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ECONOMICS • RESEARCH • ANALYSIS

Sefton Economic Assessment

A Final Report by
Regeneris Consulting

Sefton Economic Assessment

11 April 2017

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Appendix A - National Well-being Indicators

1. Introduction

Aims and Objectives

- 1.1 Sefton Council commissioned the development of a new Economic Assessment in Autumn 2016. Sefton Council is facing a number of external challenges which form the rationale for intervention to take stock of Sefton's competitive position and develop a proactive response to drive change. These external challenges include:
- A Transformation Programme of Public Sector Reform to mitigate the impact of public expenditure cuts
 - The implications of the EU Referendum vote for a British Exit
 - The faltering economic recovery since 2008-09, especially in the northern cities and regions
 - The Devolution Deal for Liverpool City Region (LCR), with the creation of the LCR Combined Authority, and an elected City Region Mayor from May 2017. The LCR Growth Strategy 'Building Our Future' sets out the sub-regional aspirations for economic growth and Sefton has an important role to play to realise this vision through trading on the borough's distinctive assets and opportunities as a mechanism to drive investment, create new jobs and businesses.
- 1.2 Sefton is developing a Vision for 2030 of sustainable well-being for all citizens, in which people live independent, economically active lives; are happy safe and healthy, and businesses grow, succeed and thrive. Strategic economic growth is an essential part of this vision. There is recognition that the borough should do more to embrace economic growth, ensure that the benefits of growth are realised for all Sefton's communities, and that new sources of income linked to growth should be targeted by Sefton Council.
- 1.3 This new Economic Assessment will inform in turn a new Economic Strategy for Sefton. By identifying the strengths and weaknesses of the borough's economy, opportunities for growth and the main challenges that Sefton needs to tackle, the Assessment provides a key source of evidence to assist the Council and its partners as they identify their future strategic priorities and actions.

Structure of the Economic Assessment

- 1.4 The Economic Assessment is structured thematically around six areas of focus which establish the economic, financial and social imperative for change. The thematic analysis has regard to three local geographies which are grouped based on similar characteristics, issues and opportunities ('north' 'south' and 'residential middle'). The assessment is structured as follows:
- **Section 2 - Work:** exploring the characteristics of the labour market in Sefton and how this impacts business competitiveness and productivity.
 - **Section 3 – Business:** identifying what factors are contributing to the productivity gap in Sefton and where the sectoral prospects for growth lie
 - **Section 4 – Well-being:** outlining the main well-being issues in Sefton
 - **Section 5 – Development and Infrastructure:** considering the impact physical assets (housing, employment sites and premises) have on economic growth prospects and the extent to which Sefton's asset and income base supports economic growth

- **Section 6 – Connectivity and Infrastructure:** identifying the extent to which Sefton’s physical infrastructure (transport, digital, utilities) supports economic growth
- **Section 7 – Live and Visit:** identifying the investment proposition of Sefton to attract and retain people to live, invest and visit the borough.

Summary

- 1.5 There are clear messages in the Economic Assessment across three the key pillars of Sefton’s economy: productivity, people and places, and the relationship between them. Delivering future employment and business growth is dependent in part on Sefton’s resident workforce and the supporting physical infrastructure the borough offers. In turn, the quality of life of Sefton’s residents and the strength of its communities is inextricably connected to their engagement in the borough’s economy. Regenerating the borough’s towns is a priority for Sefton, and this too cannot be separated from how its economy changes and the way this change is experienced by its communities.
- 1.6 In short, analysis of the extensive range of data considered in the Assessment points to a compelling case for an approach to economic growth that emphasises inclusivity and local resilience. This is an approach that now has an increasingly strong foothold in local economic development, with growing recognition that too many people feel excluded from the positive benefits of growth.
- 1.7 Sefton Council and its partners, together with the Liverpool City Region, have already recognised the need for new thinking and new collaborative action between the private, public and social sectors in economic development and regeneration. This Assessment provides evidence that will assist them in making choices about the focus and priorities set by the borough’s new economic strategy.
- 1.8 The central headlines from the Assessment are summarised below.

1: Local Jobs: Creating more higher quality and better paid local jobs should be priorities for Sefton’s economy

- Given the size of its labour force, Sefton has capacity to house more businesses and jobs. New businesses need to be established at a higher rate, and more businesses need to grow in the borough, to generate the volume of local jobs needed.
- Sefton’s labour market could be more self-contained, meaning more residents working in the borough. Overall, Sefton is a net exporter of labour with many local residents commuting out to Liverpool. But higher skilled and higher wage jobs in the borough tend to be taken by people who commute in from neighbouring areas.
- Low paid jobs account for about a third of all employment in Sefton and precarious employment appears to be on the increase, characterised by growing numbers of part-time and self-employed workers, plus zero hour contracts. These are important factors in many of the social challenges that the borough faces, and it points to the need for action to deliver better paid employment, with better prospects for progression.
- Sefton’s struggle to create enough higher-level jobs is likely to be a driving factor behind the decline in the number of young people working locally. Higher skilled, higher paid jobs in the borough will help both in widening Sefton’s appeal as a place to live, and help to retain people who might otherwise choose to leave the borough.

- Sefton continues to be more reliant on public sector jobs than other places. The private sector has grown, but not by enough to compensate for the job losses that the public sector has had to implement. Consequently, there has been a fall in the number of people in employment in the borough.
- However, in their own right public sector employers in Sefton are central to the way the local economy works for residents. Sefton Council and its partners are already taking steps to better connect these organisations and the services they provide to the positive impacts they can have on the local economy. Action to extend this activity should be identified as a priority in its economic strategy.

2: Employment: *Sefton needs more people in work and in more productive jobs*

- Sefton needs access to a bigger pool of working age people, to support more residents to engage in the world of work, and to find new ways to engage residents in the economy. Sefton's working age population and the proportion of people who are economically active are both falling, against a national trend going in the other direction. New housing in the borough has an important role to play in addressing this issue, but it also points to the need for innovative approaches to enable more residents to enter and benefit from work.
- The borough's employment rate has remained static over time while nationally it has risen. Consequently, high numbers of local people continue to rely on out-of-work benefits and there is a large number of households where no-one works.
- Labour productivity (measured by GVA per hour worked) is low and Sefton is falling further behind England over time. Sefton largest sectors for jobs tend to be lower value such as retail, education, health, accommodation and food. Although it is a difficult challenge, Sefton should aim to increase pay and productivity in these sectors.
- Sefton also has a growing dependency challenge. As the pool of working age people gets smaller, the population of retired people looks set to grow. As well as fewer people being available to fill the posts vacated by people retiring, there will be growing demand for carers for the elderly in due course, with the Council a key provider and buyer of services. Whilst the growth of the sector will provide new employment opportunities for Sefton's residents, this brings challenges in terms of low pay and productivity in the care sector that will need to be addressed.
- Private sector investment alone will not deliver the additional jobs and better quality employment that is needed. This challenge underlines the importance of measures being taken by Sefton Council and its partners to use its resources, purchasing power and leverage in the planning system to expand the number of job opportunities targeted at local residents and increase the use of local businesses to supply goods and services.

3: Education: *Strengthening Sefton's skills base has a key part to play in delivering economic growth that benefits the borough's communities*

- Schools in Sefton perform well against the national average, but come up short at post-16 level when important career and learning choices are being made. This is leading to a marked gap in the numbers going on into higher education, particularly in the south of the borough. Although the situation has been improving, Sefton has fewer residents with higher level skills (i.e. degree/ Level 4+) than its competitors. Forecasts point to growing

demand for higher level occupations over coming years and local employers are already identifying skill shortages and gaps as barriers to growth.

- Too many of Sefton's young people miss out on a good start to their working lives. There are significant numbers who are not in education, employment or training and there are high numbers of young people claiming Job Seekers Allowance or Universal Credit. Long term unemployment among under 25 year-olds has been a growing problem over the last 5 years.
- Sefton needs to ensure young people have an ambitious sense of what they can achieve and the know-how to realise their potential. Sefton, like other places, appears to fall short in giving young people the employability skills to ensure they are ready for work and to help them make the right choices about the academic and vocational pathways in front of them.
- This challenge points to the need for action which links learning, employability and employers in Sefton, and which provides the wider support extending both to the individual and families to enable more residents to enter and progress in work.

4: Land: The delivery of new housing and employment land will be essential to enabling growth

- Sefton's Local Plan recognises more land will need to be delivered to grow its business base and support the creation of new employment. Growing demand is expected for land and premises linked to port activity at Liverpool 2 and there are positive signs about the borough as a location for industrial and warehousing activity. Business density is already low and is holding back the authority's ability to grow its business rate revenue. The development of new sites and premises will enable Sefton to capture new business investment and secure additional financial benefits through business rate revenues.
- Sefton Council has sites which could be developed and released for employment and housing but these need to be managed and marketed to ensure they are optimally used in a way which maximises economic growth, drives up value and supports sustainability objectives. Remediation is needed in some places to address contamination which is limiting the supply of shovel ready sites and presenting a funding gap to achieve viability.
- Affordable and attractive housing is an important factor influencing family's decisions about bringing up their children locally. This means delivering land and development which encourages the right mix of new housing, in places where people want and need to live.
- New housing development is also essential to Sefton's economic growth and the regeneration of its main towns. New residents will support Sefton's businesses and contribute to sustaining its communities, and enable the borough to meet the challenge of an ageing resident workforce by attracting more working age people. Increasing the borough's stock of housing will enable the borough to generate additional Council Tax receipts.

5: Digital: Sefton needs to improve its digital infrastructure and ensure that its benefits extend across the borough

- Sefton needs to be thinking 20 years ahead to secure the infrastructure it needs in order to succeed in an increasingly digital world. Too few places in Sefton have access to ultrafast digital connections which businesses need to compete.

- Digital tools could provide new solutions to Sefton’s long term economic, financial and social challenges. New approaches to learning, delivery of public services and community engagement need to make better use of digital tools.
- Sefton Council has recognised that the rapid pace at which digital technology and applications are developing has to be backed by action targeting those who are less able to benefit from it. This means both access to technology and support in using it, and this is now to be the focus of new Digital Inclusion Strategy

6: Connectivity: Further investment in improved transport infrastructure will support both economic growth and wider sustainability objectives

- Sefton has a high level of dependence on private car as a mode of travel to work. As new employment sites become available and the vitality of town centres is improved, corresponding investment in other modes of transport (public transport, foot and cycle ways etc) is vital to reinforce sustainability objectives, and ensure that investment (and labour supply) is not deterred by congestion and slow travel times. Alongside this, there is a need to encourage take-up of public transport provision.
- Sefton has acknowledged issues of the difficulties faced by some residents in deprived areas accessing employment due to travel and cost barriers. This points to the need for continued investment in public transport infrastructure and services, alongside labour market support initiatives, to enable equitable access to jobs.
- There are identified shortcomings in transport infrastructure in Sefton, particularly east-west links including rail, bus and road capacity issues. This is an area which Sefton needs to work in partnership with neighbouring authorities to address.
- The expansion of the Port represents a clear opportunity for Sefton to maximise. There is a compelling case for the need for connections from the Port to be upgraded to realise the Port’s economic potential. Improvements are already underway, and Sefton needs to continue to lobby for major infrastructure investment to support growth of Port activity. This includes both road infrastructure and the measures necessary to boost the capacity of the rail network to meet what is expected to be a significant increase in railfreight to move goods to and from the Port. Developing an effective multi-modal network means both infrastructure improvements in Sefton and work with external partners including Network Rail and the government.

7: Health and Wellbeing: Tackling the health and well-being challenges faced by some of Sefton communities must be an integral part of the borough’s growth strategy

- Overall, the borough ranks as one of the happiest areas of Merseyside. In broad terms, people living in the middle of the borough are doing well, whilst people in the North and South experience much lower levels of personal well-being and health. Some parts of the borough experience low levels of deprivation, associated with Sefton’s attractiveness to higher earning and higher skilled people who are less likely to experience problems with their health and well-being.
- However, there are entrenched challenges of deprivation in Sefton, concentrated in both the north and south of the borough. These are communities which are more likely to face challenges to their health and well-being, which are a root cause of deprivation and

disengagement from the borough's economy, but also a consequence of the way the economy has worked for them.

- Too many people are disengaged from work and the positive effects of economic engagement. Large and growing numbers of Sefton's working age population claim incapacity benefits, thousands of families exist without work and too many people are unemployed or in precarious work. The poverty this generates compounds and drives poor health, lower levels of life expectancy and sustains ongoing patterns of deprivation.
- The ability of some residents to create and take advantage of the opportunities around them are limited by mental health issues and low levels of life satisfaction. They are important barriers to people securing work, as well as a challenge for people in work, particularly for people in low paid and lower skilled occupations.
- Sefton Council and its partners recognise the strong but complex connection between health, well-being and the economy. Concerted action to address the health issues faced by some residents will better enable those residents to take the opportunities borough by new jobs and investment, and help ensure that the benefits of growth are experienced more widely across Sefton's communities.

8: Liveability and Image: Sefton should make much more of its qualities as a place to live, visit and invest in

- Parts of Sefton have a widely recognised reputation as attractive places to live, visit and invest in, enhanced by good connectivity to Liverpool. The borough could make more of this to strengthen its profile and improve perceptions of it externally. Attracting new residents to move to the borough will help to generate additional spending potential in Sefton's retail and leisure businesses, reinforcing place-making investment.
- Sefton also performs well in its offer of primary education across the borough, making it a good place for young families. This is something the borough should be more vocal about and use as a marketing tool to attract residents.
- In some respects though, Sefton falls short on its liveability offering, especially in the south of the borough where the proximity of Liverpool has perhaps inhibited investment in a strong retail and leisure offer which is becoming increasingly outdated. Delivery of the regeneration framework for North Liverpool, including the new opportunity presented by development of the docks and the relocation of Everton FC, has the potential to enable Sefton to reposition itself.
- Key to this will be investment in Bootle, potentially positioning the town as the northern gateway to Liverpool. The borough recognises that perceptions of Bootle as a place are negative and there is a need to create a step-change to improve the sense of place amongst residents and potential investors. New, and innovative development, allied to strong connections with new development at the docks and in North Liverpool, should be geared to creating a new and different profile for the town.
- The borough's coastline is a major asset. Sefton Council and its partners have recognised that the borough could make more of this both in terms of its connection with a high quality living environment and its appeal to visitors.
- After seeing visitor numbers fall during the recession years, post 2013 Sefton has seen visitor numbers pick up, rising year on year through 2015. Visitor days and spending are now close to or higher than pre-recession (2009) levels and the trajectory is upwards. The focus should increasingly turn to securing more spending from visitors by improving the

leisure offer thereby giving people more reasons to stay and spend their leisure time in the borough.

- Critical to this objective will be tourism assets in the north of the borough including Southport and its surrounding area, and the natural assets of the coastline. This means both improving the tourism product (range and quality of facilities, services, infrastructure) for staying visitors and making more of the large numbers of day visitors to the coast. The focus for Southport should be increasing the expenditure of day and staying visitors through investment in its heritage assets, family leisure offer and accommodation.
- Elsewhere, Aintree, Birkdale and the Gormley's each attract a lot of visitors but perhaps do not open up local economic growth as far as they might. Expanding what these attractions offer visitors, and encouraging visitors to spend time and money elsewhere in the borough will help to make more of these assets.

2. Work

- 2.1 Sefton’s population stood at nearly 274,000¹ in 2015, accounting for almost 20% of the total population in the Liverpool City Region. In contrast to the sub-regional and national picture, Sefton’s population fell by 3,000 people over the last 10 yrs. Natural change has contributed most to this decrease. The number of deaths has been exceeding the number of births² while the opposite has been happening in Merseyside and England. Sefton has experienced a net in-flow of people moving to the borough (+1,130 mid-2014-mid-2015).

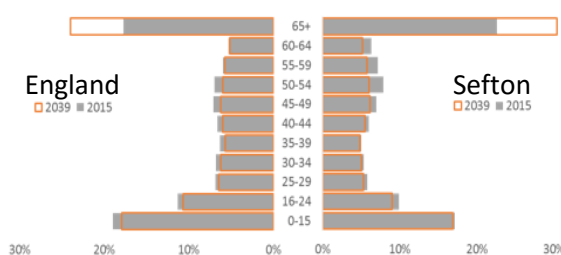
How does labour supply in Sefton affect productivity?

- 2.2 The composition of the labour supply plays an important role in the productivity of the Sefton economy.

A small and shrinking pool of labour...

- 2.3 The proportion of residents who are of working age in Sefton (currently defined as 16-64) is below average: accounting for 60% of the total population, compared to 64% LCR and 63% England. The number of working age people locally has shrunk by 3% (-5,030) over the last ten years.

Figure 2.1 Population Structure in 2015 and 2039



Source: MYPE, 2015

- 2.4 Sefton’s population is also older and ageing: 23% of Sefton’s population is 65+, compared to 19% in the LCR and 18% in England, whilst young people are under-represented (17% aged 0-15 compared to 18% in the LCR and 19% in England). According to MYPE 2015, the dependency ratio in Sefton stood at 0.66 in 2015 compared to 0.57 in the LCR and 0.58 in England.

Above average rates of economic inactivity...

- 2.5 The proportion of Sefton residents who are economically active (73%) is nearly five percentage points below the England average (78%) and not surprisingly, the proportion who are economically inactive is high at 26%.
- 2.6 Sefton’s economic activity rate has fallen over the past ten years, while the national picture has improved. The number of residents in employment stood at 114,400³, and the employment rate at 70% has stayed largely stable over the past ten years while the England figure has grown to 74%.

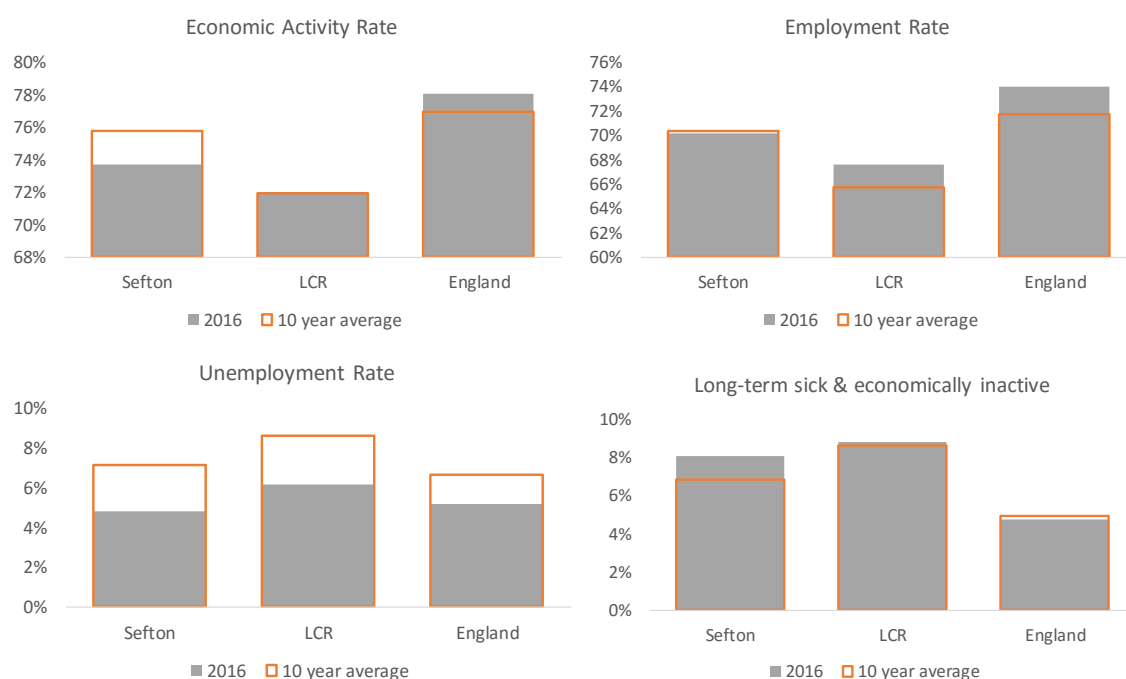
¹ Mid Year Population Estimates (MYPE)

² ONS, 2015

³ APS, June 2015-June 2016

2.7 Employment rates vary across different groups. Women are more likely to be in work while older residents are less likely.

Figure 2.2 Economic Activity, Inactivity and Unemployment



Source: Annual Population Survey, July 2015-June 2016

- 2.8 There are 15,000 workless households⁴ in Sefton (18%) which is below the LCR figure (22%) but above the England average (15%). A high proportion of Sefton’s economically inactive residents are long-term sick (31% compared to 22% in England). And the number wanting a job is low (16% compared to 24% in England)⁵.
- 2.9 Claimant count figures (JSA and Universal Credit⁶) for Sefton stands at 4,000 accounting for 2.5% of those residents aged 16-64 (half a percent higher than the England figure). A high proportion of these claimants are aged 16-24 (24%) in line with the LCR and England average.
- 2.10 Not surprisingly, there are large differences in the claimant rate across Sefton’s resident 16-64 population. The largest difference is seen in the Middle-South divide where the claimant rate difference is equal to 8.5%, this stark difference persists as seen in the North-South divide (6.6%). Efforts to reduce the claimant count clearly needs to concentrate on helping people in the South get into work.

⁴ Source: Annual Population Survey, Jan-December 2015. A workless household is a household where no-one aged 16 or over is in employment

⁵ Source: APS, July 2015-June 2016

⁶ Source, NOMIS, November 2016. Universal Credit is a single benefit being rolled out to replace income based Job Seekers Allowance, income related Employment Support Allowance, Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit. It is available to claimants both in and out of work, with benefits only ceasing when they reach the earnings threshold. There are currently 4,022 residents claiming Universal Credit, with 62.5% of those ‘not in employment’ (November 2016, provisional).

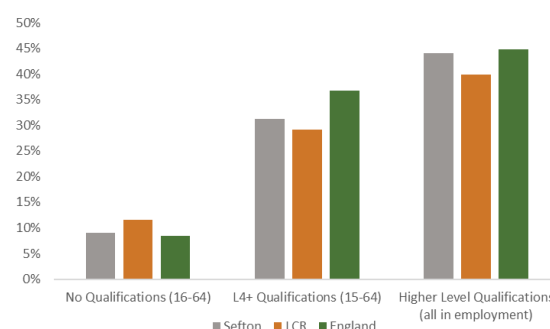
A shortage of higher level skills...

2.11 Although Sefton has fewer residents with no qualifications than the England average, it is under-represented at the higher skill level (L4+), where it is six percentage points below the England average. Sefton is also behind aspirant authorities such as Solihull, Stockport, Suffolk Coastal and North Somerset, all of which have over 35% of their working age population qualified to Level 4+. Nevertheless, Sefton has a similar proportion of its residents employed in higher level occupations⁷ to the England average (ie ~45%).

2.12 Progress has been made on a range of skills and occupation measures over the past 10 years:

- +7 percentage point increase in the proportion of Sefton residents employed in higher level occupations, out stripping both LCR (+5 pp) and England (+4 pp)
- +6.5 percentage point increase in the proportion of working age residents qualified to Level 4+
- -7.2 percentage point reduction in the proportion of working age residents with no qualifications.

Figure 2.3 Occupations and Skills

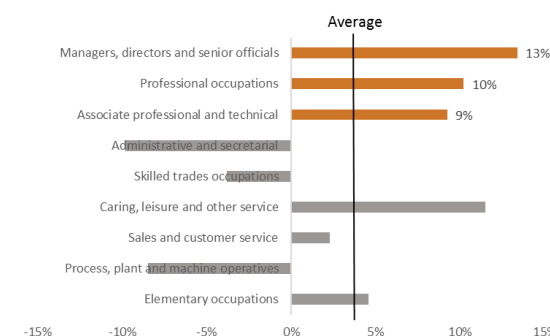


Source: APS, Jan-December 2015

These developments will help Sefton meet upcoming demand for skills.

2.13 Working Futures’ forecasts predict that the Liverpool City Region will experience a 4% increase in demand for labour over the next 10 years but the focus of that growth will be on higher skill levels. As a result, the share of higher level occupations is expected to increase from 39% to 42% of the workforce by 2024.

Figure 2.4 Projected Demand by Occupations 2014-24



Source: Working Futures 2014

Access to skills in some sectors is a barrier to growth...

2.14 The Sefton Business Survey 2015 identified barriers to growth over the medium (3-5 years) and long (5-10 years) term. The main medium term barriers were:

- availability of suitably qualified and experienced staff (264 respondents / 37%)
- access to expertise/knowledge (248 respondents / 35%).

2.15 A relatively small proportion of businesses felt that current skill gaps (5%) were a barrier to growth. Skills challenges were the most prominent concerns in the construction, information and communication, manufacturing and professional, scientific and technical sectors

⁷ Defined as Managers, Directors and Senior Officials, Professionals and Associate Professional and Technical occupations

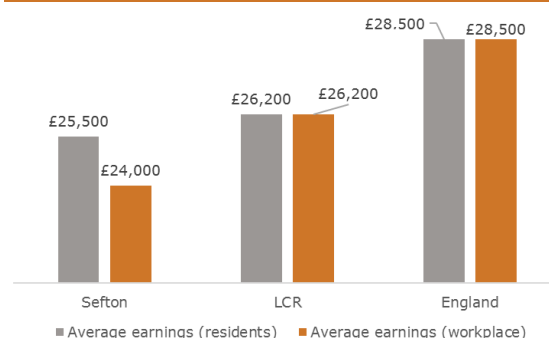
Low levels of recruitment often focussed on lower skills, but demand for technical skills exists...

- 2.16 Almost all of the highlighted skill shortages related to trades and this appears to be more of a problem for the industrial businesses in South Sefton. Although companies are looking for employees with experience, current levels of recruiting were low, with only 31 out of the 707 surveyed businesses seeking new employees at the time of the survey (January 2015). Of those recruiting, the survey found graduates being sought in the north, whilst intermediate and elementary skills sets (NVQ L3 and below) were more sought after in the south and central areas. The majority of posts were at NVQ L3 and below.
- 2.17 When asked about the support that businesses might seek, training was not the highest priority. Businesses are still consolidating after years of difficult trading, and they are looking to support agencies to help with safeguarding and assistance in developing new markets.
- 2.18 The survey asked businesses about the reasons they were located in Sefton; the main drivers relate to the availability of sites and premises (378/ 53.5% of all general respondents) and proximity to the port (339/47.9%) but access to suitably skilled labour was also a consideration, ranking for the third most cited factor, accounting for 124 responses (17.5%).

Below average earnings...

- 2.19 Sefton residents are accessing higher paid jobs outside the borough but are still not as well paid on average as the rest of LCR. Average gross earnings for Sefton residents stood at £25.5k in 2016 compared to £24k for those who work in Sefton (-6%). Both of these figures are below the LCR average of just over £26k on both counts⁸.

Figure 2.5 Gross Average Full Time Earnings



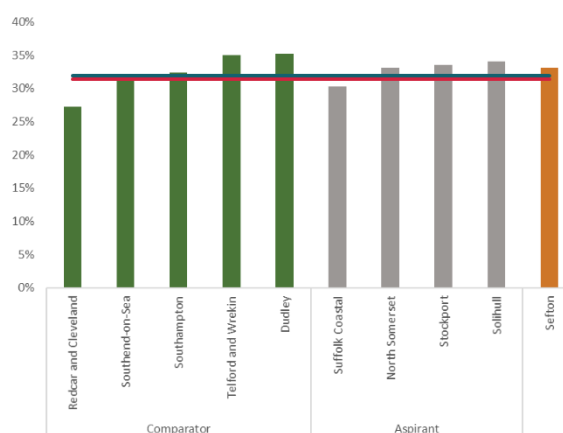
Source: ASHE, 2016

⁸ Annual Survey of Hours and Earnings (ASHE), 2016

... and risk of becoming stuck in a low pay-no pay cycle...

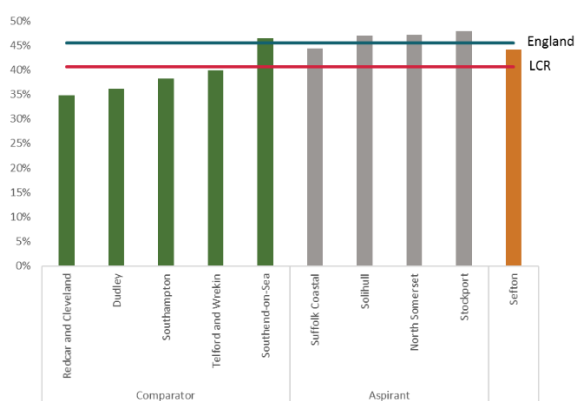
Sefton has significant number of low paid jobs⁹ (~30,000 jobs or 33% of the total), although this is broadly in line with LCR (31%) and England (32%). Interestingly the share of Sefton’s low paid jobs is similar to that of aspirant areas such as North Somerset, Stockport and Solihull and below that of comparator areas such as Telford and Wrekin and Dudley.

Figure 2.6 Low Paid Jobs



Source: BRES 2015

Figure 2.7 Percentage of residents in higher level occupations, 2016



Source: APS 2016

Making the most of residents’ skills....

2.20 Nearly one-third (30%) of Sefton’s residents work in higher level occupations which compares favourably to the LCR (28%) and slightly below the England average (31%). However, the proportion of working age residents with L4+ qualifications at 31% is significantly lower than the England average (37%).

2.21 Sub-regional data on the innovative talent pool provides insights to the LCR’s competitive position.

Table 2.1 Innovation Talent Pool

Indicator	LCR	England	LCR LEP Rank
% in employed in science, research, engineering and technology professions and associate professions (July 2013-June 2014)	6%	7%	33
% with NVQ Level 4+ aged 16-64, Jan 2015-December 2015	29%	37%	34
Number of STEM undergraduates 2013/14	~4k	~104k	9
% Graduate retention in home region (NW) 6 months after graduating	84%	N/A	1

Source: BIS, Mapping Comparative Advantage in Innovation; APS; HESA; DLHE

⁹ Identified by JRF Inclusive Growth Monitor as workers in retail and wholesale, food and accommodation, admin and support services and residential care

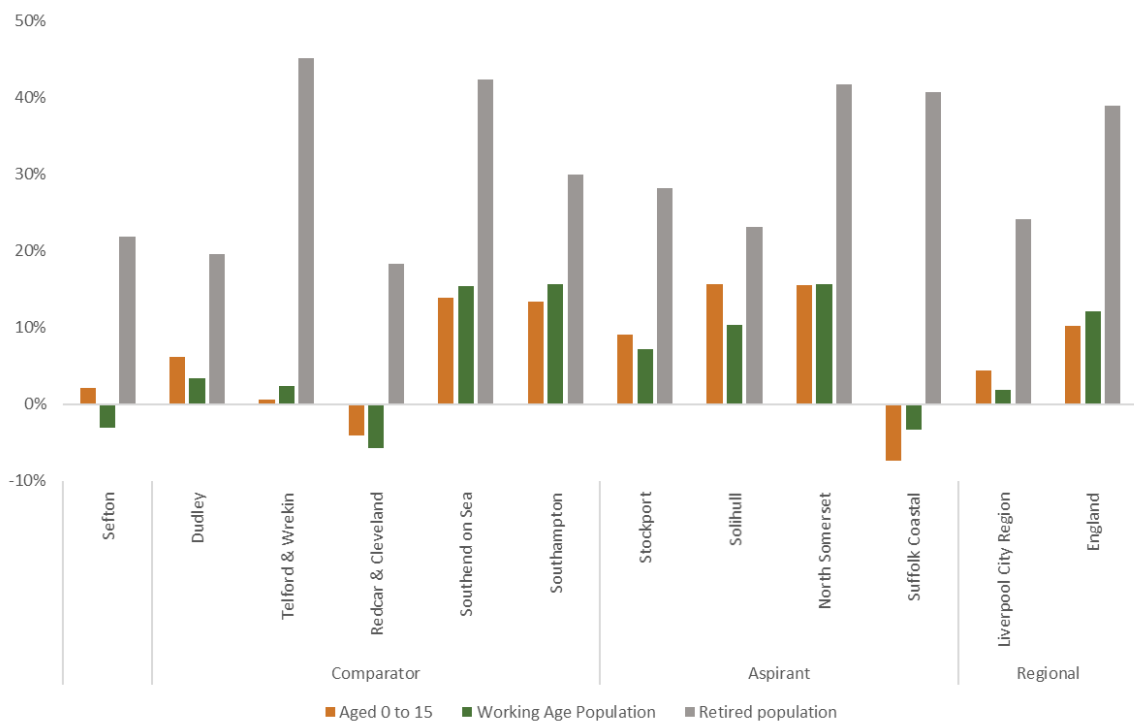
2.22 Liverpool City Region does remarkably well in terms of the number of students staying in the home region (North West) six months after graduating and is ranked first out of the 39 LEPs. Sefton however may not be benefitting greatly from this as anecdotal evidence from consultations highlight the challenges of retaining young people and graduates locally. Too many young people are thought to leave the area to attend university and do not return.

What is the current and estimated future size of the labour force and what factors are driving that change?

Sefton has a shrinking pool of labour...

