

**The Peel Group**

# **Ocean Gateway - Economic Impact Assessment**

Summary Report

November 2018

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## Summary Report

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Reviewed and approved by: Signature(s):	
Name(s):	Graham Russell
Job Title(s):	Partner Director
Date:	November 2018

AMION Consulting is the trading name of AMION Consulting Limited  
Registered Office: Langtons, The Plaza, 100 Old Hall Street, Liverpool L3 9QJ  
Company No: 3909897  
Tel: 0151 227 5563  
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# 1 Introduction

AMION Consulting (AMION) was appointed by The Peel Group to undertake a review of the impact to date and expected future impact of the Ocean Gateway. Ocean Gateway was launched in 2008 and provided a framework for a £50 billion programme of investment, involving more than 50 projects, spanning a 50-year period, to stimulate demand in the economy and deliver significant growth. Despite the economic challenges facing the UK since 2008, delivery of the Ocean Gateway programme has progressed well and over the next 40 years it is expected to deliver an unprecedented scale of coordinated private sector investment.

Ocean Gateway represents a pioneering approach to the renaissance of the strategic corridor encompassing the Liverpool City Region, Cheshire and Warrington and Greater Manchester areas. This is expressed through engagement with the public sector in Atlantic Gateway. The overall vision for the Ocean Gateway Programme is:

*“To maximise the potential of the North West as a globally significant region and major driver of the UK economy, using Ocean Gateway as an economic powerhouse and environmental asset to enhance, strengthen and bring together the Liverpool and Manchester City Regions”.*

The Ocean Gateway concept was established to:

- raise awareness of the potential benefits that can arise by taking an integrated approach to sustainable communities, multimodal transport and environmental infrastructure;
- help to further enhance perceptions of the North West, and in particular Liverpool City Region, Cheshire and Warrington and Greater Manchester, to place the Ocean Gateway area on an international platform, stronger than the sum of its parts, able to attract and retain skilled workers and investors; and
- demonstrate how joined up thinking and a partnership approach across the area could help to deliver shared public and private sector objectives in relation to opportunity, education, place and housing.

Since its launch, there have been significant changes in the structure of national and local government. The devolution of power to the key city regions of Manchester and Liverpool through ‘metro-mayors’ has sought to strengthen local decision making in relation to investment and economic development. Aligned with the Northern Powerhouse agenda, it provides a framework to promote enhanced private and public sector engagement at a strategic level, alongside improved coordination in relation to prioritizing strategic infrastructure.

Ten years on from launch, the Ocean Gateway is strongly embedded within the Northern Powerhouse and in each of the sub-regions. Over the intervening period, the Ocean Gateway has undergone a number of changes – both at a project and a programme level as new schemes have been embedded. The Peel Group is now reviewing the performance of the Ocean Gateway to demonstrate both extent to which it has acted as a driver for change, as well as the potential it offers for promoting future growth through prioritizing investment in strategic infrastructure.

This summary report provides an estimate of the current and future direct and indirect economic benefits of the major Ocean Gateway projects, which have evolved over the last five years. A qualitative assessment of the wider benefits of the programme has been undertaken. Alongside this, a wider programme of focused investment across the area has also been undertaken.

## 2 The Economic Impact Assessment

The review of projects within the Ocean Gateway has been carried out as part of a wider assessment of the economic impact of the full Peel Group portfolio, including listed and unlisted investments. This project level assessment encompasses all of the activities of the Peel Group within the Ocean Gateway area and across the UK as a whole, informed by discussions with project officers and managers at Peel.

In order to establish the context to the Ocean Gateway Programme, the economic impact assessment has been informed by a review of the prevailing economic climate prior to, and over the course of, the delivery of the Programme. This has included an analysis of global and UK economic conditions and the socio-economic and strategic context within the Ocean Gateway area.

A detailed review has been undertaken of the individual Ocean Gateway projects, based on a process of consultations and a review of project evidence, which has informed an assessment of the first ten years of the Programme and its potential future impact. An economic impact model has been constructed for the Programme, with separate analyses of each individual project. The assessment of economic benefits has incorporated an analysis of the expected quantifiable outputs and outcomes, including:

- total investment to date and planned future investment;
- construction and other temporary related employment;
- operational/permanent employment, providing an indication of the type of jobs supported;
- Gross Value Added (GVA);
- new housing units; and
- other key outputs and impacts – including land brought back into active use, employment floorspace, energy generated, green infrastructure and education.

The assessment of employment and GVA has been undertaken for commercial development projects. Where appropriate, this draws on existing research undertaken at a project level. This includes previous analysis undertaken by AMION in relation to MediaCityUK, the Lifestyle Shopping Centre at Salford and Mersey Waters (including both Liverpool and Wirral Waters). For other projects, the assessment has been undertaken at a relatively high level based on published benchmarks in relation to employment density<sup>1</sup> and GVA per employee.<sup>2</sup>

In addition to the above economic benefits, the economic impact assessment has also considered the wider, less easily quantifiable benefits that are associated with the Ocean Gateway Programme, such as improved business competitiveness, community development, enhanced environmental sustainability and image benefits.

<sup>1</sup> Homes and Communities Agency, Employment Density Guidance (2015)

<sup>2</sup> Experian, September 2018

### 3 Ocean Gateway Projects

Ocean Gateway was launched in 2008 and set out the strategy for a £50 billion programme, involving 50 projects working together to stimulate demand in the economy and deliver significant investment and growth over 50 years – representing a truly pioneering approach to the renaissance of the strategic corridor between Liverpool and Manchester. The Ocean Gateway Programme now includes some 56 projects, encompassing investment in high growth, innovation driven sectors and major infrastructure projects.

The diverse range of projects within the Ocean Gateway Programme includes investment in:

- ports, airports and related infrastructure;
- logistics;
- retail and leisure;
- residential;
- commercial development;
- media;
- sport;
- waste; and
- low carbon energy.

Despite the economic challenges facing the UK since 2008, delivery of the Ocean Gateway Programme has progressed well, with 32 of the 56 Ocean Gateway projects either having been completed or underway. Flagship Ocean Gateway projects, including MediaCityUK and Liverpool 2, are already operational and flourishing. There has also been substantial investment aimed at progressing high profile residential schemes – for example at Wirral Waters, Liverpool Waters, Manchester Waters and Trafford Waters - and delivery of sustainable energy schemes, particularly within the Cheshire Energy Corridor.

The Ocean Gateway list of projects is dynamic and has been reviewed and updated by the Peel team. As a consequence, a number of changes have taken place since the previous review in 2013/14. In particular, a number of sites previously identified for intensive residential development, including waterfront sites in Ellesmere Port and Runcorn, have been retained for operational docks in response to strengthening demand across the Ship Canal.

A summary of the current programme of Ocean Gateway projects is presented in Table 4.1, which shows each one’s theme, location and sectoral focus. Figure 4.1 sets out a map of the Ocean Gateway projects.

In addition to the core Ocean Gateway projects, there are a series of wider investments within the Ocean Gateway area. Wider investments have the potential to accommodate almost 15,000 homes and 10 million sq ft of commercial floorspace. As such, these schemes are included within the scope of the economic impact assessment.

<b>Table 4.1: Ocean Gateway Projects</b>					
<b>Project Name</b>	<b>Project Description</b>	<b>Project Theme</b>	<b>Local Authority</b>	<b>Local Enterprise Partnership</b>	<b>Key Sector</b>
1. Agricultural Land Holdings	A large portfolio of agricultural and rural land and associated properties held as strategic investments or awaiting development or re-development	Sustainable Resources	Multiple	Multiple	Agriculture
2. Arndale Centre, Manchester	Ongoing programme of investment within Manchester's Arndale Centre as part of a wider strategy being delivered by Intu Properties Plc. The Peel Group is the biggest single shareholder in Intu Properties.	Communities & Regeneration	Manchester City Council	Greater Manchester	Retail/Leisure/Service
3. Elton Parkland, Manchester	A strategic opportunity to create a new community centred on enhanced greenspace for biodiversity and recreation.	Communities & Regeneration	Bury Council	Greater Manchester	Residential & Leisure
4. Barton Renewable Energy Plant, Trafford	A biomass (wood) fuelled thermal generation scheme of 20 mw electrical capacity adjacent to the Manchester Ship Canal	Sustainable Resources	Trafford Metropolitan Borough Council	Greater Manchester	Energy/Environmental
5. Speke, Liverpool	Mixed use led regeneration of sites historically with Liverpool John Lennon Airport. Partnership working with house builders and local authority in an area of Liverpool regeneration.	Communities & Regeneration	Liverpool City Council	Liverpool	Residential/Retail/Mixed Use/Hotel/Leisure
6. 1.2M, Ellesmere Port	A brownfield site with planning approval for a development of 1.2 million sq ft of industrial floorspace. The site is in the process of being developed on a phased basis for Prowell	Transport & Logistics	Cheshire West & Chester Council	Cheshire & Warrington	Advanced Manufacturing
7. Cammell Laird, Birkenhead	Key focus on shipbuilding and maritime engineering at the Birkenhead shipyard. Exploring new growth opportunities in the renewable energy and nuclear energy sectors	Transport & Logistics	Wirral Metropolitan Borough Council	Liverpool City Region	Maritime & Energy/Environmental
8. City Airport Manchester	Expansion and enhancement of City Airport and Heliport. This includes potential new additional operational facilities.	Transport & Logistics	Salford City Council	Greater Manchester	Aviation

