand reflecting a relatively healthy market in this area. This by and large reflects the nature of the indigenous activities found to be commonplace across the North Liverpool area. Market activity in this type of employment function will have been further supplemented by decanted demand from other locations across the City, including some fringe City Centre locations, as a result of development for office and mixed use developments.

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- 3.44 More strategically however it is clear that bringing forward employment land across North Liverpool will be constrained by a number of other factors including strategic access, the questionable quality of the built environment, multiple ownerships, and low land values (for employment uses).

Ownership

- 3.45 A score has been given to each site based on the nature of site ownership (where known). Multiple ownerships have scored higher (representing a constraint to development), which single public sector ownership is scored with a lower value. A range of 0 to 5 has been used as with the other criteria considered. The assessment has also taken into account the evidence of ransom strips (i.e. small areas of land which have inflated values due to their prominent location – access, or adjacency to key development sites) or other known ownership based constraints on development.
- 3.46 Multiple ownerships are generally considered to be a significant constraint in bringing development forwards. Further to this however, high levels of private ownership can be seen to be evidence of ‘land banking’, or developers sitting on land until public sector monies become available to gap fund or complement private sector investment through, for example, support of infrastructure investment. The scoring against this criteria is illustrated on Plan 7 within Appendix 3.
- 3.47 The majority of the sites in the area score quite highly (between 3 and 5, medium to high constrained) for ownership, reflecting that there may be some complex issues to be addressed should these site come forward for development. This is an important consideration when comparing the supply of employment land to demand identified across North Liverpool over the emerging plan period.
- 3.48 Limited public sector ownership has been identified across the North Liverpool area. This is assumed to affect the ability of the key agencies (including the City Council) to directly intervene in the supply of premises coming forwards (both in terms of investment in existing stock and through development of new premises).

Physical Constraints

- 3.49 Physical constraints have been assessed on the basis of existing site access, site topography, and existence and status of statutory utility connections, on-site environmental concerns (e.g. likely Tree Preservation Orders, flood risk etc.), probability/evidence of contamination, and any other physical issues identified during site visits. This factor is scored on a 0 to 5 basis, 5

representing the most constrained in terms of new development, mapped on Plan 8 in Appendix 3.

- 3.50 This constraint is interesting when considered in the context of the existing employment functions of the sites, and the potential future employment function of the sites when compared to the emerging policy drivers for North Liverpool.
- 3.51 Specifically, North Liverpool is an established area of industrial activity, with a large majority of the sites scoring well (between 0 and 2) in terms of the physical constraints within this context. This reflects the current indigenous functions that are ongoing on a large number of the sites, for which the local physical and workforce characteristics are appropriate. Indeed, such functions provide important employment and services for regeneration areas to the north of the City.
- 3.52 However, several sites are recognised to have a score of 4, identifying them to be highly constrained. This is significant in terms of investment required to bring the sites up to developable status – thinking specifically here of contamination, utilities, and environmental concerns. In the event that the indigenous sites are considered in terms of their potential attractiveness for employment use in the future, the same conclusions could be made.
- 3.53 This is a significant detractor to investment by potential occupiers who might be looking for sites and premises across Liverpool. Such constraints are associated with high (often unknown) ‘upfront’ costs for developers, that can fundamentally affect the viability of projects coming forwards, and often places increased pressure for mixed use developments (using higher value uses to supplement the values achievable on other uses).

Accessibility

- 3.54 Site accessibility has been analysed in terms of workforce catchment areas and access by public transport. This category might include an assessment of public transport frequency, convenience and cost. This factor is scored on a 0 to 5 basis, 5 representing the most constrained in terms of new development, mapped on Plan 9 in Appendix 3.
- 3.55 The main routes through North Liverpool, including the A565 and the A59 are well served by public transport (bus links) both north to Bootle and south to the City Centre. There is a train station at Kirkdale (Hunts Cross to Kirkby or Ormskirk line). Trains run roughly every 15 minutes during the day Monday to Saturday (every 30 minutes in the evenings after 19.42), and every half hour on Sundays. These trains link North Liverpool with the City Centre.

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- 3.56 East – west linkages are less strong, with limited connectivity to the key east – west routes linking to the A580 and the M62.
- 3.57 However, linkages with the City Centre, including specifically good public transport links, result in the fairly low scores (i.e. good accessibility) of the North Liverpool sites.

Sequential Test and Brownfield/Greenfield

- 3.58 This assessment seeks to categorise sites according to their status (e.g. urban, urban fringe, or outside urban) and whether they are Greenfield or brownfield sites (based upon visual inspection and stakeholder consultation). Sites are considered to be constrained if they would fail sequential testing and are Greenfield, although this is open to interpretation on a site by site basis. This criteria is mapped on Plan 10 in Appendix 3.
- 3.59 Given the nature of North Liverpool as an existing industrial / indigenous employment location it is unsurprising that none of the sites are considered to be constrained by their status, with all being brownfield sites. The application of sequential testing could present a challenge on some of the sites, linked to the nature of use potentially coming forwards and the relative role of the City Centre as the commercial core of Liverpool, however, this is not perceived to be a major constraint to development within North Liverpool.

Social and Regeneration Policy

- 3.60 The final ‘tier’ of appraisal of the employment sites tests potential contribution to local social and regeneration policy. This criteria looks to the local context for jobs, including local deprivation, whether the site has a priority regeneration designation, and the potential for the site to form a local employment catalyst (both in terms of the type of employment that could come forwards and the scale of employment likely).
- 3.61 The specific regeneration context for each site has been considered, with all sites considered to be mixed in terms of their contribution. This reflects two key themes, firstly the existing employment contribution that the sites make – linked to local skills levels and indigenous employment functions – which could be seen to be a self-fulfilling driver of regeneration need, against the potential mismatch between the skills levels in the local area and the future employment potential for the sites. The findings of this test are illustrated on Plan 11 in Appendix 3.
- 3.62 It is essentially an issue of mismatch between aspirations and local context, typical of the wider regeneration area specifically linked to Housing Market Renewal activity to the east of the area.

Overall Constraint Analysis




- 3.63 An overall constraints score is calculated from the scores of each factor to provide an overview of the level of the quality of employment sites in the North Liverpool AAP area. The scores are then considered in terms of whether the site is considered to have low levels, medium levels, or high levels of constraints operating on it. The overall scores are illustrated in the table overleaf, for each site considered, also illustrated on Plan 12 in Appendix 3.
- **Low** → Few constraints (i.e. developer ready) (10-14)
 - **Medium** → Constrained (i.e. not available in short-medium term without constraint mitigation) (15-19)
 - **High** → Very constrained (i.e. serious issues for development of site) (20+)
- 3.64 The great majority of the sites in the North Liverpool area (61 out of 87) achieve an overall score of between 15 and 19, classifying them as medium constrained; not available in the short term without constraint mitigation.
- 3.65 Several sites are identified as 'very constrained', achieving overall scores of 20+: these sites are located in both the north and the south areas and therefore their high score is likely to be attributed to physical aspects such as the quality of the internal and external environment rather than accessibility or market considerations.
- 3.66 Only 8 sites, 6.29 hectares of the total supply (including the largest site, Wellington Employment Park at 5.46 hectares), is considered to be developer ready.