- 2.23 Sefton has 166,000¹⁰ residents of working age in 2014. This is expected to shrink to 149,000 (-10%) by 2039. The planned increase in retirement age (to 67) will improve the situation somewhat but will still leave the pool of labour at 160k (a 3% fall). Over the same period there are expected to be WAP increases of +2% across the LCR and +12% nationally.
- 2.24 On one hand, although Sefton’s retired population is set to grow, it is not expected to expand as rapidly as England as a whole. On the other hand, its younger population will also grow more slowly. Even when comparing against comparator and aspirant areas Sefton underperforms. Of the 12 areas depicted in Figure 2.8, Sefton possesses the 3rd lowest proportion of WAP.

Figure 2.8 Projected Population Changes taking into account of expected changes to retirement ages, 2014-2039

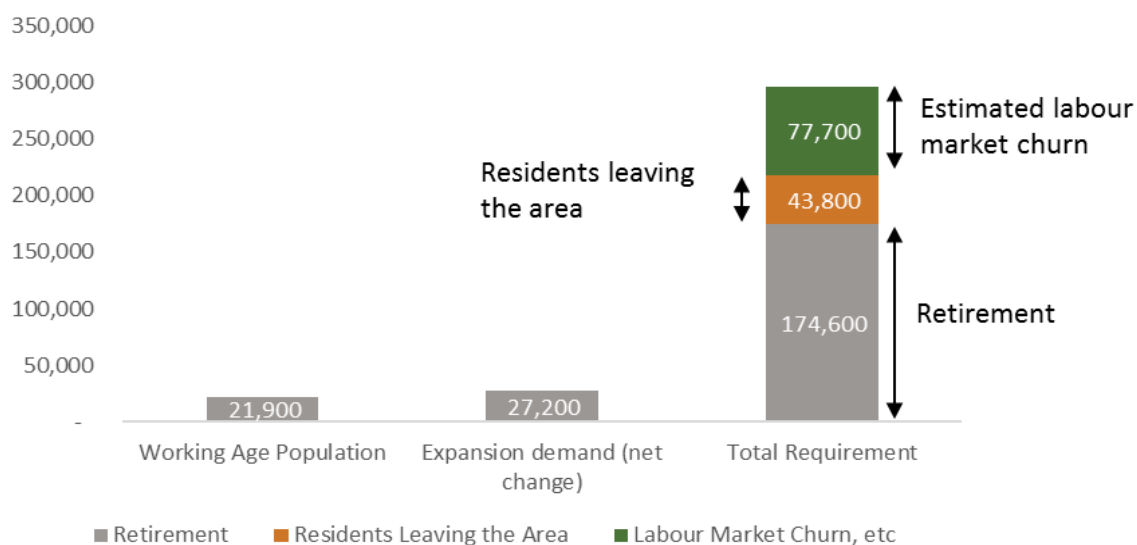


Source: Subnational Population Projections, ONS, 2014

¹⁰ Based on Sub National Population Projections of 16-64 year olds

A growing challenge to meet demands for labour...

Figure 2.9 Expected Employment Changes and Working Age Population in LCR and Labour Market Impact on LCR, 2014-2024¹¹



Source: Regeneris Consulting, ONS sub-national population projections (2014) and UKCES Working Futures data (2014)

- 2.25 LCR is projected to have nearly 300k job openings to fill between 2014 and 2024, 175k of which will be generated by people retiring and 44k from people leaving the area. Business growth will create demand for 27k new posts whilst the WAP is set to only grow by 22k.
- 2.26 Sefton’s gradually falling WAP means it not well placed to respond to job openings across the Liverpool City Region. The potential implications of this are:
 - Business performance and investment could be harmed
 - patterns of in-commuting and pressure on the transport system might grow
 - and/or, dramatically different patterns of in-migration occur from outside the area and UK.

Sefton needs to attract and retain more young people...

- 2.27 Although Sefton has been attracting more internal (within UK) and international migrants than those that leave, it has been drawing in less people than Merseyside. Recent statistics on overseas nationals entering the UK and registering for National Insurance numbers identified 1,100 registrations in Sefton in 2015/16. This translates into 6.6 registrations per thousand resident population aged 16-64 compared to 11.5 in Merseyside as a whole. This challenge could get more challenging once new post-Brexit immigration rules are in place.

¹¹ Working age population is the difference between 2014 and 2024’s individuals aged 16-64 from SNPP 2014 projections. Expansion demand is the difference between the number of projected jobs in 2014 and 2024. Retirement figures are those that are aged 55-64 in 2014 as by 2024 they will have reached retirement age. Estimates for residents leaving the area are calculated as the difference between 2014 and 2024’s individuals aged 16-54. Labour market churn is SNPP’s estimated total requirement of labour (replacement + expansion demand between 2014-24) minus retirement and people leaving the area estimates.

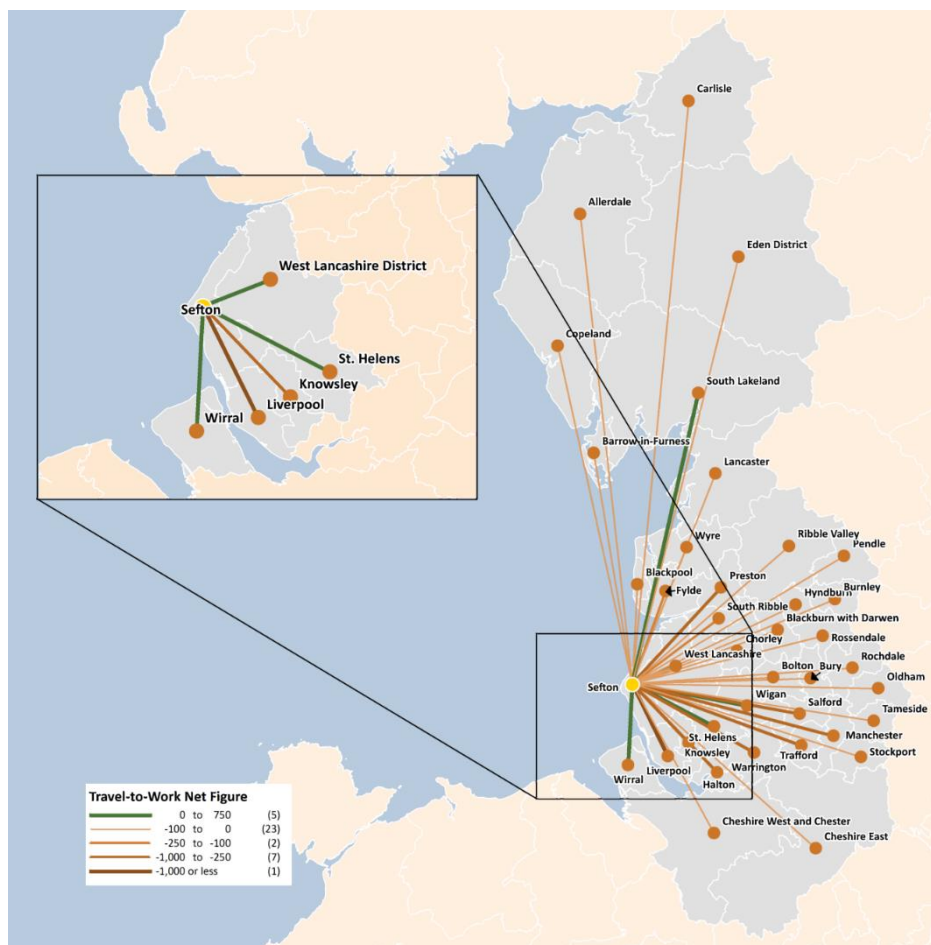
- 2.28 Sefton had a net migration rate of 2.2 per 1,000 residents in 2015 and had made population gains in all age categories with the exception of 15-19 year olds (-630 in the year ending June 2015) and 85+ (-30) which is a long term trend. This is not an unexpected finding, given the relatively low level of Higher Education provision in the borough. Sefton also had limited success attracting young working age migrants (+170 aged between 20 and 34 in 2015).

How do travel-to-work patterns shape the labour pool on offer to businesses

A net exporter of labour...

- 2.29 In the last Census, 28,500 people commuted into Sefton to work while 47,500 commuted out: resulting in a net flow of -18,000. Sefton has a self-containment rate of 54% (ie the proportion of residents who live and work in the borough). This is not surprising given its proximity to Liverpool and the employment opportunities on offer there, as well as other centres of employment including Manchester and Warrington. A lot of the out-commuting is to Liverpool, Knowsley, Warrington, Preston and Manchester and illustrates the strength of the relationship between Sefton and these centres of employment.

Figure 2.10 Travel to Work Patterns in and out of Sefton from North West Local Authorities, 2011

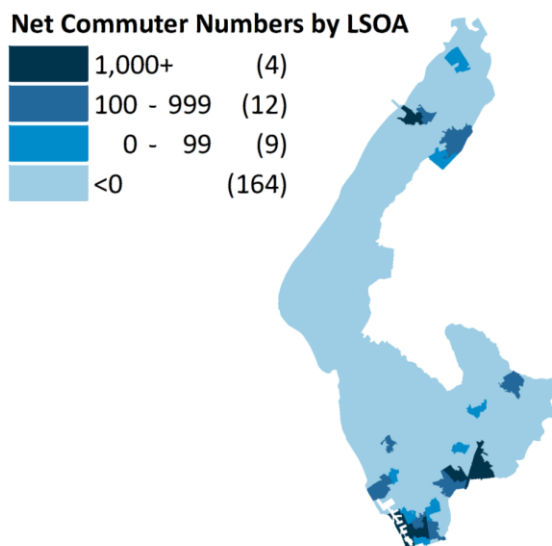


Source: 2011 Census

2.30 Much of the in-commuting comes from neighbouring districts ie Liverpool, Knowsley, West Lancashire, Wirral and St Helens. The evidence of the pay gap between residents and workers suggest that in-commuters tend to be high earners.

2.31 Figure 2.11 shows the net commuter numbers, by Sefton’s LSOAs, that commute into and out of Sefton the borough. The majority of Sefton’s LSOAs possess deficit numbers of commuters, the highest commuting out figures being -400. The LSOA that attracts the most commuters (+3,500) lies within Bootle town.

Figure 2.11 Net commuting flows in Sefton



Source: 2011 Census

Are young people being equipped with the skills, competencies and aspirations needed for work?

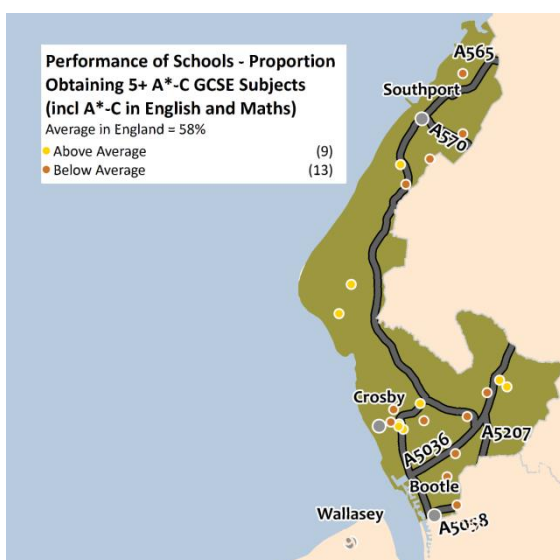
Good performing secondary schools but room to improve levels of pupil progression...

2.32 The majority of schools in Sefton have Ofsted ratings of Good or Outstanding. Four schools require improvement, and one school is rated as inadequate.

2.33 In 2015/16, 58% of pupils in Sefton achieved 5+ A*-C GCSEs or equivalent including English and Maths, which is equal to the national average of 58%. There are a number of high performing schools on this measure including Deyes High School (69%), Formby High School (73%), Greenbank High School (73%), Range High School (71%), and Independent schools including Merchant Taylors Girls School (97%) and St Mary’s College (91%).

2.34 A new secondary school accountability system has been implemented in 2016. It includes two headline measures:

Figure 2.12 Key Stage 4 Attainment in Sefton



Source: DfE (school based) 2016, Regeneris Consulting 2017

Note: DfE data limitations means only 22 of 32 secondary schools were plotted

- Progress 8 measure tells us how well pupils have progressed between the end of primary school (KS2) and the end of secondary school (KS4). Although the figures vary significantly by school, Sefton’s overall Progress 8 measure in 2016 stood at -0.24 which is below average (-0.28-0.20).
- Attainment 8 measure the average achievement of pupils across 8 qualifications including English and Maths. Provisional results find Sefton has a score of 49.2 on this measure just above the 48.5 England average.

Mixed levels of success at Key Stage 5...

2.35 Vocational performance, measured by average point score per tech level entry and applied general level entry, is slightly above the national average in Sefton at 35.9 and 38.7, respectively. The picture for academic performance is more mixed, with a below average point score relative to the national average at 29.7 according to the most recent (revised) results and a number of institutions under-performing against the national benchmark.

Table 2.2 Key Stage 5 Performance 2015/16 (Revised)			
	Average Point Score Per Tech Level Entry	Average Point Score Per Applied General Entry	Average Point Score Per Academic Entry
England – all schools	34.3	36.5	29.7
Sefton	35.9	38.7	28.8
Chesterfield High School	-	45	26.2
Christ the King High & Sixth	33.4	31.6	28.2
Deyes High School	26.8	46.1	28.1
Formby High School	44.6	44.2	33.2
Holy Family Catholic High	31.7	38.1	28.3
Hugh Baird College	28.6	22.8	17.8
King George V College	38.0	47.7	30.7
Maghull High School	41.2	37.0	23.6
Maricourt Catholic High	42.5	46.4	26.7
Merchant Taylors' Boys'	-	-	39.3
Merchant Taylors Girls	-	-	41.8
Range High School	36.7	35.4	31.3
Sacred Heart Catholic College	-	38.3	23.5
St Mary's College	-	-	34.4
St Michael's CoE High	-	33.5	22.7
Savio Salesian College	-	-	-
South Sefton College	47.1	41.1	25.9
Southport College	29.0	34.2	-

Source: DoE, 2015/16 (Revised) *Red illustrates under-achievement and green over-achievement relative to the England average

Liverpool City Region was in the 3rd wave of Area Based Reviews (ABR) of Post-16 education and training, which began in April 2016. The ABR seeks to create sustainable institutions which:

- Meet local learner and employer needs
- Provide access to high quality and relevant education and training for all
- Have the right balance of provision, including greater curriculum specialisation and higher level technical skills
- Support economic growth priorities

The ABR provides the starting point for future devolution of the Adult Education Budget 2018/19. It provides the opportunity to shape the future curriculum to meet priorities for growth, higher level skills and encourage greater specialisation, and reconfigure delivery infrastructure to meet growth sector demands.

Sefton institutions within the scope of the review included general FE colleges: Hugh Baird College, Southport College; sixth form college King George V College; and 16-18 school South Sefton College.

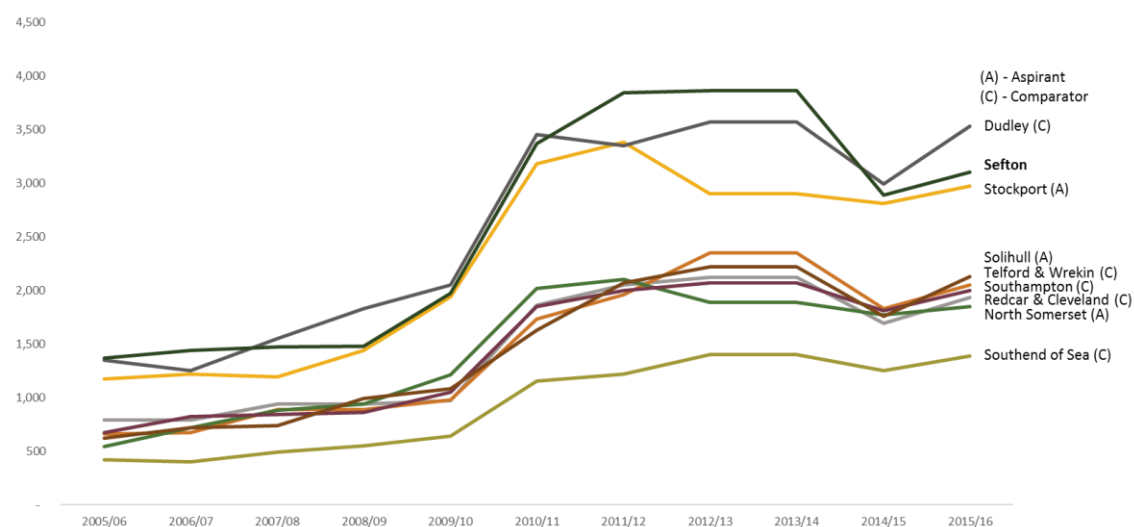
Recommendations for the review were published in January 2017 and recommended the creation of a single Sefton College through the merger of the four institutions through a two-stage process which will be concluded by August 2018.

There will be a focus on growing level 3 numbers in support of skills for priority sectors including the visitor economy, engineering, IT and digital, and health and social care. A 'Sefton offer' is planned for HE, providing local progression routes and increasing higher level skills in priority sectors, including development of higher level apprenticeships.

Sound levels of progress to further education and training...

- 2.36 The proportion of Key Stage 4 leavers in Sefton progressing into education, employment or training stood at 93% in 2014/15 compared to 94% nationally. Of the leavers, 7% progressed into an apprenticeship compared to 6% nationally.
- 2.37 The proportion of Key Stage 5 leavers in Sefton progressing to education, employment or training destination stood at 86% in 2014/15 compared to 88% in England. Of these, 6% progressed to an apprenticeship compared to 7% nationally; and 49% progressed to a UK higher education institution compared to 48% nationally.
- 2.38 Apprenticeship starts peaked at 3,860 in 2012/13 and have since fallen. This drop is a national trend which reflects the introduction of 24+ advance learning loans which initially applied to apprenticeship starts before the policy was reversed.
- 2.39 In comparison to benchmark areas, Sefton achieved the second highest number of apprenticeship starts in 2015/16 (3100). Significant contributors to this figure included Business, Administration and Law (1,030, 34% of total starts), Engineering and Manufacturing Technologies (340 starts and 11% of total), health, public services and care (770 starts and 25% of total) and retail and commercial enterprise (520 or 17% of total).

Figure 2.13 Apprenticeship Starts in Sefton



Source: Statistical First Release, October 2016

2.40 The LCR Skills for Growth 2015 report illustrates that, in keeping with national trends, residents aged 25 and above have been most likely to undertake an apprenticeship since 2010/11. However, the proportion of starts by those below 24 is growing, accounting for around 57% of all starts.

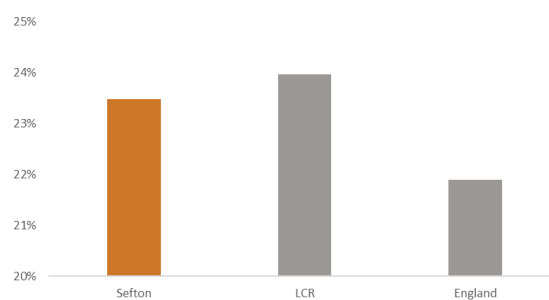
Too many young people are not engaging in economic activity

2.41 The current number of young people aged 16-18 who are Not in Education Employment or Training (NEET) is estimated at 5% in Sefton, above the England average of 4% (as of the end of 2015).

2.42 In November 2016, there were just under 1,000 young people (aged 16-24) claiming, either Job Seekers Allowance (JSA) or Universal Credit, in Sefton accounting for 23%. This is slightly below the LCR proportion (24%) and above the England average (22%). This figure has decreased over time, in line with national trends.

2.43 However, the long term unemployment rate for 19-24 year olds is still nearly double the level it was at the start of 2012/13.

Figure 2.14 Young People Claiming (as a proportion of all claimants)

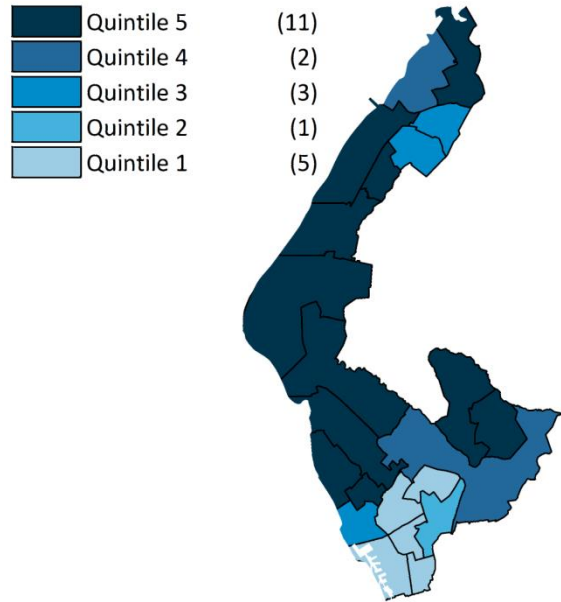


Source: ONS Claimant Count 2016

Participation in Higher Education overall is relatively high but there are significant local variations...

- 2.44 Sefton performs relatively well on this measure overall and is actually in the upper range of districts nationally. Participation in Higher Education, among 19 year olds in the 2010/11 academic year suggest that there are, however, significant differences between the South around Bootle (<26%) and the residential middle (>42%). Wards such as Derby, Ford, Linacre, Litherland and St. Oswald are in the lowest 20% nationally and Linacre is in the lowest 100 wards (out of 7,967) in the country on this measure for HE participation.
- 2.45 Consultation messages point to a trend of Sefton residents with graduate qualifications falling back into lower skilled/lower paid jobs.

Figure 2.15 Young People Participating in HE



Source: HEFCE, participation in HE, Regeneris Consulting 2017

Research by Universities UK identifies that graduates lacking certain core and employability skills fare poorly in the labour market, often finding themselves mismatched in non-graduate jobs and with lower earnings. The report suggests that as many as 30% of graduates find themselves mismatched and calls for more understanding of why certain graduates become mismatched, which skills could prevent this and where they can be best acquired. All of which requires improved education-industry engagement to facilitate understanding of what skills employers require.

Source: Universities UK, Supply and Demand for Higher Level Skills

3. Business

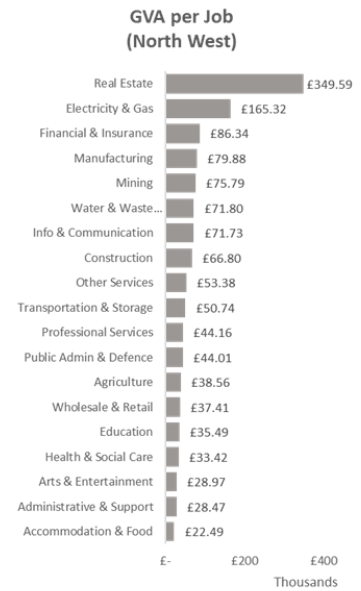
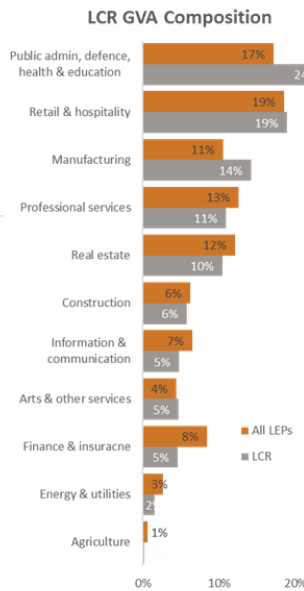
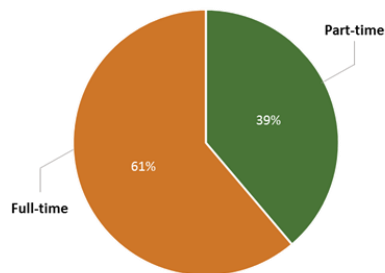
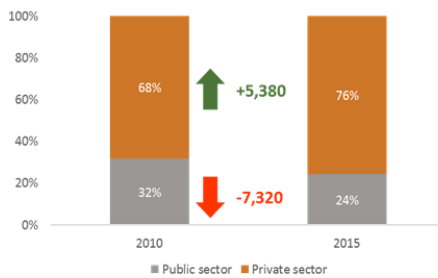
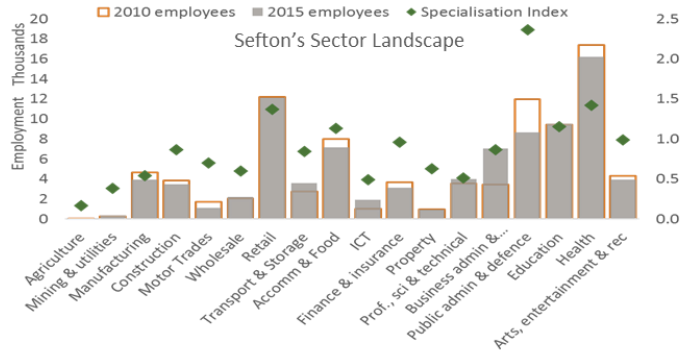
Figure 3.1 Summary Infographic of Sefton’s Employment Base

Employment:

In 2010 91,500 
 In 2015 89,600 
 ↓ 1,900 or 2% fall



Sefton contributed **£4bn** GVA to the Merseyside economy. This accounts for **14%** of total GVA.

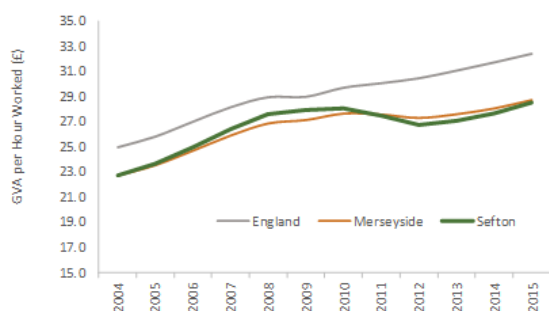


Source: BRES 2015, ONS GVA by Region 2015, ONS GVA by LEP 2015, and Regeneris Consulting 2017

What factors are contributing to the productivity gap in Sefton?

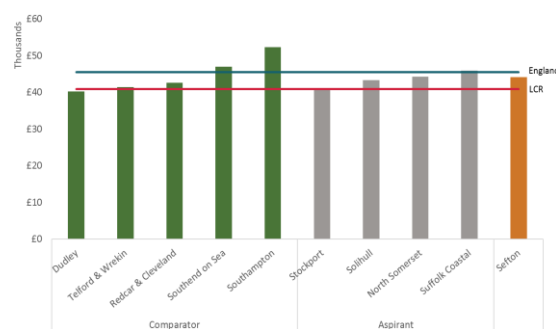
- 3.2 Sefton has an output gap on its rivals, driven by its demographics and economic inactivity. In 2015, Sefton generated over £4bn of economic value. This represents just under 14% of Merseyside’s GVA. Whilst the economy has grown 2.5%, since 2009, Sefton’s growth rate has been lower than Merseyside (4%) and England (14%). The overall productivity gap between England and Sefton has widened.
- 3.3 Sefton is underperforming on measures of labour productivity. Using the preferred measure of labour productivity of GVA per hour worked Sefton currently generates £28.50 of GVA during each hour worked compared to £32.40 for England. The gap between Sefton and England has widened over time from 9% in 2004 to 12% by 2015. Aspirant authorities such as Solihull (£35.80) and Stockport (£30.00) have notably higher levels of labour productivity on this measure.

Figure 3.2 GVA per hour worked, 2015



Source: ONS, Sub regional Productivity *GVA per hour worked smoothed. This data only goes back to 2004

Figure 3.3 GVA per filled job, 2015



Source: ONS per head NUTS3 ONS (UK GVA Smoothed)

3.4 On the measure of GVA per filled job Sefton is performing above LCR and relatively well against comparator areas such as Dudley, Telford & Wrekin, and Redcar & Cleveland. However, it remains below the national average by ~£1,400 per filled job.

Not enough jobs...

3.5 Sefton has fewer jobs than its comparator areas; for every resident of working age, Sefton has only 0.61 jobs compared to 0.69 in the Liverpool City Region. Comparator authorities such as Southampton and Telford and Wrekin (0.78 and 0.86 respectively) and aspirant authorities such as North Somerset (0.74), Suffolk Coastal (0.88), Stockport (0.80) and Solihull (0.91) all perform much better and suggest Sefton could house more jobs given the size of its working age population.

Concentration of employment in lower value sectors...

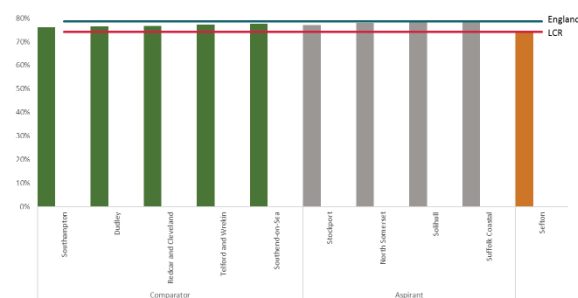
3.6 Sefton’s businesses and organisations employ ~90,000 people, 2% fewer than in 2010. During this period there has been a 4% growth across the LCR and 8% nationally. The scaling back of the public sector (-25% or -7,320 employees) in the borough has been a major contributor to this fall in employment. Sefton has been particularly affected by government austerity. Nationally there has been a 15% drop in public sector employment.

3.7 Although private sector employment has grown in Sefton (+9%), it has not been able to fully compensate the shrinkage in the public sector. Even now, Sefton’s share of private sector employment is still below all comparator and aspirant authorities.

3.8 The type of employment in Sefton influence the borough’s overall economic performance:

- reliance on public sector employment (24% compared to 23% LCR and 17% in England)
- growth in private sector employment (9% between 2010 and 2015 compared to 11% in the LCR and 14% nationally)

Figure 3.4 % Private Sector Employment, 2016



Source: APS 2016

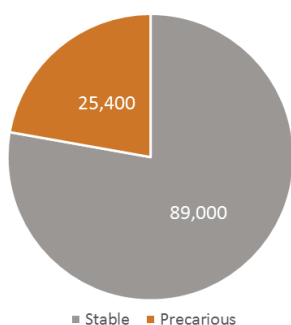
- high levels of part-time working (39% compared to 34% in the LCR and 31% nationally) although this has improved since 2010 when part-time employment accounted for 42% of the total
- Sefton also tends to generate jobs in less productive sectors as illustrated in Figure 3.10

3.9 Sefton’s largest employment sectors are retail, education, health, public administration & defence, accommodation & food, and administration & support. All of which tend to be lower value. Sefton Council’s recent analysis of high volume, low value sectors of employment identified 24,000 employees (27%)¹². Only 9% of Sefton’s workers are employed in Knowledge Intensive Industries¹³ compared with 13% in the LCR and 15% in England.

A large number of local people occupied in precarious employment...

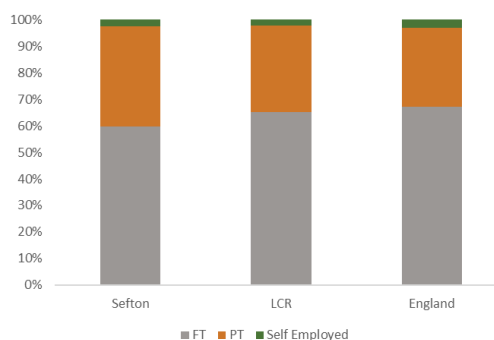
3.10 Sefton has a relatively high proportion of employees in ‘non permanent’ employed roles at 6.2% compared to 5.4% in the LCR and 5% in England¹⁴. Recent analysis found 22% of UK individuals are in precarious employment¹⁵. Assuming Sefton has a similar proportion, there are likely to be at least 25,000 local people in precarious employment. However, Sefton is likely to have more than its fair share of precarious employment because its low earnings and relatively high share of part-time workers (see Figure 3.6).

Figure 3.5 Precarious Employment in Sefton



Source: APS 2016

Figure 3.6 Employment Status Split



Source: BRES 2015

3.11 Part-time and self-employed people are more likely to have limited access to employment rights, possess a stable income and rely on lower wages all of which are characteristics of precarious employment¹⁶. Only 60% of employees in Sefton work full time. This is below the LCR and England levels by 5% and 7.5% respectively.

3.12 Furthermore, 26% of employee jobs in Sefton earned less than the UK living wage of £7.65 in 2014. This is above the North West region and National average of 25% and 23%¹⁷, respectively.

¹² Sefton Council, January 2016, based on BRES 2015

¹³ Defined as the Eurostat definition of high and medium-high tech manufacturing and the Centre for Cities’ definition of Knowledge Intensive Services

¹⁴ APS, October 2015-September 2016

¹⁵ John Philpott (Leading Labour Market Economist) - <https://www.theguardian.com/uk-news/2016/nov/15/more-than-7m-britons-in-precarious-employment>

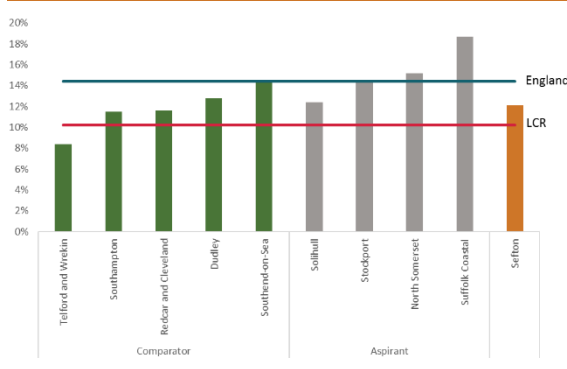
¹⁶ International Labour Organisation – Policies and Regulations to Combat Precarious Employment 2011

¹⁷ ONS – “How many jobs are paid less than the living wage in your area?” 2015

Increased likelihood of ‘forced’ self-employment...