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9. Manchester Waters	Mixed use regeneration scheme which follows on from investment in Castlefield and St George's. Branded as Manchester Waters, it will see the development of residential units plus retail and leisure uses in an area adjacent to the Manchester Ship Canal.	Communities & Regeneration	Trafford Metropolitan Borough Council & Manchester City Council	Greater Manchester	Residential & Retail/Leisure/Service
10. Eastbank Residential Scheme, Manchester	A residential development in central Manchester comprising of new apartments. This phased scheme has now been completed.	Communities & Regeneration	Manchester City Council	Greater Manchester	Residential
11. Hooton Park (formerly Eastham Biofuels), Wirral	Land at Hooton Park to accommodate an energy from waste plant. A deal was signed between all interested parties in November 2018 to secure the delivery of the scheme.	Sustainable Resources	Wirral Metropolitan Borough Council	Liverpool City Region	Energy/ Environmental
12. Trafford Retail Park	An extension to the existing and successful retail park comprising of food and non-food retail alongside new food and drink accommodation.	Communities & Regeneration	Trafford Metropolitan Borough Council	Greater Manchester	Retail & Leisure
13. EventCity, Manchester	Manchester's biggest and most flexible events and exhibition venue, located next to the Intu Trafford Centre. Launched as an official public events centre in March 2011, EventCity has already established itself firmly in the marketplace with a series of high profile national events and exhibitions.	Communities & Regeneration	Trafford Metropolitan Borough Council	Greater Manchester	Retail/Leisure/Service & Media
14. Frodsham Wind Farm	Onshore wind farm of 50.35 MW, 19 turbines with associated access and electrical infrastructure.	Sustainable Resources	Cheshire West & Chester Council	Cheshire & Warrington	Energy/ Environmental

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15. Garrett Hall, Wigan	A 28 hectare residential development at Tyldesley for in excess of 700 homes including affordable housing. The new homes will sit alongside a network of linked green open spaces, featuring parkland areas, wildlife corridors and woodland copses.	Communities & Regeneration	Wigan Metropolitan Borough Council	Greater Manchester	Residential
16. Haydock Point and Haydock Green	A greenbelt location totalling more than 105 hectares (made up of three different sites). There is the potential for distribution space and employment use, alongside new housing development.	Communities & Regeneration	St Helens Borough Council	Liverpool City Region	Logistics/ Freight & Industrial/ Manufacturing/ Residential
17. Hulton Estate, Bolton	A unique opportunity for a major leisure development in a historic parkland close to Bolton and Manchester, with supporting residential accommodation.	Communities & Regeneration	Bolton Metropolitan Borough Council	Greater Manchester	Retail/Leisure/S ervice
18. Protos Biomass Plant	A biomass CHP plant using waste wood to generate 21.5MW of electricity. Power will be exported to the national grid and heat will be supplied to local industry at Ince.	Sustainable Resources	Cheshire West & Chester Council	Cheshire & Warrington	Energy/ Environmental
19. Protos	Destination for energy, innovation and industry located adjacent to the Manchester Ship Canal and also offering rail access.	Sustainable Resources	Cheshire West & Chester Council	Cheshire & Warrington	Energy/ Environmental
20. Liverpool 2	Post Panamax in-river terminal at the Port of Liverpool, creating a major gateway to the North West for containerised shipping.	Transport & Logistics	Sefton Metropolitan Borough Council	Liverpool City Region	Maritime & Logistics/ Freight
21. Lifestyle Outlet Manchester	The Lowry Outlet is Manchester's only waterfront shopping destination. Investment will result in the creation of a destination for quality premium retail, cosmopolitan coffee shops, bars and varied restaurant offering.	Communities & Regeneration	Salford City Council	Greater Manchester	Retail & Leisure

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<b>Project Name</b>	<b>Project Description</b>	<b>Project Theme</b>	<b>Local Authority</b>	<b>Local Enterprise Partnership</b>	<b>Key Sector</b>
22. Liverpool John Lennon Airport	An Airport Masterplan has been developed for the period to 2030. This includes expansion for passenger facilities together with a Business Aviation Centre and other associated investments.	Transport & Logistics	Liverpool City Council	Liverpool City Region	Aviation
23. Liverpool Waters	The redevelopment of 60 hectares of former dock land in North Liverpool to create a mixed- use scheme of up to 2.0 million square metres of residential, employment and leisure floorspace. The aspiration is to transform this industrial landscape and deliver a world-class mixed-use waterfront quarter for Liverpool.	Communities & Regeneration	Liverpool City Council	Liverpool City Region	Financial/ Professional/ Knowledge & Residential
24. Manchester Ship Canal Container Shuttle	The operation of a container vessel service linking the Port of Liverpool and the Manchester Ship Canal. The service carries containers between Liverpool's Seaforth Container Terminal, Ellesmere Port and Irlam Container Terminal in Salford.	Transport & Logistics	Multiple	Multiple	Maritime
25. MediaCityUK, Manchester	A major new hub for broadcasting, creative and digital enterprises which became operational in January 2011. A new home for the BBC, ITV, Coronation Street, the University of Salford and more than 250 commercial enterprises. This new destination for Manchester also features Lowry Outlet Shopping, restaurants and bars and over 1,000 apartments.	Communities & Regeneration	Salford City Council	Greater Manchester	Media & Retail/Leisure/Service

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26. Mersey Tidal Power	Peel Energy worked with regional stakeholders to explore the potential of generating electricity from tidal power in the Mersey Estuary. The study, completed in 2011, identified the preferred scheme as a 700-MW tidal barrage that could generate enough electricity to meet the needs of more than 200,00 homes. This scheme is a Mayoral Priority within the Liverpool City Region Combined Authority.	Sustainable Resources	Liverpool City Council & Cheshire West and Cheshire Council	Liverpool City Region	Energy/ Environmental
27. Mersey Wind Farms	Nine operational wind turbines with a combined capacity of 13MW are located at the Royal Seaforth Docks and Port of Liverpool.	Sustainable Resources	Sefton Metropolitan Borough Council & Liverpool City Council	Liverpool City Region	Energy/ Environmental
28. Partington Village	A mixed-use development comprising retail, housing and public realm improvements.	Communities & Regeneration	Trafford Metropolitan Borough Council	Greater Manchester	Retail/Leisure/Service & Residential
29. Pemberton, Wigan	A mixed-use scheme of residential development and employment use situated close to Junction 25 of the M6 Motorway. The site has outline planning permission for around 56,000 sq m of employment use and new homes, together with a hotel, public house and retail outlet. The first phase of residential development is now complete.	Communities & Regeneration	Wigan Metropolitan Borough Council	Greater Manchester	Residential & Multiple
30. Pioneer Business Park, Ellesmere Port	A 28-hectare business park adjacent to Junctions 7 and 8 of the M53 in Ellesmere Port.	Communities & Regeneration	Cheshire West & Chester Council	Cheshire & Warrington	Logistics/ Freight & Industrial/ Manufacturing

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31. Port Cheshire	The development of a multi-modal port facility adjacent to the Manchester Ship Canal. This is one of 16 Ocean Gateway projects which make up Peel's contribution to Atlantic Gateway.	Transport & Logistics	Cheshire West & Chester Council	Cheshire & Warrington	Maritime
32. Liverpool World Cargo	A series of infrastructure improvements to enhance general access to the Port of Liverpool and surrounding area. This includes road, rail and canal improvement works.	Transport & Logistics	Sefton Metropolitan Borough Council	Liverpool City Region	Infrastructure
33. Port Salford	The creation of the UK's first inland trimodal distribution facility in Salford, which can be accessed by ship, road and rail. Port Salford has the potential for approximately 5 million sq ft of logistics floor space adjacent to Trafford Park in the Western Gateway of Greater Manchester.	Transport & Logistics	Salford City Council	Greater Manchester	Logistics/ Freight & Infrastructure
34. Port Warrington	The development of a tri-modal port facility adjacent to the Manchester Ship Canal and the West Coast Mainline.	Transport & Logistics	Warrington Borough Council	Cheshire & Warrington	Maritime & Energy/ Environmental
35. Port Wirral	A new port facility incorporating ship, rail and road access and a multi-modal distribution complex.	Transport & Logistics	Wirral Metropolitan Borough Council	Cheshire & Warrington	Maritime & Logistics/ Freight
36. Rossfield Park, Ellesmere Port	The development of a new sustainable community at Ellesmere Port. This involves the provision of more than 1,000 new homes along with proposals for complementary local facilities and commercial development.	Communities & Regeneration	Cheshire West & Chester Council	Cheshire & Warrington	Residential & Retail/Leisure/S ervice