Figure 3: Overall Constraint Score

GVA Ref	Site Name	Size (ha)	UDP Ref	Total Score
1	Land between Gascoyne St / Leeds St / Pall Mall	0.13	-	19
2	Land to the west of St Bartholomews Rd and N/E of junction with Paul St	1.56	E57	21
3	Blackstock St / Bevington Bush / Paul Street	0.92	E57	19
4	Carruthers St - Former Power station	0.78	E51	16
5	Pall Mall / Lanyork Rd / Chadwick St (Car park)	1.70	E52	16
6	Land between Oriel St and Naylor St	0.27	E57	15
7	Land south of Little Howard St, east of railway adj to the old viaduct	0.27	-	16
8	Land at eastern side of Regent Rd / North of Walter St	0.51	E38	17
9	Land adjacent to St Albans Church Denbigh St / Athol St	0.09	-	13
10	land between Fulton St / Regent Rd	0.18	-	16
11	land between Luton Street / Grundy Street	0.67	-	16
12	Wellington Employment Park South, Dunes Way, Liverpool	5.46	E35	14
13	Land between Errington Street & Grundy Street	0.28	-	15
14	Huskisson Junction South / Sandhills Lane	0.38	E23	17
15	Land at junction of Studholme St / Juniper St / Bankhall Lane	0.52	E19	17
16	Land at North of Miskelly Street	0.17	E18	14
17	Land rear of Esk St / east of Derby Road / west of Forth St	0.75	E9	18
18	South side of Brunswick Place btw Regent Rd / Derby Rd	1.27	E8	22
19	Regent Rd / Lower Mersey View	0.34	-	19
20	Land adjacent to Scotland Rd / Bevington Bush / Nicholas St / Wellington St	0.71	-	19
21	land at Burton St / Milford St	0.10	-	18
22	Southern section of site Regent Rd / Brunswick Place	0.75	E7	20
23	Land in Vandries St rear of 52-60 Waterloo Road	0.17	-	19
24	Land to north and east of service station on Leeds St.	0.68	-	15
25	Land at S/E Junction of Bankhall Street / Bankhall Lane	1.62	E97	16
26	Land to North of Juniper St & West of Miston St.	0.37	-	17
27	Land to SE Junction of Esk St. / Derby Rd. including Beaumaris St.	0.16	-	20
28	Land at Leeds St. / Lanyork Rd.	0.52	-	15
29	Canada Docks railway sidings - Derby Road / Bankfields St / Regent Rd.	1.78	-	19
31	land at corner of Chisenhale St. & Vauxhall Rd.	1.30	-	20
32	Land to rear of warehouses between Blackstock St. & Ford St.	0.69	-	16
33	Land between Leeds St., Freemasons Row & Gardner's Row	0.16	-	17
34	Land between Freemasons Row / Gladstone St. & Leeds St.	0.04	-	14
35	Land on Vauxhall Road, South of Naylor St.	0.03	-	13
36	Land on Phillips St.	0.08	-	16
37	land between Eaton St. & Gascoyne St.	0.31	-	16
38	Love Lane / Spranger Street / Little Howard St.	0.24	-	23
39	Love Land / Spranger St. / Whitley St.	0.28	-	23
41	Gt Howard St. / Little Howard St. / Spranger St.	0.24	-	17
42	Site between Vandries St. / Oil St.	0.16	-	15

43	Great Howard St., South of Chadwick St.	0.75	-	15
44	1 - 7 Vulcan St.	0.21	-	18
45	Land between Oil St. and Vandries St.	0.36	-	18
46	Building at corner of Waterloo Rd. and Vulcan St.	0.03	-	21
47	69,70,71 Waterloo Road	0.08	-	22
48	3 - 5 Porter Street	0.12	-	18
49	28 - 32 Porter St.	0.19	-	18
50	Land adjacent to railway between Whitley St. & Upper William St.	0.01	-	19
51	Building on Carlton St. near corner of Clay St.	0.04	-	17
52	Building & land at corner of Cotton St. and Clay St.	0.03	-	17
53	land adjacent to 18 Cotton st.	0.12	-	18
54	8 - 12 Cotton Street	0.22	-	18
55	21 - 25 Dublin St.	0.15	-	18
56	179 Great Howard Street and land to rear	0.54	-	19
57	2 - 10 Glegg St. and adjacent land	0.27	-	19
58	land and building at corner of Regent Rd, Saltney St. and Dublin St.	0.20	-	20
59	Building between Maddrel St. & Gregg St.	0.08	-	17
60	Land at corner of Maddrell St., Gregg St. & Great Howard St.	0.08	-	16
61	Land on Sandhills Lane adjacent to eastern side of railway line	0.43	E35	15
62	Building at Boundary St. corner opposite Atlantic Park	0.13	-	15
63	Building at corner of Great Howard St. & Bentinck St.	0.28	-	18
64	Land and building at corner of Great Howard St. & Walter St.	0.69	-	15
65	Land behind Fulton St.	0.20	-	19
66	18 Fulton St. / Regent Rd.	0.03	-	20
67	Land at corner of Boundary St. & Fulton St.	0.01	-	14
68	Land and building at corner of Boundary St. / Regent Rd. / Sandon Way	0.14	-	17
69	Building and land on Regent Rd. / Sandon Way	0.39	-	17
70	Land between Grundy St. and Luton St.	0.07	-	17
71	Land at corner of Walter St. / Regent Rd.	0.02	-	18
72	Building at corner of Regent Rd. and Sandhills Lane	0.02	-	22
73	Land at corner of Derby Rd. / Belltower Rd.	0.48	-	16
74	Land at corner of Regent Rd. / Belltower Rd.	0.20	-	20
75	Land to west of railway between Bankhall St. & Redfern St.	0.51	E15	17
76	land and building adjacent to canal - north of Bankhall St.	0.81	-	20
77	Building between Forge St. and Bankhall St.	0.07	-	17
78	Vacant Public House on corner of Clyde St.	0.03	-	19
79	Building and Land on Forth Street, opposite Clyde Street	0.13	-	18
80	Building on corner of Dunnett St. opposite Brunswick Place	0.17	-	18
81	Building on Eleanor St., between Haddock St. & Esk St.	0.03	-	20
82	land and building between canal and Brasenose Rd.	0.09	-	21
83	Building and land between Regent Rd / Lower Bank View / Lower Mersey View	0.63	-	20
84	1 Paul St.	0.04	-	16
85	Former petrol filling station, 209 Great Howard Street	0.16	-	13
86	Site adjacent to Tate & Lyle tank farm, 167 Regent Rd.	1.09	-	20

87	Warehouse at Fulton St. & Blackstone St.	0.11	-	18
88	Land at corner of Blackstone St. & Great Howard St.	0.33	-	13
89	land bounded by Errington St., railway, Sandhills Lane, Derby Road	2.64	E28	16

Constraint Level: Low	
Constraint Level: Medium	
Constraint Level: High	

Existing Allocated (UDP) Site Summaries

- 3.67 A summary of each of the sites identified as allocated within the Liverpool UDP (adopted November 2002) is provided in Appendix 4.
- 3.68 All of the allocated employment sites across North Liverpool, illustrated on Plan 13 in Appendix 3, are designated as 'Primarily Industrial Areas'. Within these allocations the City Council will permit the development of industrial / business uses (Use Classes B1/B2/B8) and small scale ancillary uses (such as small retail units) to serve the day-to-day needs of those employed by the industrial / business uses. Photographs of each allocated site are shown in Appendix 5.
- 3.69 The allocation of these sites for B1/B2/B8 industrial / business use is intended to provide the City with a strategic reserve of land, which will be essential to enable Liverpool to compete with other centres for inward investment. This is an important consideration to 'test' within this piece of work; the extent to which the allocations in North Liverpool offer that potential to attract inward investment.
- 3.70 It is also recognised that given the road frontage of some of the industrial / business allocations some sites may attract proposals for other forms of development including petrol filling stations, fast food outlets and leisure activities. Applications to develop these sites for any use will be determined with reference to all relevant policies in the Liverpool Unitary Development Plan (UDP) and other material considerations.