- 3.13 In 2010, there were ~12,000 WAP individuals (7%) who were self-employed, by 2016 this had increased by a further ~2,500 (to 9%). This is a 21% growth, during which time the LCR and England levels grew by only 9% and 18%, respectively. This may point to a strong enterprise culture, but the start-up rate suggest much of this self-employment is in the form of contracting rather than business formation, reflecting a shift towards ‘forced’ self-employment rather than a choice.
- 3.14 Despite the growth in the number of self-employed, it is notable that Sefton’s self-employment rate is lower than aspirant areas.
- 3.15 National data on self-employment by industry¹⁸ highlights the higher rates of self-employment in sectors such as construction, retail trade and transport.

Figure 3.7 % of Self-employed, 2016



Source: APS 2016

Figure 3.8 Self Employed Growth Rate, 2010-2016

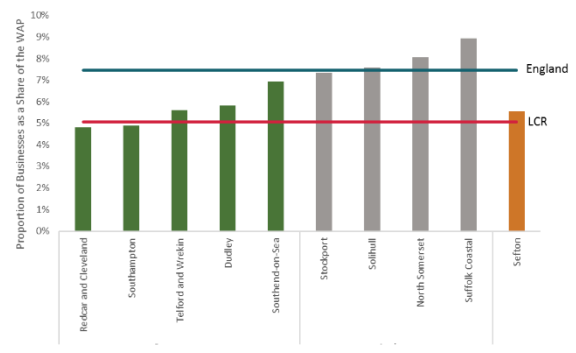


Source: APS 2016

Too few businesses and not enough high value stock...

- 3.16 In 2016 Sefton had ~9,000 local business units, a 2% increase (170) on the previous year, compared to a 13% increase in the LCR.
- 3.17 Sefton’s has 50 businesses per 1,000 working age residents. Though this is low compared to England (68), it is marginally better than the Liverpool City Region level, which stands at 45 businesses per 1,000 working age residents.
- 3.18 Figure 3.9 compares Sefton’s business density, the number of businesses as a share of the WAP, with comparators, aspirants and benchmark locations. Sefton’s business density (ie per WAP) of 6% is marginally greater than the LCR level (5%) and some comparator locations but it fares relatively poorly against aspirant locations which have a business density ranging from 7-9%.

Figure 3.9 Business Density



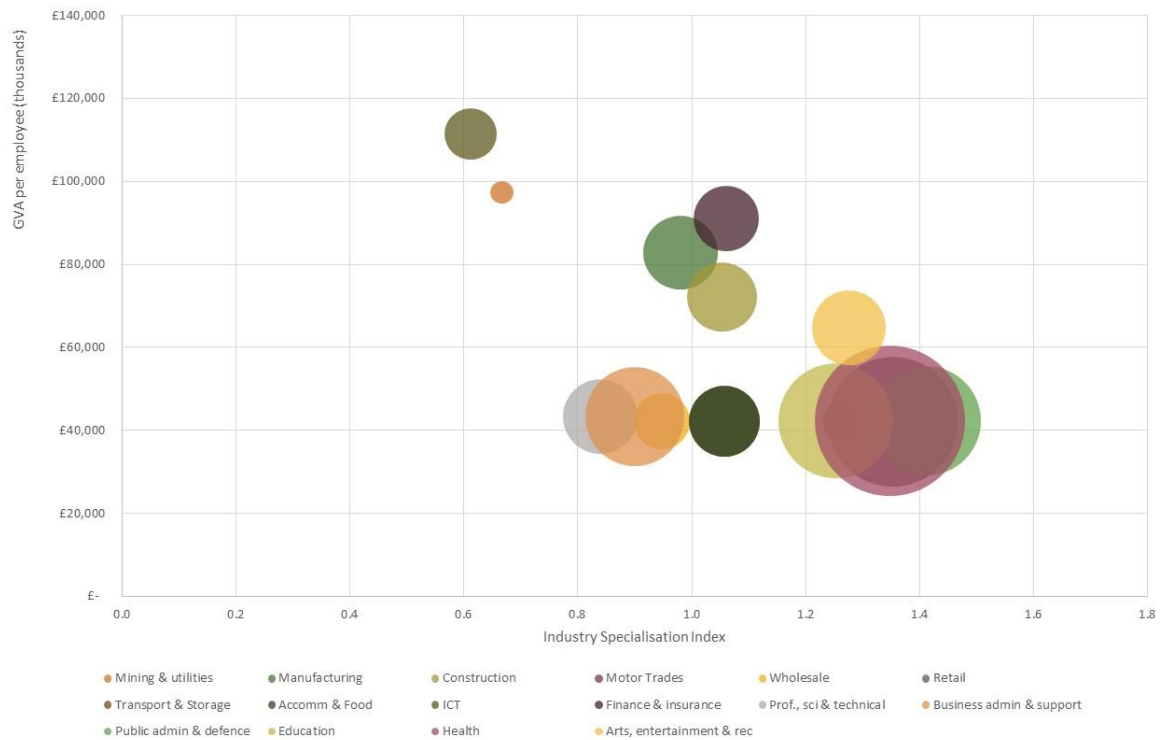
Source: UK Business Count 2016 & MYPE 2015

- 3.19 Figure 3.10 depicts the size and strengths of Sefton’s industries: the x-axis depicts the degree of specialisation, the y-axis the GVA per employee, and the size of the bubble the number of

¹⁸ ONS, Labour Force Survey, UK Total Self-Employment Jobs, September 2016

employees for each industry. It shows that Sefton has few businesses in high GVA sectors such as property, ICT, finance and insurance.

Figure 3.10 Sefton’s Industry Breakdown



Source: UK Business Counts 2016, BRES 2015, ONS GVA for LEP 2014

3.20 Some of the largest private sector employers in Sefton include:

- Peel Ports
- Santander
- Payment Shield
- Shop Direct
- Abbey Logistics
- Kura

Enterprise rates are low...

3.21 Sefton generates 69 new businesses per 10,000 population which is above the LCR average (64) but significantly below the national rate (99). Survival rates are reasonable, with 72% making it to 2 years, broadly in line with LCR and England.

3.22 Businesses births have exceeded deaths for the 3rd year in a row, taking the stock of businesses in Sefton to its highest level. To further extend its business base and stimulate a stronger entrepreneurial culture, Sefton should concentrate on building its start-up rates and supporting those ‘scaleable’ companies which indicate the greatest propensity for growth.

3.23 Analysis of company accounts on DueDil indicates that 77 companies in Sefton experienced a +20% increase in turnover in the past 12 months. There is a notable clustering of these firms around the north and south of the borough.

3.24 Business demography data on start-ups and survival numbers by sector is provided at a national level. This can be considered in the context of the business base in Sefton, and changes in micro businesses in the last year to give an indication of the likely sectors that are driving start-ups in the borough.

3.25 Figure 3.13 illustrates Sefton’s sub-sectors which saw the highest growth in the number of new micro businesses (>10) and compares it against the national trend. All but two of Sefton’s high growth sub sectors, “Post & deliveries” and “Social work”, were in sub sectors, nationally, that had the highest representation of start-ups in 2015/6.

Figure 3.11 Business Births and Deaths, 2015



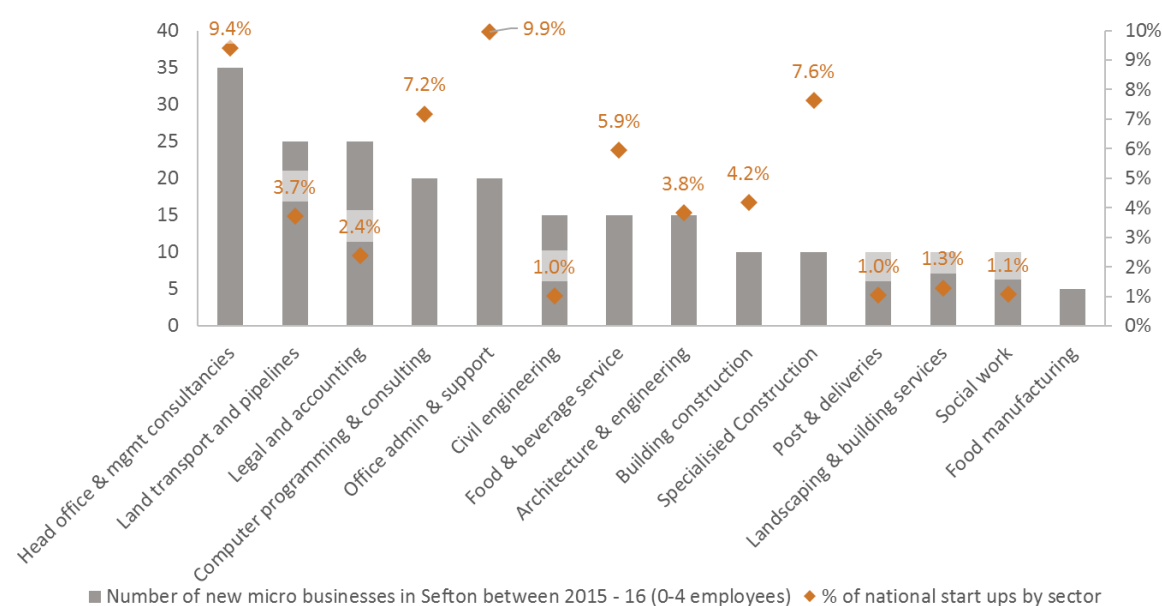
Source: ONS Business Demography

Figure 3.12 High growth businesses



Source: DueDil

Figure 3.13 Start Ups and New Micro Businesses by Sector, Sefton and the UK



Source: Business Demography, 2015; UK Business Counts 2014-15

Sefton’s businesses need to be innovative...

- 3.26 Looking at innovation (for which the most reliable data is only available at the regional level):
 - the North West matches the UK in terms of its proportion of innovation active companies
 - North West falls short in terms of product innovators 16% compare to 19% nationally, but matches the UK on process innovators (13%)
 - enterprises in the North West spend just 9% of their total expenditure on internal innovation and R&D, comparable to 35% for the UK
 - the proportion of innovating enterprises exporting in the North West is in line with the UK average at 27%.
- 3.27 Innovate UK¹⁹ made investments of £60 per FTE (excluding Catapult) in Liverpool City Region between September 2010 and October 2014 compared to an average of £62 in England. This ranks Liverpool City Region 11th out of the 39 LEPs.
- 3.28 The 2015 Sefton Business Survey considered barriers to growth and ‘*access to expertise and knowledge*’ was identified as significant, with 34% of respondents considering it a barrier to growth over the medium (3-5 years) term.

Too few businesses are exporting and trading in external markets...

- 3.29 Anecdotal views also suggest Sefton’s businesses tend to trade locally and too few are exporting or trading with external markets. The 2015 Business Survey supports this view.

¹⁹ BIS Mapping Local Comparative Advantages in Innovation

- 3.30 Businesses reported that a high proportion of their trade is in the local area. In North Sefton, 70% of respondents sold 75-100 percent of their goods and services within Sefton and Merseyside; this compares with 43% in South Sefton which has strong regional and national trade links (63% selling 20-40% of goods and services across the NW). Only 7% of general businesses consulted identified themselves as importers and 6% as exporters. Export activity was highest in South Sefton. Port related businesses were most likely to import and export, including manufacturing, professional, scientific and technical, transportation and storage, and wholesaler businesses²⁰

Where do the prospects for growth by sector lie?

- 3.31 Sefton Council has identified several key sectors which it considers having growth potential. An overview of these and their characteristics is provided below.

Business and Professional Services

- 3.32 The Business and Professional Services sector includes financial institutions, financial intermediaries such as insurance brokers and financial advisors, plus professions such as legal services, accountancy, management consultancy, recruitment consultancy and property services. Sefton has a strong cluster of business and professional services.
- 3.33 The sector employs 11,000 people, accounting for 12% of all employment in Sefton, and has experienced significant growth since 2010 (+21%). Nevertheless, the sector is still under-represented relative to England, with a specialisation index score²¹ of 0.8 (where England is 1). Key sub-sectors of relative and absolute specialism include:
- other monetary intermediation (2.2k employees and 1.7 specialisation index)
 - other credit granting (900 employees and 1.0 specialisation index)
 - activities of insurance agents and brokers (400 employees and 1.4 specialisation index)
 - legal activities (1k employees and 1.5 specialisation index)
 - call centres (150 employees and 3.6 specialisation index).
- 3.34 A recent study by Oxford Economics²² estimated that LCR's business and professional sector will grow substantially in the future. Between 2015-25, employment in the professional and technical services, and admin and support services sectors is anticipated to grow by 13,500 or 1.3% per annum.

²⁰ Sefton Council, 2015 Business Survey N = 707 (General Businesses) and 63 (Port-Related Businesses)

²¹ Specialisation index is a measure of a sector's concentration. That is proportionate share of a sector of the total relative to the national's share. An index of 1 suggests the sector is equally as concentrated as the national level. A value greater than one suggests Sefton possesses a comparative advantage in term of concentration, compared to England.

²² Oxford Economics, July 2016. *Liverpool City Region LEP Economic Outlook*

Figure 3.14 Business and Professional Services – Summary Infographic

EMPLOYMENT:

10,900 employees

12.2% of total workforce

↑ 1,900 employees since 2010



Location Quotient: 0.8

BUSINESS BASE:

1,600 businesses

18% of base



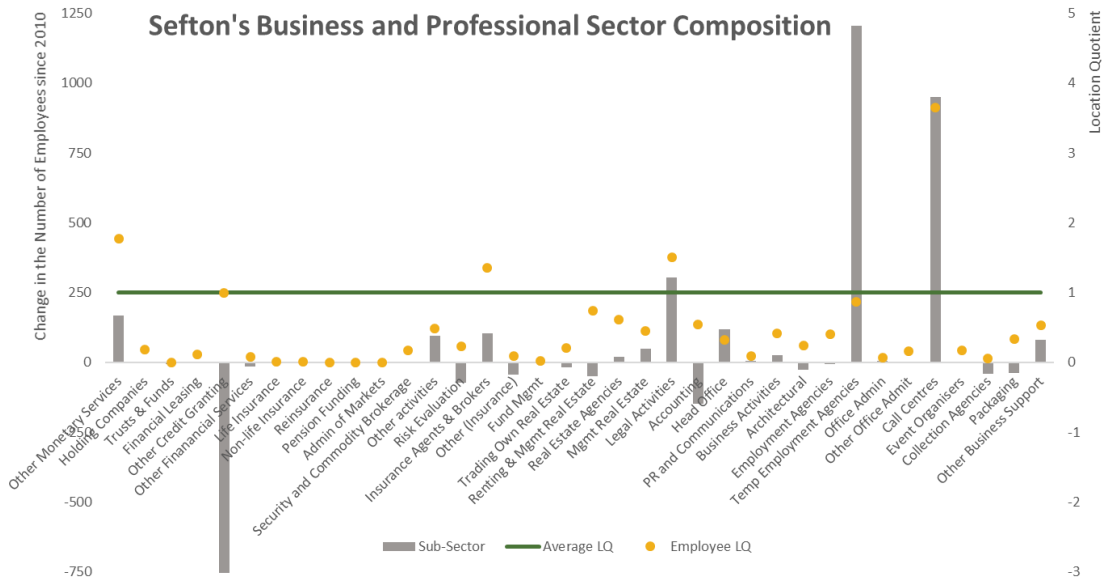
LCR FORECASTS:

13,500 additional employees

14% employee growth



GVA: £350m



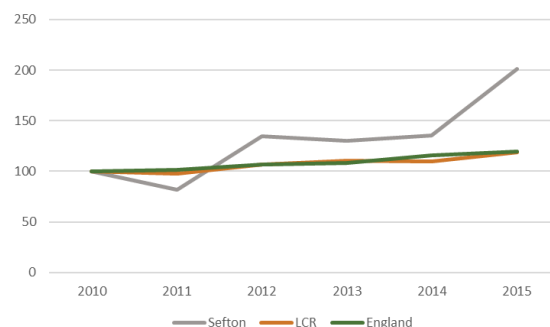
Source: BRES 2015, UK Business Count 2016, Google Images, UKCES Working Futures, Oxford Economics LCR LEP Economic Outlook 2016, Regeneris Consulting 2017²³

²³ GVA calculations are based on ONS GVA estimates for SIC07 M & N categories. Estimations are based on in-house modelling.

For consistency, LCR Major Group SIC07 Forecast data from Oxford Economics has been adjusted for to fit the same categories used when calculating GVA contribution.

3.35 Placement agencies have seen substantial recent growth. There are nearly 2,500 people working for employment placement agencies in Sefton, more than double the number in 2010. Most of that growth occurred in 2014/15, when the sub-sector experienced a 50% growth in employment. Not all this growth in employment maybe benefitting Sefton as the figure include both those employees based within Sefton who are employed directly by an Employment Placement Agency (EPA) as well as those appointed by the EPA to work elsewhere. According to DueDil there are 86 employment agency firms in Sefton.

Figure 3.15 Growth in Employment Placement Agencies (2010=100)



Source: BRES 2010-2015, DueDil

3.36 Call centres have also created nearly 1,000 jobs in that time too, having grown from 140 employees in 2010 to 1,090 in 2015. Sefton has more than its fair share of jobs in this sector; its specialisation index for call centres is 3.65.

Construction and Low Carbon

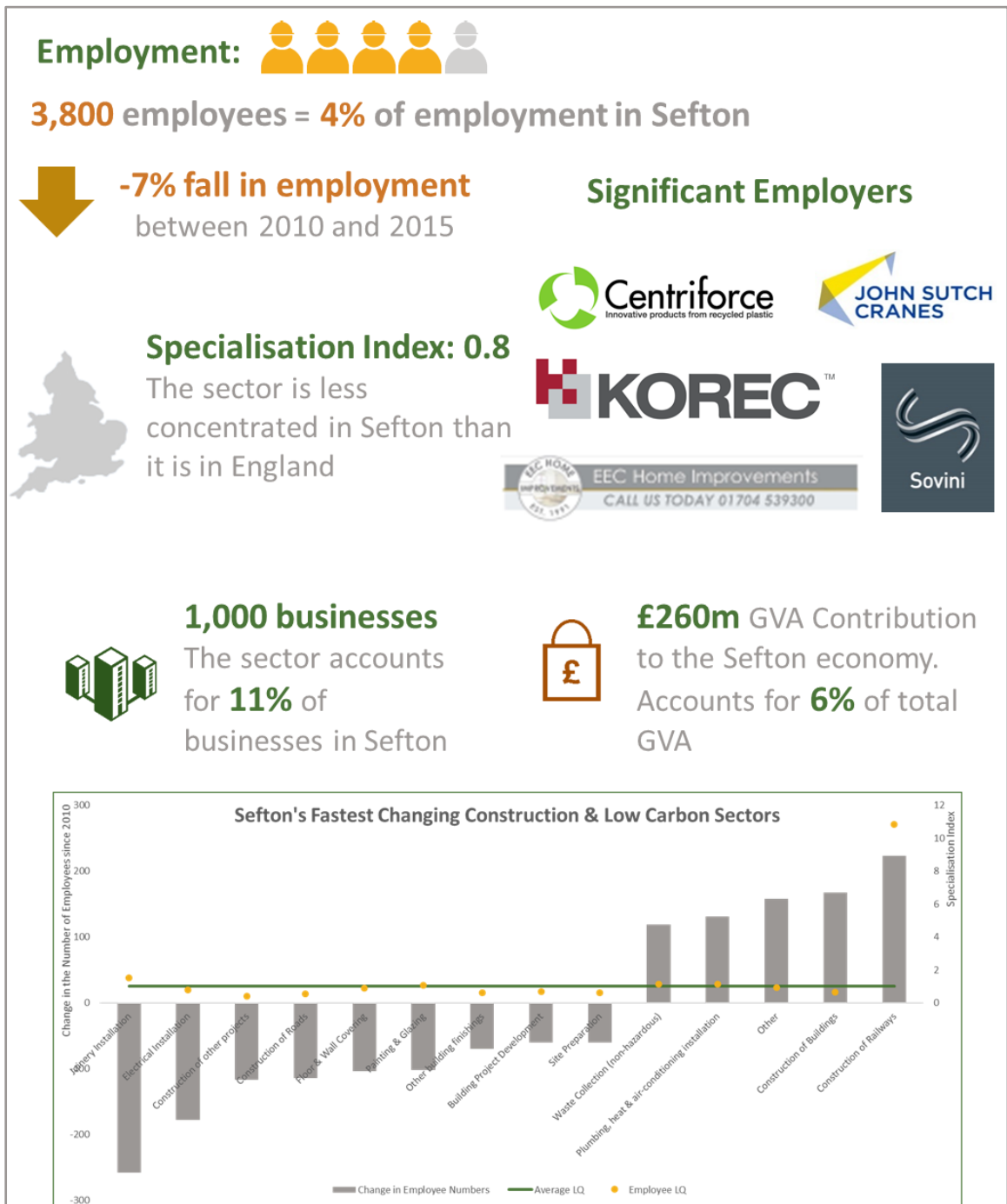
3.37 The Construction and Low Carbon sectors include production, distribution and management of energy (electricity, gas, etc), waste management, construction (buildings, roads, etc), and trades such as electrical installation, plumbing, plastering, etc.

3.38 There are nearly 4,000 people working in the sector in Sefton accounting for 4% of total employment. Between 2010-15, the sector’s job count fell by 7%. However, the decline in employment within the sector in Sefton may not paint an accurate picture as the construction sector has a long history of using of contractors especially at times of economic downturn. Self-employment has historically been relatively high (~24% in the UK²⁴).

3.39 Looking forward, Oxford Economics estimate the construction sector will be one of the city-regions fastest growing sectors. Between 2015-25, employment is forecast to increase by nearly 5,000 in the LCR at a 1.2% per annum growth rate.

²⁴ ONS, May 2016, Trends in Self Employment in the UK, 2001-2015

Figure 3.16 Construction & Low Carbon²⁵ – Summary Infographic



Source: BRES 2015, UK Business Count 2016, Google Images, UKCES Working Futures, Oxford Economics LCR LEP Economic Outlook 2016, Regeneris Consulting 2017

3.40 The sector is currently under-represented in employment terms (with a specialisation index of 0.8). Key sub-sectors of relative and absolute specialism include:

- plumbing, heat and air-condition installation (450 jobs and 1.1 specialisation index)

²⁵ GVA data is based around the SIC07 code: Construction only, due to data restrictions

- joinery installation (300 jobs and 1.5 specialisation index)
- construction of railways (250 jobs and 10.9 specialisation index)
- waste collection of non-hazardous material (200 jobs and 1.1 specialisation index).
- roofing activities (150 jobs and 1.5 specialisation index)
- construction of water projects (50 jobs and 9.3 specialisation index)
- manufacture of gas (50 jobs and 1.4 specialisation index)

Digital and Creative


3.41 The digital and creative sector includes media production, telecommunication, programming, consultancy and services, web management, performing arts, etc. There are 2,300 people working in the sector locally (3% of total employment). Its rise since 2010 has been rapid, with employment growing 98%. The following sub-sectors have driven that growth:

- computer consultancy (+500)
- other telecommunications (+400)
- performing arts (+100)
- wired telecommunications (+50)
- specialised design (+50).

3.42 Despite such quick expansion, the sector is still under-represented locally in employment terms (specialisation index 0.5). Oxford Economics' estimates that the information and communication sector (narrower than digital creative) will increase by nearly 2,000 (1.1% pa) between 2015-25.


Figure 3.17 Digital and Creative²⁶ – Summary Infographic

EMPLOYMENT:

2,300 employees 
2.6% of total workforce
 ↑ **1,100** employees since 2010

 **Location Quotient: 0.5**

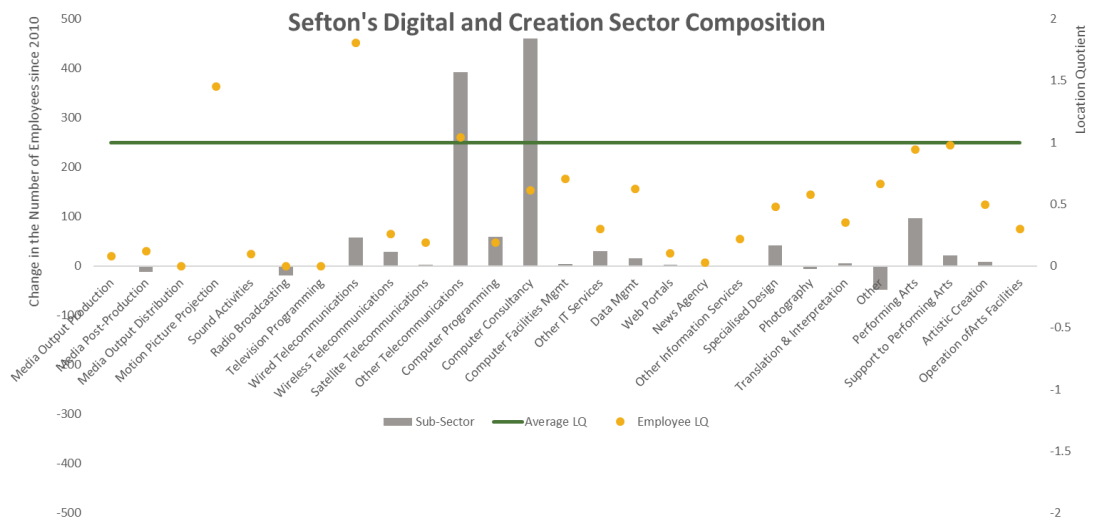
LCR FORECASTS:

1,900 additional employees 
11.6% employee growth

 **GVA: £100m**

BUSINESS BASE:

700 businesses 
7.5% of base



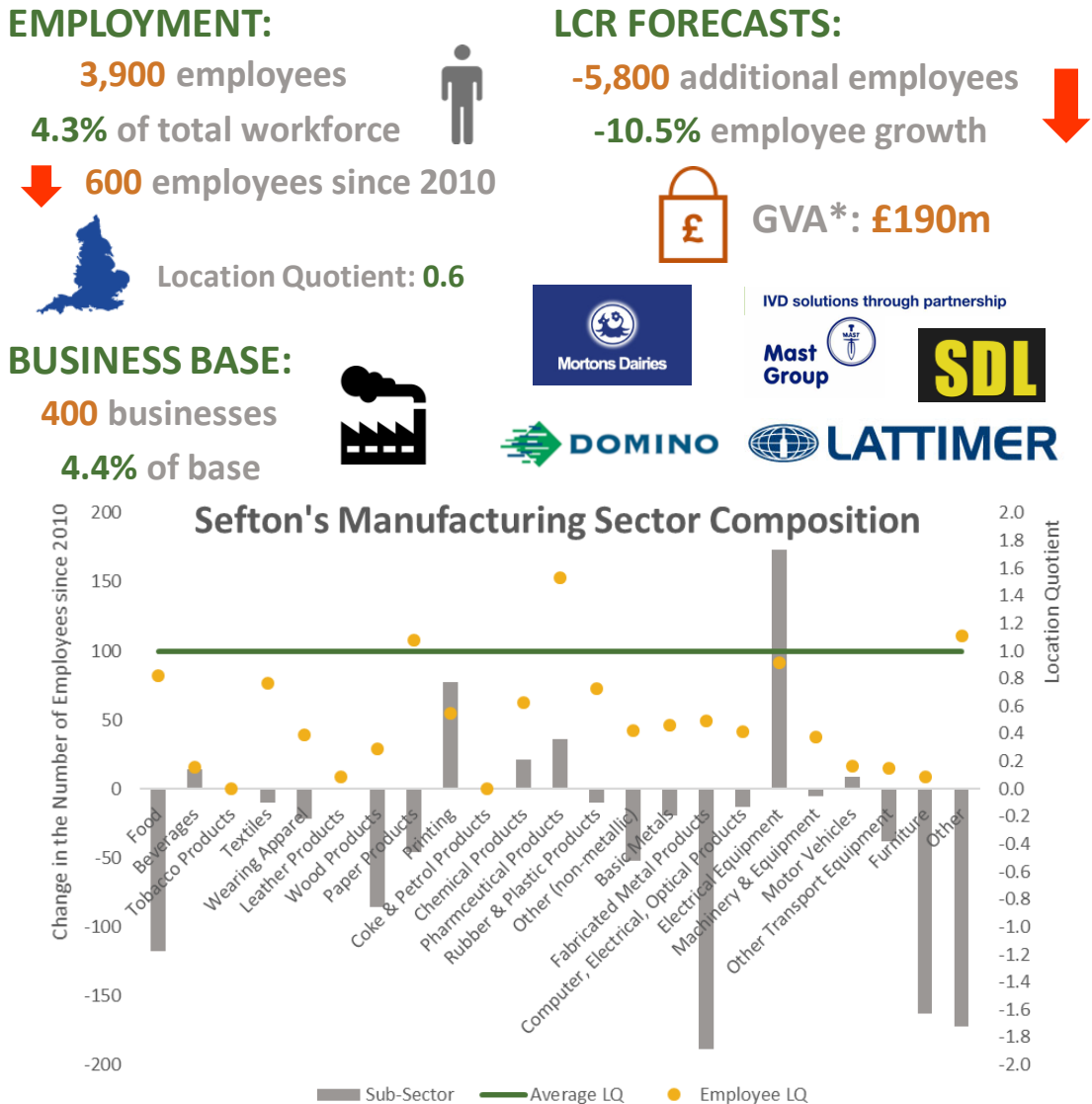
Source: BRES 2015, UK Business Count 2016, Google Images, UKCES Working Futures, Oxford Economics LCR LEP Economic Outlook 2016, Regeneris Consulting 2017

Manufacturing

3.43 The manufacturing sector in Sefton covers production of food, beverages, tobacco products, clothing, raw material goods, pharmaceutical goods, and electrical goods.

²⁶ GVA data is based around the SIC07 code: Information and Communications only, due to data restrictions

Figure 3.18 Manufacturing – Summary Infographic



Source: BRES 2015, UK Business Count 2016, Google Images, UKCES Working Futures, Oxford Economics LCR LEP Economic Outlook 2016, Regeneris Consulting 2017

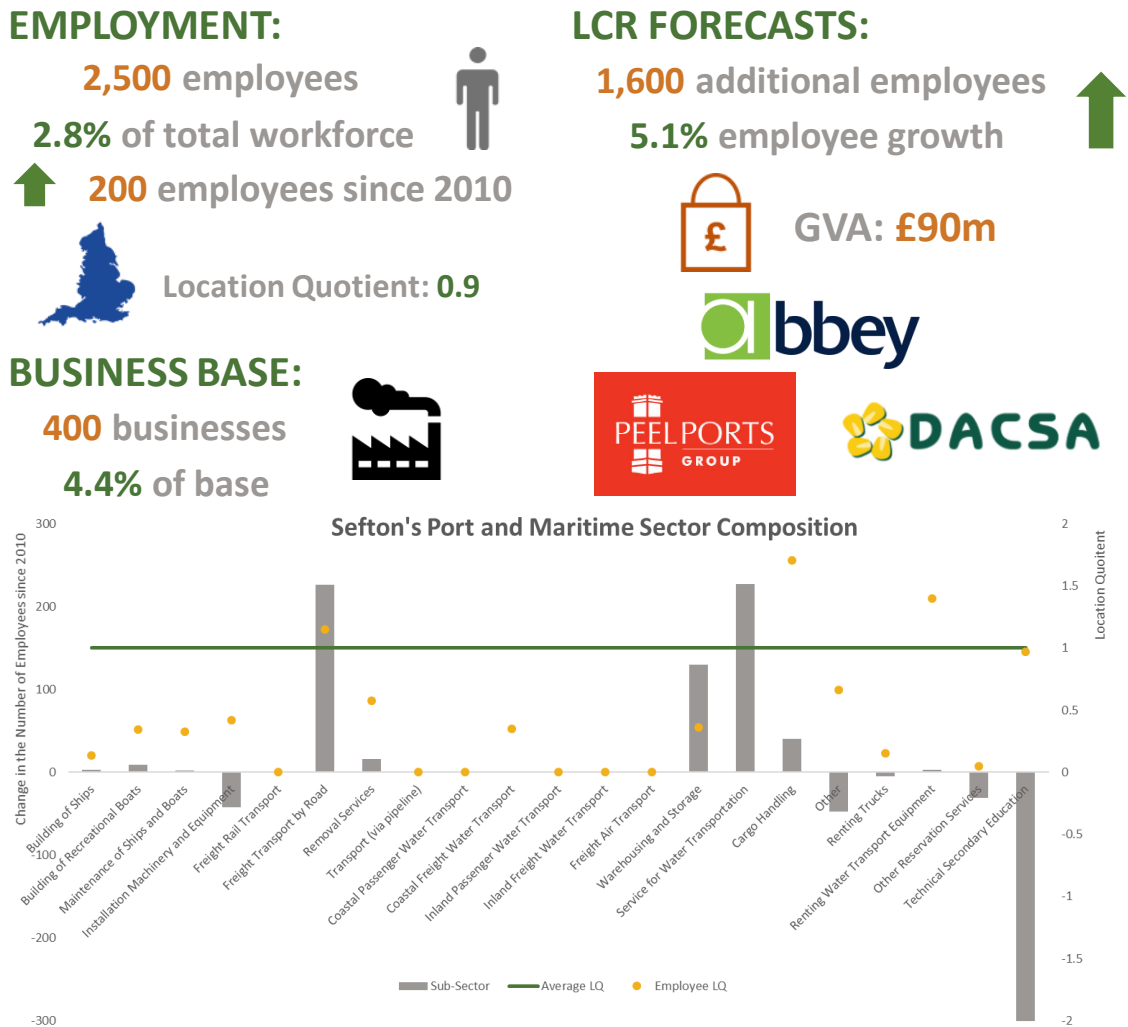
*GVA as given by ONS GVA values for Sefton’s Manufacturing sector (categorised by the broad category SIC07 codes)

3.44 The industry employs ~4,000 people (just 4% of total jobs in Sefton) and has seen a contraction of 14% since 2010. Sefton is not a recognised location for manufacturing. It has a location quotient of just 0.6. The outlook is not hugely positive either. Oxford Economics estimate that employment will reduce by a further ~6,000 (-1.1% pa) across the LCR between 2015-2025, and that trend will continue, if not accelerate thereafter. However, it is a sector with high replacement demands. According to Working Futures, the engineering and rest of manufacturing sector is anticipated to contract by -4,000 job openings, although the scale of replacement demand (+16,000 job openings due to workers leaving the sector due to retirement, leaving the area or changing sector) means that there is a net requirement for +12,000 job openings between 2014-2024.