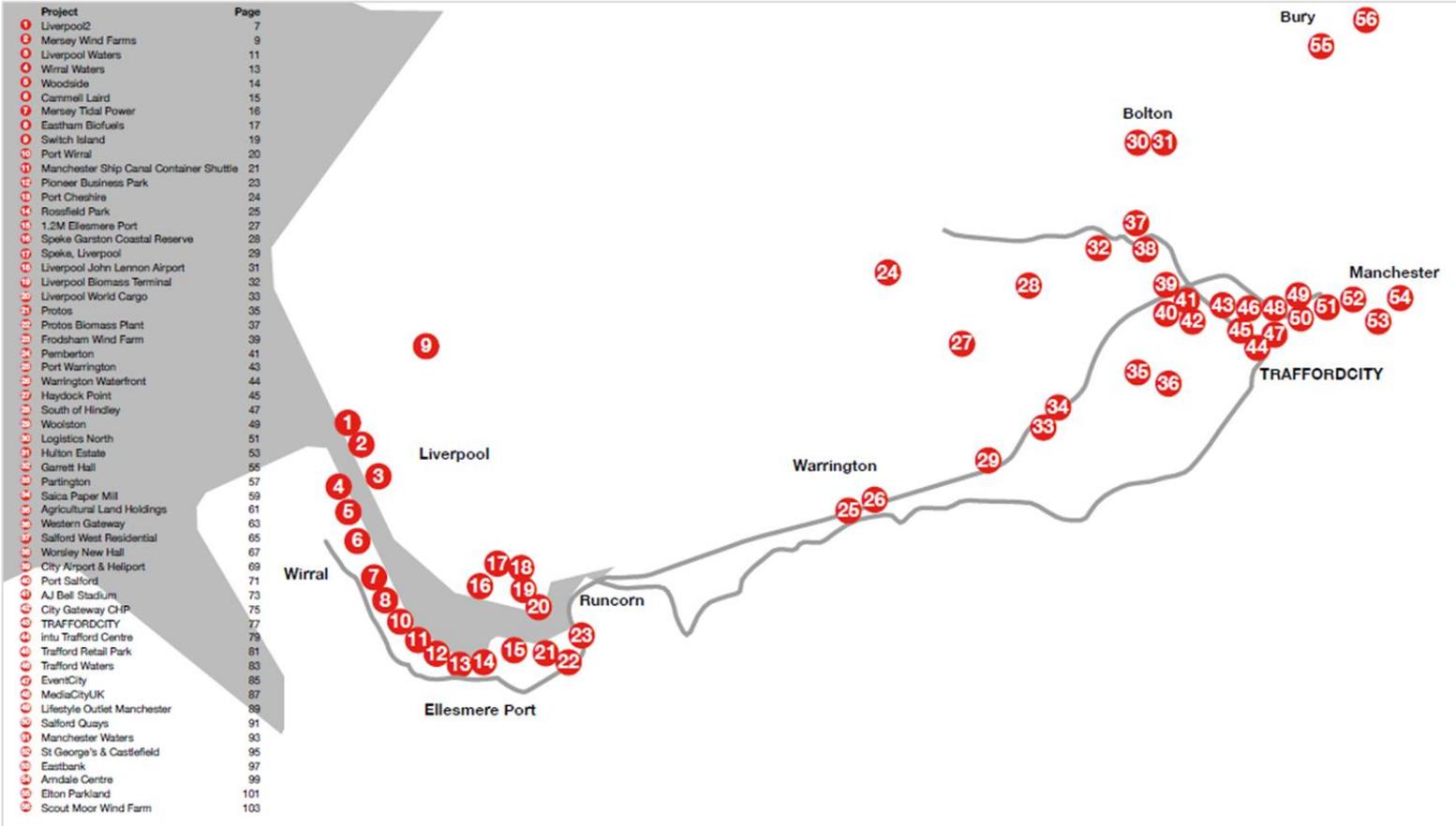
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37. Logistics North	Logistics North is one of the largest live developments being brought forward in the North of England. Recognised as a hub for both manufacturing and logistics operations, the scheme will deliver over 4 million sq ft of bespoke industrial buildings in a range of sizes, with 1.8 million sq ft already built out since 2013.	Transport & Logistics	Bolton Metropolitan Borough Council	Greater Manchester	Logistics/Industrial/Manufacturing
38. SAICA Paper Mill, Partington	Enabling works including drainage, access, environmental and disposal of the site to SAICA for the construction of a paper mill. This scheme is now operational.	Communities & Regeneration	Trafford Metropolitan Borough Council	Greater Manchester	Industrial/Manufacturing & Energy/Environmental
39. AJ Bell Stadium	A 12,000 capacity stadium on the banks of the Manchester Ship Canal at Barton. The stadium is home to Salford City Reds Super League team and Sale Sharks Rugby Union Club. Community facilities include a gym and training pitches.	Communities & Regeneration	Salford City Council	Greater Manchester	Retail/Leisure/Service
40. Salford Quays	The development of major sites for residential and office use, building on historic investment to establish Salford Quays as a strategic economic hub.	Communities & Regeneration	Salford City Council	Greater Manchester	Residential & Financial/Professional/Knowledge
41. Salford West Residential Schemes	The creation of new residential communities in attractive neighbourhoods on various sites in Salford West.	Communities & Regeneration	Salford City Council	Greater Manchester	Residential & Retail/Leisure/Service
42. Scout Moor Wind Farm Expansion	A major onshore wind farm with 26 turbines and an installed capacity of 65MW - the largest onshore wind farm in England when it became operational in 2008.	Sustainable Resources	Rochdale Metropolitan Borough Council / Rossendale Borough Council	Greater Manchester	Energy/Environmental

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43. South of Hindley, Wigan	A residential-led mixed use scheme on a site of 112 ha with potential capacity to deliver more than 2,000 new homes.	Communities & Regeneration	Wigan Metropolitan Borough Council	Greater Manchester	Residential & Retail/Leisure/Service
44. Speke Garston Coastal Reserve	A coastal reserve and sailing facility on the outskirts of Liverpool. Management and maintenance of the reserve is via a social enterprise for the benefit of the public.	Sustainable Resources	Liverpool City Council	Liverpool City Region	Energy/ Environmental & Retail/ Leisure/Service
45. St George's and Castlefield, Manchester	A scheme to enhance access and the public realm around a series of railway arches in the Castlefield area. The aim is to improve connections between key sites in the centre of Manchester and the Manchester Ship Canal.	Communities & Regeneration	Manchester City Council	Greater Manchester	Other
46. Port of Liverpool Biomass Terminal	A dedicated biomass handling facility on the port estate, new rail loading facility and storage capacity for up to 100,000 tonnes, supplying Drax with an all rail solution from Liverpool to Yorkshire.	Transport & Logistics / Sustainable Resources	Sefton Metropolitan Borough Council	Liverpool	Freight Logistics/ Energy
47. Switch Island, Liverpool	A 59-hectare green belt site at the intersection of the M57 and M58 Motorways in North Liverpool. The location is well connected to the Port of Liverpool via Dunnings Bridge Road and Liverpool John Lennon Airport via the M57. The site offers a longer term opportunity to support the growth sectors of the Liverpool City Region and the Superport concept.	Transport & Logistics	Sefton Metropolitan Borough Council	Liverpool City Region	Logistics/ Freight & Industrial/ Manufacturing
48. Intu Trafford Centre And Barton Square	A continuing programme of investment by Intu Properties Plc at the Peel-developed Trafford Centre and Barton Square. The aim is to improve and expand the offer across a wider area.	Communities & Regeneration	Trafford Metropolitan Borough Council	Greater Manchester	Retail/Leisure/Service