4. ECONOMIC PROGNOSIS

- 4.1 Analysis undertaken as part of Stage 1 of this commission (See separate document) included the consideration of the likely future trajectory of the Liverpool economy set in its regional and national context. A significant amount of analysis has been undertaken to establish the nature of the existing economic base in North Liverpool (based on past trends within the employment and business base), linking this to the forecast analysis for the wider Liverpool area within the Stage 1 report.
- 4.2 Liverpool is acknowledged in Section 2 of this report as a key economic driver within the North West, and as the core of the Liverpool City Region within the wider Northern Way agenda. This context sets the importance of Liverpool to the wider economic development established in emerging RSS and RES (as highlighted in Section 2 of this report and previously in the Stage 1 work).
- 4.3 The brief for the commission requires, with specific reference to the North Liverpool area, the identification of demand from business expansion and investment. The brief also states this should focus on existing and potential SME's and the City's key growth sectors.
- 4.4 The statistical analysis underpinning this Stage 2 report as presented here, has included consideration of Office for National Statistics (ONS) (Annual Business Inquiry, ABI) and Cambridge Econometrics (CE) datasets relating back to the North Liverpool area where possible. This is in order to inform the development plan-making process currently ongoing within the City Council as part of the wider LDF preparation.
- 4.5 It is important to note the geography at which the analysis has been undertaken, and the resulting potential risk in the findings presented. Neither ABI nor CE data is designed to be aggregated to a low level (sub-Local Authority level). However for the purposes of this analysis ABI data has been obtained to Super Output Area (SOA) level², and aggregated to cover the SOAs encompassed in the North Liverpool area.

² SOA's are a recognised geography of analysis developed by the Office of National Statistics (ONS). There are 34,378 Lower Layer Super Output Areas covering England and Wales. They encompass a minimum of 1,000 people (mean 1,500), and constitute groupings of Output Areas.

Business and Employment Typologies

- 4.6 Detailed analysis has been undertaken centred on correlating employment (by sector) and the business base (by sector) within North Liverpool to obtain an understanding of the existing / potential future sectoral activity for the area. The primary focus of the analysis is to establish the sectoral strengths within the area taking account not just of employment but also changes within the local business base within the area. Analysis of this kind correlates employment and actual business change more closely, allowing us to draw conclusions regarding requirements moving forwards.
- 4.7 Specifically it is possible to determine potential site requirements for North Liverpool through the findings emerging from the analysis. Employment change can be 'cross-checked' with business change, which in turn evidences changes in productivity levels by sector. In this context four business and employment typologies can be identified, relating to the four permutations of the observed employment and business base change. These permutations, being the most prevalent trends observed, are identified as being:
- Employment and business unit growth (enlargement)
 - Employment growth but business unit decline (concentration)
 - Employment decline and business decline (insecure)
 - Employment decline but business unit growth (fragmentation)
- 4.8 These in turn link to four 'zones' of productivity. The significance of these zones of productivity is summarised in the table below. By understanding sectoral trends across North Liverpool in terms of zones of productivity it is possible to understand which of the sectors will result in significant land-take, and which are more closely and specifically aligned to employment growth but business unit decline (i.e. concentration) – most likely to result in release of land.

Figure 4: Productivity Zones

Zone	Zone A – Concentration – more jobs, fewer producers	Zone B – Enlargement – more producers, more jobs	Zone C – Fragmentation – more producers, fewer jobs	Zone D – Insecure – fewer producers, fewer jobs
Comment	Potential productivity gains achievable through economies of scale and scope	Potential for high value added growth through technical progress and economies of scale	Mixed group with equally mixed prospects. Little to suggest that productivity increases will occur through exploitation of scale economies	Industries experiencing strong competitive and possibly cost pressures. Potentially declining and unlikely to contribute strongly to economic growth
Business and Employment Typology	Employment growth but business unit decline	Employment and business unit growth	Employment decline but business unit growth	Employment decline and business unit decline

4.9 These typologies, and their relevance / prevalence in the North Liverpool economy (including identification of implications of trends evidenced) are considered in more detail below.

Wages and Productivity

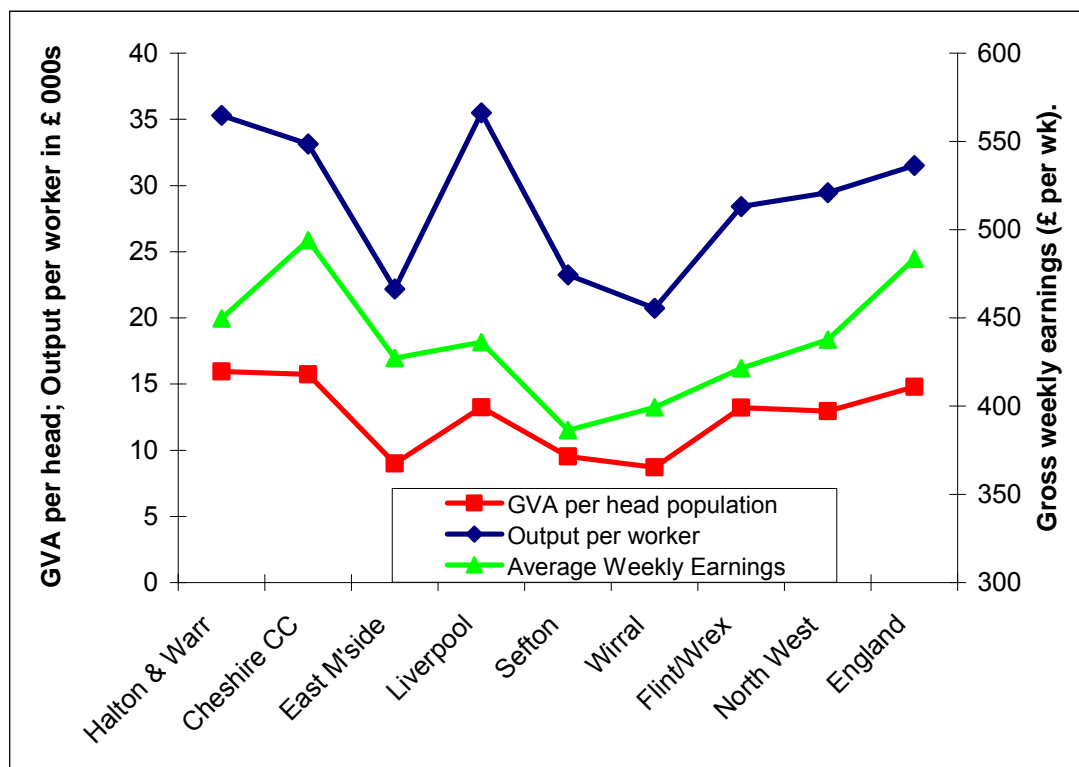
4.10 Before considering the nature of the employment and business base in North Liverpool it is relevant to highlight the importance of productivity to wider (relative) economic growth.