Port and Maritime

3.45 The east bank of the Port of Liverpool is located within Sefton at Bootle and Seaforth. The related maritime economy includes traditional industries such as warehousing, freight forwarding, transport and container handling, alongside newer energy related activities such as offshore wind and biomass.

Figure 3.19 Port and Maritime²⁷ – Summary Infographic



Source: BRES 2015, UK Business Count 2016, Google Images, UKCES Working Futures, Oxford Economics LCR LEP Economic Outlook 2016, Regeneris Consulting 2017

²⁷ GVA figures derives from ONS data. Data restrictions has meant reported GVA figure is based around the major SOC07 codes G, H and I

- 3.46 As of 2015, the industry employed 2,500 employees, equal to 3% of the total workforce and has experienced significant growth (10%) in employee numbers since 2010. Nevertheless, Sefton's concentration of employees in the sector (0.8 specialisation index) is below England's average. The main sub-sector Sefton stands out is services for water transportation (550 jobs and 8.1 specialisation index).
- 3.47 The picture for employment forecasts in the transport and storage sector is mixed. Although modest growth in employment is forecasted (2015 to 2025 of ~1,500, 0.5% pa) across the LCR, the longer-term prognosis is that the sector will shrink in the Liverpool City Region after 2025, (note these long term estimates should be treated with a large degree of caution). Sefton Council's²⁸ own analysis paints a more positive picture it identifies scope for Sefton to benefit from SuperPort employment growth under three scenarios: 2,200 additional jobs by 2025 (low), 4,000 (medium) and 7,000 (high).

The expansion of the Port of Liverpool is a key element of the SuperPort vision for a global freight and logistics hub in the Liverpool City Region, and a corporate priority for Sefton Council. SuperPort is one of the LEP's four transformational priorities and an important opportunity to stimulate growth in the sub-region. Liverpool 2, a deepwater container terminal in Sefton, has recently opened and allows the Port to accommodate much larger super-tankers and container ships (up to 13,500 TEU). Sefton is the gateway to the Port and needs to ensure access by rail, water and road match the needs of the logistics sector.

Visitor Economy

- 3.48 The Visitor Economy provides local jobs in transport, accommodation, food and attractions. It employs 11,100 people locally (12% of total employment), broadly in line with the national average. Although local employment has fallen by -9% since 2010, forecasts suggest the arts, entertainment, and recreation sector might see a growth of 1,500 jobs between 2015 and 2025 across the LCR. Sefton needs to ensure it builds on its base to secure its fair share of that projected growth. The main sub-sectors which stand out are
- restaurants (3000 jobs and 1.1 specialisation index)
 - beverage serving (2000 jobs and 1.3 specialisation index)
 - gambling activities (500 jobs and 1.7 specialisation index)
 - other food services (500 jobs and 1.3 specialisation index)
 - sport clubs (500 jobs and 1.2 specialisation index).
 - transport (500 jobs and 1.2 specialisation index)
 - sport facilities (500 jobs and 1.1 specialisation index)
 - taxi operations (350 jobs and 3.4 specialisation index)
 - holiday and other accommodation (350 jobs and 2.8 specialisation index)
- 3.49 The area's tourism offer is further explored in the Liveability chapter.

²⁸ Ekosgen, July 2015, Sefton Employment Potential Study: Assessing Opportunities from Port Growth

Figure 3.20 Visitor Economy ²⁹– Summary Infographic

EMPLOYMENT:

11,100 employees
12.4% of total workforce
 ↑ **employees since 2010**



Location Quotient: **1**

LCR FORECASTS:

3,300 additional employees
9.4% employee growth ↑



GVA: **£610m**

BUSINESS BASE:

1,200 businesses
12.9% of base



Source: BRES 2015, UK Business Count 2016, Google Images, UKCES Working Futures, Oxford Economics LCR LEP Economic Outlook 2016, Regeneris Consulting 2017

²⁹ GVA figures derives from ONS data. Data restrictions has meant reported GVA figure is based around the major SOC07 codes R, S and T.

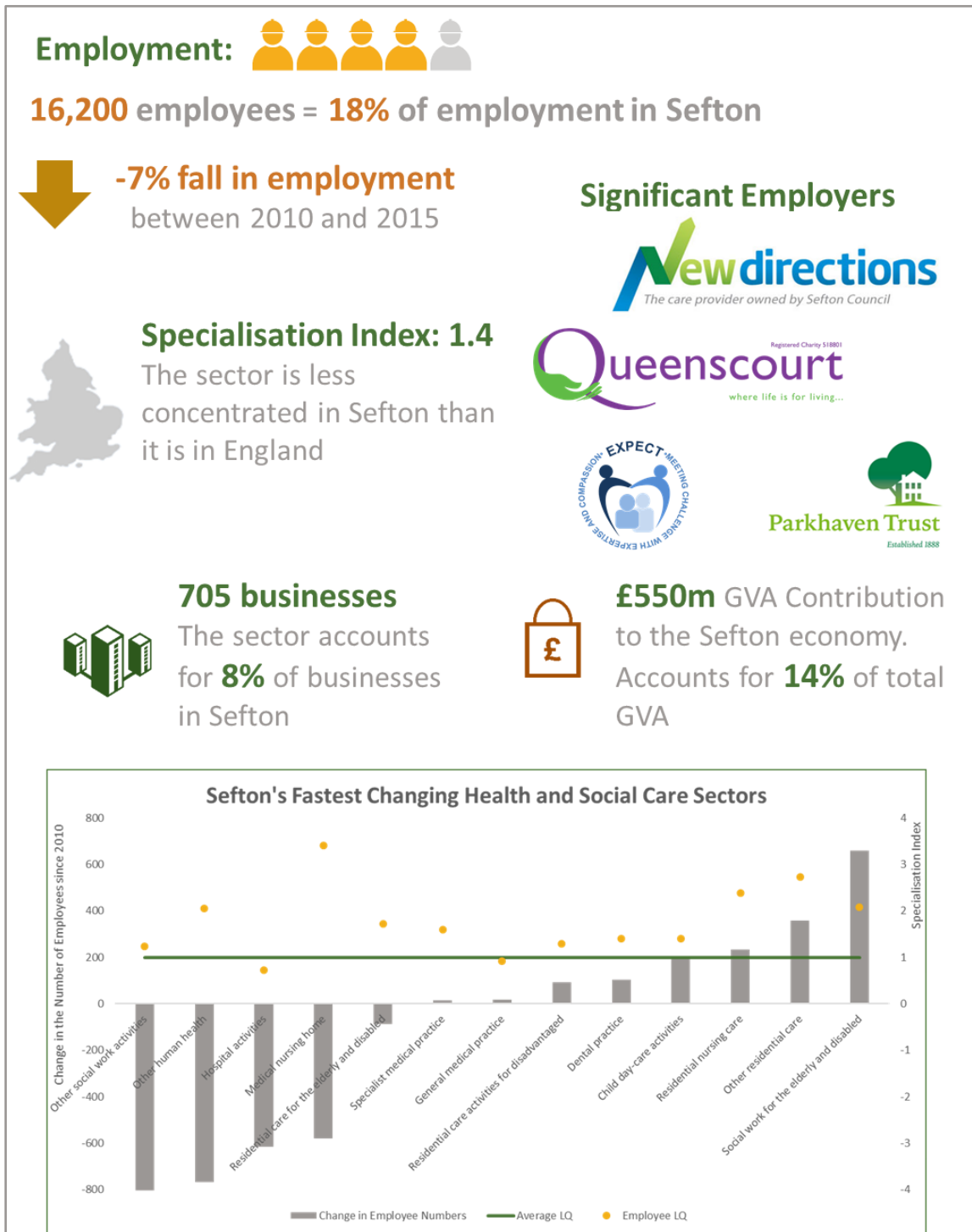
Enabling Sectors

- 3.50 Enabling sectors are those which are large in employment terms and play an important role in meeting the needs of a changing population.

Health and Social Care

- 3.51 The health and social care sector has a strong presence in Sefton and provides jobs in residential care and nursing, and social work. There are 16,200 employees in the sector, accounting for 18% of the total employment in Sefton, this is significantly greater than the national average (13%).
- 3.52 The majority of the sub sectors that make up Sefton's health and social care sector possess a strong specialisation index, indicating a comparative advantage over the national average, the main sub-sectors are:
- Social work for the elderly and disabled (1,800 jobs and 2.0 specialisation Index)
 - Residential nursing care (1,400 jobs and 2.4 specialisation Index)
 - Child day-care (800 jobs and 1.4 specialisation Index)
 - Medical nursing home (600 jobs and 3.4 specialisation Index)
- 3.53 Since 2010, the number of individuals working in the sector has fallen by 7% with losses experienced in 'other social work', 'other human health', hospital activities and residential care for the elderly and disabled. In the same period, there has been an increase in employees in the sector for the LCR and national level of 3% and 8%, respectively. This is of particular concern given the over-representation of an ageing and dependent population in Sefton.
- 3.54 The sector has growth potential with forecasts predict an additional 2,300 jobs in the LCR between 2015-2025.

Figure 3.21 Health and Social Care³⁰ – Summary Infographic



Source: BRES 2015, UK Business Count 2016, Google Images, UKCES Working Futures, Oxford Economics LCR LEP Economic Outlook 2016, Regeneris Consulting 2017

³⁰ GVA figures derives from ONS data. Data restrictions has meant reported GVA figure is based around the major SOC07 codes O, P and Q.

4. Health and Wellbeing

4.1 Health and wellbeing should be considered as both a cause and effect of poor economic performance. Wellbeing tends to be higher in areas with higher GVA per head and with better levels of health. Higher quality of life for local people puts less pressure on public resources and enables people to take full advantage of the work opportunities in the area. It can also lead to boost productivity and sustain higher levels of economic growth. In headline terms Sefton does have good and improving levels of health. But there are significant differences within the borough on key measures of health and wellbeing which are further explored in this section of the report.

4.2 The Work, Health and Disability Green Paper ‘Improving Lives’ (October 2016) acknowledges the impact ill health and well-being can have on life outcomes. The paper acknowledges the role work plays in bringing health and well-being benefits.

We know that the right type of work is good for our physical and mental health and good health and support helps us in the workplace

Figure 4.1 Work, Health and Disability Infographic



Source: The Work, Health and Disability Green Paper, Improving Lives, October 2016, p.4

- 4.3 The Green Paper identifies a number of areas for action aimed at removing barriers to participating in work, and support people to remain in work for longer. The new Work and Health Programme is part of a wider package of employment support identified in the Green Paper and replaces the Work Programme and Work Choice programme.

As part of implementing its devolution agreement with Government, Liverpool City Region will be co-designing the Work and Health Programme in partnership with DWP. This welfare-to-work programme is being commissioned to improve employment outcomes for people with health conditions or disabilities and those unemployed for more than two years and will launch in autumn 2017. The primary objective of the programme will be to secure sustained job outcomes and referrals will be given to those most likely to need and benefit from extra help. The programme will provide more and additional support than can currently be provided by Job Centre Plus and local integration with skills and health is key.

- 4.4 Sefton Council's Health & Well-being Board has an active role in overseeing welfare reform and anti-poverty. Sefton's Joint Strategic Needs Assessment (JSNA) identifies the health and wellbeing needs of the local community and seeks to reduce health inequalities. The needs assessment is used to develop and strengthen partnerships between local health services, the council, other service providers and the communities they serve. Sefton's Welfare Reform and Anti Poverty Action Plan provides a forward plan for the 2016-2020 period and highlights key themes including household incomes, community resilience and tackling poverty.
- 4.5 Existing initiatives such as Ways to Work and Well North provide examples of national initiatives which have been tailored to Sefton's situation and enhanced in response to identified need.

Ways to Work is a large-scale enhancement to the Youth Employment Gateway achieved through ESF and delivered by the six city region local authorities. It provides an integrated programme for young people and adults, designed to improve personal resilience and progress to sustainable employment. Sefton will engage 1,500 participants in the programme, approximately 400 of which will be formerly unemployed and 100 formerly inactive. The Gateway provides local unemployed and workless clients with a suite of interventions to support them gaining and sustaining employment. This will be primarily delivered through Sefton@work, providing support such as paid work placements, training, motivation and confidence building, job search and interview support, group and one-to-one sessions, access to transport support and overcoming other barriers to participation. The programme will work with other Council services and initiatives including the Sefton Turnaround and Leaving Care teams.

Well North is a movement to unleash healthy communities around North England through connecting local people, health experts, public services, businesses, voluntary and community groups. The focus is on delivering grassroots projects that can have a lasting impact, contributing to a vision whereby neighbourhoods are transformed into dynamic communities where local people can live, work and thrive. Public Health England have supported this movement since 2014, and Sefton joined the programme as one of the first three pathfinders in April 2015. The Well Sefton Pathfinder programme provides a vehicle to support people to improve their life skills, education, employability and enterprise. The focus is on Bootle and involving the local community in the delivery of programmes that will improve local health and wellbeing.

- 4.6 More recently, Sefton MBC's Action Plan for Employment identifies the case for change as including the need to:

- Improve the life opportunities of the residents of Sefton
- Reduce the cost to the public purse of deprived families

4.7 Inclusive growth will be a cross-cutting theme across the refreshed Sefton Economic Strategy.

What are the main well-being issues in Sefton?

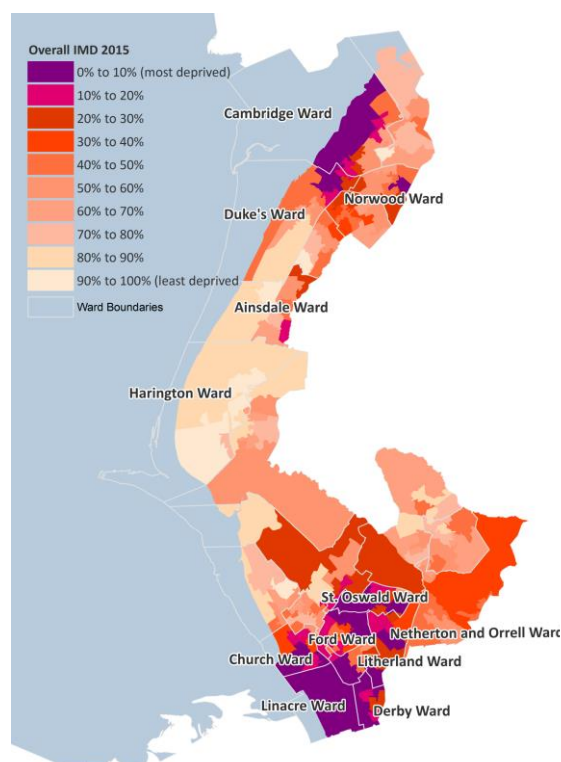
4.8 The UK government assesses well-being using c. 40 different indicators across ten themes (see Table A.1 in the appendix). Not all the data is available at a local level, but these themes help form an assessment of well-being in Sefton, particularly focusing on deprivation, health and personal well-being.

4.9 Although the overall position for Sefton is not as stark as other areas of England, Sefton does face some serious well-being challenges and a pattern of inequality with sharp contrasts across the borough.

A positive picture of well-being and quality of life in parts of Sefton

4.10 The index of multiple deprivation (IMD) is a good measure of well-being as it is based on a number of indicators including income, health, education and access to housing. The IMD shows clear that there are areas of Sefton which are counted amongst the least deprived. This reflects where the borough has strengths as a good place to live and work. Parts of the borough have an established reputation for the living environment they offer, and they are attracting and retaining higher paid and higher skilled residents who are far less likely to experience problems with their health and well-being.

Figure 4.2 IMD Map



Source: IMD

But also high levels of deprivation with stark inequalities...

4.11 Deprivation in Sefton is relatively high. It is the 32nd most deprived local authority in England placing it in the top 20%; 38 (out of 189) of Sefton's LSOAs are in the 10% most deprived in England. As Figure 4.2 shows, these are concentrated either in the North or South of the borough. Here, residents face a number of health and well-being challenges which manifest themselves in higher levels of deprivation.

Health, employment and income are driving deprivation across the borough...

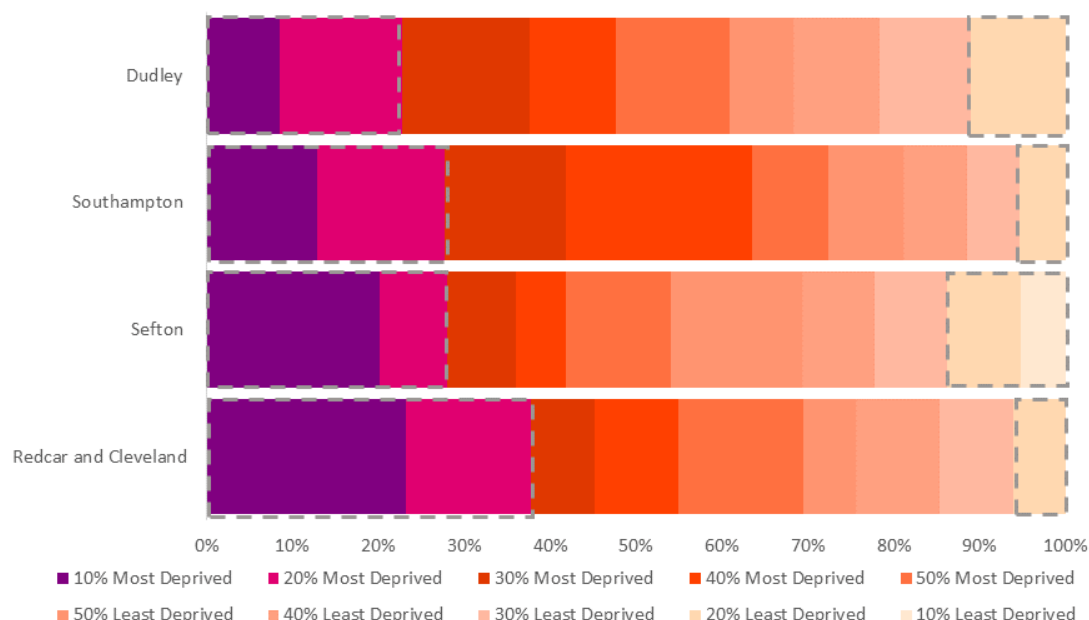
4.12 The different domains of deprivation play out differently across the borough it is evident that:

- Health & disability, employment and income are the most dominant aspects of overall deprivation.

- Health and disability deprivation is based on the risk of premature death and poor mental or physical health, which both have a clear impact on people’s ability to participate in work and place additional pressure on demand for health and social services.
- High levels of income and employment deprivation are driven by a large number of residents struggling on low incomes and living in workless households.
- The south of the borough is significantly affected by income and health & disability related deprivation while deprivation in the North is more driven by employment and living environment factors, (although health and disability plays a major role) and is predominantly concentrated in the Cambridge ward.
- Education and skills plays a role in contributing to (and overcoming) deprivation in the south of Sefton and are discussed in different chapters of this report.

4.13 Figure 4.3 shows the uneven distribution of deprivation in Sefton. As well as a large number of very deprived areas, 26 of Sefton’s 189 LSOAs are in the least 20% deprived, illustrating a pattern of deprivation located adjacent to more affluent neighbourhoods.

Figure 4.3 Proportion of households by IMD across comparator local authorities



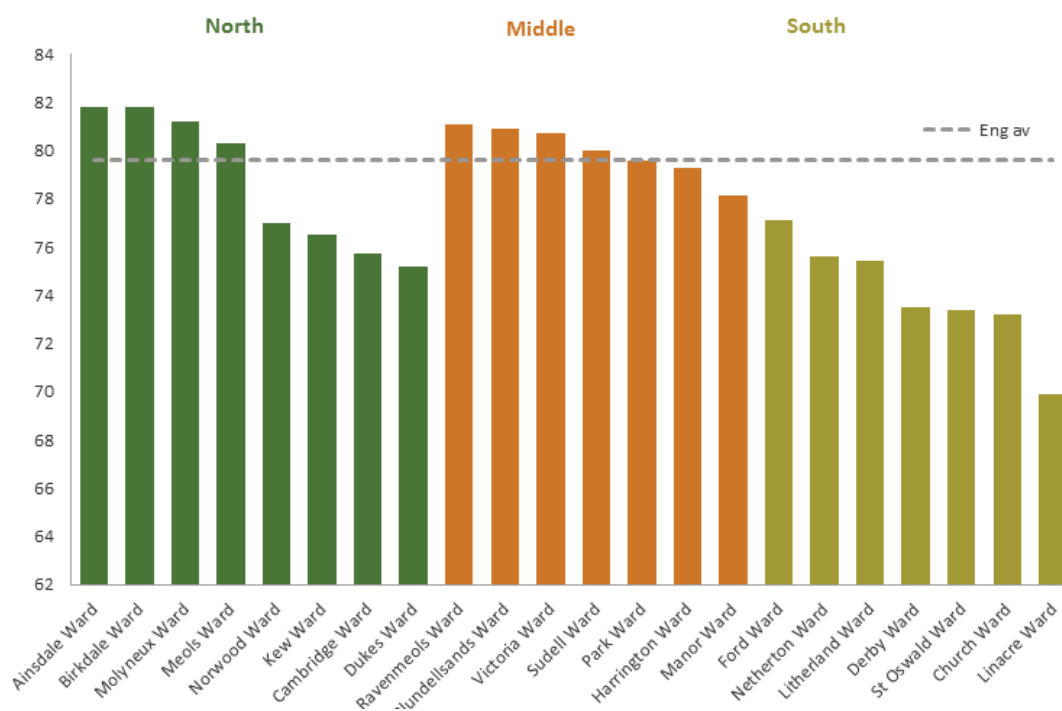
Source: Index of Multiple Deprivation

Health issues are aligned to deprivation in the south of the borough and an ageing population in the north...

- 4.14 Although part of the picture on deprivation, it is important to consider health in more detail. The challenge in Sefton is clear. The south of the borough is home to the typical health issues associated with deprived areas ie high levels of smoking, depression and anxiety, poor nutrition etc. The north presents a mixed picture of affluence and deprivation, with health issues strongly linked to the incidence of an ageing population in the area.
- 4.15 This pattern is further underlined by the starkly different pattern of life expectancy across the borough. Life expectancy in the South of the borough is stubbornly low in all wards; Linacre ward has a life expectancy of 70 years, almost 12 years lower than in Ainsdale.

4.16 Wards in the centre of the borough all out perform those in the South and are generally in line with the national average. Life expectancy in the North is more mixed, reflecting its more elderly population, although deprivation is likely to play a contributory role too.

Figure 4.4 Life expectancy by ward in Sefton



Source: ONS

4.17 While life expectancy is high in a selection of wards in the North of the borough, this presents its own challenge, the ageing population in these areas have more health issues and as such put additional pressure on the need for public services, assisted housing etc. The nub of the challenge is that Sefton attracts retirees who will live longer, creating a larger pool of residents that may need support for longer to address their health and social care needs.

4.18 Even in areas of high life expectancy, residents may not necessarily be leading healthy lives. Sefton is ranked 111th out of 150 local authorities in England for male health life expectancy and the proportion of life spent in good health declined between 2011 and 2014, although the reverse is true for the trend in female healthy life expectancy which has improved over time.

Sefton is one of the happiest places in Merseyside but there are geographic concentrations of issues...

4.19 Sefton is one of the happiest places in Merseyside³¹, however, there is still evidence of some severe personal wellbeing issues:

- one in every five Sefton residents has low or medium levels of life satisfaction
- one in every six residents rated how worthwhile the things they do as low or medium rating

³¹ Annual Population Survey, 2015/16

- one in every ten residents in Sefton has a low level of happiness
- one in every four residents in Sefton has high levels of anxiety.³²

4.20 To put this into context, Sefton compares unfavourably to both comparator areas Redcar & Cleveland and Dudley. The depth of the personal wellbeing challenge in Sefton probably reflects the more fundamental issues the borough faces in terms of long term unemployment and low aspirations, particularly in the south.

... mental health issues are particularly prevalent in the North and South of the borough

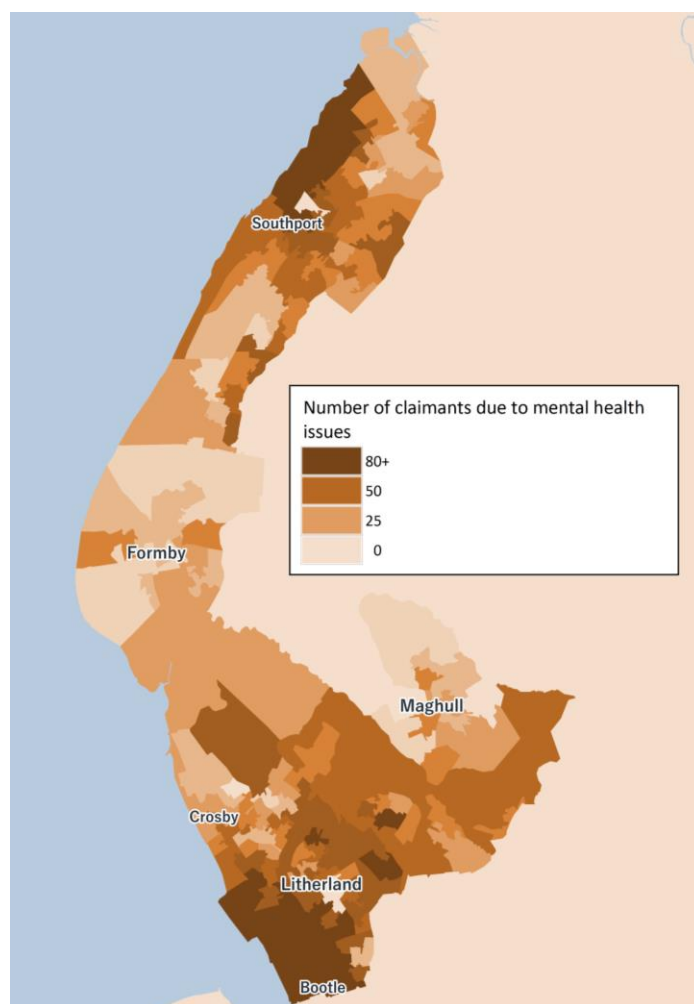
4.21 Employment Support Allowance (ESA) evidence provides further insight into the severity of personal well-being issues in Sefton. In May 2016, ~14k Sefton residents claimed ESA and 50% of these claims were for conditions associated with mental and behavioural disorders.

4.22 Although a significant proportion, this is broadly in line with the average for both for both the North West (50%) and England as a whole, (49%). A similar proportion is also observed in the comparator area, Redcar and Cleveland (49%) although it is higher than what is reported for another comparator area Dudley (45%).

4.23 Claimants with mental and behavioural disorders tend to reside in the North and South of the borough, particularly in Bootle and Southport (Figure 4.5)

4.24 Issues with mental health will not be limited to those claiming employment support allowance. There is evidence of mental health issues across all GP surgeries in the borough. The problem is most acute in the South where the majority have higher than average prevalence of mental health problems (Figure 4.6). 18 out of the 19 surgeries in the South of the borough are above the English average.

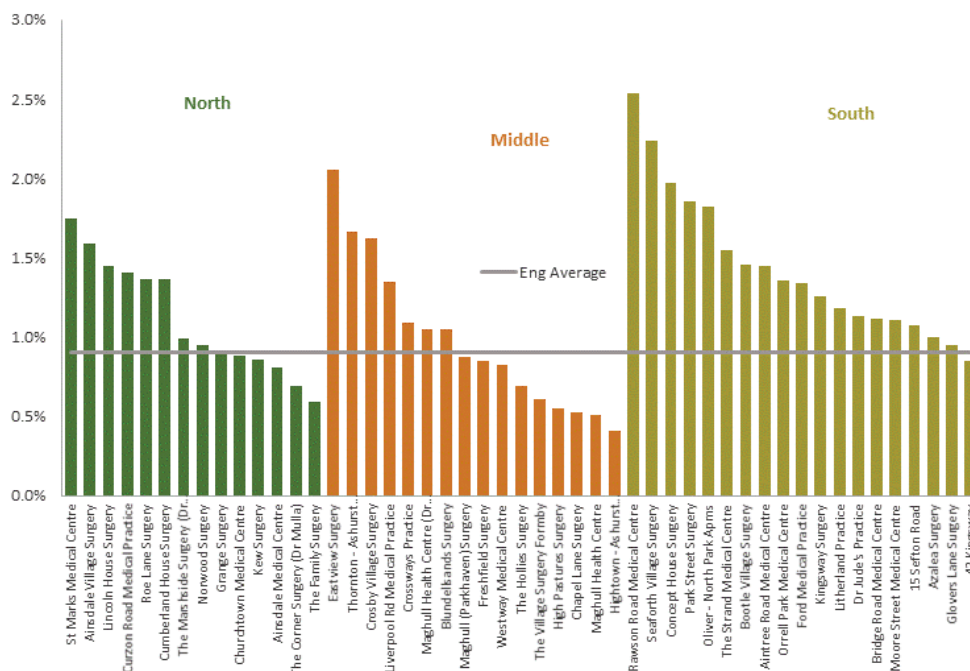
Figure 4.5 Geographic Split of ESA claimants for mental and behavioural disorders



Source: ONS Benefit Claimants, 2016

³² Annual Population Survey, 2015/16

Figure 4.6 Mental Health Prevalence by GP Surgery



Source: Public Health England, GP profiles

Personal Finance

Although average household disposable income is healthy, Sefton appears to have a significant number of households susceptible to financial hardship...

- 4.25 Increasing numbers of people in Sefton have jobs, but increasingly these are in low paid and precarious forms of employment as discussed in Section 2.
- 4.26 Gross disposable household income in Sefton stood at £17k in 2014, this is higher than both the LCR average of £15.1k, and two of Sefton’s comparators, Redcar and Cleveland and Dudley which have household income of £13.7k and £14.6k respectively.
- 4.27 A significant proportion of households in Sefton have household income of less than £15,000 (national household income averages at £26,300). These households are susceptible to financial hardship and lower levels of wellbeing. The borough is also home to some wealthier households, and more than 46% of household have an income above the national average.

Table 4.1 Income Range by number of households

Income Range (£000's)	Approximate Household No's (to the nearest 1000)	%
<15k	37,000	29%
15k-19k	8,000	6%
20k-29k	22,000	18%
30k-39k	18,000	15%
40k-49k	24,000	19%
50k-59k	6,000	4%
60k-99k	7,000	6%
100k-149k	2,000	2%
150k+	1,000	1%

Source: Welfare, Reform and Anti Poverty, Sefton Council

Note: Green denotes income range for National average household income

Work & Wellbeing

There are high levels of economic inactivity in Sefton...

4.28 Work, job satisfaction, volunteering and leisure time all contribute towards an individual's wellbeing. The work and labour challenge chapters show Sefton has:

- **low levels of economic activity:** the proportion of economically active residents (74%) in Sefton is more than four percentage points below the England figure (78%). The ten-year trend shows that people have been moving away from economic activity in Sefton while the national trend has been in the opposite direction.
- **lots of lower value jobs:** lots of people work in poor paying jobs in low productivity sectors such as health, retail, education and public administration, where job stability can be precarious.

4.29 Of all households in Sefton 18% (15,000) are workless, this is a significant proportion and lies above the national average of 15%. Nearly half of Sefton's households have at least one person not in work. People with long term health issues find that their health conditions prevent them from holding regular paid employment and they are more likely to experience low incomes and periods of unemployment. There is a significant amount of health related unemployment in the borough, with over 14,000 residents currently claiming employment support allowance.

Regular paid employment helps wellbeing and contributes to good health... but precarious employment can undermine this...