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49. Trafford Waters	A mixed-use development including 3,000 homes, approximately 750,000 sq ft of office and 125,000 sq ft of retail and community space and a new primary school located next to the Manchester Ship Canal within close proximity to the Intu Trafford Centre.	Communities & Regeneration	Trafford Metropolitan Borough Council	Greater Manchester	Financial/ Professional/ Knowledge & Residential
50. TraffordCITY	The continued expansion and growth of the Trafford Triangle and Sports Village as a leading destination for retail, leisure and sport, alongside commercial activity.	Communities & Regeneration	Trafford Metropolitan Borough Council	Greater Manchester	Retail/Leisure/Service & Financial/ Professional/ Knowledge
51. Warrington Waterfront	Strategic housing development in Warrington with a waterside location.	Communities & Regeneration	Warrington Borough Council	Cheshire & Warrington	Residential
52. Western Gateway	The creation of a new highway infrastructure which will facilitate the delivery of the full extent of development opportunities at Port Salford and Trafford Waters.	Transport & Logistics	Salford City Council	Greater Manchester	Infrastructure
53. Wirral Waters	The largest regeneration project in the UK. Wirral Waters is a mixed-use development focused on the semi-derelict Birkenhead and Wallasey Dock system. The first phases of investment in commercial, research and residential development will be coming forward with the benefit of a dedicated investment fund, backed by Wirral Council.	Communities & Regeneration	Wirral Metropolitan Borough Council	Liverpool City Region	Residential & Multiple

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<b>Project Name</b>	<b>Project Description</b>	<b>Project Theme</b>	<b>Local Authority</b>	<b>Local Enterprise Partnership</b>	<b>Key Sector</b>
54. Woodside, Birkenhead	A major mixed-use development project on the banks of the River Mersey located directly opposite Liverpool's iconic waterfront. Woodside seeks to create a new 'urban quarter' linking the listed Hamilton Square and Birkenhead Town Centre with the Woodside Ferry Terminal and Mersey Waterfront. The high density project will seek to take advantage of the views across the Mersey to Liverpool.	Communities & Regeneration	Wirral Metropolitan Borough Council	Liverpool City Region	Residential & Other
55. Woolston Deposit Ground, Warrington	Recovery of waste within a site of special scientific interest (SSSI) to improve an existing nature reserve adjacent to the Thelwall Viaduct.	Sustainable Resources	Warrington Borough Council	Cheshire & Warrington	Energy/ Environmental
56. Worsley New Hall, Salford	The restoration and modernisation of this historic site by the Royal Horticultural Society to create a new 62 hectare (154 acre) public garden which is expected to open in 2019.	Communities & Regeneration	Salford City Council	Greater Manchester	Retail/Leisure/Service

Figure 4.1: Map of Ocean Gateway Projects



## 4 Economic Impacts

### 4.1 Introduction

This section presents a high level analysis of economic impact associated with projects promoted within the Ocean Gateway. The analysis is mainly presented at an aggregate level.

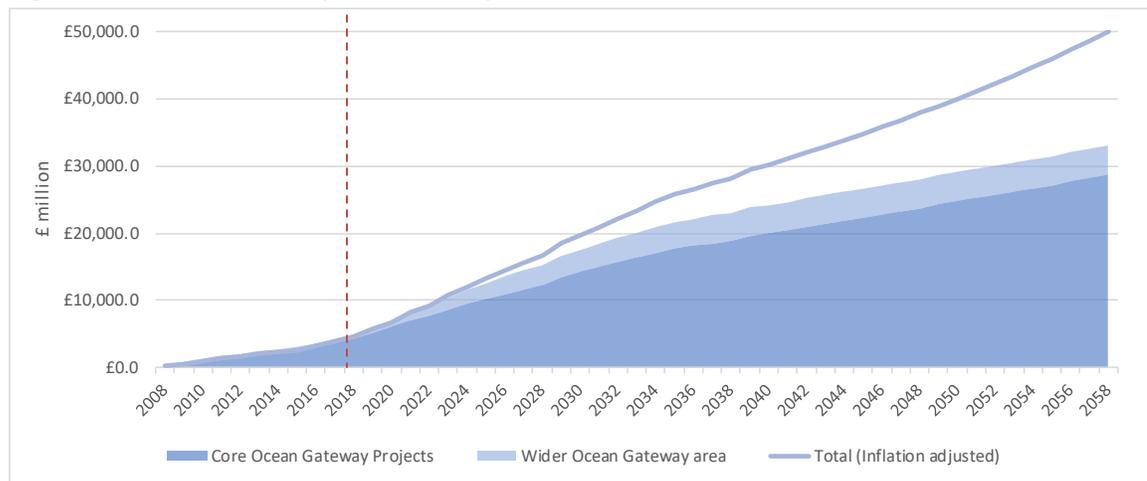
The assessment provides an overview of activity to date, alongside projections for future activity, for each of the identified outputs and outcomes. Future projections focus on performance over the next ten years and over the longer term.

### 4.2 Capital investment

Securing £50 billion in capital investment is one of the underpinning principles of the Ocean Gateway. This objective recognises that alongside direct investment, Peel will contribute to realising this target in partnership with a range of other organisations.

In total, the current core Ocean Gateway projects are expected to involve investment of more than £28 billion over the full lifecycle of the assets (2018 prices), with investment since 2008 amounting to £5 billion (Figure 4.1). Alongside this, projects within the wider Ocean Gateway area are expected to attract additional investment amounting to around £5 billion over a 50 year period. Combined, investment in the core and wider projects is expected to reach £15 billion (2018 prices) by 2028. Allowing for inflation at 2.5% per annum (having regard to long term indices for inflation and construction prices), total investment is projected to amount to around £50 billion over the full Ocean Gateway period.

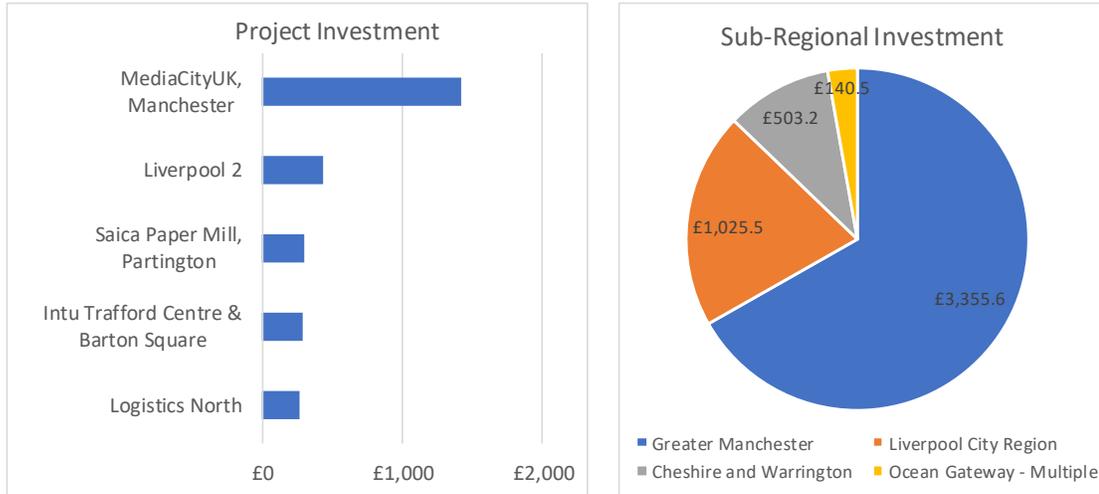
**Figure 4.1: Ocean Gateway investment profile**



To date, the growth of MediaCityUK into one of the foremost media, digital and creative hubs in the UK has attracted more than £1.4 billion of investment. Alongside the studio complex, this has involved major investments in infrastructure, public realm, educational facilities, business premises and residential accommodation. MediaCityUK has accounted for more than 25% of total Ocean Gateway investment to date and around 40% of Ocean Gateway investment within Greater Manchester. Other key projects within Greater Manchester have included the Saica Paper Mill in

Partington and investment to expand provision at the Intu Trafford Centre (Figure 4.2), with the sub-region capturing almost £3.4 billion of investment since 2008.