4.11 Economic theory suggests that levels of compensation (wages) earned by factors of production (labour, capital and management) must reflect their contribution to final output (value added). Long term excess compensation is not economically sustainable in this context.

4.12 Earnings, productivity and value added are inextricably linked, with the market adjusting to ensure equilibrium in the long term (therefore ensuring economic sustainability). Within the global market these adjustments can take a significant time to occur, although recent economic trends suggest the shortening of this ‘lag time’.

4.13 The figure below presents an interesting picture for Liverpool in this context set in the Merseyside, Cheshire and North Wales context.

Figure 5: Relationship between GVA per capita, output by employee, and average earnings



Source: ABI (Nomis), 2007

- 4.14 With the notable exception of Halton and Warrington, whilst the economies of the ‘rest of Merseyside’, Cheshire, and North Wales all demonstrate similar variations in output per worker and GVA per capita, Liverpool does not. Indeed, within the Liverpool economy output per head is higher than any of the other comparable areas although the prosperity gap (linked back to average weekly earnings) is similar to (if a little higher in some cases) the rest of the region.
- 4.15 The key conclusion to be drawn from this analysis is the apparent low wages in Liverpool, setting it out from the rest of the region in the context of higher than average output. Indeed this suggests that there is an excess supply of labour in Liverpool, or a wage bargaining economy that favours the business base (without compromising output).

Business and Employment

- 4.16 Business unit trends across Liverpool since 1998 suggests a base that has been increasing; with growth rates just under 0.75% per annum.

- 4.17 Levels of employment have been growing at a rate roughly twice that level (supporting the previous analysis on wages and productivity), suggesting that the average size of business units in Liverpool have been growing over the same period.
- 4.18 Analysis at sector level across Liverpool is presented in summary in the following tables. Sectors have been grouped, according to identified business base and employment trends into one of the four zones of productivity.

Figure 6: Zone A: Concentration – More jobs, fewer producers

SIC Code	Sector
20	Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
36	Manufacture of furniture; manufacturing not elsewhere classified
52	Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods
63	Supporting and auxiliary transport activities; activities of travel agencies
66	Insurance and pension funding, except compulsory social security
73	Research and development

- 4.19 There are potential productivity gains achievable in these sectors through economies of scale and scope. It is however likely that competition in these sectors is increasing as a result of the removal of some business units, not fully compensated for through increases in employment – hence the productivity gains.

Figure 7: Zone B: Enlargement – More producers, more jobs

SIC Code	Sector
17	Manufacture of textiles
35	Manufacture of transport equipment
37	Recycling
45	Construction
55	Hotels and restaurants
62	Air Transport
67	Activities auxiliary to financial intermediation
70	Real estate activities
72	Computer and related activities
74	Other business activities
93	Other service activities

- 4.20 There is potential for high value added growth through technical progress and economies of scale within these sectors. Indeed these are the sectors that have been 'setting the pace' in the Liverpool context and are therefore of major consideration going forwards.

Figure 8: Zone C: Fragmentation – More producers, fewer jobs

SIC Code	Sector
26	Manufacturer of other non-metallic mineral products
27	Manufacture of basic metals
32	Manufacture of radio, television and communication equipment and apparatus
34	Manufacture of motor vehicles, trailers and semi-trailers
61	Water transport

- 4.21 The activities included within these sectors have 'mixed potential'. There is little evidence to suggest that productivity increases will occur through the exploitation of scale economies, although growing competition will in part offset this higher value activity.

Figure 9: Zone D: Insecure – Fewer producers, fewer jobs

SIC Code	Sector
15	Manufacture of food and beverages
18	Manufacture of wearing apparel; dressing and dyeing of fur
21	Manufacture of pulp, paper and paper products
22	Publishing, printing and reproduction of recorded media
24	Manufacture of chemicals and chemical products
25	Manufacture of rubber and plastic products
28	Manufacture of fabricated metal products, except machinery and equipment
29	Manufacture of machinery and equipment not elsewhere classified
31	Manufacture of electrical machinery and apparatus not elsewhere classified
33	Manufacture of medical, precision and optical instruments, watches and clocks
50	Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel
51	Wholesale trade and commission trade, except of motor vehicles and motorcycles
60	Land transport; transport via pipelines
64	Post and telecommunications
65	Financial intermediation, except insurance and pension funding
71	Renting of machinery and equipment without operator and of personal and household goods

- 4.22 The sectors identified as being within Zone D are those experiencing strong competitive, and potentially cost, pressures. These are likely to be declining sectors that are unlikely to contribute strongly to economic growth.

- 4.23 This same exercise has been undertaken using the Cambridge Econometric forecast data (to a 33 sector breakdown as available within the forecasts).³
- 4.24 As with the ABI analysis, the findings of this exercise are illustrated in the tables below.

Figure 10: Zone A: Concentration – More jobs, fewer producers

SIC Code	Sector
15	Metal goods
18	Electrical engineering and instruments
26	Distribution
27	Retailing
29	Land transport etc
38	Public administration and defence
41	Miscellaneous service

Figure 11: Zone B: Enlargement – More producers, more jobs

SIC Code	Sector
14	Basic metals
19	Motor vehicles
21	Manufacturing nes
25	Construction
30	Water transport
31	Air transport
33	Banking and finance
35	Computing services
36	Professional services
37	Other business services
39	Education
40	Health and social work

Figure 12: Zone C: Fragmentation – More producers, fewer jobs

SIC Code	Sector
13	Non-Metal and mineral products
17	Electronics
20	Other transport equipment
28	Hotels and catering

³ NB: Analysis matches past (business units) with future trends (employment)

Figure 13: Zone D: Insecure – Fewer producers, fewer jobs

SIC Code	Sector
5	Food, drink and tobacco
6	Textiles, clothing and leather
7	Wood and paper
8	Printing and publishing
11	Chemical nes
12	Rubber and plastics
16	Mechanical engineering
32	Communications
34	Insurance

- 4.25 The most important zone for the purposes of this study is seen to be Zone B: enlargement. The largest numbers of sectors fall into this category on comparison of forecast change in employment (2005 to 2020) with trends in business units (1998 to 2005). These sectors will require the largest land requirement (and result in the largest growth in job numbers). These will be key sectors to plan for across Liverpool in the future.
- 4.26 The table below compares the sectors that have been prevalent in this zone of productivity in the past, and those that are forecast as being prevalent in the future. Where correlation has been identified the sector has been highlighted in red.

Figure 14: Comparison of Past and Forecast Trends (Zone B sectors)

Past Trends (1998 – 2005)	Forecast (2005 – 2020)
17: Manufacture of textiles	14: Basic metals
35: Manufacture of transport equipment	19: Motor vehicles
37: Recycling	21: Manufacturing nes
45: Construction	25: Construction
55: Hotels and restaurants	30: Water transport
62: Air transport	31:: Air transport
67: Activities auxiliary to financial intermediation	33: Banking and finance
70: Real estate activities	35: Computing services
72: Computer and related activities	36: Professional services
74: Other business activities	37: Other business services
93: Other service activities	39: Education
	40: Health and social work
	41: Miscellaneous services ⁴

⁴ NB: Misc services is included here despite there having been an overall contraction in the number of data units – contraction follows from the aggregation process where there has been an increase in the number of units at the 4-digit level (the largest component of 2-digit aggregation) for Other Services

4.27 The results of this analysis suggest a strong correlation between a number of key sub-sectors where future growth is expected in terms of both employment and businesses. Although the different datasets use different names for sectors, using the CE titles the following sectors are determined to be significant across Liverpool over the plan period:

- Motor vehicles
- Manufacturing nes
- Construction
- Air transport
- Banking and finance
- Computing services
- Professional services
- Other business services
- Miscellaneous services

4.28 The relevance of this analysis, and more specifically these sectors, for North Liverpool is discussed in the following text.