4.30 Levels of in-work poverty are increasing. Despite economic growth and solid job creation record, the UK economy has created a lot of lower paid jobs and more fragile forms of employment. Zero hour contracts are part of the wider issue of precarious unemployment³³ which now accounts for nearly a quarter of all jobs.³⁴ This would suggest around 25,000 people in Sefton are in insecure or

³³ According to the International Labour Organisation, conditions for precarious unemployment are 1) low wage 2) poor protection from termination of employment 4) Lack or limited access of workers to exercise their rights at work - http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---actrav/documents/meetingdocument/wcms_164286.pdf

³⁴ John Philpott (Leading Labour Market Economist) - <https://www.theguardian.com/uk-news/2016/nov/15/more-than-7m-britons-in-precarious-employment>

unstable work. Given the lower skilled profile, Sefton may actually have more than its national share.

- 4.31 Since 2012, the proportion of jobs on zero hours' contracts has trebled, (although still represents just 3% of all jobs). Zero hour jobs are most likely to be undertaken by younger people (16-24 yrs old) and this is where growth has been greatest. Although zero hours' arrangements do suit some people their growth is an increasing sign of insecurity and are less likely to provide the career development opportunities which are particularly important for young people at the start of their working lives.

5. Development and Infrastructure

- 5.1 This chapter addresses three main research questions:
- What assets does Sefton have at its disposal to support economic growth and generate income?
 - What sites need to be unlocked to drive investment and growth?
 - What are Sefton’s key infrastructure investment needs?
- 5.2 This draws together the findings of a data collection exercise and feedback from a programme of consultations with developers, commercial property agents, Sefton Council officers and other stakeholders.

Sefton’s Income and Asset Base

There is a need for new approaches to assets and the income they generate...

- 5.3 The Council has recognised that it needs to ‘think radically’ about solutions if it is to deliver its vision for the borough, achieve financial stability and safeguard frontline services. A budget shortfall of £64.4 million from 2017-20 means this pressure is immediate. Its response needs to include increasing or introducing new sources of income, developing a commercial culture to generate new income and profit to reinvest in Sefton. The Council’s land and property assets will play an important part in this process.
- 5.4 As part of its framework for change, the Council has already highlighted the role of economic growth and development has as one of the pillars of its Vision 2030 initiative. Generating additional and new revenue streams through housing and commercial development is amongst the priority actions identified for this economic growth pillar. This means:
- **Housing:** housing development in Sefton has the potential to make a direct income contribution through sales of Council-owned land for residential development and income as a housing developer in its own right with the potential to create a Housing Company. Housing sites, including Council land, need to be remediated and developed. The returns to the Council may be direct and indirect. The sale of land for housing and the Council’s own development of new housing provide opportunities to generate direct capital receipts and new revenue streams. New Homes Bonus (NHB) provided the Council in 2015/16 with £3.25 million in non-ring fenced income and indicative allocations for 2016/17 point to a higher figure of almost £4 million for the year. Indirectly, new households will also fuel the borough’s council tax base and induce extra spending to sustain local businesses and jobs.
 - **Employment Sites:** expanding and improving Sefton’s supply of employment land and premises is key to retaining and growing existing businesses in Sefton, and attracting new inward investments. Where the Council owns land and premises, development has the potential to generate additional capital receipts and increase revenues generated from this source. Opportunities for major retail investment are also flagged as part of Vision 2030, with some success stories to draw from where other local authorities have taken or extended their ownership of facilities. Indirectly, business growth linked to employment sites could further boost the borough’s income from business rates. In 2015/16, the Council received around £32 million in business rates income, up from £30 million in 2014/15. Efforts to stimulate business growth locally will help further boost these income streams in the council.

- **Other commercial assets:** where commercial premises are owned by the Council, economic growth can increase revenue from leases and/or capital receipts from the sale of commercial premises. The authority could also leverage its assets and support improved infrastructure (transport, utilities, digital, social and community infrastructure) to facilitate new housing and commercial development which makes the borough a more attractive place to live and invest in.

But Sefton currently has a limited number of assets to generate income from...

- 5.5 Sefton Council's land and property asset register at the end of December 2015 amounted to 1,100 separate land and property assets. These include housing plots (e.g. in HMR areas), sheltered housing, offices, industrial land and premises, retail facilities, leisure facilities and public open spaces, agricultural land and buildings, educational facilities and car parks.
- 5.6 These assets generate revenue from ground rents, rents from leased properties and service charges of £2.7 million (at end of 2015). The majority of this income is generated by a small number of assets (1% of 3,500 listed assets). Around 40 assets generate income of more than £10,000 pa and account for 70% of (c. £1.9 million) of the total. By far the largest individual income stream is the annual £0.55 million ground rent charge for the Strand Shopping Centre.
- 5.7 On the face of it, Sefton appears to be generating only a modest income stream from its land and property assets. Consultations with Council officers back up the evidence in the Strategic Asset Management Plan (2013) which show that the Council has relatively limited land assets for residential or commercial development. Revenues generated by the Council's non-operational estate have fallen markedly in recent years as assets were sold to generate much needed capital receipts and to support the borough's regeneration objectives.
- 5.8 The challenge facing Sefton MBC has been amplified by broader public funding constraints and by current economic conditions. For example, the demise of the Housing Market Renewal Pathfinder initiative has left the Council holding cleared housing sites where development values are not yet at a commercially viable level. Income from the Council's commercial holdings has been affected by the lasting effects of recession which have constrained rental growth.
- 5.9 Several options are open to the Council:
- **Expansion of the Council's asset base:** through the acquisition of new commercial assets.
 - **Site assembly and subsequent investment:** particularly where there are strategic development opportunities where the Council has land and property holdings. Good examples of this are given by the Southport Development Framework, with the opportunity for development at Southport Golf Links, Fairways Park and Ride and Marine Lake.
 - **The Council as developer:** which is already a central part of the rationale for considering the creation of a new Housing Development Company.
 - **Partnerships with the private sector:** including joint ventures which might relate to specific development sites or mechanisms designed to operate over the medium to longer term (e.g. Asset Backed Vehicles). Our initial consultations have pointed to a number of current opportunities being pursued by the Council (e.g. with housing developers for sites in Bootle).

Housing Development

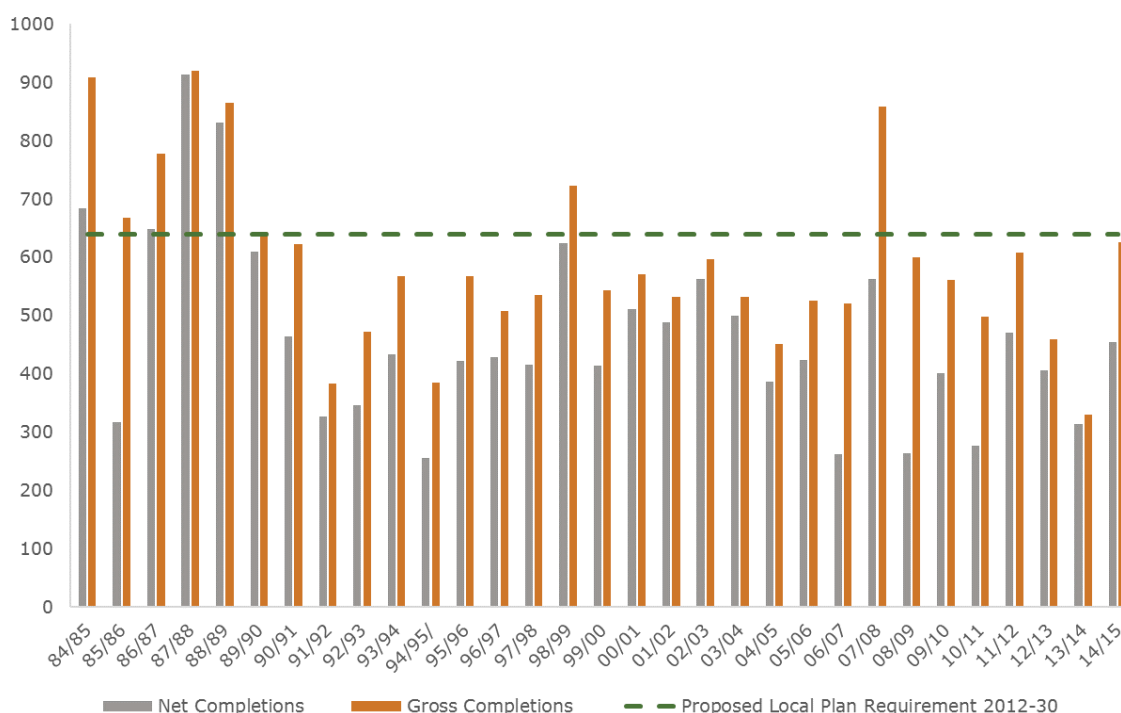
- 5.10 The key questions about housing development in Sefton centre on the quantity, quality and location of future housing needed to support the borough's economic growth. The housing mix to attract and retain the labour force and households who will work in the borough and the wider City Region, spend money supporting local businesses, contribute to its tax base and who will be part of its future communities.

Sefton's past track record of housing development makes housing growth look challenging...

- 5.11 Sefton's Local Plan has just completed its Examination in Public stage with main modifications now proposed. The Plan sets the spatial strategy and planning policies for the borough from 2012-30 (ie 18 years). It sets a housing requirement of 11,520 or 640 dwellings a year over an 18 year period. Up to 2017 the emerging requirement is 500 dwellings, which steps up to 694 a year from 2017 to 2030.
- 5.12 The planned housing requirement is based in part on evidence from the 2014 Strategic Housing Market Assessment for the Borough, which concluded that Sefton's housing need was in a range from 600-800 dwellings per annum (dpa) and that a figure of 615 a year was appropriate³⁵.
- 5.13 The 640 dpa figure is essentially the quantity of housing necessary to meet projected population growth in the borough, assumed to be around 5,000 extra residents by 2030. The housing requirement responds to this projected growth and includes additional homes to help improve affordability and address past shortfalls in the delivery of housing.
- 5.14 Building 640 net new homes a year presents a significant challenge for Sefton. The borough has not historically delivered housing at this level. Over a 30 year period Sefton has exceeded net completions of 640+ in only 4 years and gross completions (excluding demolitions) in only 8 years.

³⁵ Sefton Council (2014) 2014 Strategic Housing Market Assessment

Figure 5.1 Gross and Net Housing Completions, Sefton, 1984-2015

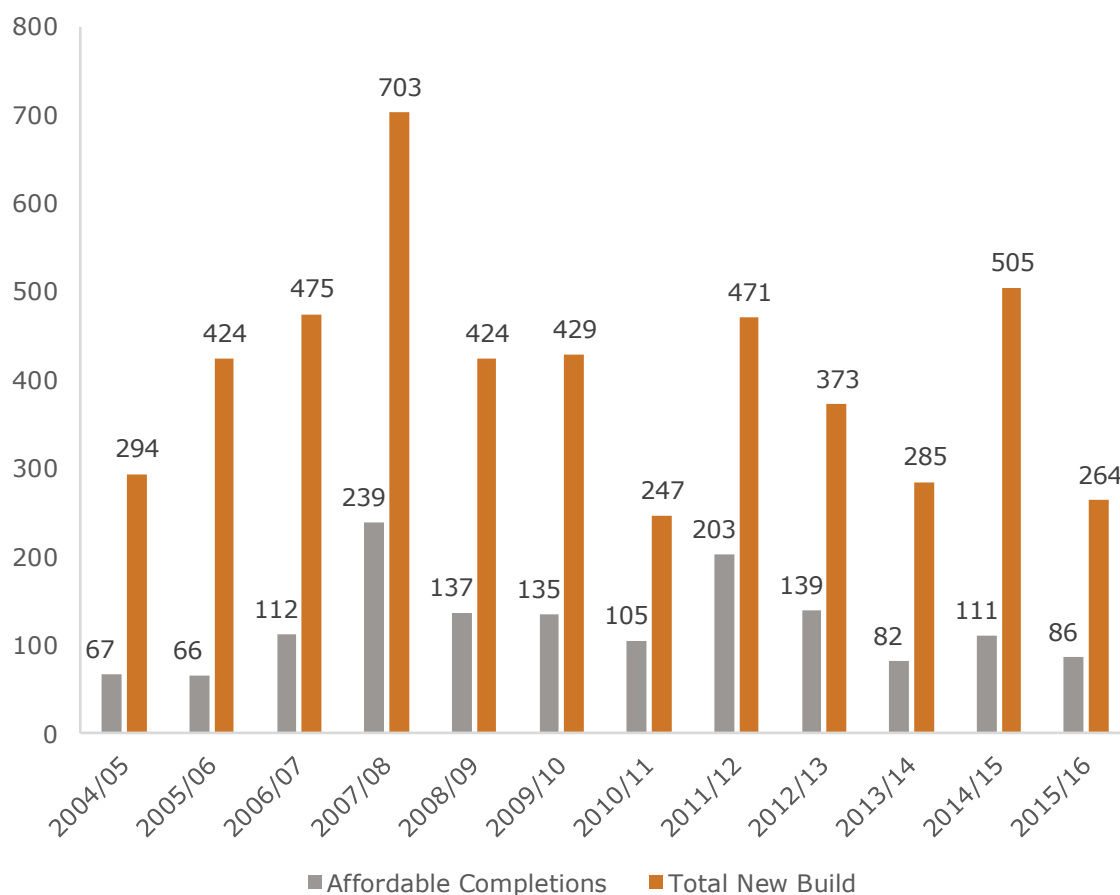


Source: Sefton Council Completions Data

Sefton’s Local Plan evidence also identifies a need for 434 net new affordable homes a year from 2012-30, a figure carried through into the Local Plan...

- 5.15 This need cannot be treated as entirely additional to the 640 dwellings a year figure, since an element of it represents newly forming households.
- 5.16 However, at 67% of the proposed housing requirement, the affordable need figure is an indicator of need for a sustained increase in the supply of affordable homes. Although it is a comparatively more affordable area than many parts of England, the combination of lower than average salaries and house price inflation which has persisted over many years have created affordability pressure.
- 5.17 This is acknowledged in the emerging Local Plan, which specifies that in all settlements outside Bootle and Netherton, any development of more than 15 homes requires 30% affordable housing (Policy HC1). The need is greatest in Southport and Maghull/Aintree (203 and 118 affordable homes a year respectively).
- 5.18 In Bootle and Netherton, Policy HC1 sets a requirement of 15% affordable homes in any development of more than 15 homes, reflecting better affordability in these areas.
- 5.19 Delivering more affordable homes will also be a challenge for Sefton. Past new build affordable completion rates average 127 a year from 2004, is some way short of the assessed annual need of 434. However, 127 a year represents 30% of total new build housing completions over the same period, a positive statistic for the policy target set by Local Plan policy HC1.
- 5.20 On a similarly positive note, nearly all housing sites in the Local Plan have options agreements over them, whilst Sefton MBC is bringing forward additional parcels of housing land for review.

Figure 5.2 Affordable Housing and Total New Build Completions, 2004-16



Source: Sefton Council

5.21 Of around 600 planning consents for housing granted by the Council since 2006, just 16 (2.5%) were for developments of more than 100 dwellings. The largest schemes consented included the Town Lane development in Southport (BDW) and the outline application for the Ashworth Hospital site (Homes and Communities Agency). The Ashworth hospital site has planning permission and Persimmon homes have started to develop the site.

A reliance on a relatively small number of large sites to deliver Sefton’s housing target...

5.22 Sefton has a balancing act to perform in delivering housing growth. The borough must provide housing in locations that will attract and retain its resident workforce of the future. Housing must support regeneration objectives for its town centres, both through its contribution to the built environment and by bringing extra household spending to the borough. It must also meet local needs for affordable homes and specialist accommodation for its older population. At the same time, housing growth has to be consistent with environmental sustainability objectives and local plan policies relating to the borough’s individual settlements.

- 5.23 To achieve the average of 640 dpa from 2012-2030, the Local Plan allocates 315 hectares of land across 47 sites with an indicative capacity for 7,290 dwellings (Policy MN2). The remaining 4,230 dwellings are accounted for on land already with planning permission, sites completed since 2012, sites identified for development in the SHLAA, windfall sites and other land.
- 5.24 The distribution of housing growth is summarised in the table below. Southport/Ainsdale, Formby and the Crosby area account for the majority of dwellings identified in Local Plan Policy MN2. Maghull accounts for a further 29%, driven by the allocation of a large green belt site (land east of Maghull) which has an indicative capacity to take 1,400 new dwellings.

Table 5.1 Proposed Distribution of Housing on Local Plan Proposed Allocated Sites

Area	Hectares	Indicative Dwellings	% of Total Dwellings (7,290)
Southport, Ainsdale	84.8	2,133	29%
Maghull, Lydiate (Sefton East Parishes)	110.5	2,105	29%
Bootle, Netherton	29.6	946	13%
Formby	40.1	898	12%
Crosby, Hightown, Thornton	36.1	852	12%
Aintree, Melling (Sefton East Parishes)	13.9	356	5%
Total	315	7,290	100%

Source: Sefton Council, Local Plan, Policy MN2

- 5.25 This distribution is consistent with the overall requirement set out in the Local Plan, summarised below. This includes both the estimate number of dwellings Sefton Council expects to be generated from windfall sites, and completions between 2012 and 2014.

Table 5.2 Distribution of Proposed Housing Development, 2012-30

Area	Indicative Dwellings	% of Total (11,461)
Southport	2,921	26%
Sefton East Parishes	2,609	23%
Bootle and Netherton	1,655	14%
Formby	1,023	9%
Crosby and Hightown	1,010	9%
Windfalls	1,071	9%
Completions 2012-14	1,172	10%
Total	11,461	100

Source: Sefton Council, Local Plan, Figure 4.3

- 5.26 The Local Plan allocations are focused on areas of Sefton already established as attractive residential areas where market signals point to strong demand for housing. Greenfield sites in those locations are likely to offer the best prospects of securing housing developers. These locations also have the best potential to achieve the development viability necessary for affordable homes as part of private sector led market development, balanced against the need to deliver the larger, family homes (4+ bedrooms) that will generate higher council tax receipts and bring additional residents spending time and money in Sefton's commercial and town centres.
- 5.27 There is also potential for Sefton Council to make more use of its land assets to support new housing development. It estimates that sites owned by the Council have the potential to deliver around 1,690 homes.

- 5.28 There are barriers and constraints which will have an important bearing on Sefton's success both in meeting its overall housing requirement target and the contribution of housing to the borough's economic growth:
- **The long lead time involved in delivering housing on new sites:** Securing planning consent is a lengthy and complex process, particularly where green belt and more sensitive sites are concerned. These are issues recognised by the Local Plan, but they risk delays and under-delivery of housing against the target requirement.
 - **Reliance on a small number of sites to deliver the majority of new housing development:** Of the 47 sites identified in the Local Plan, just 6 sites account for around 50% of the 7,290 additional dwellings. Two sites alone, land east of Maghull and land at Crowland St. in Southport account for close to 2,100 dwellings. The Maghull site is understood to be in multiple ownership, and large scale development of this type will bring with it substantial and complex infrastructure investment requirements, including in roads, schools and health facilities.
 - **How attractive locations are:** which may affect development viability. Evidence on the performance of the borough's housing market is explored later in this section of this report.
 - **Delivering regeneration and housing market change:** The key role of new residential development and improved housing in the regeneration of Bootle is acknowledged in the Local Plan. Low land values, uncertainty about demand for new housing in these areas, the costs of remediating sites and the limited availability of good quality land are all challenges to new housing development. However, through its land and asset holdings, the Council is in a strong position to treat Bootle town centre regeneration holistically and engage with developers through a 'placed-based' dialogue to enable wider regeneration opportunities.

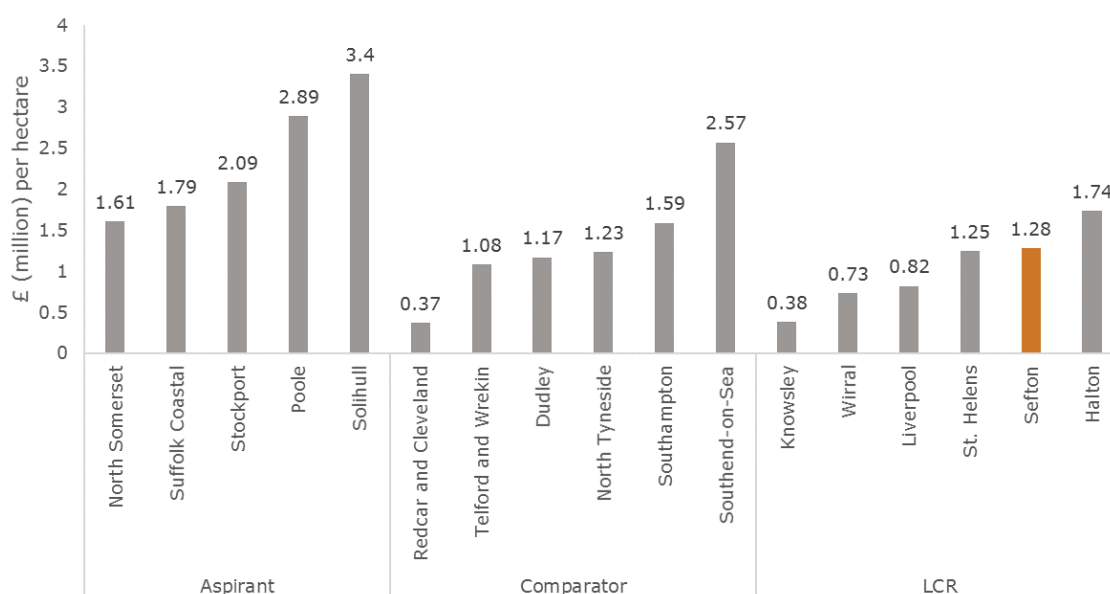
A need to drive new investment in housing and commercial activity into Bootle

- 5.29 Bootle's Town Centre Investment Framework recognises the central role that new housing development has to play in Bootle's regeneration. Consultations for this report have pointed to positive signs of developers' appetite to invest in new housing development in Sefton. New housing has been delivered at Merton Road on the former St. Winifreds school site in Bootle. New development on the Klondyke Estate of 142 homes started in early 2017, a key part of the regeneration initiative for this area.
- 5.30 There are understood to be eight current pre-application processes underway in Bootle for 250 dwellings. Analysis of planning consents data shows that some of the major private developers are active across Sefton, including Bellway, BDW, Keepmoat and Persimmon, together with eight registered providers with assets in Sefton, some of which are actively pursuing new developments.
- 5.31 The Council is also working with a number of developers to explore options for new and, in some cases innovative, housing developments in Bootle, and options for the Heritage Complex which would enable the development of canal side housing and a unique heritage residential offer at the heart of one of Bootle's most prominent buildings.
- 5.32 Delivery of a major programme of regeneration in North Liverpool, now part of the Atlantic Corridor development framework, further strengthens the case for generating new investment in the town and strategically repositioning its offer. The recently announced relocation of Everton FC to Bramley-Moore Dock, opportunities to capture business investment linked to Liverpool 2 and broader regeneration of the docks area point to Bootle developing a role as the northern gateway to the city.

Low residential land values could hold back new development in parts of the borough...

- 5.33 The performance of Sefton’s housing market will be a key driver both of how successful it is in delivering new homes and in attracting and retaining the residents to support its economic growth aspirations.
- 5.34 For market housing developers, the viability of housing sites and the level of financial return they can generate are critical determinants of their investment decisions. This means sites and locations where strong demand for housing translate into healthy sales prices, and where the costs of development (e.g. site clearance or contamination problems, road and utilities infrastructure) are not prohibitive causing viability gaps and acting as a disincentive for development.
- 5.35 Lower land values in Bootle put the onus on wider place making and regeneration with developers. Delivery of the town centre investment framework and new development over the next 5 years, coupled with North Liverpool’s regeneration, will provide opportunities to capture the economic benefits of rising values to support investment objectives for the town.
- 5.36 Although residential land values are determined by the type of development that can potentially take place on a site and by numerous site specific characteristics, it is possible to compare headline residential land values. Government data show that, on sites with residential planning permission, an average value of £1.28 million per hectare ranks at the lower end of the areas considered in this assessment. Sefton Council’s own analysis of residential land values suggests a value of £0.5-1.1 million per hectare on previously developed land, and £0.37-0.62 million per hectare on greenfield sites, although it is not clear what weight is given to land with and without planning permission in this analysis.³⁶

Figure 5.3 Post-Permission Residential Land Values, 2015, £ (million) per hectare



Source: Department for Communities and Local Government, Land value estimates for policy appraisal, December 2015

- 5.37 This local authority level data masks what are likely to be considerable variations within Sefton. Sites in the most attractive residential locations in Southport/Formby, Crosby and central areas will command much higher values than sites in the south of the borough.

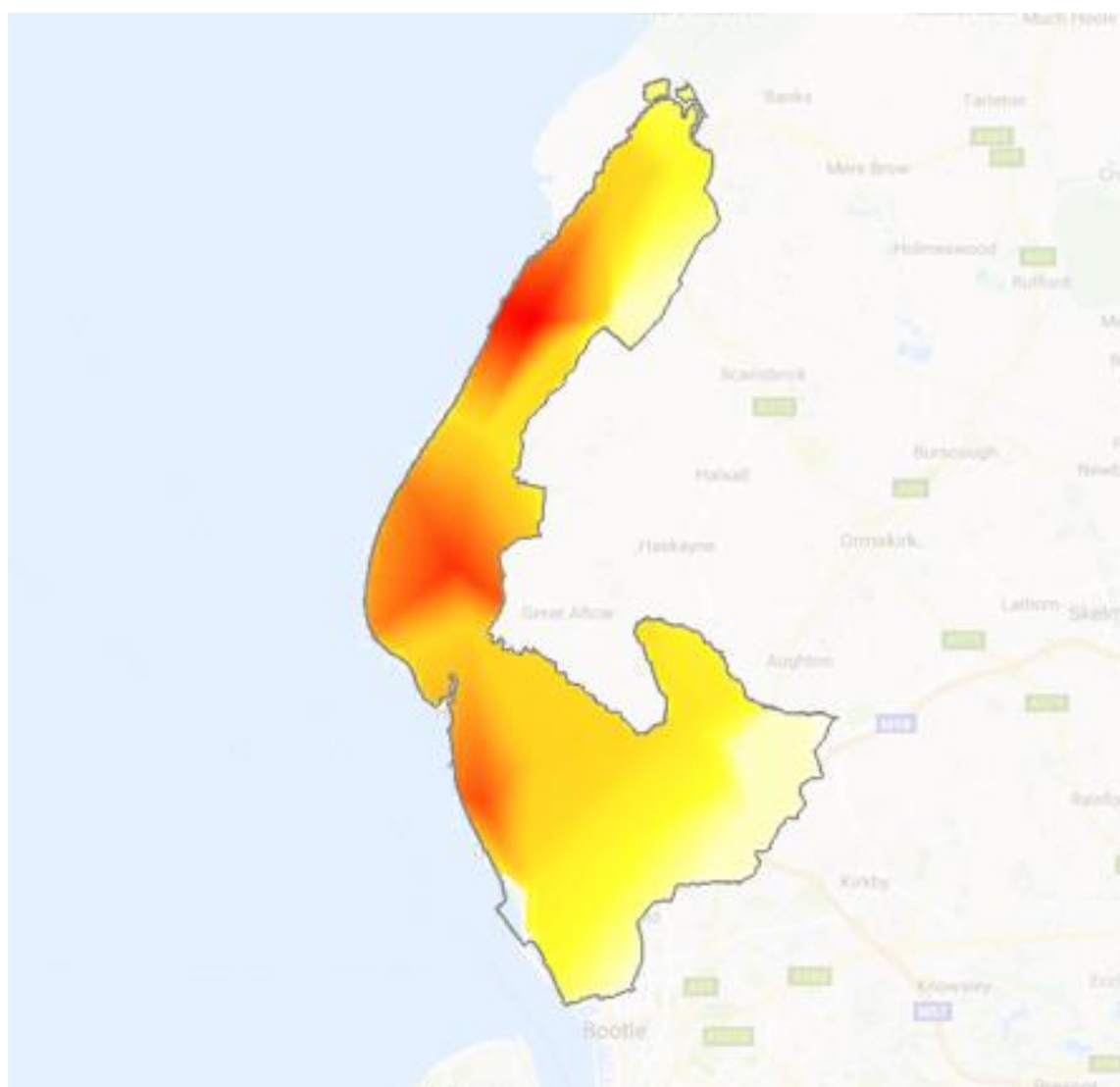
³⁶ Sefton Council (2014) Local Plan & Community Infrastructure Levy Economic Viability Study, Table 5.1

- 5.38 Bootle and other locations in south Sefton have been adversely affected by housing market failure, with action to intervene in the housing market carried out under the housing market renewal pathfinder. However, the combination of persistently low development values and the costs of remediating some sites have resulted in little or no progress being made on several sites in the area.

Parts of Sefton commanding high prices but other areas of the country performing much better...

- 5.39 One marker of housing market performance is the volume and location of higher value sales. These provide a measure of both the locations that are likely to be most attractive to developers in terms of the returns that sites generate, and to the places which are attracting and retaining higher paid and generally higher skilled cohorts of the population.
- 5.40 We show house sales above £450,000 since 2013. The analysis shows the biggest concentrations in Southport, Formby and Blundellsands (Crosby). There are smaller numbers in Ainsdale, Maghull and Hightown. Such transactions are virtually absent in south Sefton.

Figure 5.4 Heatmap of Sales of Properties Over £450,000, 2013-16



Source: Land Registry, Price Paid Data, 2016

- 5.41 The following analysis shows how Sefton compares to Liverpool City Region local authorities and a range of comparator areas in the volume higher value transactions and the proportion of high value sales from 2013 and 2016. There were 249 high value sales in Sefton from 2013-16, ranking Sefton 9th of 17 local authority areas in terms of volume.
- 5.42 However, as a % of all house sale transactions, Sefton was on par with other Liverpool city region authorities, but well behind several of the local authority areas we have benchmarked Sefton against. Several factors are likely to account for this. They include locations in the south of England which have seen far higher house price growth than northern areas. Others with higher percentages of high value sales are predominantly attractive, rural districts with well established high priced towns and villages. In the case of Stockport and Solihull, proximity to major cities (Manchester and Solihull) coupled with comparatively large and attractive suburban/edge of urban area settlements is also likely to be a factor.

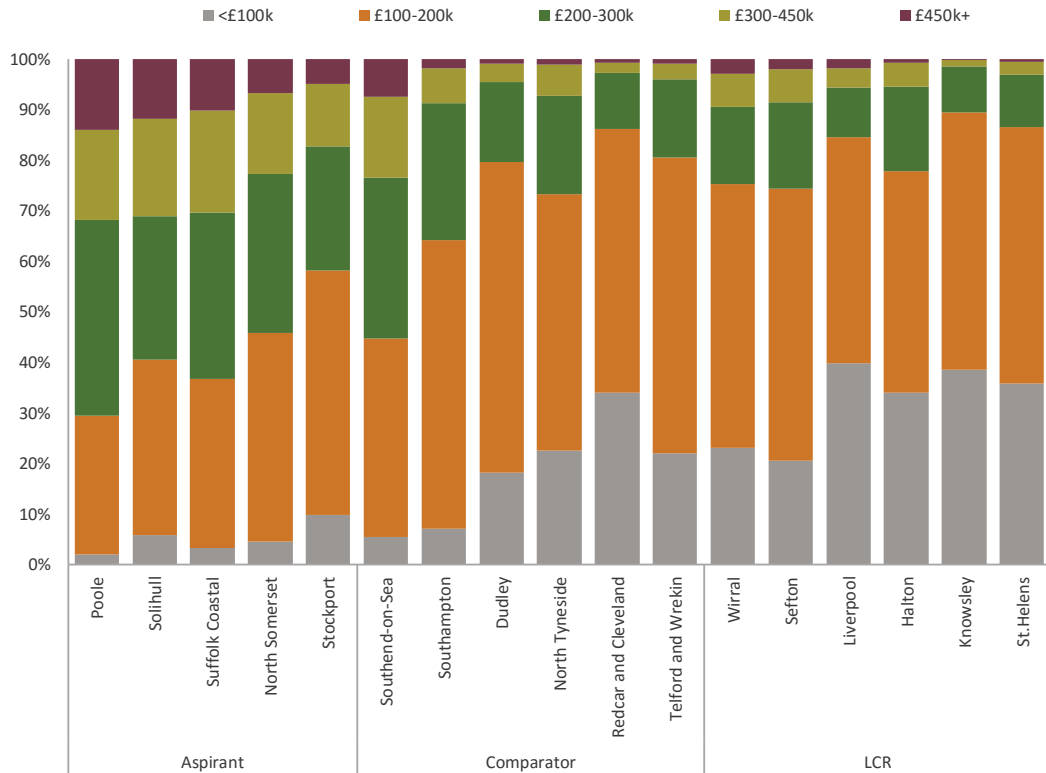
Table 5.3 Sales of High Value Housing, Sefton Compared, 2013-16

Area	Rank in Number of £450k+ Sales, 2013-16	% of all transactions
Solihull	1	11%
North Somerset	2	6%
Suffolk Coastal	3	10%
Southend	4	7%
Stockport	5	5%
Wirral	6	3%
Liverpool	7	2%
Sefton	8	2%
Southampton	9	2%
North Tyneside	10	1%
Dudley	11	1%
Telford	12	1%
Halton	13	1%
Redcar & Cleveland	14	1%
St.Helens	15	0.5%
Knowsley	16	0%

Source: Land Registry, Price Paid data

- 5.43 Sefton has a higher proportion of sales at the lower value end of the market. Of all transactions between 2013 and 2016, 75% were under £200,000. This is on par with Wirral, and lower than the equivalent figures for Liverpool, Knowsley, Halton and St.Helens.