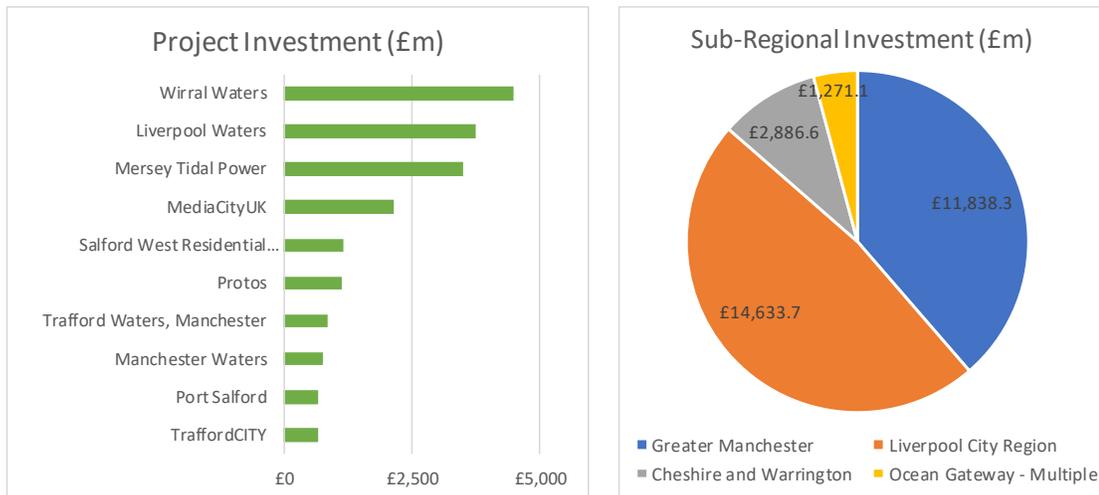
**Figure 4.2: Investment to date in key projects and sub-regions**



A further focus for investment over recent years has been the development of a post-panamax dock facility at the Port of Liverpool, involving investment of more than £400 million. Total investment across Ocean Gateway projects within the Liverpool City Region has amounted to £1.0 billion since 2008, while projects within Cheshire and Warrington have attracted over £500 million.

Over the longer term, it is envisaged that the main focus for investment will shift to the Liverpool City Region. Major investment projects are expected to include Wirral and Liverpool Waters, alongside the Mersey Tidal Power scheme. Combined, these schemes are expected to attract £11.8 billion of investment, accounting for almost 80% of the total projected investment within the Liverpool City Region.

**Figure 4.3: Total investment in key projects and sub-regions**



### 4.3 Construction phase effects

Since 2008 it is estimated that capital investment associated with the delivery and fit-out of the core Ocean Gateway projects has supported almost 24,000 person years of temporary construction phase employment.<sup>3</sup> Based on the convention that 10 person years of temporary employment equates to a permanent job, this is equivalent to 2,400 FTE jobs. Including schemes within the wider Ocean Gateway area, construction phase employment increases to 27,700 person years (2,760 ten year equivalent).

Over the longer term, capital investment has the potential to support a further 145,000 person years of construction phase employment, bringing the total to 169,000 person years overall. This equates to 14,500 and 16,900 ten year equivalent gross jobs respectively, representing a major contribution to the construction sector in the North West.

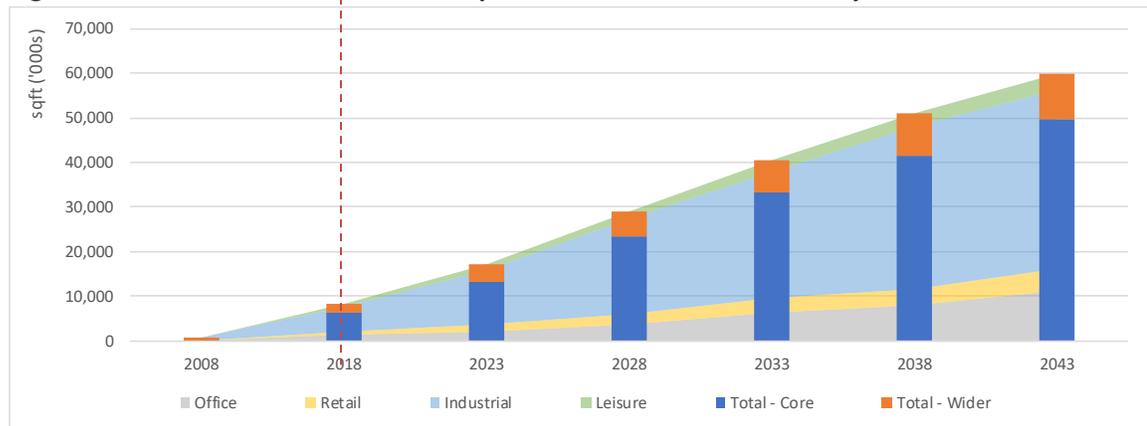
Based on an investment to GVA ratio of 0.38, reflecting data for the UK construction sector<sup>4</sup>, it is estimated that capital investment to date could have generated a gross GVA of £1.9 billion associated with construction phase activity. This could potentially increase to £11.7 billion over the full Ocean Gateway period.

In addition, Peel takes steps to maximise the local impact of investment through the procurement process. This promotes the use of local labour and the creation of opportunities for apprenticeships, maximising linkages with education providers and other local organisations. Further information in relation to educational benefits is outlined below.

### 4.4 Commercial floorspace

Since its inception in 2008, more than 6 million sq ft of commercial floorspace has been delivered across the core Ocean Gateway projects, with a further 2 million sq ft developed across the wider area (Figure 4.4).

**Figure 4.4: Profile of commercial floorspace within the Ocean Gateway**

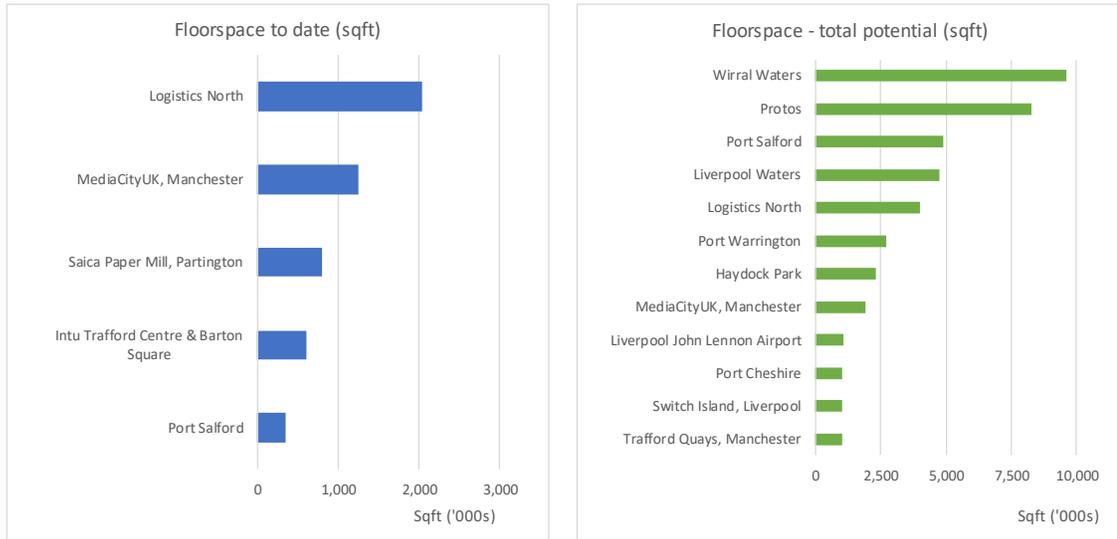


<sup>3</sup> Based on a turnover per employee benchmark of £180,000, derived from UK level data published within the ONS Annual Business Survey, 2016

<sup>4</sup> ONS Annual Business Survey, 2016

To date, the schemes at Logistics North and MediaCityUK have delivered a significant proportion of the total floorspace, cumulatively accounting for almost 3.5 million sq ft of provision. The schedule of schemes set out in Figure 4.5 highlights the diversity of schemes advanced to date, extending across logistics, manufacturing, media/creative and retail/leisure activities.

**Figure 4.5: Commercial floorspace – key projects to date and overall**



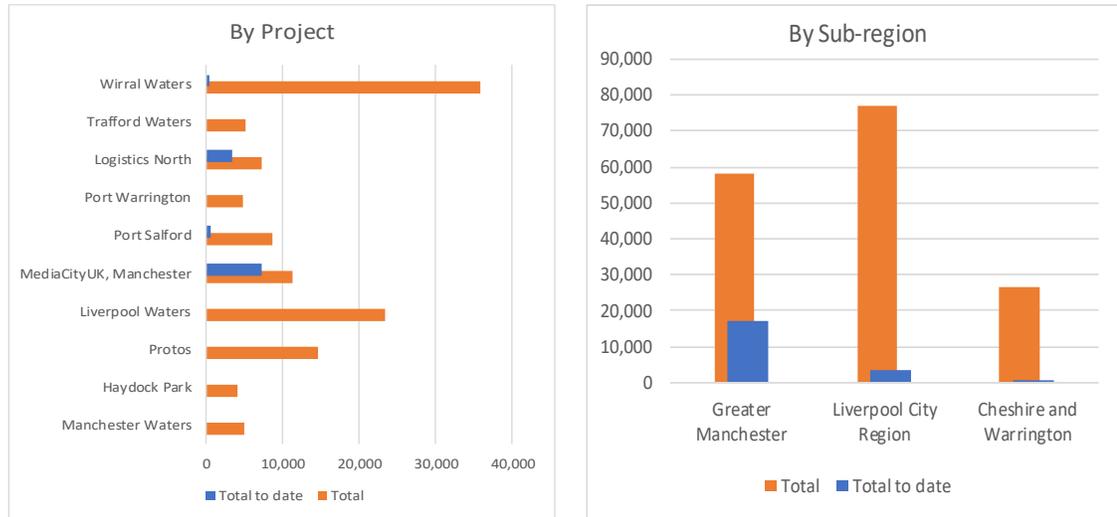
Over the longer term, the Ocean Gateway has the potential to accommodate more than 60 million sq ft of new commercial floorspace. As outlined in Figure 4.4, a significant proportion of this is expected to comprise of industrial floorspace, with key pipeline projects including Protos, Port Salford and Haydock Park. Alongside this, a number of mixed or office focused schemes are expected to be advanced, including Wirral and Liverpool Waters, alongside further investment at MediaCityUK and Trafford Waters.