North Liverpool

4.29 It is not possible to disaggregate the Cambridge Econometrics analysis to a sub-Liverpool level (as required at the North Liverpool area level). However, analysis has been undertaken using the North Liverpool SOA ABI data – which roughly approximates to a third of the volume of Liverpool results in terms of actual datapoints (with analysis strongly caveated with this point).

4.30 As with the previous analysis the employment and business base has been compared in terms of their typology – and zoned accordingly. This is illustrated in the tables overleaf.

Figure 15: Zone A: Concentration – more jobs, fewer producers

SIC Code	Sector
31	Manufacture of electrical machinery and apparatus not elsewhere classified
45	Construction
51	Wholesale trade and commission trade, except of motor vehicles and motorcycles
60	Land transport
63	Supporting and auxiliary transport activities; activities of travel agents
66	Insurance and pension funding, except compulsory social security
75	Public administration and defence; compulsory social security
91	Activities of membership organisations not elsewhere classified
93	Other service activities

Figure 16: Zone B: Enlargement – more producers, more jobs

SIC Code	Sector
15	Manufacturing of food and beverages
17	Manufacture of textiles
20	Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
21	Manufacture of pulp, paper and paper products
67	Activities auxiliary to financial intermediation
70	Real estate activities
71	Renting of machinery and equipment without operator and of personal and household goods
72	Computer and related activities
74	Other business activities
80	Education

Figure 17: Zone C: Fragmentation – more producers, fewer jobs

SIC Code	Sector
26	Manufacture of other non-metallic mineral products
29	Manufacture of machinery and equipment not elsewhere classified
35	Manufacture of transport equipment
50	Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel
85	Health and social work
90	Sewage and refuse disposal, sanitation and similar activities
92	Recreational, cultural and sporting activities

Figure 18: Zone D: Insecure – fewer producers, fewer jobs

SIC Code	Sector
18	Manufacture of wearing apparel; dressing and dyeing of fur
22	Publishing, printing and reproduction of recorded media
24	Manufacture of chemicals and chemical products
25	Manufacture of rubber and plastic products
28	Manufacture of fabricated metal products, except machinery and equipment
36	Manufacture of furniture; manufacturing not elsewhere classified
52	Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods
55	Hotels and restaurants
61	Water transport
64	Post and telecommunications
65	Financial intermediation, except insurance and pension funding

4.31 Given the importance of Zone B sectors to the Liverpool economy, identified in the previous sub-section, a comparison of sectors within this typology at Liverpool and North Liverpool level has been undertaken. Where correlation is evident the sector has been highlighted in red in the table below.

Figure 19: Projected key sectors

North Liverpool – Past Trends	Liverpool – Past Trends	Liverpool – Future Trends
15: Manufacture of food and beverages	17: Manufacture of textiles	14: Basic metals
17: Manufacture of textiles	35: Manufacture of transport equipment	19: Motor vehicles
20: Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	37: Recycling	21: Manufacturing nes
21: Manufacture of pulp, paper and paper products	45: Construction	25: Construction
67: Activities auxiliary to financial intermediation	55: Hotels and restaurants	30: Water transport
70: Real estate activities	62: Air transport	31: Air transport
71: Renting of machinery and equipment without operator and of personal and household goods	67: Activities auxiliary to financial intermediation	33: Banking and finance
72: Computer and related activities	70: Real estate activities	35: Computing services
74: Other business activities	72: Computer and related activities	36: Professional services
80: Education	74: Other business activities	37: Other business services
		39: Education
		40: Health and social work

4.32 On this basis, the following sectors are forecast to be significant for North Liverpool in the future:

- Activities auxiliary to financial intermediation
- Real estate activities
- Renting of machinery and equipment without operator and of personal and household goods
- Computer and related activities
- Other business activities
- Education

4.33 Whilst the above analysis identifies the primary importance of Zone B sectors to North Liverpool, it is important that the potential contribution of individual sectors within other zones is also recognised.

4.34 In particular, where manufacturing is related to machinery there appears to be an important trend of increase in the employment and business base forecast. This specifically relates to electrical machinery and apparatus (Zone A), and manufacture of machinery and transport equipment, and sale, maintenance and repair of motor vehicles (Zone C).

4.35 Also significantly, although not identified to be a key sector across Liverpool at the wider level, it would appear from the analysis undertaken that the Manufacture of food and beverages is forecast to be a significant strength in North Liverpool. There are potential linkages with investment in the Port of Liverpool here, with the recommendation to include this as a key sector in the area for which to include in forward planning decision making. This is the only sector identified which shows significant deviation (i.e. growth significantly in excess of the Liverpool average) and hence is identified in addition to the sectors that demonstrate correlation in growth trends.

Conclusions / Summary

4.36 Within North Liverpool there appears to be a link between 6 key sub-sectors that have done well in the past and are expected to do well in the future. It is these sectors that should be encouraged through the planning process, and also inform understanding of business requirements and space. These are as follows:

- Activities auxiliary to financial intermediation

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- Real estate activities⁵
 - Renting of machinery and equipment without operator and of personal and household goods
 - Computer and related activities
 - Other business activities
 - Education

4.37 In addition, the local concentration and strength of manufacturing activities related to machinery, transport, and the sale maintenance and repair of motor vehicles, and manufacture of food and beverages are identified as important sectors for North Liverpool moving forwards.

⁵ NB: defined within Standard Industrial Classification as being: Buying and selling of own real estate; Renting and operating of owned or leased real estate; Real estate activities on a fee or contract basis

5. SUPPLY AND DEMAND DYNAMIC

- 5.1 Sections 3 and 4 respectively provide an analysis of the supply of, and demand for, employment land across North Liverpool over the emerging plan period. This section relates and integrates the respective analyses presented – illustrating the dynamic between the supply of land in quantum and location terms and the nature of the demand evidenced or forecast.
- 5.2 In line with the Employment Land Review Guidance Note the evidence presented in this section identifies the nature of any ‘gaps’ in supply relative to identified patterns of demand across the area. Any gaps or mismatch evidenced will inform the recommendations included in Section 6 of this report, to be taken forwards in future LDF documents.