Figure 5.5 Transactions 2013-16 by Price Band

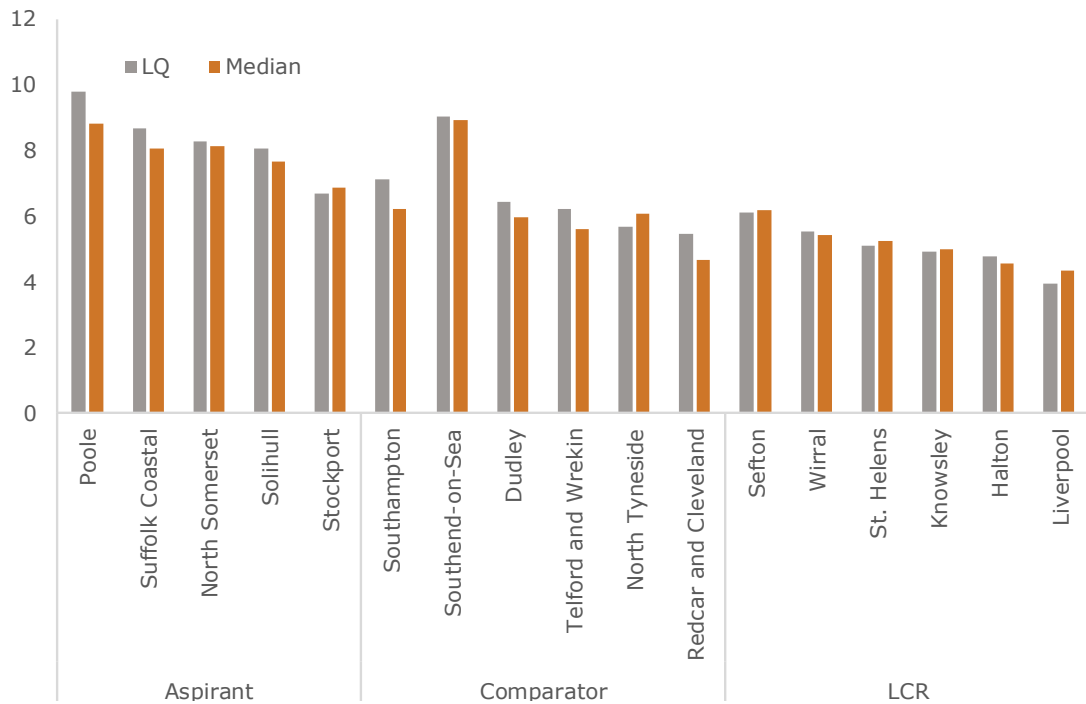


Source: Land Registry, Price Paid Data

A more affordable housing market than many, but real affordability likely to vary significantly by location, income band, type of home sought...

5.44 In Sefton, the median house price is 6.2 times the average annual salary which is the 8th highest amongst the selected comparator areas. The lower quartile house price to earnings ratio is the 10th highest amongst comparator areas, suggesting that Sefton is relatively more affordable at the lower end of the market than it is generally. This is likely to vary across sub areas within Sefton, however, earnings data is not readily available or robust at that level.

Figure 5.6 Ratio of House Prices to Annual Earnings, 2015



Source: ONS, House Price Affordability, 2015

Sefton has a proportionately larger stock of homes in higher Council Tax bands than elsewhere in Liverpool City Region, but lags several comparator areas...

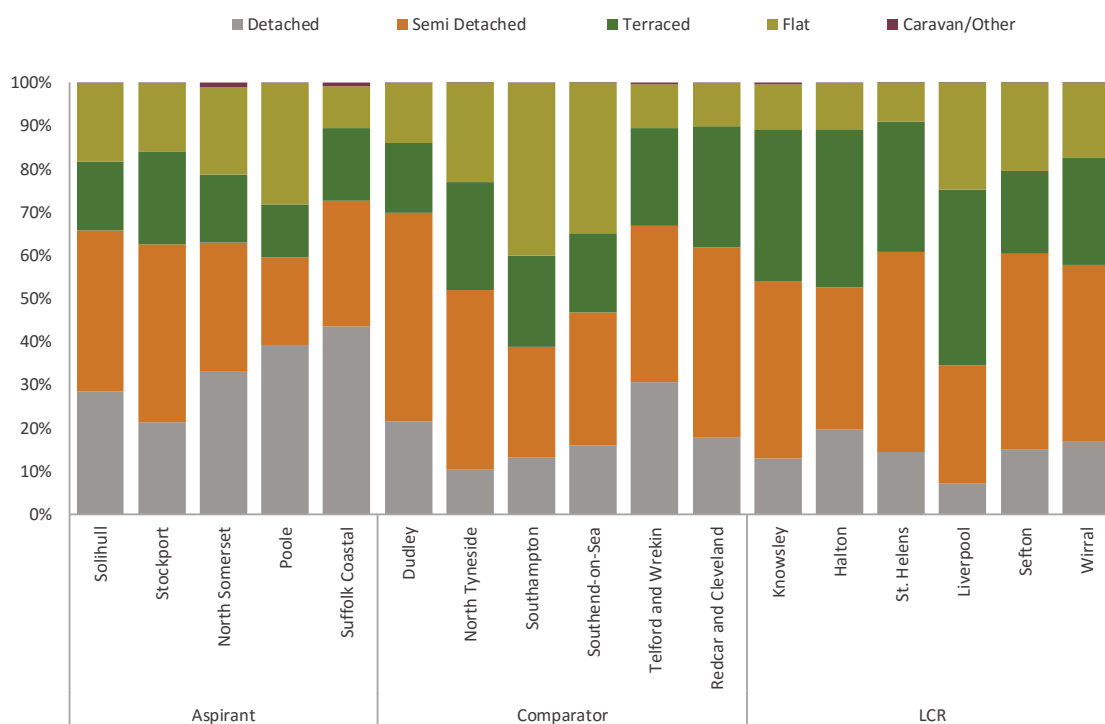
- 5.45 Sefton has a smaller proportion (39%) of terraced housing and flats than its Liverpool City Region counterparts, which may reflect recent clearance activity in the borough. However, it had amongst the lowest proportion of detached properties, probably reflecting the concentration (45%) of semi-detached dwellings in its stock, one of the higher figures of the areas considered.

Table 5.4 Dwelling Stock by Type, 2011

	Detached	Semi Detached	Terraced	Flat	Caravan/ Other
Halton	20%	33%	36%	11%	0%
Knowsley	13%	41%	35%	11%	0%
Liverpool	7%	28%	41%	25%	0%
Sefton	15%	45%	19%	20%	0%
St. Helens	14%	46%	30%	9%	0%
Stockport	21%	41%	21%	16%	0%
Wirral	17%	41%	25%	18%	0%
North Tyneside	10%	42%	25%	23%	0%
Redcar and Cleveland	18%	44%	28%	10%	0%
North Somerset	33%	30%	16%	20%	1%
Poole	39%	20%	12%	28%	0%
Southampton	13%	26%	21%	40%	0%
Southend-on-Sea	16%	31%	18%	35%	0%
Suffolk Coastal	44%	29%	17%	10%	1%
Dudley	22%	48%	16%	14%	0%
Solihull	28%	38%	16%	18%	0%
Telford and Wrekin	30%	36%	23%	10%	0%

Source: Office for National Statistics, Census 2011

Figure 5.7 Dwelling Stock by Type, 2011



Source: Office for National Statistics, Census 2011

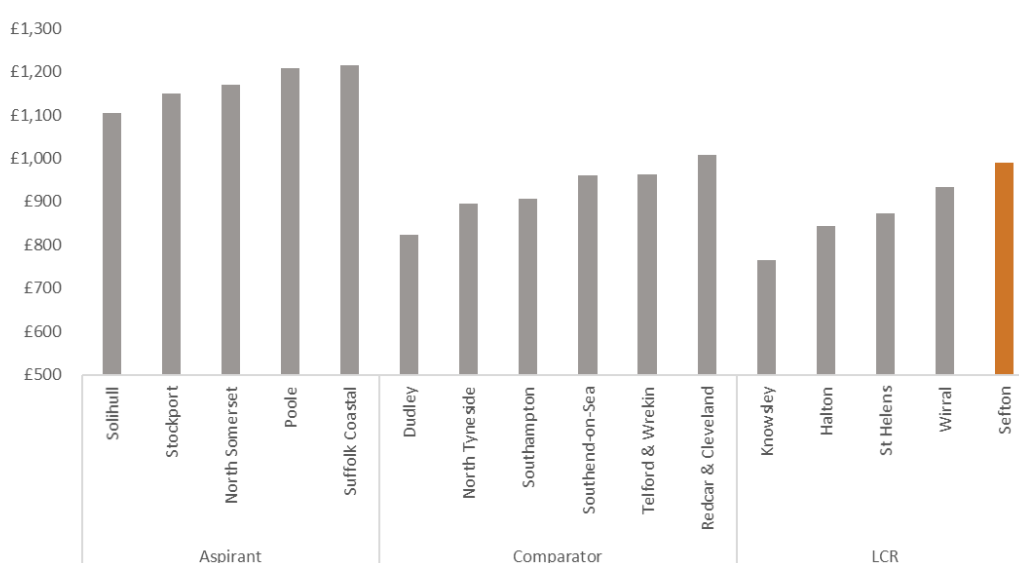
5.46 Although three quarters of Sefton’s housing sits in Council Tax bands A-C, the other districts of Liverpool City Region have a similar council tax structure, but aspirant comparator areas such as Stockport, Suffolk Coastal, Solihull and North Somerset all have a higher proportion of homes in higher value bands. The data suggest the potential for Sefton to catch up with other areas in the proportion of its stock in Band D as it seeks to increase the supply of larger family homes in the borough, a point underlined by its comparatively smaller stock of detached housing.

Table 5.5 % of Housing Stock by Council Tax Band, 2016

Local Authority	A	B	C	A-C	D	E	F	G	H
Dudley	31%	28%	22%	81%	12%	5%	2%	1%	0%
Halton UA	47%	21%	14%	82%	9%	6%	2%	1%	0%
Knowsley	57%	21%	14%	91%	6%	2%	0%	0%	0%
Liverpool	60%	18%	12%	90%	6%	2%	1%	1%	0%
North Somerset UA	14%	22%	23%	59%	18%	13%	7%	3%	0%
North Tyneside	52%	16%	19%	87%	8%	4%	1%	0%	0%
Poole UA	7%	18%	33%	58%	18%	12%	6%	5%	1%
Redcar & Cleveland UA	42%	21%	22%	84%	9%	5%	1%	1%	0%
Sefton	31%	21%	24%	76%	12%	7%	3%	2%	0%
Solihull	16%	13%	24%	53%	18%	13%	10%	6%	0%
Southampton UA	32%	33%	22%	86%	9%	3%	1%	0%	0%
Southend-on-Sea UA	21%	19%	29%	69%	16%	8%	5%	2%	0%
St. Helens	45%	22%	18%	85%	8%	4%	2%	1%	0%
Stockport	24%	22%	22%	68%	15%	10%	5%	3%	0%
Suffolk Coastal	13%	24%	20%	57%	19%	13%	7%	4%	0%
Telford & Wrekin UA	36%	27%	16%	78%	11%	6%	3%	1%	0%
Wirral	40%	22%	18%	80%	9%	5%	3%	2%	0%

Source: DCLG Council Tax Base Data

Figure 5.8 Council Tax Per Dwelling, 2015-16



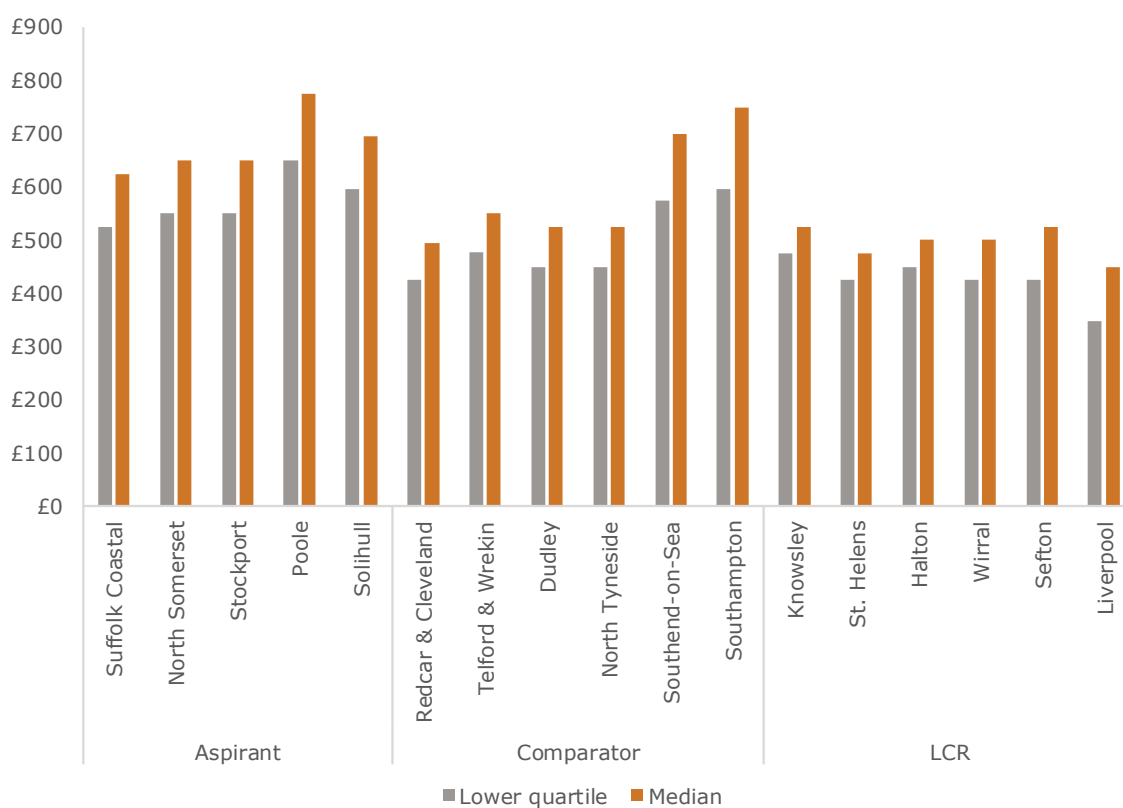
Source: DCLG Live Tables on Average council tax per dwelling 1993-94 onwards

5.47 Sefton generates £990 pa per property. In 2015/16, Stockport collected £146 million compared with £126.5 million in Sefton, a difference of 15%. The two local authorities have a very similar number of chargeable dwellings (Sefton 124,300, Stockport 125,900). The higher receipts generated by Stockport partly reflect its housing stock, with a smaller proportion of dwellings in lower value council tax bands A-C.

Sefton has relatively low private rents at the cheaper end of the market...

5.48 Sefton has an average monthly private rent of £525 which is the 10th highest rent amongst comparator areas. Lower Quartile rents in Sefton are the 15th lowest amongst comparators, suggesting that rents are relatively more affordable at the cheaper end of the market than as a whole. There is likely to be some disparity between different areas within Sefton but the data is not available for smaller geographies.

Figure 5.9 Median and Lower Quartile Monthly Private Rents, 2016



Source: VOA, Private Market Statistics, 2016

Increasing need for specialist housing for older people...

5.49 The borough’s ageing population is both a significant challenge for its housing provision and an opportunity to support broader changes in the housing stock. This means:

- More sheltered housing, where older people are living in independent residential units but with some shared facilities and warden and/or care provision delivered to residents generally.
- Extra-sheltered housing, where additional services are provided to residents, typically 24/7 coverage.

- Extra-care housing, where registered personal care is provided 24/7.
- 5.50 These needs are designated in their own use class (C2).
- Registered bed spaces for older people, designated as C3 (care home accommodation).
- 5.51 At a time when local authority care budgets are under considerable pressure, the challenge is to meet this additional need in Sefton with new development. However, opportunities lie in the potential for existing, older stock to be replaced or repurposed, allowing the release of this housing stock for other uses, including to meet the needs of other age cohorts and people moving into the area.
- 5.52 The need for new development which meets the living need of an older population who favour and are able to live independently also provides opportunities to use development to secure investment in the wider housing offer. This means exploring solutions which have worked well in other locations, including mixed communities which blend sheltered/care accommodation with market and affordable housing, including some element of cross-subsidy.

What are the potential economic benefits to Sefton of future housing growth?

Increasing revenue through Council Tax and the New Homes Bonus...

- 5.53 The brief comparison earlier in this section of Sefton with Stockport points to the potential for Sefton to increase the council tax receipts the area generates. The two boroughs have a similar number of dwellings, but Stockport generates 15% more council tax receipts than Sefton, and has an average council tax per dwelling figure that is 16% higher than Sefton's.
- 5.54 Assuming that the development of 11,500 homes (all of which were net additional) in Sefton generated council tax receipts at the current rate per dwelling, this would equate to an increase of £12.1 million or just under 10% on current receipts (at current prices). If Sefton were to generate council tax per dwelling at the rates achieved in the best performing comparator areas, this would equate to an increase of around 11%.
- 5.55 The upside of increasing Sefton's stock of housing in higher value council tax bands could be increased revenue. However, this has to be balanced against the need to ensure that new housing supply in Sefton attracts in-migrating young professionals, young families and working people. For many of these people, affordable property in lower Council Tax bands is likely to be better suited to their needs than larger and more expensive properties.
- 5.56 Alongside additional council tax receipts, new housing development also has the potential to deliver an increase in New Homes Bonus payments to the Council. Sefton Council's NHB allocation was just under £4million in 2016/17, reflecting the accumulation of several years of payments as the borough increased its net supply of housing.
- 5.57 The single year allocation for 2016/17 in Sefton amounted to £0.75 million based on a total of 500 units, including affordable housing. Assuming that the Council delivered net additional housing at its Local Plan target requirement rate of 640 per annum, this could generate an annual figure of c. £0.88 million, or an increase of 17% over its most recent annual allocation.
- 5.58 A third source of income linked to new housing development is Section 106 payments and (once adopted), the Community Infrastructure Levy. Sefton's recently published draft charging schedule sets a range from £40 to £125 per sq m for housing development in locations where charges would apply.

Increased household spending...

- 5.59 In simple terms, additional households in Sefton will generate an increase in household income in the borough and with it, the potential for local businesses to see an increase in turnover and employment where they capture a share of this expenditure.
- 5.60 Estimating how much additional household expenditure this might generate for Sefton is complex. Current household income data is not readily available in official statistics, and the most recent, modelled estimates from Sefton's 2014 Strategic Housing Market Assessment (Figure 4.17) suggest that there is considerable variation in average household income levels between different localities in the borough. At the low end, it suggests median household incomes (2014) of £17,800 in Bootle and £19,200 in Netherton. At the high end, the modelling data gives a figure of £29,500 in Formby. The median average for the borough is £22,800.
- 5.61 Since there has been little income growth in recent years, it is probably reasonable to assume that the current (2017) figures are likely to remain around this mark. Crudely, an additional 11,520 households or 640 a year therefore have the potential household income totalling £259 million or around £14 million a year at current prices. Assuming that the borough's business retained 20-25% of this potential expenditure, this would imply £2.8-3.5 million of spending that would benefit local traders, supporting jobs and commercial investment in Sefton.
- 5.62 In reality, the questions of how much additional household income and expenditure would be generated by housing growth, and how much would be retained by the borough, are more difficult to answer:
- Whilst one aim of housing growth will be to attract people to move to the borough, the majority of household moves will occur within the borough. The Council's 2015 Review of the Objectively Assessed Need for Housing puts this figure at around 70%. Although these internal moves will ultimately free-up homes that might attract in-movers to Sefton, it cannot be assumed that all of the additional 640 dwellings a year would represent net additional households, and net additional household spending.
 - A proportion of future households will be formed within the borough from existing resident households. For example, people currently living in Sefton with parents or in shared households who choose to continue living in the borough will be counted amongst the new households that the borough's housing growth will accommodate. In this regard, an element of future household spending linked to new housing will already be retained in Sefton.
 - Much also depends on the location of new housing. Given the proximity of several of the borough's towns and villages to Liverpool, Knowsley and West Lancashire, developments which offer good access to retail and leisure facilities across boundaries would probably generate lower levels of retained household spending. The borough's 2012 retail study, for example, points out that Ormskirk and Burscough captured a growing share of household spending from Sefton during the 2000s.
 - The mix of housing will also be an important factor. New market and affordable housing typically attracts working people, and the configuration of developments plays a key part in determining the likely disposable income of future households. For example, new build developments on greenfield sites in the north and centre of Sefton are likely to attract higher earning households and therefore higher levels of potential spending within the borough.
- 5.63 Further analysis of potential increases in household expenditure linked to housing growth in the borough will be carried out as work on the Economic Strategy and Assessment progresses.

Employment Land and Premises

- 5.64 Sefton's current and future supply of employment land and premises will be another key enabler of economic growth, and a contributor to its efforts to tackle the Council's financial challenges.
- 5.65 The borough requires a stock and pipeline of land and premises that meet the needs of businesses already based in Sefton, and those which might invest in the area in future years. At the same time, the quality of this supply is important in terms of locations, connectivity, scale and price.
- 5.66 Consultations with commercial property agents, developers and Sefton Council have provided supplementary data for the economic assessment.
- 5.67 A review of strategic economic priorities for Sefton and the wider Liverpool City Region, together with consultations with developers, commercial property agents and Council officers points to some clear messages about growth opportunities in Sefton, including the key strategic sites.

Potential for further and substantial growth in the logistics and distribution sector...

- 5.68 There are strong views from the private sector that Sefton must capitalise on continuing growth in the logistics and distribution market in the Liverpool City Region. In part, this is directly linked to the Port of Liverpool and Liverpool 2. Sefton Council's own analysis, produced in 2015, of the potential impact of expanding port activity suggests up to 4,500 additional jobs could be generated locally by 2025 if Sefton delivers land for both near-to-port businesses and a major new logistics site.³⁷ New data on the potential impacts of port-related activity on Sefton is due to be published in 2017 in the Liverpool City Region Strategic Housing and Employment Land Market Assessment (SHELMA) and Sefton Council will need to take account of its findings on the employment growth and demand for employment land that arise from it.
- 5.69 Recent and proposed developments of large scale warehousing at Omega (Warrington), Knowsley Industrial Park and Haydock, alongside the development at Superport, rapid expansion of online retail and the general shortage of high quality, large scale warehousing sites in the North West all point to strong on-going demand. The limited number of good quality sites in the development pipeline means there are opportunities for Sefton to secure more of this market.
- 5.70 The corridor extending from Liverpool 2 and Seaforth along Dunnings Bridge Road to Switch Island could be the focus both for logistics activity and broader, port related business. Policy ED2 of Sefton's emerging Local Plan already provides for the expansion of the Port and Maritime Zone around Liverpool 2 itself, whilst Policy ED6 designates sites on Dunnings Bridge Road amongst the key strategic employment sites (Atlantic Park, former Peerless refinery site, Senate Business Park). Although these do not appear to be earmarked or suitable for the largest scale warehousing developments, the 2014 lease of warehouses on the former Rolls Royce site at Atlantic Park by the Mersey Docks and Harbour Company is indicative both of the tightening availability of storage facilities around the port and expansion demand as port-related activity increases.

Strengthening demand for industrial and smaller scale logistics facilities...

- 5.71 The Dunnings Bridge Road corridor is again regarded as a key location for this type of development. Good examples of returning demand include the development of the Domino's facility at Senate Business Park, and emerging developments on the 5.5 Ha Mersey Reach (Peerless) site which has secured pre-lets and where a planning application has been submitted for 19,700 sqm of industrial buildings geared towards logistics and trade warehousing uses.

³⁷ Ekosgen (July 2015) Sefton Employment Potential Study: Assessing Opportunities from Port Growth Report, p. 18.

- 5.72 Sefton continues to see demand more generally across the south of the borough for smaller scale logistics floorspace and general industrial premise. The Council has pointed to one live enquiry for a manufacturing facility of c. 9,300 sqm as an example of demand at the larger end of this market.
- 5.73 Future demand for this type of development will be fuelled by a combination of:
- activity linked to the Port, with agents pointing to a need for smaller scale storage facilities and potentially manufacturing with export or import requirements
 - expansion space for businesses already trading in Sefton
 - upgrading and modernising premises to replace an ageing industrial property stock
 - potential for more efficient use of land for industrial and small logistics development, but costly investment required to enable this to happen
 - inward investment in sectors targeted by the Liverpool City Region, including advanced manufacturing along with Port/maritime.
- 5.74 Given the breadth of uses that property of this type provides, it is difficult to estimate the employment that further development of such facilities might generate. Nonetheless, new stock is likely to attract new investment in the borough, or accommodate expansion growth and in doing so contribute to creating and sustaining jobs in Sefton.

A cautious message of growth around office-based sectors...

- 5.75 There is little clarity about demand for office development in Sefton and a cautious message about the prospects for growth in office-based employment.
- 5.76 With its mix of large private sector and public sector office buildings, Bootle Town Centre continues to be home to large number of office-based jobs. With public sector employers continuing to see reductions in staffing levels and the drive to consolidate and rationalise premises, it is likely that there will be a surplus office space available for other employment uses, or conversion to residential. The conversion of Daniel House to apartments by Signature Living, in a 1960s office building formerly occupied by the Health and Safety Executive, has been highlighted as an example of the type of conversions that could take place. This type of high density development also aids footfall into Bootle Town Centre, and provides the seeds for a night time economy.
- 5.77 There is also uncertainty about private sector demand for office space in Bootle. The continued presence of some large, office based employers such as Santander in Netherton means some potential future vulnerability in the face of uncertain economic prospects for the financial and professional services sector post-Brexit.
- 5.78 The office market has been slow to recover post-recession, and large floorspace requirements by single occupiers (of the type which drove speculative development during the 2000s) remain scarce. There has also been a shift towards rail linked city centre locations for higher-value office space, with Liverpool City Centre (and further afield Manchester) absorbing post-recession demand.
- 5.79 Despite this, agents point to a continuing demand for office space for small businesses in Bootle Town Centre and elsewhere. Bruntwood's investment in its central Bootle facilities is a good indication of the market need for non-prime office space for SMEs, both to service local demand (i.e. established Sefton businesses) and some inward investment where rising rents in Liverpool City Centre, and a lack of Grade A space, are generating interest in lower priced locations elsewhere. Given the large quantity of office floorspace in Bootle, the town is well placed to serve this rising market interest both from a developer and occupier perspective.

- 5.80 Several consultees have also suggested that the reprofiling of Bootle's office market could feature a product geared towards start-ups, including incubator type facilities. Sefton is not yet well served with this type of facility. They highlight the experience of some regeneration areas (eg. East London, Manchester's Northern Quarter) in supporting new digital technology companies for which low cost and flexible floorspace is typically a requirement. However, the potential for this market to develop in Bootle is not clear.
- 5.81 Outside Bootle, Atlantic Park is the borough's prime location for office-based businesses. Office floorspace is now understood to be fully (or near fully) occupied, and Sefton Council is keen to see further phases of office development come forward. Kura's 2016, 5-year lease at Caspian House for a new call centre operation is a positive indicator of demand from larger operations, with Atlantic Park having secured several high profile occupiers in past few years.
- 5.82 Southport Business Park is another of the strategic employment sites designated by the Local Plan, for expansion targeted at office and light industrial uses. The site is understood to require additional infrastructure and public realm investment to enable growth. Consultees have highlighted the presence of a number of well-established professional services companies (eg. law firms, accountants) with Southport bases, but also suggest that there has been a recent trend of relocation to city centres by such firms generally.
- 5.83 Beyond the larger occupiers in Southport and Ainsdale, the town had 354 office units in 2012 totalling 71,000 sqm, according to the 2015 Employment Land and Premises study. Southport has the largest number and highest concentration of small office-based businesses in Sefton.
- 5.84 In the long-term, High Speed 2 and High Speed 3 are seen as growth opportunities which may change the dynamics of the office market in the Liverpool City Region. Larger scale office investment in new, high grade stock, might be generated by companies looking at lower cost development locations which offer good HS2 access to London or to new high speed routes across the north, but outside the city-centre. Again, Bootle is well placed to serve a satellite community to the Core Cities of Manchester in the north west, Birmingham in the Midlands and London in the South East.

A need for new investment to support the visitor economy...

- 5.85 Tourism, retail and leisure are covered in more detail in the live and visit chapter. Given the important role that the visitor economy plays in Sefton, and the need to refresh and improve the product it offers visitors in a competitive environment for tourism business both domestically and internationally.
- 5.86 Key locations where development needs are identified include:
- **Tourism in Southport:** identified in the Southport Development Framework. Marine Park, the Golf Links and Fairways Park and Ride are earmarked as major development opportunities which could be driven forward through the Council's ownership of the sites. Investment in Pleasureland, the HLF proposal to invest in the pier, potential retail development on a site at King Street and the need for further investment to improve buildings and public realm on Lord Street. The strategic priority should be to widen the town's appeal to visitors and extend its offer through a longer period of the year.
 - **Making much more of its coastline:** initial review of evidence for this assessment points to several key locations on the coast where visitors access the seafront, but which provide neither a good range of facilities to encourage local spending nor offer incentives to extend visits to adjacent towns and villages. These locations include Ainsdale, the Coastguard Station (Hall Road, Crosby), the area around 'Another Place', the Marina and links into the

south of Crosby and the need to improve visitor facilities at Formby Point, one of the Liverpool City Region’s most visited outdoor attractions.

- **Crosby Village:** investment in new development and improvements to attract new retail, restaurants, cafes and other facilities, encourage other employment uses to the village centre (eg. small office space) and regenerate its public spaces.
- **Canal-side locations in Bootle:** an under-used asset which connects into central Liverpool, although market conditions have not been favourable to canalside residential or leisure development. Whilst the costs of such development are challenging it has potential to contribute to the visitor economy, to new and innovative residential development and to changing perceptions of the area as a place to live or visit.
- **Aintree Racecourse:** to extend its commercial uses and to emulate other racing venues.

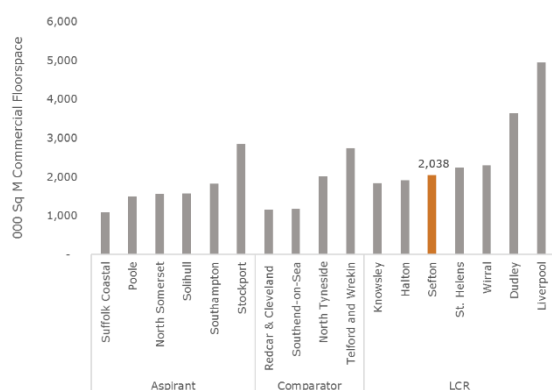
What are the main barriers to the future development of employment land and premises in Sefton?

- 5.87 There are encouraging signs for the development of employment floorspace in Sefton. Economic recovery since 2013 has seen a rise in demand for floorspace and some new development, particularly of light industrial and warehousing floorspace driven by a shortage of supply and a need to upgrade stock. Sefton is seeing some speculative development of industrial and storage space on the Dunnings Bridge Road corridor, with development also facilitated by pre-lets.
- 5.88 However Sefton faces several key challenges if it is to deliver new and improved commercial floorspace in the borough which are set out below.

Lagging performance in the development of new commercial floorspace...

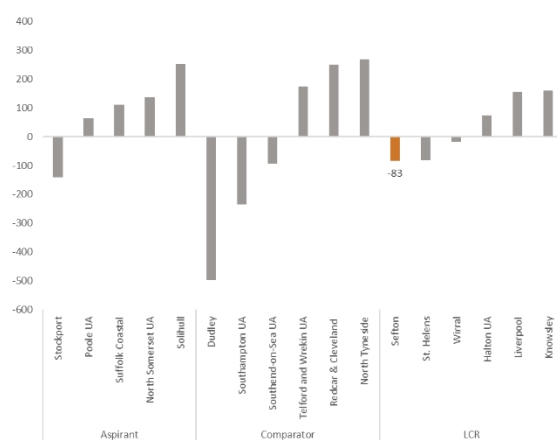
- 5.89 Sefton performs well against comparators in terms of the amount of commercial floorspace (based on rateable properties) available. At just over 2 million sq m in 2015-16, this ranked the borough 7th of the 17 areas although it had a smaller stock than Liverpool, Wirral and St. Helens. On the other hand, the trend data shows the amount of commercial floorspace fell marginally between 2000-16 by just over 80,000 sq m.