## 4.5 Permanent employment

Development activity to date across the core Ocean Gateway projects is estimated to have resulted in more than 17,500 gross jobs, with a further 3,500 gross jobs across wider projects within the Ocean Gateway area. Some 8,000 new jobs are estimated to have been created as a result of activity at MediaCityUK and across the wider Salford Quays area, alongside 3,500 at Logistics North and 1,600 at the Intu Trafford Centre/Barton Square.

Over the next ten years it is expected that these existing hubs of activity will continue to expand, with overall growth accelerated through the delivery of the initial phases of strategic projects including Wirral Waters, Liverpool Waters and Protos. By 2028 it is projected that some 68,800 gross jobs will be accommodated across the wider Ocean Gateway area, including 57,700 through core projects.

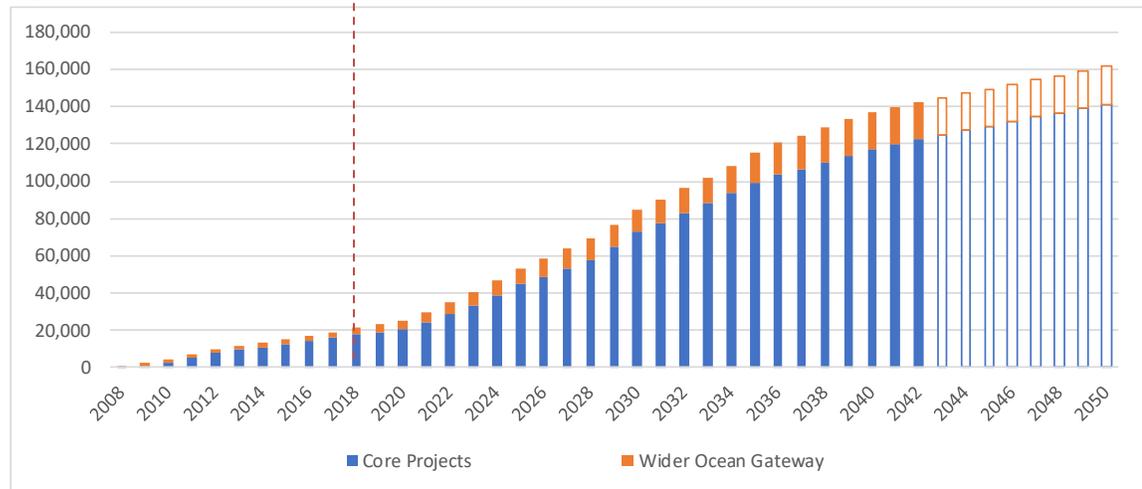
**Figure 4.6: Permanent employment – key projects to date and overall**



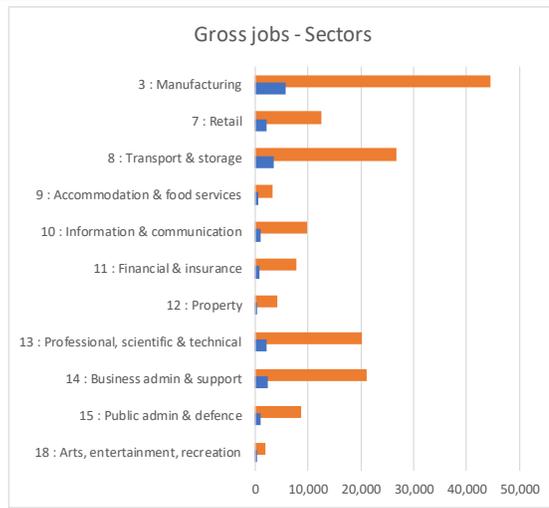
The total overall potential associated with the core Ocean Gateway projects is estimated to be in the order of 140,000 gross jobs, with a further 20,000 gross jobs accommodated across wider opportunities within the Ocean Gateway area.

A profile of the projected job creation effects is illustrated in Figure 4.7.

**Figure 4.7: Profile of projected gross jobs**

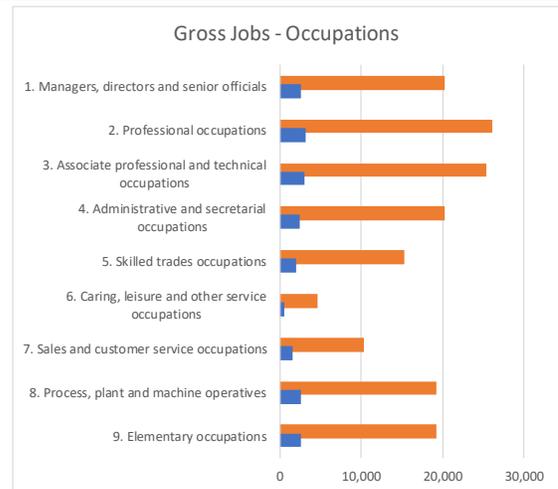


It is anticipated that job creation across the Ocean Gateway will generate opportunities for people in a wide range of occupations and with a variety of skills. Alongside benefiting residents within local communities, investment will play a significant role in attracting and retaining talent within the Ocean Gateway area.



- Manufacturing and distribution are expected to account for a significant proportion of jobs
- Automation in these sectors to raise levels of productivity, impacting on future jobs growth
- Office based activities are expected to support a range of jobs with particular concentrations in professional and business services
- Opportunities exist to build on other local/regional strengths including media and creative, maritime
- Balance of retail and food service activities may change over time as the market responds to structural changes and focuses on delivering a high quality experience

- A wide range of employment opportunities will continue to be supported, reflecting the range of development
- Office accommodation in particular will support management and professional occupations
- Significant opportunities will also be created for residents with lower level skills
- This will create employment for sections of the workforce with lower level qualifications and/or those seeking flexible employment
- Activity in the construction phase will further boost opportunities for skilled trades occupations



- It is expected that a significant proportion of the employment opportunities will be taken-up by workers with level 4+ qualifications
- The significant growth in the proportion of the population qualified to level 4+ may level off due to a range of factors including fees and the prioritisation of alternative qualifications
- Overall, it is estimated that more than 18,000 jobs will require no qualifications. This has the potential to meet need within some of the most deprived areas in England
- Peel is continuing to work with education providers to promote the development of the skills base as part of a whole place approach to regeneration and growth

## 4.6 Gross Value Added

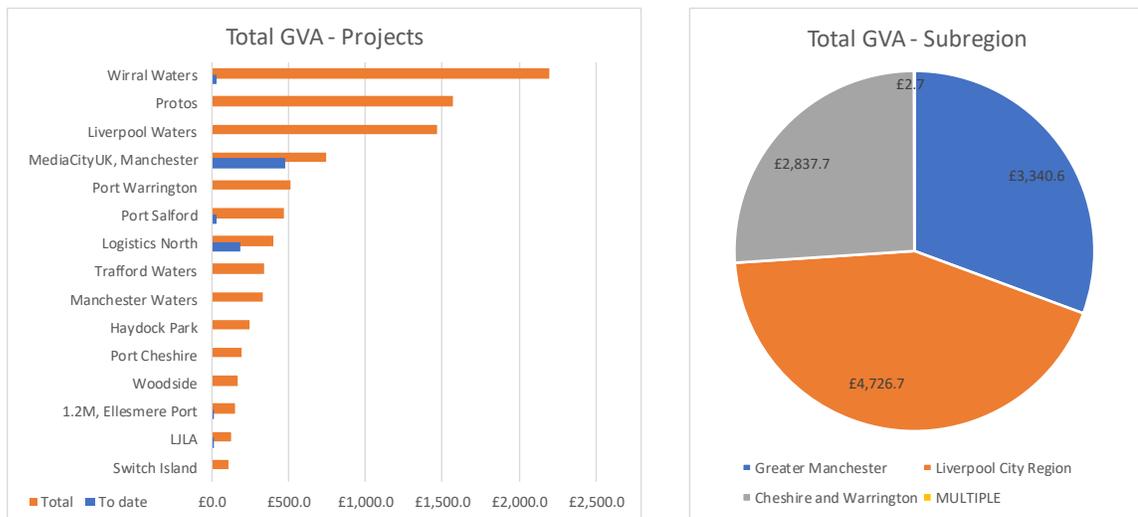
It is estimated that activity delivered to date across the core Ocean Gateway projects supports a gross annual GVA of £1,030 million. A further £200 million is generated across the wider Ocean Gateway area. Combined, this equates to approximately 1% of total GVA across Greater Manchester, the Liverpool City Region and Cheshire and Warrington.