Headline City Wide analysis

- 5.3 Part 1 of this study (concerned with trends at headline Liverpool City level) considered three scenarios of economic growth for the emerging plan period, including that based on past take-up trends, a ‘baseline’ growth scenario using econometric forecasting, and an ‘aspirational’ scenario based on CRDP projects programmed.
- 5.4 Each of the scenarios is considered to have respective merits and limitations, related to the assumptions upon which each is based.
- 5.5 It was concluded within Stage 1 that the nature of the Liverpool economy as evidenced, including the continued mainstream transition away from ‘traditional’ activities which are typified by land hungry uses towards more intensive uses driven by inward investment, makes it unrealistic (and therefore not robust) to base forward planning decisions wholly on past trends.
- 5.6 Whilst the past take up scenario presents a useful historical context for analysis it does not reflect the significant divergence from past trends anticipated over the next 15 year period. Indeed, it is concluded within the Stage 1 analysis that the third scenario, based on aspirational growth, is the most appropriate for planning purposes. In effect this represents the ‘strategy-led’ approach to economic development across the City.
- 5.7 Delivering this level of growth is a core focus of the ongoing CRDP programme, and will be embedded in the RSS and the RES directing strategic land uses and priorities. In line with this wider agenda the Stage 1 study concludes that protecting and facilitating land for the

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- purposes of the CRDP projects where they will result in significant economic development outputs should be a core focus for LCC in the emerging plan period.
- 5.8 The study however acknowledges that a significant proportion of this aspirational growth is already programmed, with sites outside of the existing allocated supply provision identified. A number of these are progressing through the planning application process.
- 5.9 The Stage 1 Report also concluded that while the past trends (Scenario 1) assessment could not provide a robust basis for forward planning, the 'baseline' growth scenario using econometric forecasting (Scenario 2) could and should be used. The key role for the LDF, Core Strategy, and other DPDs is therefore to fill the 'gap' in supply which sits between the baseline growth scenario and the aspirational growth scenario (Scenario Three).
- 5.10 At headline Liverpool City level the high and low range requirements for employment land under the baseline growth scenario have been calculated as being between 41.3 hectares and 63.2 hectares. Importantly in the North Liverpool area, this range of growth does not factor in demand resulting from natural 'churn' within the local market ie provision of a choice of alternative accommodation for businesses relocating within the area. This process is assumed to increase the level of demand for employment land, particularly as these indigenous businesses are likely to be in manufacturing sectors which will continue to be important in North Liverpool and which typically require larger sites. For this reason it is considered that the 63.2 hectare requirement is the minimum level of demand for the baseline scenario.
- 5.11 To plan employment land supply across North Liverpool on the basis of a more efficient (i.e. intensive B1 office) form of development could potentially risk an undersupply of land to meet indigenous manufacturing demand, affecting the potential for baseline economic growth in the medium to long term.

North Liverpool economic drivers

- 5.12 This Stage 2 report has considered the economic prognosis for North Liverpool in more detail. Although this does not give a definitive level of demand (by land take), it does provide a further tier to the appreciation of the sectoral requirements emerging across North Liverpool, against which the sector specific potential of allocated sites can be tested. This goes some way to consider the indigenous economic potential of North Liverpool in addition to further 'new' growth sectors.

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- 5.13 Sectors have been considered on the basis of typologies for change outlined in the previous chapter, including those that are likely to see:
- Employment and business unit growth;
 - Employment growth but business unit decline;
 - Employment decline and business decline; or
 - Employment decline but business unit growth.
- 5.14 As explained in Section 4, the key typology considered within this Stage 2 analysis of North Liverpool is 'enlargement', i.e. those sectors that will require the largest land requirements and are forecast to see the largest growth in employment numbers.
- 5.15 Based on a comparison of past economic trends within North Liverpool and forecast change across the wider Liverpool area, a number of sectors are identified as being within the 'enlargement' typology, suggesting it is these that should be planned for across North Liverpool. These are identified as being:
- Activities auxiliary to financial intermediation;
 - Real estate activities⁶;
 - Renting of machinery and equipment without operator and of personal and household goods;
 - Computer and related activities;
 - Other business activity; and
 - Education (although education is not considered to be a 'traditional' employment land take and is therefore discounted from direct analysis).
- 5.16 In addition, manufacturing activities related to machinery, transport, and the sale/maintenance and repair of motor vehicles, and the Manufacturing of food and beverages are identified as key sectors for North Liverpool in the future, which are performing well at the current time and should be included for planning purposes in the future.
- 5.17 The economic prognosis suggests a significant climate for economic development within North Liverpool that is equivalent to a step change compared to the recent past. Specifically, it would appear that business activities outside of the Banking and Personal Financial Services

⁶ NB: defined within Standard Industrial Classification as being: Buying and selling of own real estate; Renting and operating of owned or leased real estate; Real estate activities on a fee or contract basis

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- and insurance sectors have a role to play in the future divergence of the local economy. Importantly, this is a key shift from the existing economic function of the area and should be planned for accordingly. A balance should be sought in future supply of allocated employment land that can meet the needs of these emerging sectors in order to facilitate this growth.
- 5.18 Of most significance is the growth in these 'other' / back office business functions such as 'Renting of machinery and equipment without operator and of personal and household goods' which relates to car rentals, containers, skip hire, tool hire, and recycling services. Such activities are very much associated with indigenous employment functions, for which general industrial / business locations are considered sufficient.
- 5.19 The bullet points below typify the potential nature of activities within the other sectors identified (with the exception of Education) within the analysis.
- **Activities auxiliary to financial intermediation** - activities include: independent financial advisors; independent mortgage advisors; mortgage brokers; financial / debt solutions consultants and advisors; and resource consultancy.
 - **Real estate activities** – activities include: developers and constructors; investment agencies; Registered Social Landlords; student and private letting agents; estate agents; chartered surveyors; and property consultants.
 - **Computer and related activities** – activities include: web design; online design and support; software consultants; media solutions; network and communications consultancy; IT solutions; payroll and processing; and PC repairs and troubleshooting.
 - **Other business activity** – activities include: call service functions to legal advisors, accident and injury solicitors, compensation services, legal and management consultancy and accountancy and bookkeeping functions; archiving; recruitment, human resources and training; engineering consultants; advertising, marketing and promotions; media services; mailing services; and photography (including processing).
- 5.20 It is possible to make broad assumptions on the type of locations and premises that the activities above generally demand, against which the supply of allocated sites across North Liverpool can be tested. A table outlining these broad assumptions by sector is included overleaf.
- 5.21 If North Liverpool is to be promoted as a mixed use area these uses should be encouraged as part of a mix including 'good neighbour' light industrial uses (retaining quality businesses within the local area), ensuring sufficient uses to 'populate' the area and, in the context of the wider Housing Market Renewal agenda, provide local employment opportunities.
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Figure 20: Broad requirements by sector

Sector	Typical requirements
Activities auxiliary to financial intermediation	<ul style="list-style-type: none"> • Flexible B1 (office) floorspace (including layout and lease) • Cheap and reliable telecommunications • 'Front-door' premises and call centre provision • Access to skilled labour • High quality environment and premises (front door premises)
Real estate activities	<ul style="list-style-type: none"> • Smaller B1 (office) floorspace • 'Front-door' premises located in quality environment including passing pedestrian trade • Access to skilled labour • Multi-modal transport within local catchment (including public transport provision) • Potential for continued growth / expansion • Clustering potential
Computer and related activities	<ul style="list-style-type: none"> • Flexible workspace (B1, hybrid) • Potential for 'campus style' incubator / start up demand • Flexible leasing (easy-in, easy-out) • Flexible working arrangements and access to skilled labour • Clustering potential • Attracted to quality urban environments (historical / heritage / conversion of existing premises)
Other business activity	<ul style="list-style-type: none"> • Cheap and reliable telecommunications • Web enabled call centre floorspace • 'Secondary' locations (cheaper sites) • Short term leases • Public transport links (24hr) for flexible working • Shared services • Pool of labour (including skilled, unskilled, student) • Cheap and reliable telecommunications

5.22 There is a clear mismatch between *supply* within the Atlantic Gateway SIA, which is predominantly general industrial in nature, and the emerging requirements of *demand*, which includes a clear potential to develop more office based activities across the area, (albeit with a clear focus on back-office functions).