Figure 5.10 Total Commercial Floorspace 2015-16



Source: Department for Communities and Local Government, NNDR Local Authority Level Data, Table FS1.2

Figure 5.11 Change in Commercial Floorspace 2000-2016

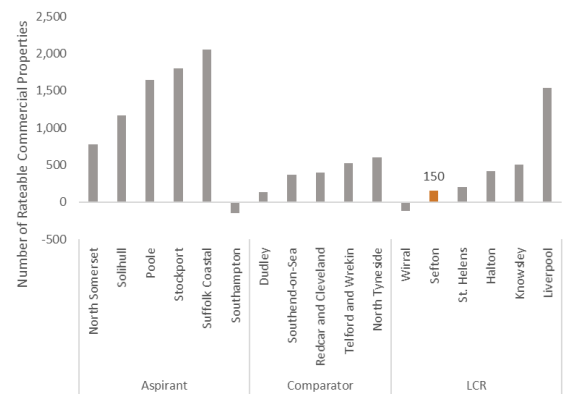


Source: Department for Communities and Local Government, NNDR Local Authority Level Data, Table FS1.3

5.90 The recession has played a part in this largely static picture in Sefton, constraining demand for new premises in many sectors and adversely affecting development viability. This affected both B use classes (office, industrial, warehousing) and other employment uses (A class including retail). Over the longer period, the contraction of the manufacturing sector and the closure or conversion of business premises are also likely to have played a role.

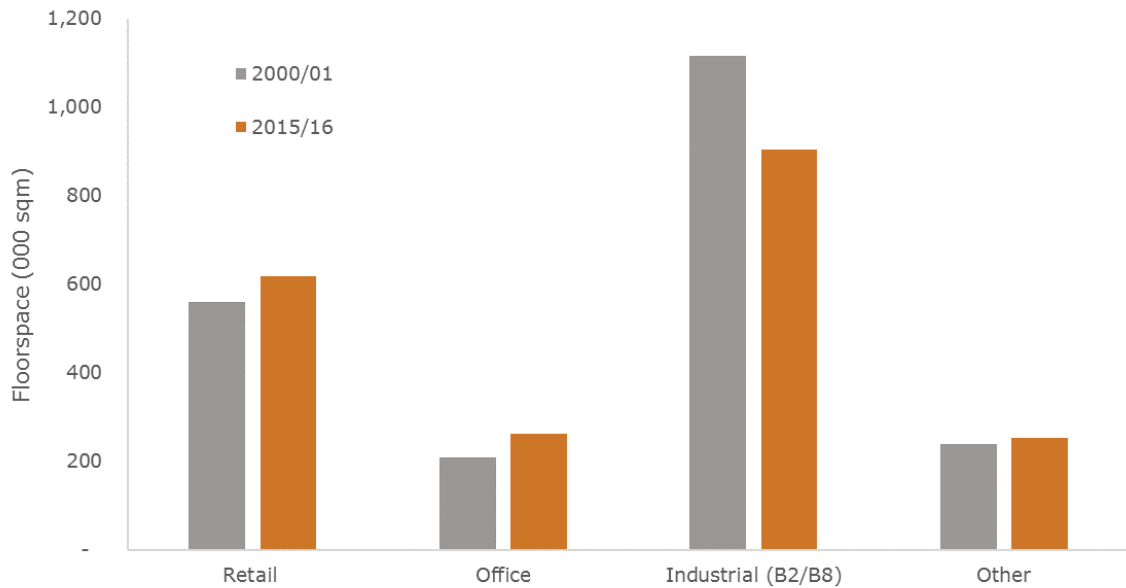
5.91 Rateable properties data also gives some insight into how the borough’s stock of commercial floorspace has changed over time. Since 2000-01, industrial (including warehousing stock) has declined. There has been growth in the quantity of retail and office floorspace, and a static picture for other types of commercial use.

Figure 5.12 Change in Rateable Properties, 2000-16



Source: Department for Communities and Local Government, NNDR Local Authority Level Data, Table FS1.4

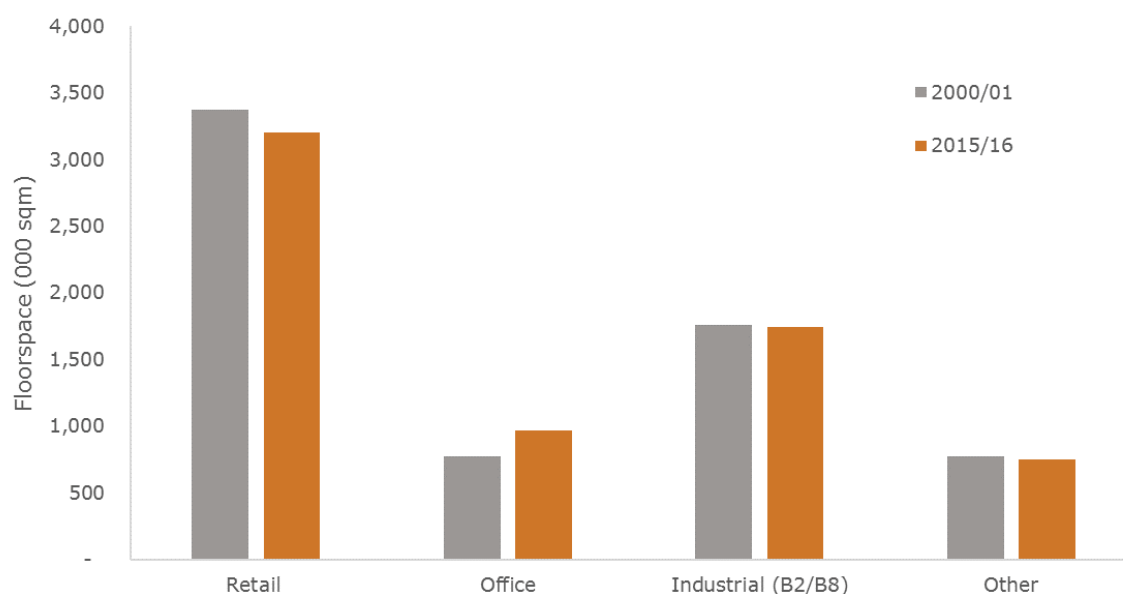
Figure 5.13 Total Commercial Floorspace, Sefton, 2000/01 and 2015/16



Source: Department for Communities and Local Government, NNDR Local Authority Level Data, Tables FS2.3, 3.3, 4.3, 5.3

- 5.92 Over the same period the number of industrial properties has been stable, indicating that the borough has lost a small number of larger premises, which would be consistent with the closure and clearance of larger manufacturing units. The number of retail premises fell slightly, which probably reflects the completion of a number of larger, supermarkets and out of town retail, whilst smaller, urban retail is likely to have contracted.

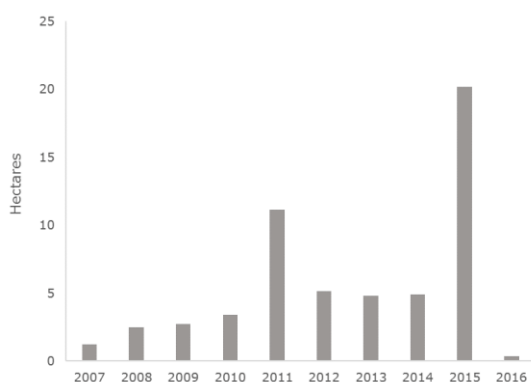
Figure 5.14 Number of Rateable Properties, Sefton, 2000/01 and 2015/16



Source: Department for Communities and Local Government, NNDR Local Authority Level Data, Tabkes FS2.1, 3.1, 4.1, 5.1

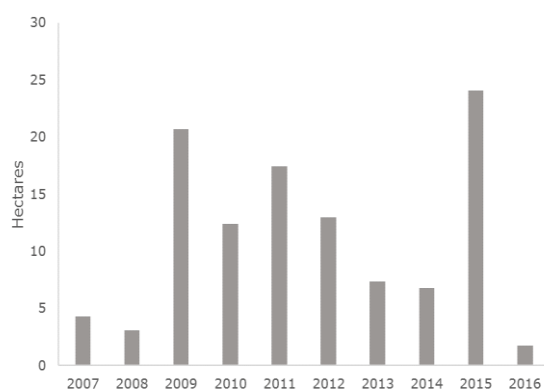
- 5.93 Commercial planning applications reinforce the conclusion that new commercial development has been very limited in recent years. In headline terms, 110 hectares (in 157 applications) of commercial land have been approved. However, this includes all uses classes A-D and Sui Generis uses. However, one of the largest such approvals (14 ha) relates to an outline consent for a prison on what was part of the Ashworth Hospital Site.
- 5.94 Of the 56 hectares approved for office, industrial, warehousing (B use class), 60% was accounted for by just four decisions. The largest of these was the extension of Atlantic Park (14 ha) in 2014, which was already an established site. The second (8 ha) relates to warehousing by the Mersey Docks and Harbour Authority off Regent Road, updating an earlier planning consent. Recent approval for the former Peerless site (Mersey Reach) is included, although this is just the first phase (1.4 ha) of what will be a larger development (5.5 ha).
- 5.95 The majority of approvals for office, industrial, warehousing (B use class) were for small site areas (less than 1 ha), and included many changes of use and extensions. Taken together, Sefton has seen relatively little new office, industrial, warehousing (B use class) approvals in recent years.
- 5.96 A total of 19.3 ha has been approved for A uses (retail and leisure uses), which include many units developed or converted on the borough’s retail parks, and includes some conversions to other uses.

Figure 5.15 Site Areas Approved, B Uses



Source: Sefton Council

Figure 5.16 Site Area Approved, A Uses



Source: Sefton Council

5.97 The borough’s track record in commercial floorspace development is consistent with several messages emerging from consultations, which are being explored further as part of the economic assessment:

- Some of Sefton’s stocks of older office and industrial premises have become redundant and cleared or converted.
- Commercial development values in many areas of the borough have not achieved levels to make new speculative industrial development viable.
- The borough has lacked good, motorway linked development sites.
- Green belt and other policy constraints have played a part in limiting the potential to commit to the allocation of new employment sites.
- The Council has lacked sufficient holdings of employment land to facilitate new development, particularly in key locations around the Dunnings Bridge Road corridor.
- The borough has faced stiff competition from Merseyside, Warrington and Greater Manchester both for office and industrial uses.
- Complex land ownerships in areas such as the Regent Road/Derby Road corridor which are characterised by a broad mix of small businesses operating in low value commercial premises. This poses difficulties both to improving the premises in which these businesses are operating and meeting future demand for port-related activity on near-to-port sites.

Low commercial development values...

5.98 Low commercial development values partly explain why Sefton has seen little new recent commercial development. Although the supply of good quality employment land allocated has been low, adverse economic conditions (locally and nationally) have meant suppressed returns to developers.

- 5.99 Development values can vary significantly between sites, locations and the quality of commercial floorspace. The commercial property market needs to meet the needs of a diverse set of customers and offer the most basic, low priced stock through to prestige office developments such as at Atlantic Park.
- 5.100 Comprehensive and consistent data on average commercial development values are not readily available to compare Sefton with other locations, but Estates Gazette International data for the past 3 years from 2013-16 gives a useful overview of the rental values for B uses.

Table 5.6 Commercial Rental Values, B Uses, 2013-2016

	Number of Deals	Range of Values £ sqm (£ sq ft)	Average Deal Value £ sqm (£ sqft)	Modal Deal Value £ sqm, (£ sqft)
B1 Office	99	£77 - £274 (£7.15 to £25)	£91 (£8.50)	£91 (£8.50)
B2, B8	130	£30 - £80 (£2.80 to £7.15)	£54 (£5)	£56 (£5.26)

Source: Estates Gazette International Note: Number of deals based on all transactions recorded. Rental values based on deals where figures are provided.

- 5.101 Average commercial rents for offices were around the £8.50 per sqft mark, although there were a number of deals at c. £14-15 sqft, mainly in Southport (Houghton Street). A small number of industrial use deals exceeded the £5-5.25 sqft mark but the majority were around this figure.
- 5.102 These rental values would typically support speculative development. For office development, £22-23 sqft is currently seen as the tipping point for commercial viability, and there remain few locations in the North West (e.g. Manchester City Centre) where these values are now being achieved. Industrial development in Sefton is securing £6 per sqft for smaller units and £5 sqft for larger units which are both above the level where speculative development becomes viable.
- 5.103 This evidence is backed by consultations with developers and agents:
- In Bootle, office lease values at £8-10 sqft make the town a low cost location in comparison with Liverpool City Centre, where values of £15-16 sqft are becoming more typical and the best Grade A space is achieving £20-22.
 - The amount of Grade A in the City Centre is reducing quickly, this means that Bootle in particular should assess opportunities to create some competition and a viable alternative to the City Centre offer.
 - Whilst there may be little potential to develop new office stock in Bootle, with a strengthening market there should be opportunities to refurbish and repurpose the existing supply. This is not about developing Grade A space for which there is little appetite but it could be about offering an improved and flexible product which encourages businesses to locate in the area, or which provides accommodation for start-ups and SMEs looking for small spaces.
 - Office rental prices generally have been static for a long period of time in the borough and net rental returns have actually fallen as a result of concessions (eg rent free periods) offered to secure deals, although there are exceptions (eg at Atlantic Park). Although the last year has seen signs of increasing demand for office space, this is yet to carry through into rental prices.
 - The industrial market is in better shape, with pre-lets and continuing interest in stock on the Dunnings Bridge Road corridor driving rental values that offer better prospects for new development, including speculative development.

- 5.104 **The overall message is that the office market in Sefton is not currently delivering commercially viable rental values, but does have a good opportunity to attract new occupiers, while the picture for industrial development is less clear cut.** There are examples of new speculative development although a lot of this may have been facilitated by grants and publicly-backed debt finance (eg. Chrysalis Fund) to bridge viability gaps.

Does Sefton have the right quality and quantity of employment land to support economic growth?

Local Plan provides for employment growth, and Sefton Council will need to ensure that the delivery of allocated sites meets future business needs...

- 5.105 Sefton's emerging Local Plan sets out a requirement for just under 82 hectares of employment land from 2012-30. The rationale for this allocation is provided by the Council's 2015 Employment Land and Premises Study Update. It is based on a 55 ha requirement that is the result of projecting forward past trends in take up. In effect, Sefton is assuming that the average rate at which employment land has been taken up in previous years continues into the future. It also layers onto this an additional c.26 ha to allow for flexibility and choice in the future take up of employment land. If take up occurred at the projected rate (ie 55 ha), it cannot be assumed that the land available would meet the specific needs of occupiers at any given point in time. The flexibility factor therefore provides for some additional land to ensure that some choice is available.
- 5.106 To meet this requirement, policy MN2 of the Local Plan allocates 75 hectares, made up of the following allocations:
- Land east of Maghull (B1, B2, B8) – 20 ha
 - Dunnings Bridge Road corridor – 27 ha (Atlantic Park, Senate Business Park, Former Peerless Refinery site)
 - Land north of Formby Industrial Estate - 8 ha
 - Southport Business Park – 13 ha
 - 4 sites in existing employment areas yielding a further 7 ha.
- 5.107 It is difficult to estimate how many extra jobs these allocations would accommodate. Since the requirement is based on past take up rate rather than employment forecasts, it does not reflect any specific jobs target figure. The Employment Land and Premises Study (Table 67) shows that four of the allocated sites could accommodate up to 5,000 jobs, depending on the type of development which takes place.
- 5.108 The 2015 Employment Land and Premises Study (Recommendations) is also clear that:
- Sefton Council should move to protect the best quality, established employment sites (Southport Business Park, Heysham Road, Bridle Way and Deltic Way Industrial Estates and Aintree Racecourse Business Park).
 - The Council has the opportunity to review its portfolio of employment land every 3 years. A combination of current employment sites and premises that may no longer be fit for purpose and the changing needs of businesses are key drivers here.
 - The potential for employment growth, particularly linked to Port growth across the Liverpool City Region, could generate substantial additional employment land needs and Sefton would be expected to contribute to meeting these needs. It recognises that there is likely to be clarity about this issue in the short term.

A possible shortage of larger sites across the Liverpool City Region geared to an expanded logistics and distribution sector linked to Port activity...

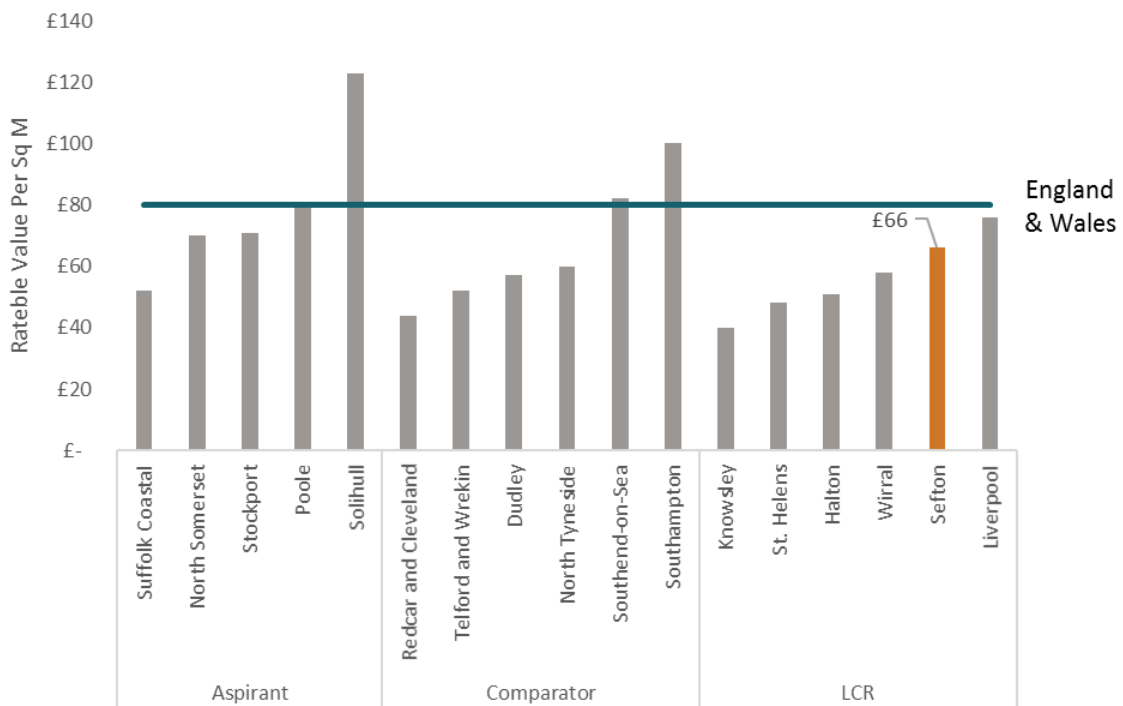
- 5.109 The size, location and quality of employment land is critical to the way Sefton responds to growth opportunities that arise from port related activity (Liverpool 2 in particular) and the continuing strength of the logistics and distribution sector. The implication from the emerging evidence about port-related growth is that Sefton, and other locations in the City Region, may not have either the quantity or quality of sites capable of meeting the growth needs of the logistics sector.
- 5.110 The emerging Local Plan recognises that a review of the Local Plan may be necessary to respond to the findings of the new Strategic Housing and Employment Land Assessment (SHELMA) currently being produced by the Liverpool City Region local planning authorities (Policy MN1). The issues considered in the SHELMA include potential future demand for employment land linked to port activity.
- 5.111 The SHELMA is expected to provide clarity about the future requirement for land for all B class uses. The scale of land that port activity might require is illustrated in the 2014 Liverpool City Region Superport: Market Analysis Land and Property Study produced by the LEP. This study concluded that, in the longer term, the City Region would require an additional 400-500 ha of large, high quality sites and risk that demand for land and the jobs linked to it might 'go elsewhere' if this is not available.
- 5.112 Initial feedback from consultations with developers and agents is consistent with this view. It is recognised that allocations at Atlantic Park and Peerless refinery site have the potential to accommodate new storage and manufacturing facilities, although not the largest scale logistics hubs expected from port-related demand. Sefton Council's 2015 Employment Land and Premises Study points to requirements for sites of at least 10ha to accommodate developments of c. 250,000+ sqm, and notes that the allocation of 20ha for employment land on the site east of Maghull could accommodate development on this scale.
- 5.113 The substantial land required by large scale logistics facilities is a particularly sensitive issue with Sefton's communities. Greenbelt allocations have already been put forward in the Local Plan, including land east of Maghull, to reflect the lack of land supply in Sefton.

What are the financial benefits of expanding and improving the supply of employment land and premises in Sefton?

Potential to increase rateable value of business floorspace and business rate revenue generated...

- 5.114 Rateable values of commercial property are a key factor in the amount of business rate revenue generated in an area. The rateable value of a property is determined by its open market rental value, so should partly reflect both local demand for commercial premises and the characteristics of the stock in an area. Rateable values in Sefton lag those of other areas, and this points to potential to increase these values through new investment and development.
- 5.115 Current data shows that Sefton ranks in the middle of the comparators on the overall measure of rateable value per sq m.

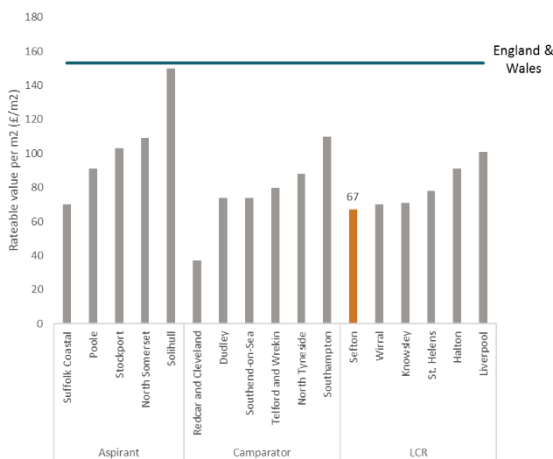
Figure 5.17 Rateable Value Per Sq M, 2015-16, Overall Commercial Floorspace



Source: Department for Communities and Local Government, NNDR Local Authority Level Data, Table FS1.4

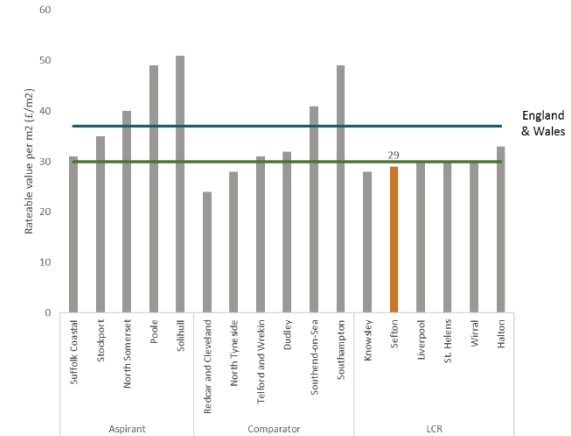
5.116 However, Sefton has amongst the lowest rateable value per sq m of office and industrial stock.

Figure 5.18 Rateable Value per Sq M (Office)



Source: Department for Communities and Local Government, NNDR Local Authority Level Data, Table FS3.4

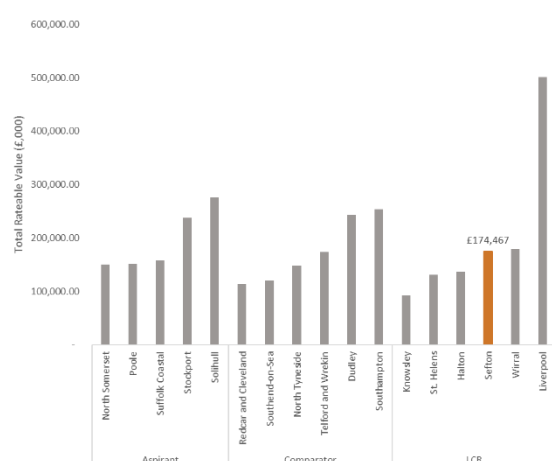
Figure 5.19 Rateable Value per Sq M (Industrial)



Source: Department for Communities and Local Government, NNDR Local Authority Level Data, Table FS4.4

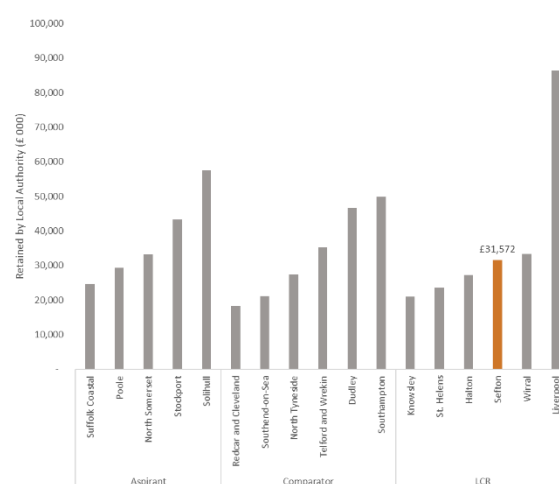
5.117 These values translated into a total rateable value for all commercial property in Sefton of around £174 million in 2015-16. Of this total, Sefton’s share of business rate revenue retained by local authorities was recorded at £31.5 million, representing around 18% of the total rateable value.

Figure 5.20 Total Rateable Value, 2015-16



Source: Department for Communities and Local Government, NNDR Local Authority Level Data, Table FS1.2

Figure 5.21 Business Rates Retained, 2015-16



Source: DCLG, NNDR3 Local Authority Data, 2015-16

5.118 The factors that could drive up values in Sefton, matching those of other areas include:

- A better performing commercial property market in terms of rental values, through improved stock and more attractive trading conditions which push up rents.
- Increases in the stock of rateable properties, including reductions in vacant premises, new developments on existing sites and new properties on new sites.

5.119 However, for several reasons under the current business rates regime an increase in rateable value and potential business rates to be collected would not simply translate into higher income for Sefton Council.

- 1) The total business rates yield nationally is fixed and any increase is limited to the rate of inflation. As a result, business growth does not result in proportionate increases in total revenue.
- 2) The total revenue required to be collected in any area is determined by standard and small business multipliers set by the government. There are also a series of rate reliefs, including discretionary reliefs, that may also apply to properties and the businesses occupying them.
- 3) Whilst 50% of business rates generated are locally retained (rather than being centrally pooled and redistributed in grant income), a complex formula set by the government still effectively redistributes this element of revenue.

5.120 Total rateable value and the total non-domestic rates revenue collected does not therefore directly determine how much Sefton retains under the current system.

5.121 Alongside its Liverpool City Region partners, Sefton is one of the local authority areas which will pilot 100% business rate retention under the area’s devolution settlement, following a recent government announcement. In principle, this initiative is intended to incentivise local areas to drive up business rate income through business growth and better performing commercial property sectors.

5.122 The introduction of 100% retention does not mean that all the business rate revenue collected will be retained for local spending. It will still be subject to a national formula that will result in some redistribution of revenue generated nationally. The government has stated that it will be ‘fiscally

neutral', with government revenue support grants (RSG) and specific support grants to local authorities reduced as the business rate revenue stream replaces it.

- 5.123 The advantages this change offers centre more on the additional control it may give local areas of how they spend and invest income through devolved responsibilities for spending as the RSG and other grants are closed down, and responsibility for services currently funded and delivered by central government passes to local authority partnerships.
- 5.124 As a local growth incentive, it may work best as collective mechanism: local authorities would pursue increases in business rates collected because they should benefit as a whole from a larger pot of revenue. Much will depend on how the distributive formula works in future, and the impacts of the move away from central grants at a time of continuing and significant public spending restraints.
- 5.125 Some caution is needed about the implications for local business. Rates are an operating cost for businesses, and objectives to drive up business rate revenue may have some adverse consequences. Business survey evidence (Sefton Employment Potential Study, 2015) identifies higher business rates as a barrier to growth. Although the issue is one identified across the UK and is not specific to Sefton, it has to be considered in any strategy to pursue business rate growth.
- 5.126 The link between rising commercial rents and increased business rate revenue is not straightforward. Businesses take account of both rental and rate costs in decisions about premises. Rises in rateable values could have a dampening effect on the commercial property market if it implies higher costs to businesses operating in an area.
- 5.127 It must also be recognised that areas which have been successful in developing larger scale, out of town industrial retail and leisure development have tended to see larger increases in the total rateable value of their commercial floorspace than those areas where businesses are concentrated in urban areas. This is partly the outcome of size – more rateable floorspace clearly increases total rateable value. While urban areas may have seen employment and business growth as commercial floorspace in smaller premises is redeveloped and regenerated, or used more efficiently and effectively, this does not necessarily lead to commensurate increases in total rateable value. It also raises important strategic questions about the balance between out of town and greenfield development versus objectives for sustaining commercial activity in town centres.

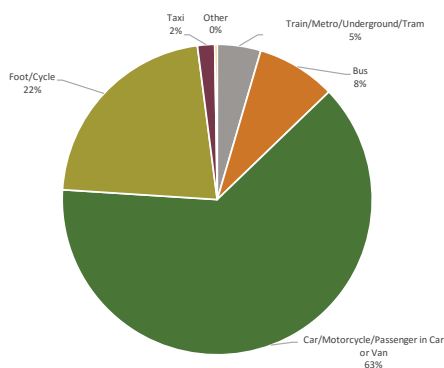
6. Connectivity and Infrastructure

- 6.1 Sefton's transport, utilities and digital infrastructure, and the strengths of the connectivity this provides to businesses, residents and visitors is essential to the borough's economy.
- 6.2 The key role of transport infrastructure is clearly recognised by the Liverpool City Region's recent Transport Plan for Growth. It sets the following priorities for improving transport to support:
- Growth: by increasing employment, productivity and investment, and by supporting growth in key sectors.
 - Low Carbon: Less dependency on unsustainable sources
 - Access to opportunity: Improving opportunity in education, employment, training, and further learning.
 - Improving health and well-being: recognising the role that transport can play in improving public health.
 - Social cohesion: acknowledging that transport accessibility directly contributes to community cohesion.
- 6.3 The development of new housing and employment sites in Sefton, and the borough's capacity to attract new residents and businesses, requires further investment in its utilities infrastructure. The continuing and rapid development of digital technology, products and services by domestic and commercial uses creates an imperative for Sefton to be served by the best possible broadband infrastructure.

Car use remains the most important mode of travel to work, and there is potential to shift further towards more sustainable forms...

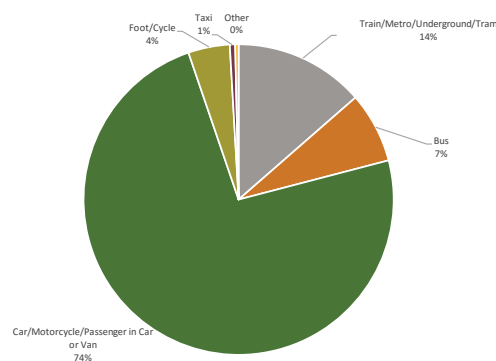
- 6.4 There is little current data on how Sefton's residents, workforce and businesses use public transport and travel for work, leisure, business and other social purposes. The most up-to-date and comprehensive travel to work data remains that of the 2011 Census, which gives a basic picture of transport use for those travelling to work into Sefton and for residents working elsewhere.
- 6.5 The Census showed that the majority of journeys to work by Sefton residents either working in the borough or outside it were made by car or motorcycle, or as a passenger in a car. The figures (63% and 74%) reflect Sefton's characteristics as an urban-rural borough without a large urban centre. Overall, 56% of travel to work journeys are made by private car. Cities and conurbations tend to have much higher rates of public transport use for travel to work, and lower rates of private car use.

Figure 6.1 Sefton Residents Working in Sefton, Mode of Travel to Work



Source: Office for National Statistics, 2011 Census

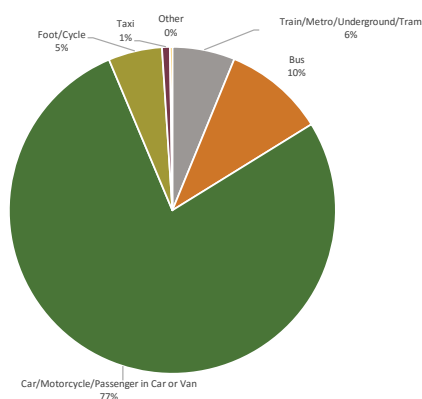
Figure 6.2 Sefton Residents Working Elsewhere, Mode of Travel to Work



Source: Office for National Statistics, 2011 Census

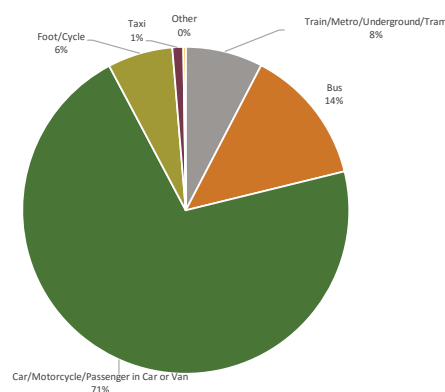
6.6 A similar pattern is apparent in people travelling to work in Sefton. A higher percentage of people from elsewhere in the Liverpool City Region travel to work in Sefton by bus than is the case generally with Sefton’s in-commuters.

Figure 6.3 Mode of Travel to Work, In-Commuters to Sefton



Source: Office for National Statistics, 2011 Census

Figure 6.4 Mode of Travel to Work, Other Liverpool City Region to Sefton



Source: Office for National Statistics, 2011 Census

6.7 Sefton’s most recent Strategic Needs Assessment (SNA, 2014-15) shows that the shortest travel to work journeys are those of residents in south Sefton and around Southport. This is consistent with the presence of major employment locations in and around Bootle and the Dunnings Bridge Road corridor, and the short journey to employment in Liverpool. In the north, Southport is the largest employment centre of settlements in this area. The important role of the visitor economy, where employees are more likely to live close to work given salaries and shift patterns, is also a factor.