Over the next ten years, based on the employment projections, it is estimated that total gross GVA across the Ocean Gateway will increase to £4.5 billion per annum (2018 prices). This would potentially equate to almost 3% of total GVA across the wider Ocean Gateway area<sup>5</sup>.

The total potential gross GVA, based on the long term projections for projects within the Ocean Gateway, is estimated to be £10.9 billion per annum (2018 prices). At this level, projects within the Ocean Gateway would potentially account for more than 6% of total GVA within Greater Manchester, the Liverpool City Region and Cheshire and Warrington.<sup>6</sup>

A summary of the potential gross GVA associated with projects within the Ocean Gateway is set out in Figure 4.8.

**Figure 4.8: Gross GVA**



## 4.7 Homes

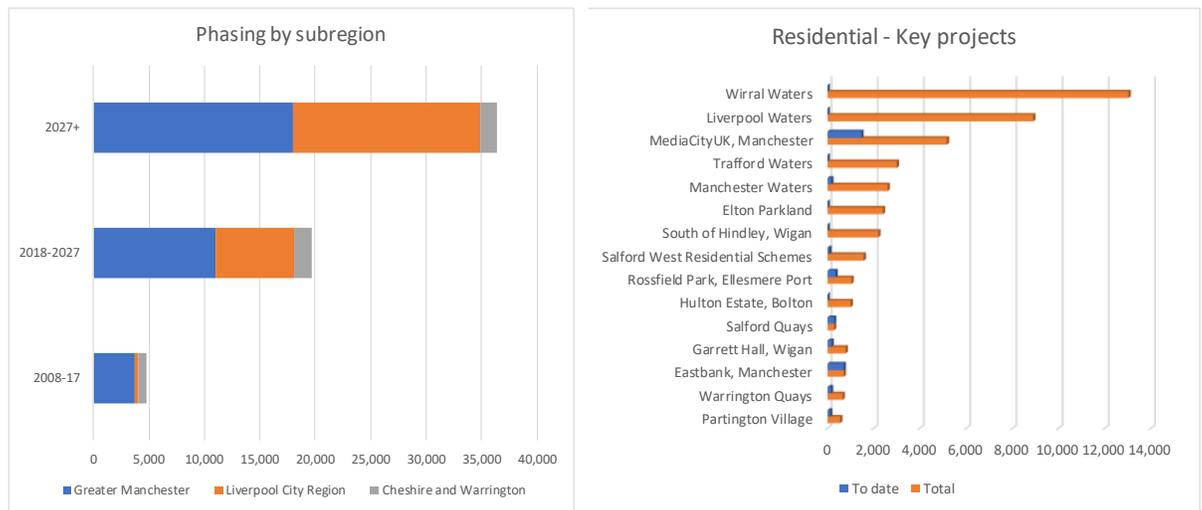
Since 2008 it is estimated that around 4,000 new homes have been delivered across core Ocean Gateway sites. The main focus for delivery has been at MediaCityUK, where approximately 1,500 residential units have been developed. Alongside this, new housing has been brought forward at Eastbank in Manchester, at Rossfield Park and Salford Quays. A further 800 units have developed across wider sites within the Ocean Gateway area and overall, 80% of new units have come forward within Greater Manchester.

<sup>5</sup> Based on Experian GVA forecasts for Merseyside, Greater Manchester and Cheshire (2018 prices)

<sup>6</sup> Based on Experian GVA forecasts for Merseyside, Greater Manchester and Cheshire (2018 prices)

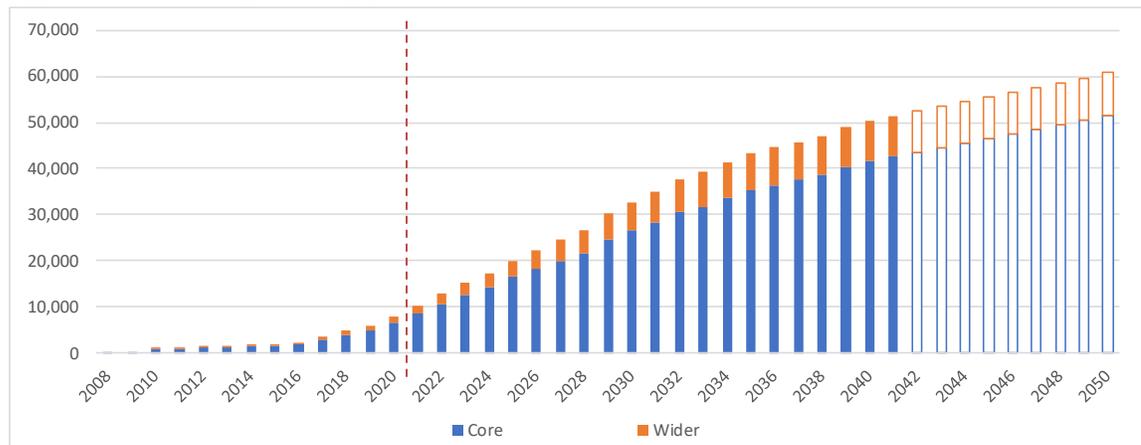
Over the next ten years and beyond, the rate of housing delivery is expected to accelerate significantly (Figure 4.9). In part, this reflects the significant lead in times associated with establishing a vision and market for strategic investment proposals. It also responds to an ongoing shift in national policy, supporting measures to unlock major housing opportunities. As a result, the overall delivery rate is expected to rise to almost 2,000 units per annum across the Ocean Gateway. Key schemes, including Wirral Waters and Liverpool Waters, are now attracting investment to bring forward new housing. This will result in a higher level of delivery within the Liverpool City Region, although Greater Manchester is expected to remain a significant focus for the ongoing delivery of new homes.

**Figure 4.9: Residential development**



Over the long term, it is projected that the core sites will provide capacity for almost 51,700 new homes, with wider sites accommodating a further 9,230. Beyond 2028, projections equate to a delivery rate of 1,200 units per annum.

**Figure 4.10: Housing delivery profile**



Based on benchmark data for average household expenditure, it is estimated that local spend on goods and services equates to approximately £7,500 per annum. At this rate, housing delivered

to date could support a total expenditure of £36 million per annum within the local economy. Based on the delivery projections, this could increase to more than £180 million per annum within ten years and more than £450 million once fully developed out (2018 prices). This expenditure will play a key role in supporting local services and associated employment.

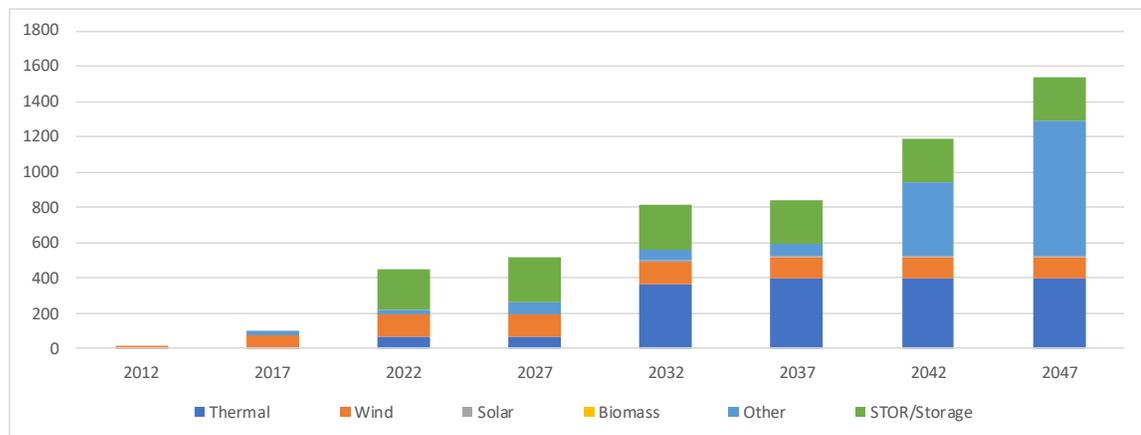
## 4.8 Energy

In addition to commercial and residential development, Peel continues to promote the delivery of a wider range of environmental schemes within the Ocean Gateway, including investments with the potential to play a crucial role in contributing to meeting changing energy markets.