5.23 This links into the regeneration aspirations for North Liverpool including those set out in the Strategic Physical Investment Framework, which seeks to target investment to release opportunity across the area through diversification in economic activity, whilst respecting the required balance with the continued focus on the City Centre.

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- 5.24 It is also significant to address the implied apparent over-supply of general industrial / business land allocated across North Liverpool (in addition to that currently being used for general employment functions – i.e. existing employment sites). The majority of these allocated sites and existing functions are associated with indigenous business activities, serving the local rather than strategic market.
- 5.25 While opportunities to upgrade these functions and develop higher value uses (in line with strategic objectives to encourage higher value activities) should be sought, it is imperative that the important role of these more indigenous sites is not overlooked – and that an appropriate level of indigenous supply is retained to serve this localised market which fulfils a crucial employment role for the North Liverpool area.
- 5.26 The sites in question are deemed unsuitable for uses associated with the knowledge / business services economy for a range of reasons including lack of supporting activities and quality of sites. In addition they may be unsuitable for distribution / large scale warehousing uses due to accessibility and strategic network constraints. Appendix 6 includes a list of sites that have been classified as “general industrial / business” sites within the database.
- 5.27 These sites will, however, play a fundamental role in the indigenous economy associated with small scale manufacturing, construction, and for local distribution / warehousing. It is this economy that will underpin the objectives of the LDF and the wider aspirations of the Liverpool CRDP.

Supply implications

- 5.28 There is a need to avoid drawing premature conclusions about the implied mismatch between the supply of and demand for allocated employment land across North Liverpool. This picture must be considered in the wider Liverpool context. Specifically, North Liverpool will continue to be promoted, through the Strategic Physical Investment Framework, as a key employment location, and will potentially perform a ‘mopping up’ role for indigenous uses shifted from other locations, including peripheral City Centre locations. This is indicated through projects in the Strategic Physical Investment Framework including the promotion of medium to low density employment uses at Pumpfields / Leeds Street – ensuring an offer that is complementary to that in the City Centre.
- 5.29 There are however a number of further key considerations emerging from this interpretation of demand for the future. Firstly, the need to ensure that intervention in North Liverpool, through the Strategic Physical Investment Framework and other funding streams, focuses on delivering sites to the market that can contribute to the diversification in the local economy,

meeting the needs of the sectors as identified previously in this section. Secondly, the need to ensure a ready supply of sites that will meet the needs of the indigenous economy. The nature of this latter need, being drawn to low cost locations, will require sites that are not heavily constrained to allow fast and relatively cheap occupation.

- 5.30 This study, in line with the SPIF, concludes that without significant public and private sector intervention within North Liverpool it is unlikely that economic diversification will occur. Specifically given the vulnerable (due to its youth) commercial market within the area B1 (office) functions are unlikely to come forwards speculatively.
- 5.31 In this context however, the importance of the planned (although no planning application has been received at the time of writing) large scale “Liverpool Waters” project by Peel should not be overlooked as driving forward change and wider investment. It is important to recognise however the need to ensure an employment-led mix of uses (including tourism) rather than a residential-led scheme: this acknowledges the importance of providing employment opportunities as part of the wider regeneration of North Liverpool, alongside the HMRI investment in housing and environmental improvement.

Existing allocated employment land supply

- 5.32 Within Section 3 of this report specific consideration has been given to the allocated employment land supply across Atlantic Gateway (and therefore North Liverpool, as all of the allocated employment supply is located within the SIA area) at site level.
- 5.33 Analysis has focused on the constraints found to be operating on the sites, based on information obtained from LCC and through site visits, although no formal ground condition or infrastructure surveys have been overtaken. Information on each allocated site is detailed within the site database, which is included as an appendix to this and the Stage 1 report.
- 5.34 The conclusions regarding the allocated sites focused on the degree of constraints operating on the sites, with most experiencing a ‘medium’ degree, making them unlikely to come forward in the short term, and some a ‘high’ degree making them unlikely to come forward without intervention by the public sector and / or a mixed-use approach, to lever in employment alongside other higher value uses.
- 5.35 The need for a supply-led approach to employment development within North Liverpool has been advocated throughout the Part 1 and Part 2 work, and is indeed reflected in the SPIF. In the case of the EELDS Stage 1 and 2 reports, this is based on conclusions drawn from

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- commercial market assessment (including consultation with active agents), alongside an appreciation of the nature of supply and demand.
- 5.36 In this case a supply-led approach is taken to imply not simply public sector intervention to directly bring sites forward to the market, but also investment in the public realm and transport infrastructure across the area to create uplift and ensure a location attractive to investors.
- 5.37 Given the analysis at site specific level however it is noted that the main constraints to development on the sites include on-site structures and the quality of nearby uses, suggesting the need to create comprehensive / cohesive 'quality' employment locations within North Liverpool to develop the market.
- 5.38 Four 'zones' have been identified, based on both the existing (revealed) market activity, the economic potential based on sector growth, and planned investment (including Liverpool Waters) as drivers of change. These 'zones' are presented in turn below, with recommendations included for each.
- 5.39 These conclusions and recommendations should be taken forwards and tested as part of the development of site allocations policies within the North Liverpool area.
- 'Pumpfields / Leeds Street'*
- 5.40 There are three UDP-allocated sites within this area (E51, E52 and E57, encompassing a total of five sites as defined by LCC in the database), which is identified in the SPIF as an important employment location in the emerging plan period.
- 5.41 The potential of this 'zone' is seen to be linked to the existing Leeds Street employment area although the next phase (into Pumpfields) should focus on lower density uses. Given the nature of demand identified in North Liverpool over the emerging plan period this could come forward as general business / industrial space (of a higher quality than that which typifies the wider area) set in a quality environment, or as hybrid business space to encourage SME and start up activity.
- 5.42 It is important that any land or site allocations DPD should continue to protect the allocated sites for business use within this area. The majority of the sites across the area are found to be medium constrained within the database, principally as a consequence of the poor environment of the wider area. It is therefore imperative that required intervention to achieve development in this area is promoted, including infrastructure and physical / environmental improvements.
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- 5.43 This study does not support the de-allocation any sites within this area, as all are seen to have an important function and attractiveness to the market if brought forward as a coherent employment area in line with the recommendations in the SPIF.