To date, electricity generating capacity of 146.9 MW has been delivered across the core Ocean Gateway sites, principally associated with the Scout Moor and Frodsham Wind Farms and the Protos biomass plant. This capacity has the potential to provide power for up to 120,000 homes. In addition, 160MW of flexible low carbon generating capacity has also been delivered in the Ocean Gateway portfolio of sites.

Over the next 10 years (Figure 4.11), growth to more than 400 MW of installed capacity is expected to be driven by increases in biomass, energy from waste, solar and the delivery of infrastructure for energy storage and peaking supply.

**Figure 4.11: Total installed energy capacity across core and wider sites (MW)**



Over the long term, there is expected to be growth in new innovative energy markets, including the delivery of a tidal barrage within the Mersey. Based on historic analysis, this is estimated to have the potential to provide 700 MW of capacity. Alongside this, innovative schemes promoted by iGas and Cadent have the potential to offer significant enhancements in terms of capacity. Overall, projects across the wider Ocean Gateway area have a potential capacity of almost 1,600 MW.

## 4.9 Wider benefits

Alongside the identified economic outputs summarised above, investment within the Ocean Gateway supports a range of wider benefits. A sample of these are outlined below to illustrate

the broad scope of existing and proposed activity which will underpin the creation of vibrant, inclusive and sustainable communities.

#### 4.9.1 Education

Investment to date has catalysed the delivery of new educational infrastructure, linking communities to enhanced opportunity. Examples of new further and higher education facilities include:

- Wirral Metropolitan College – land sale and support to deliver a facility with capacity to provide places for up to 500 students, including apprentices, focusing on construction and the built environment. Since opening in 2015, Peel has continued to maintain close links with the faculty and, as a result, students benefit from close linkages to industry, alongside opportunities associated with the ongoing delivery of Wirral Waters.
- UTC @ MediaCityUK – opened in 2015, the UTC is a funded state school with 400 students in attendance in 2016/17. The College meets educational needs for 14-19, targeted towards the creative, technical and digital media sectors, with a relatively even split between GCSE and A-level/technical qualifications. The UTC benefits from linkages with the University of Salford and organisations based at MediaCityUK. In 2016/17 some 112 students secured NVQ Level 3 qualifications in classroom-based courses, while 52 secured NVQ Level 2 qualifications.
- University of Salford @ MediaCityUK – forming part of the overall masterplan, the University delivers 30 courses from the campus at MediaCityUK, including undergraduate and post-graduate level qualifications. The programmes, which support 1,500 students, include journalism, animation and television documentary making, alongside technology-based courses. There were 369 graduates in 2017/18, including an estimated 73 at Masters level and 12 at doctorate level.

Based on this, educational facilities at MediaCityUK have the potential to support 5,300 graduates over a ten year period, contributing significantly to the knowledge and skills base within the local economy.

In addition, Peel investment and activity has supported the delivery of a variety of other educational facilities, including pre-school facilities (Holyrood Nursery operates centres at MediaCityUK and Princes Dock providing places for up to 134 and 100 children respectively, while Kids Allowed at the TraffordCITY provides spaces for 106 children).

Peel continues to work with a range of partners to support the delivery of new educational and research facilities. For example, work is ongoing with Liverpool John Moores University and the MTC Catapult to create cutting edge facilities at Wirral Waters. Peel has also formed a partnership with the City of Liverpool College, providing students with apprenticeship opportunities on the various development schemes within Liverpool Waters.

#### 4.9.2 *Community infrastructure*

The Peel Group has a long history of working with communities to enhance the wealth and prosperity of the areas in which it operates, based on a long-term approach to investment. Between 1996 and 2017, it is estimated that Peel provided more than £30 million of in kind support and assistance. Within the Ocean Gateway, Peel has played an active role in promoting key infrastructure projects including the Liverpool Cruise Liner Terminal and the RHS Garden Bridgewater through land and other contributions. In addition, Peel continues to invest in community infrastructure. Examples of investment within the Ocean Gateway include:

- **Speke Garston Coastal Reserve** – Land adjacent to Liverpool International Business Park, on the banks of the River Mersey in Speke and Garston, has been transformed into a coastal reserve as part of Peel’s work to support Liverpool Sailing Club following years of decline and increasing vandalism in the area. The development of the coastal reserve, now used regularly by walkers, is also used as an example in a European riverside regeneration best practice guide.
- **Bridgewater Way** – Peel has worked with local authorities to promote the improvement of the towpaths along the Bridgewater Canal, enhancing its role as a focus for leisure and recreation amongst communities located along its length. The creation of the 65 km route has involved access improvements alongside enhanced signage, interpretation and seating.
- **Woolston Deposit Ground** – Peel is working with community groups to recover waste from within a Site of Special Scientific Interest to improve an existing nature reserve adjacent to the Manchester Ship Canal.
- **City Airport** - Peel has donated a building at City Airport and Heliport Manchester to the Veterans’ Garage, which provides a unique approach to providing support to military veterans across the North West. The community project will restore the Grade 2 listed WWII airport terminal building into a base for ex-servicemen to learn new skills through classic car and motorcycle restoration.
- **Frodsham Wind Farm** - Peel has taken community engagement to a new level with a voluntary 25 year partnership agreed with the local community through the Marshes Community Benefit Fund (CBF). The community will benefit from £3 million of community investment for the area over the operational life of the wind farm. £120,000 a year will be donated to the fund by the wind farm to deliver a variety of community projects which will be approved by a locally selected panel.

#### 4.9.3 *Environmental Sustainability*

Peel has promoted a range of sustainable energy and resource projects within the Ocean Gateway in recognition of a challenges and opportunities associated with meeting UK climate change commitments. The 54ha site has planning consent for environmental technologies and resource recovery. Peel is actively promoting the creation of a cluster of environmental sector activity within the Cheshire Science Corridor, maximising the potential of linkages with the University of Chester, based at the adjacent Thornton Science Park. In promoting this scheme, Peel has sought

to ensure that the local community remains engaged, establishing a community forum alongside a sub-group tasked with looking at the issue of air quality.

Environmental sustainability has also been a key objective in the delivery strategic projects. Alongside significant investment to create a high quality public realm environment, the Energy Centre provides the basis for secure and sustainable energy generation. Peel is in discussions with partners to replicate this model across other strategic sites.

#### *4.9.4 Job creation and skills*

Peel has sought to lead the development of a localised skills-based economy, seeking to ensure that potential benefits to local communities of employment and skills development are maximised.

In the construction phase, Peel works closely with contractors to ensure that labour needs are met through the local workforce. For example, the contractor for MediaCityUK was required to ensure that at least 50% of the opportunities were taken up by residents of the city region.

As part of the Liverpool2 project Peel has worked with Hugh Baird College (and other stakeholders) to establish a Port Academy to ensure that the next generation of residents are well placed to take advantage of future opportunities arising from sector growth.

#### *4.9.5 Leisure and the visitor economy*

Peel plays a significant role the visitor economy within the Ocean Gateway. Liverpool John Lennon Airport currently handles almost 5 million passengers per year with flights to over 60 destinations in the UK and across Europe. Passenger numbers have grown in recent years and the masterplan underpins a vision for expansion.

In addition, Peel represents a key partner in relation to the delivery of a new Cruise Terminal within Liverpool. Through contributing the site, Peel has played a key role in enabling a strategic investment to enable a significant increase in the number of size of ships accommodated. It will also provide the capacity to act as a turnaround facility, enabling cruises to start and end in the city.

Peel has been at the forefront of developing urban leisure destinations, creating attractive clusters of complimentary retail and food and drink activities, alongside visitor attractions. Investment over recent years has developed the TraffordCITY cluster, reinforcing the Trafford Centre through the delivery of major leisure attractions including Chill Factore – the longest indoor ski slope in Britain, an indoor golf centre, Legoland Discovery Centre and other leisure uses.

In parallel, investment at MediaCityUK has underpinned the creation of a new destination. Alongside the studios and Coronation Street, the public realm works have provided a high quality venue for a range of temporary and seasonal activities. These activities have played an important role in generating footfall within MediaCityUK, extending the existing offer within the wider Salford Quays which includes the Lifestyle Outlet, Lowry Centre and Imperial War Museum. Future investment at the Outlet and across MediaCityUK will further strengthen this destination.

Finally, Peel has played a key role in promoting sporting infrastructure within the Ocean Gateway. The AJ Bell Stadium has delivered a modern venue to accommodate the Salford Red Devils rugby league team and the Sale Sharks rugby union team. In addition, Peel is promoting the development of Hulton Park Estate for development to create a championship level golf course.