Great Howard Street

- 5.44 There is an 'area of opportunity' in the band of streets running perpendicular to Great Howard Street to the railway line that bisects the North Liverpool area. This opportunity is seen to be focused more to the south of Stanley Dock within which a number of sites (albeit not specifically allocated sites) are identified within a coherent and dense grid layout. As with the Pumpfields / Leeds Street area, there is a clear need for wider intervention in the infrastructure and physical environment of this area to facilitate economic development of the 'right' kind. The sites identified in the Great Howard Street area of opportunity are covered by a general B1 / B2/ B8 allocation, which should be protected to ensure significant losses to other uses are not experienced in this area.
- 5.45 The future potential of this 'area of opportunity' is very much linked to the investment to take place within Liverpool Waters, with this band of predominantly existing employment functions both a current detractor from the physical environment of the docks and an area likely to see significant change. It is within these functions that the loss of the docks activity from Liverpool has been felt most significantly, with vacancies and deprivation evident in the built environment.
- 5.46 Although it would be a medium to long term policy approach, detailed development plan policies should look to the potential to foster hybrid and SME activities within this area of opportunity including the targeting of computer related sector activities which have, in other urban locations, shown a tendency to cluster within existing structures.
- 5.47 As a minimum development planning should ensure that existing employment sites are protected sufficiently to prevent pressure from residential development on the back of the Liverpool Waters scheme. Consideration should however be given to the potential to promote mixed use developments on these sites, providing a significant employment component is included and that it targets the key sectors identified herein.
- 5.48 The targeting of "medium constrained sites" which could be upgraded via infrastructure and environmental works to "low constrained sites" should be pursued within this area.

'Sandhills'

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- 5.49 There is a collection of UDP-allocated sites around Sandhills Station (E23, E28, E35), which is identified within the SPIF as being a key potential investment location, including enhancement to the station provision.
- 5.50 Importantly, within these allocations evidence of market activity is visible, including office developments under construction on site E35.
- 5.51 As a result this 'zone' is seen to offer potential for developing a hub of B1 (office) related activity, although a careful balance must be sought between floorspace of this type in this location relative to the City Centre. Linking back to the forecast growth sectors there is an opportunity to promote 'activities auxiliary to financial intermediation', 'real estate', and 'other business services' within this area.
- 5.52 The railway line, which dissects the 'zone' should be considered a constraint to bringing forwards a coherent B1 development in the area. The City Council should consider opportunities for addressing the railway line through future development, including potential crossings and / or quality developments fronting the tracks and station providing a quality environment and arrival point.
- 5.53 The most constrained sites in this area lie to the west of the railway line (although they are only found to be 'medium' constrained). This is largely due to the quality of the environment, but also the presence of the railway line as a detractor to the quality of the public realm.
- 5.54 There is no identified need to allocate additional sites in this area, although the City Council should seek to ensure appropriate protection of key sites which can contribute to developing a B1 core within this location.

Bankhall Street Employment Area

- 5.55 The allocated sites in the north of the SIA, around Bankhall Street, present an opportunity to cater for the indigenous economic needs within North Liverpool, linked to the fortunes of Bootle and South Sefton to the north. It is important that sites are not deallocated without consideration of this context and indeed the importance of investment to be undertaken at the Port of Liverpool as a major catalyst of wider investment and economic potential, given the mutual fortunes of Atlantic Gateway and South Sefton to the north, and the significant regeneration need in the area.
- 5.56 These sites provide important local employment functions serving both areas, and should be considered appropriately on this basis.
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- 5.57 It is however important to note that a number of these sites, including allocations E7 and E8 are found to be significantly constrained, and are unlikely to come forwards as pure employment developments over the plan period without public sector intervention.
- 5.58 Given the economic potential of the wider Atlantic Gateway area, it is unlikely that this area will be a core investment location in the short to medium term. However, the planned investment at the Port of Liverpool may provide catalytic impetus to investment within this location, including possible re-connection of heavy rail facilities in the Canada Dock area.

6. CONCLUSIONS AND RECOMMENDATIONS

- 6.1 Stage 2 of this commission has undertaken analysis of the supply of and demand for employment land (by sector) across North Liverpool to inform preparation of the City's LDF.
- 6.2 The analysis undertaken builds on the conclusions of Stage 1 which focused on the forecast direction of the Liverpool economy at headline level and relative supply of employment land. This analysis identified a headline requirement for *at least* 63 hectares of employment land, alongside a mismatch in supply including undersupply of office appropriate / ready land and oversupply of general industrial land and premises, compared to forecast growth. This is in addition to the land requirement for the delivery of the City Region Development Programme projects.
- 6.3 The future economic drivers within North Liverpool of specific relevance in forward planning terms include 'Activities auxiliary to financial intermediation', 'Real estate activities'; 'Renting of machinery and equipment without operator and of personal and household goods'; 'Computer and related activities'; and 'Other business activity'.
- 6.4 It is imperative that, through a detailed land use development plan document, the City Council ensures a supply of sites to deliver this type of economic growth across the SIA to facilitate diversification of the local economy, contributing to the wider regeneration of North Liverpool and adjacent areas (including South Sefton to the north).
- 6.5 When the requirements of these sectors have been compared against the supply of sites considered a number of conclusions and recommendations have been reached. Specifically there is a clear mismatch at the local level, which must be addressed within any DPD and future investment in North Liverpool through the SPIF.
- 6.6 'Zones' of opportunity have been identified within North Liverpool including the recognition of sector specific potential. This has included the development of recommendations within the 'zones' relating to existing allocations.

'Pumpfields / Leeds Street'

- The potential of this 'zone' is seen to be linked to the existing Leeds Street employment area although the next phase (into Pumpfields) should focus on lower density uses. This area should be promoted as a general business location including a quality environment and provision of hybrid / SME start up space.

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- Existing employment land (including both allocated sites and existing industrial/business land, as designated in the UDP and future LDF documents) should continue to be safeguarded.

Great Howard Street

- The future potential of this 'area of opportunity' is very much linked to investment which may take place within Liverpool Waters, with the existing environment reflecting the decline of the docks and related activities.
- The City Council should look to the potential to foster hybrid and SME activities within this area of opportunity including the targeting of computer related sector activities which have, in other urban locations, shown a tendency to cluster within existing structures.
- The City Council should seek to protect sites within allocated employment areas on this basis, with the majority of the sites identified considered to be medium constrained within this study. Investment in infrastructure and the physical environment in this area should be sought on the basis of bringing these sites to a position where they are 'market ready' or attractive to the market as development prospects.
- As a minimum the City Council should ensure that existing employment sites are protected sufficiently to prevent pressure from residential development on the back of the Liverpool Waters scheme.
- Consideration should however be given to the potential to promote mixed use developments on these sites, providing a significant employment component is included and that it targets the key sectors identified herein.

'Sandhills'

- This 'zone' is seen to offer potential for developing a hub of B1 (office) related activity, although a careful balance must be sought between floorspace of this type in this location relative to the City Centre.
- Linking back to the forecast growth sectors there is an opportunity to promote 'activities auxiliary to financial intermediation', 'real estate', and 'other business services' within this area.
- The City Council should consider opportunities for addressing the railway line through future development, including potential crossings and / or quality developments fronting the tracks and station providing a quality environment and arrival point.

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- There is no identified need to allocate additional sites in this area, although any DPD should seek to ensure appropriate protection of key sites which can contribute to developing a B1 core within this location.

Bankhall Street Employment Area

- The allocated sites to the north of the SIA, around Bankhall Street, present an opportunity to cater for the indigenous economic needs within North Liverpool, linked to the fortunes of Bootle and South Sefton to the north, and should also be promoted in the context of linkages to the investment at the Port of Liverpool, including the potential to foster any associated supply chain linkages..
- These sites provide important local employment functions serving both areas, and should be considered appropriately on this basis.
- It is however important to note that a number of these sites, including allocations E7 and E8 are found to be significantly constrained, and are unlikely to come forwards as pure employment developments over the plan period without public sector intervention.