6.8 The SNA also points to the problem faced by residents of more deprived areas of Sefton in terms of the costs of travelling to work. Despite living closer to workplaces, residents of the more deprived areas of south Sefton are more likely to face difficulties affording the costs of travel to work journeys. Around 66% of residents of Linacre ward, for example, have no access to a car.

6.9 More recent research for the Liverpool City Region confirms that the car remains the primary mode of transport for people travelling to Bootle and Southport at peak hours.³⁸ Interestingly, in

³⁸ Liverpool City Region, Modal Choice into Merseyside Centres, 2015/16 Monitoring Report, October 2016

Southport the survey shows an increasing proportion of people walking to their destination; although it stands at around 6.1% compared with 4.7% in 2007/08. In Bootle, data for 2014/15 show a fall in the proportion of people driving from 79% in 2003/04 to 75%. Over this period there have been increases in the proportion of people taking taxis or using the train.

- 6.10 The evidence on transport journeys points to challenges in terms of access to public transport, its relative costs (to incomes) and to sustainability in the location of homes and jobs. The emerging Local Plan (Policy EQ3) is clear about the need to encourage development which enables people to access work by walking, cycling or public transport. Transport policy priorities for Sefton and for the LCR generally emphasise the importance of investment in public transport infrastructure and services.
- 6.11 Consultations have also pointed to the need to ensure that good service and delivery access at town centre locations and commercial sites is maintained. Alongside this, consultees have pointed to perceptions amongst residents, businesses and users of town centres including Bootle, Crosby and Southport that parking costs and availability are issues that should be addressed.

Sefton is well-connected and accessible by public transport...

- 6.12 Sefton's Local Plan rightly points to the borough's extensive, well developed and well used transport network. The presence of the Merseyrail network is particularly notable. Connecting settlements across the borough to Liverpool and Liverpool Airport (South Parkway) and to services through to Wigan, Preston, Manchester and the national rail network, it extends from Bootle in the south through to Formby and Southport in the north, and to Maghull in the east of the borough.
- 6.13 With journey times to Liverpool Central of only 45 minutes from Southport into Liverpool Central, 30-40 minutes from Formby and Crosby, and just 15 minutes from Bootle, Merseyrail services provides a relatively low cost, frequent and quick means of accessing the city, and of bringing rail commuters into Sefton.
- 6.14 To date, the main messages about Merseyrail have focused on the need to upgrade the rolling stock across the network. Plans for a £460 million investment to upgrade Merseyrail's rolling stock are already underway and will be important to the continuing effectiveness of the network to businesses and residents in Sefton in the long-term.
- 6.15 In 2016, Merseytravel announced proposals to revise and withdraw a number of bus services in Sefton, putting the proposals to consultation. A substantial number of consultation responses to the consultation by Sefton residents are currently being considered by Merseytravel. The final outcome of the proposals will be known in the first half of 2017.
- 6.16 The emerging Local Plan recognises the need to encourage increased use of public transport and particularly rail services. The City Region's 2014 Long Term Rail Strategy recognises both that the LCR's rail network is an important economic strength of the area but also that growing demand means a continuing need to invest to maintain and improve both the network's capacity and the quality of its infrastructure.³⁹ Notably, the strategy points to the development of a new £13 million station at Maghull North, on which work is expected to commence in 2017.

A need for improvements to east-west routes through Sefton...

- 6.17 The emerging Local Plan acknowledges that transport infrastructure and services east-west are a weakness for several areas of the borough. It highlights:

³⁹ Merseytravel (2014) Converting Strength to Lasting Long Term Economic Growth, Liverpool City Region Long Term Rail Strategy

- The lack of direct rail services connecting east Sefton (Maghull, east parishes) to Bootle, Crosby and Southport. Safeguarding of the Bootle Strand to Aintree branch of the Merseyrail network is identified as a priority by Sefton’s emerging Local Plan.
- A lack of east-west bus services.
- The need for further improvements to the capacity of the A570 for access into Southport.

6.18 The east-west connectivity challenge extends beyond the borough’s boundaries. Residents and businesses in Southport are currently responding to proposed revisions to the rail services operating from Southport through Wigan into Manchester, with the operator understood to be proposing to terminate direct services to Manchester Piccadilly and Manchester Airport. Access to the west coast mainline requires changes in Wigan, Preston or Liverpool, and Sefton faces the same challenges as many rail users in the north of England in travelling across the country to the east and north east of England.

Figure 6.5 Volume to Capacity Ratios, Morning and Evening Peak

Figure 3-4 Volume to Capacity Ratio Morning Peak



Figure 3-5 Volume to Capacity Ratio Evening Peak



Source: TBC

Pressure on the strategically important M57-M58 intersection...

- 6.19 The key road infrastructure challenge for Sefton centres on the strategic connection between Liverpool 2 and the Seaforth area through to the M57/M58 interchange at Switch Island. Sefton Council's evidence on congestion hotspots in the borough shows that the most significant problems at peak hours centre on the settlements around Switch Island linked to the convergence of traffic from the M57 and M58.
- 6.20 Improvements at Junction 1 of the M58 are already approved as an investment priority by the LCR Combined Authority. The business case for the major scheme investment at Junction 1 recognises that congestion in the area is already increasing business travel costs and hampering access for the area's communities. It acknowledges also that new developments on both sides of the local authority boundary (Maghull and Knowsley) will further add to the volume of traffic through the area. Whilst the M58 itself continues to operate within its capacity limits, the business case also recognises that improvements to the flow of traffic using it will be required to support economic growth.
- 6.21 The £20 million Broom's Cross scheme, completed in August 2015, is understood to have assisted in improving road traffic accessibility north of Switch Island to the A565 in Thornton.

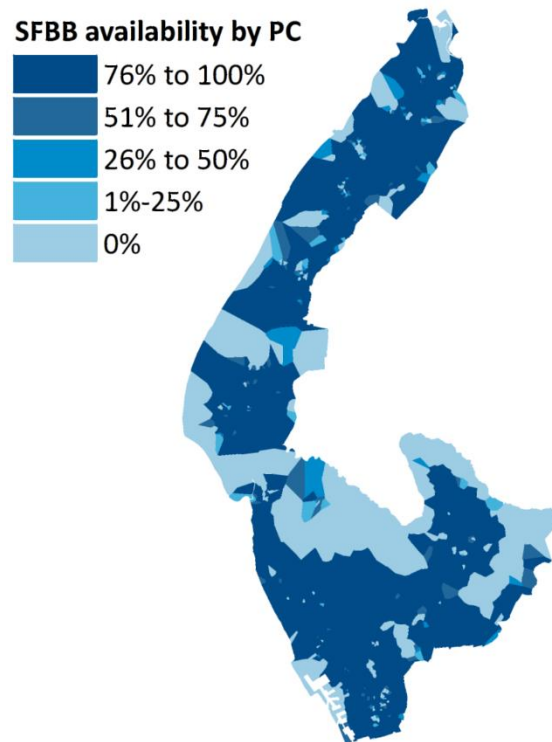
Major infrastructure investment is needed to support growth of Port activity...

- 6.22 The priority attached to improved road capacity and traffic management around Switch Island is directly linked to the major infrastructure investment that will be necessary for Sefton to capitalise on the growth opportunity presented by Liverpool 2 and increased port-related trade for the borough.
- 6.23 Increased road capacity to handle increased movements of freight out of the port to logistics and distribution sites both in Sefton and elsewhere is already earmarked as a priority. The LCR's Access to the Port of Liverpool Study projected an increase in the number of HGVs entering or leaving the port from 350 to 800 per hour, with 70% of this traffic using the A5036 Dunning's Bridge Road.
- 6.24 Options to provide the road capacity to respond to this projected increase are currently the subject of a Highways England Major Scheme proposal, with two options being consulted upon. One would see junction improvements along the existing Dunning's Bridge Road, the other a much more challenging proposal to create a new route through Rimrose Valley. In addition, traffic management around the A565 and A5036 in Seaforth is identified as a transport priority in Sefton's emerging Local Plan.
- 6.25 This is a critically important infrastructure investment for Sefton's economy:
- It will help to safeguard existing employment developments and facilitate new development along the Dunning's Bridge Road corridor, since its capacity to handle increased traffic to and from the port will affect businesses trading from sites along the A5036.
 - It will help to alleviate the effects of congestion on Sefton's residents, particularly those in settlements along the A5036 corridor.
- 6.26 Alongside road investment, the need to invest further in rail access to and from the port has also been recognised. Network Rail's investment in rail infrastructure capacity will double existing rail capacity to the port and enable 2 trains per hour to operate in and out of the port, providing the capacity to meet some of the increased demand for rail freight movements of containers. The biggest challenge will be integrating these movements with the west coast mainline, where there are understood to be capacity constraints.

Broadband infrastructure is both an opportunity and a challenge...

- 6.27 Sefton is where Hibernia Atlantic, one of the UK's main transatlantic fibre connections, comes ashore⁴⁰. Based on the experience of other locations with a similar facility on its doorstep, unfortunately there currently appears to be little scope to capitalise on this asset as it connects directly into the UK infrastructure and resurfaces at data exchanges inland.
- 6.28 The UK has been undergoing a significant upgrade to its broadband over recent years, however getting up to date, accurate figures on local area coverage is not straight-forward. Ofcom produce the most authoritative data, although it is a little out of date.
- 6.29 Sefton has 95% coverage of Superfast availability (ie >30 Mbit/s) although the pattern is mixed across the borough. Figure 6.6 shows the proportion of properties with superfast broadband in each postcode. Despite some areas still waiting to be connected, the overall level of superfast connectivity places Sefton in the top 15% of UK local authority districts.
- 6.30 Unfortunately, Sefton appears to lag behind a number of its comparator and aspirant authorities when it comes to download speeds (see Figure 6.7). This suggest that while some areas in the district are well connected, others have a very poor service. Take-up however appears strong (although comparative data is not readily available) as nearly 40,000 lines had been upgraded to superfast from basic broadband in Sefton by 2015.
- 6.31 A more up to date assessment of Sefton's coverage (but less consistently reliably as it is based in part of speed tests) suggests that the coverage of superfast has now risen to 98.6% by the end of 2016.

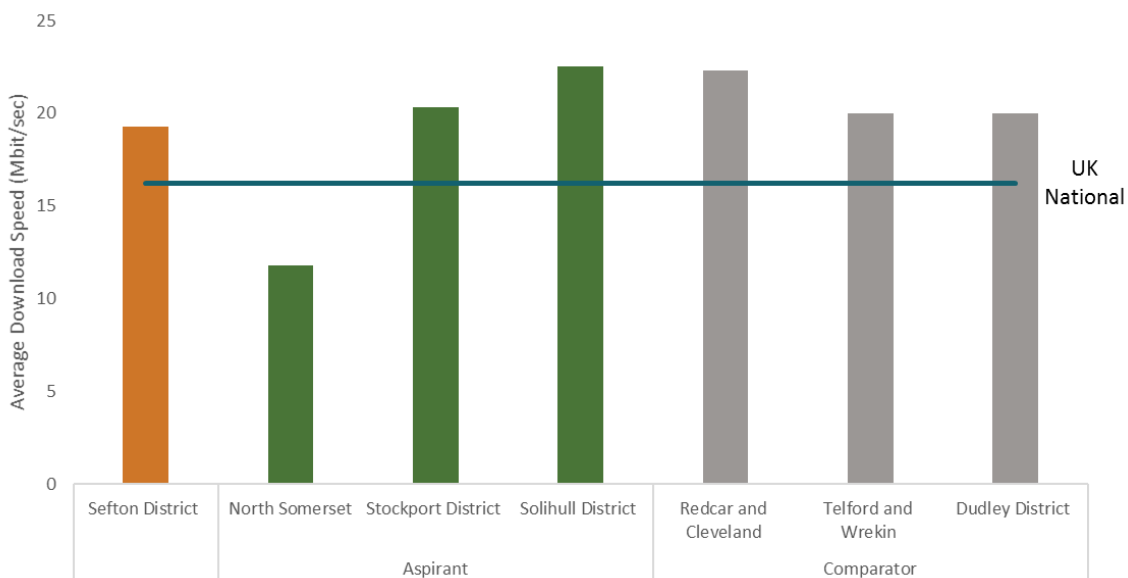
Figure 6.6 Superfast Broadband by Postcode



Source: Ofcom

⁴⁰ <http://submarine-cable-map-2016.telegeography.com/>

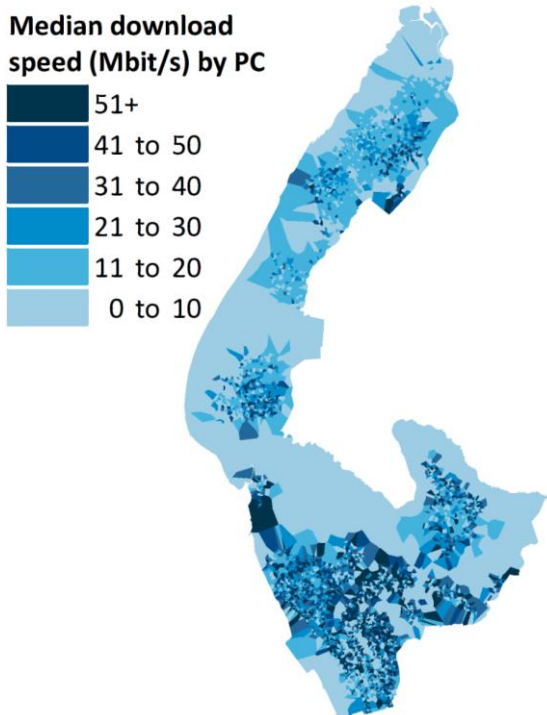
Figure 6.7 Median Download Speeds



Source: Ofcom Connected Nations 2015 <http://stakeholders.ofcom.org.uk/market-data-research/market-data/infrastructure/connected-nations-2015/downloads/>

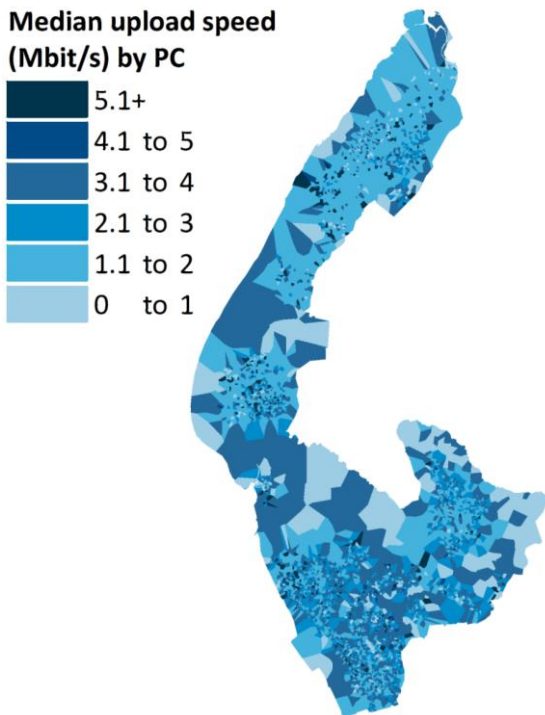
6.32 The pattern of speeds is uneven across Sefton. Download and upload speeds tend to be highest in the more urban and residential centres. In the south of the borough there are some areas which report very high download speeds in excess of 50Mbit/sec which should increasingly be seen as the norm and extended further across the borough and matched by similar upload speeds (which currently lag far behind).

Figure 6.8 Median Download Speeds



Source: Ofcom

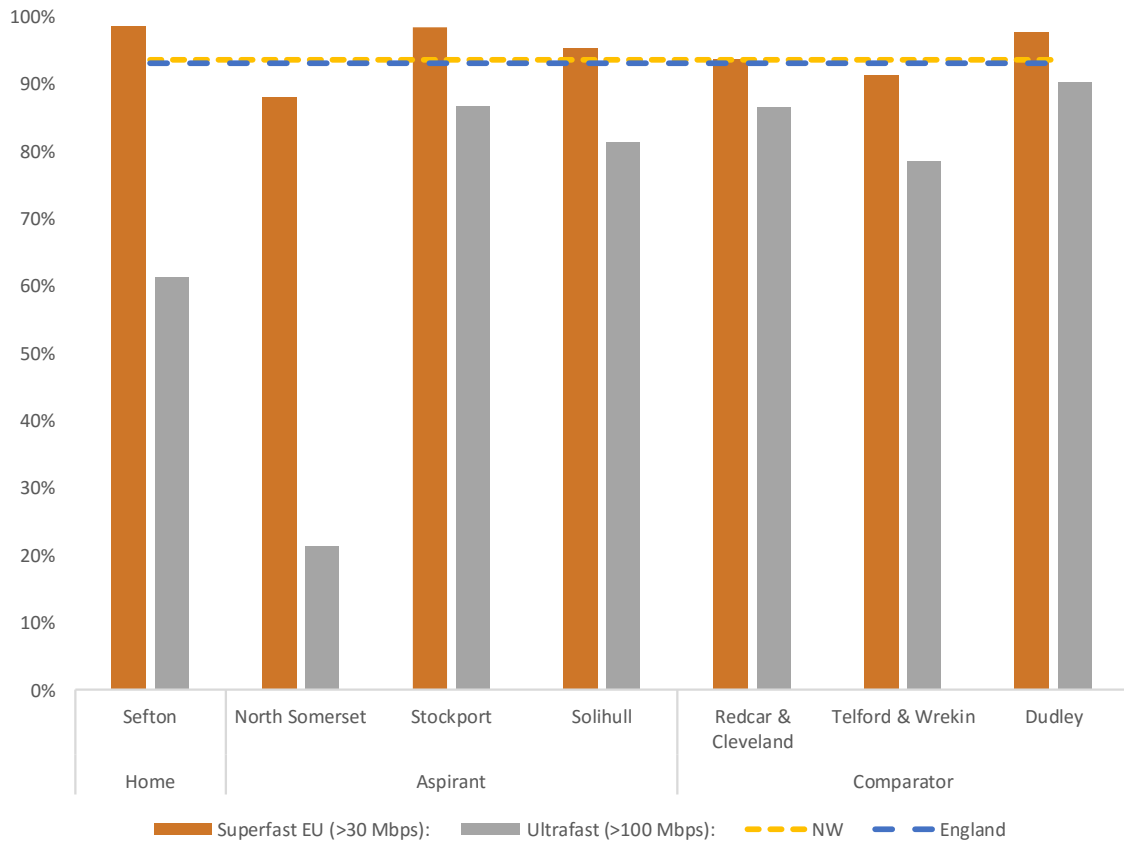
Figure 6.9 Median Upload Speeds



Source: Ofcom

6.33 While all other areas have seen similar rises in their superfast coverage, a number of Sefton’s comparators are much better served for ultrafast (>100Mbit/s +), largely due to the presence of Virgin Media in their area, as shown in Figure 6.10. The Virgin Media network is however largely concentrated on servicing residential areas and is not marketed as a business class service. Sefton is relatively well served by mobile 4G with 68% of the area covered by at least one provider and placing it in top 20% of local authorities in the UK.

Figure 6.10 Broadband Coverage: Superfast & Ultrafast



Source: Think Broadband Labs: <https://labs.thinkbroadband.com/local/>

6.34 Although Sefton’s businesses are relatively well-served in terms of superfast digital, there are no grounds for complacency. Increasingly areas compete on the basis of the 100 Mbit/s level services and 5G coverage. Businesses will increasingly gravitate towards areas which can offer easy access to such services

7. Live and Visit

- 7.1 This chapter assesses the attractiveness of Sefton as a place to both live and visit. There are common factors that influence both; the attractiveness of an area, perceptions and its retail, leisure and cultural pull influence the ability of an area to attract both residents and visitors.
- 7.2 Economically, it is important that Sefton is able to attract residents of working age, who can contribute to the local economy through work and spending with increasing numbers who generate a net gain in terms of tax receipts and benefits. Sefton needs to offer the right blend of work and housing alongside quality services to attract and retain residents.
- 7.3 Sefton's tourism offer is also an important economic asset. Visitors support economic activity, create jobs and help build positive reputation.

What is the housing offer in Sefton?

- 7.4 Sefton's housing offer is a key component of its attractiveness. The price and quality of housing will influence the type of residents the borough attracts and retains. A good balance of different property types and costs is needed which meets the aspirations of wealthier families and less well-off households.

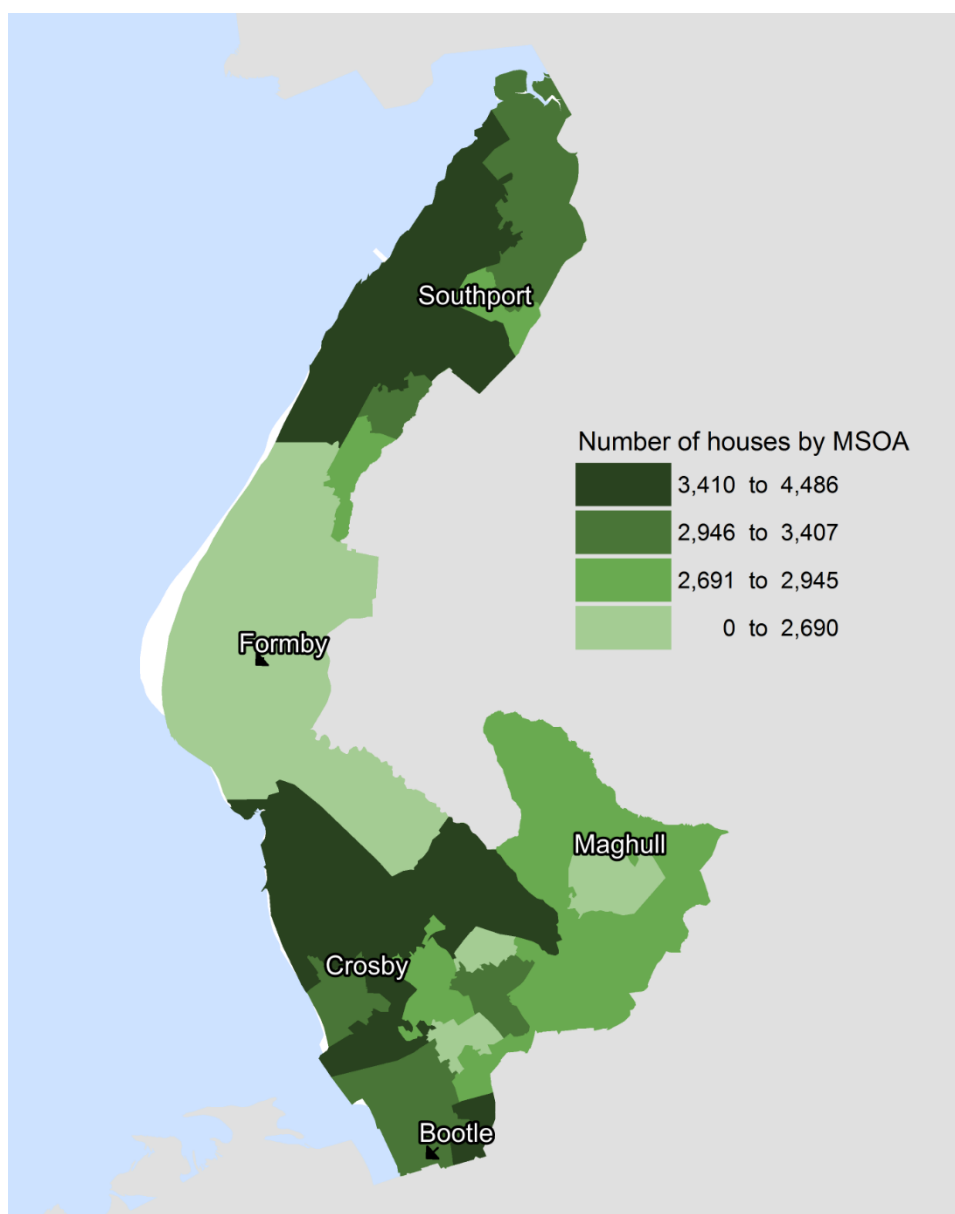
Sefton is an important residential location in the LCR...

- 7.5 The chapter on development shows that against comparator Local Authorities, Sefton ranks amongst the best performing in terms of house price paid and the volume of transactions. Sefton plays an important role as a residential location in the city-region, while still offering good levels of affordability.

There is a lower quality housing offer in the South of the borough...

- 7.6 As with other aspects of the local economy, there is a considerable contrast across the borough. The South has a greater proportion of social rented housing and a much lower proportion of owned properties than elsewhere in the borough. Bootle is often cited as an area in need of regeneration investment in order to change perceptions of the area.

Figure 7.1 Housing Number by MSOA



Local Authority Housing Statistics

What is Sefton’s Primary Education Offer

- 7.7 The quality of primary education is often an important factor in attracting and retaining residents to an area. Poor quality primary schools can deter residents and high quality secondary education can attract them.

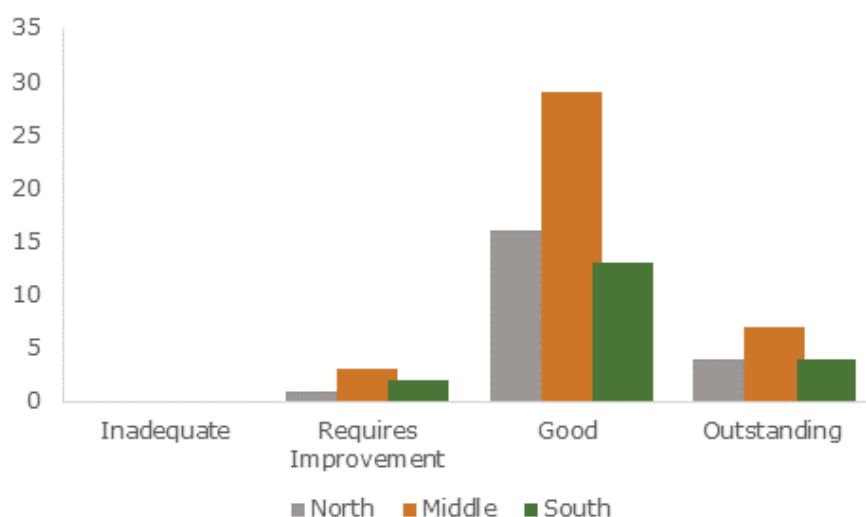
Sefton performs well in its provision of primary education...

- 7.8 There are 79 primary schools in Sefton which, on the whole, perform reasonably well. The majority of primary schools have an Ofsted rating of either Good or Outstanding, none of the schools are rated as inadequate and only a small minority require improvement. There is not much difference

in the quality of primary education across the borough, although the south of the borough has the greatest proportion of its schools rated as Outstanding.

- 7.9 This should be considered a key asset of the borough in its liveability offer and something that should be marketed in a bid to change aspirations of the borough as a place to live.

Figure 7.2 Number of Schools by OfSted Rating



Source: OfSted

What is Sefton’s retail leisure and cultural pull?

Sefton has an outdated and underperforming retail and leisure pull...

- 7.10 On the whole, Sefton does not perform strongly in terms of its retail, leisure or cultural performance. The North of the borough outperforms the rest of the borough in terms of its offer, with Southport being home to a considerable retail district, cultural institutions such as the Atkinson, a number of restaurants and a reasonable evening economy. However, many of its amenities are becoming increasingly outdated and increasingly serving a lower spending and older audience.
- 7.11 There is a need for Southport to rejuvenate its retail and leisure offer to appeal to a wider demographic. Southport suffers from youth-flight. Many of its younger population leave the area to study or work while an older resident population has migrated in. Improving Southport’s retail and leisure offer could help attract and retain younger working age families.
- 7.12 The beach is the main draw in the centre of the borough. Development interest here centres on executive housing rather than strengthening the retail or leisure offer and developing an evening economy.
- 7.13 The South of the borough has a poor-quality retail and leisure offer although it is served by the city centre in Liverpool in many respects. The Strand is the main retail offer in Bootle and is home to around 80 retailers. It offers low value retailing and has become outdated.

What are Sefton's main visitor economy assets and tourism offer?

Sefton is home to some important visitor assets in the LCR...

- 7.14 Sefton is home to tourism and leisure assets which attract substantial numbers of visitors from outside the borough and the Liverpool City Region. The tourism offer can be broadly split into the Coast which is home to Crosby and Formby beach and the seaside town of Southport. The North of the borough is home to the borough's key attractions:
- Southport Pier
 - Southport Pleasureland
 - Lord Street
 - The Atkinson Art Gallery.
- 7.15 Sefton plays a central role in the LCR's paid tourism offer hosting four of the top five paid events across the Liverpool City Region and being home to two of the top five paid attractions (see Table 7.1)

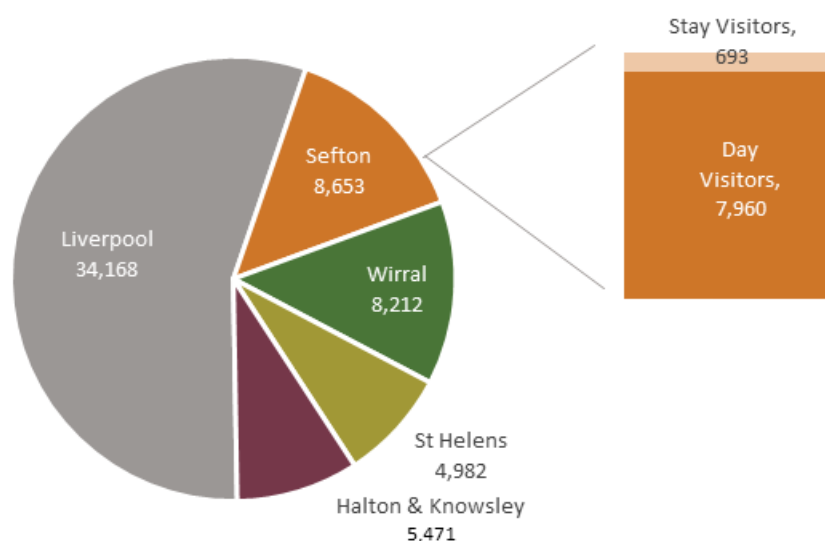
Paid Events		Paid Attractions	
Event	Number of Visitors	Event	Number of Visitors
The Grand National	142,500	Mersey Ferries	607,500
Southport Air Show	80,000	Pleasure Land	500,000
Creamfields	70,000	Beatles Story	250,000
Southport Flower Show	54,000	Haydock Racecourse	203,000
Musical Fireworks	35,000	Aintree Racecourse	173,500
Total	381,500	Total	1,743,000
Sefton Total	311,500 (82%)	Sefton Total	673,500 (39%)

Source: North West Research, Tourism Data Summary, July 2016; Sefton events and attractions highlighted

How does Sefton's visitor economy perform?

- 7.16 Sefton attracted around 8.7 million visitors to the borough during 2015, representing 10.6 million visitor days. This amounted to an increase of around 4.5% compared with 2014, and is indicative of an upturn which has seen visitor numbers and days continue to recover from the effects of recession.
- 7.17 These visitors make a substantial direct and indirect economic contribution to Sefton through their expenditure. The borough's most recent estimates (STEAM Report June 2016) put total direct expenditure at £335.8 million in 2015 compared with £321.2 million in 2014. This represents visitors' spending on accommodation, food and drink, retail, recreation and transport. A further £162 million of indirect spending (ie supply chain) is estimated to have been generated in 2015.
- 7.18 Putting these figures in their wider context, Sefton had the second highest visitor numbers and spend in the city-region after Liverpool (see Figure 7.3).

Figure 7.3 Liverpool City Region Visitor Numbers (000's)



Source: Tourism Data Summary July 2016, North West Research

- 7.19 This expenditure supports substantial numbers of jobs, including full and part-time jobs, seasonal and temporary jobs directly and indirectly linked to the visitor economy. The latest estimates put the direct employment total at 4,550 in 2015 compared with 4,400 a year earlier. This translates to 6,350 currently when the wider effects on the economy are taken into account.

Sefton should focus on driving up visitor spending...

- 7.20 The most recent spending data for Sefton (STEAM, 2015) show that direct spending by 8.7 million visitors has continued to increase post-recession, with the total of £335.8 million in 2015 effectively restoring expenditure to its 2009 level (at current prices). In simple terms, this represents around £39 per visitor, an increase over the equivalent 2014 figure of £38.
- 7.21 Encouragingly, the direction of travel for both staying and day visitors is upwards. Staying visitors were estimated to have total a expenditure impact (direct and indirect) of £179.2 million in 2015, equating to around £259 per visitor compared with an equivalent figure of around £252 in 2014 (at 2015 prices). Staying visitor figures from North West Research's latest survey (2015) put the average figure spent per person at £196, a figure consistent with the STEAM figures.

Sefton needs to make more of its visitor assets...

Southport

- 7.22 Visitor survey data (North West Research, 2015) reinforces the message that Southport is the most recognised and visited destination in Sefton. The survey shows a significant majority of respondents citing a visit to Lord Street and Southport town centre as the focus of their trip, with other locations in and around the town (Pier and beach, market, Pleasureland) also highlighted. Alongside both its paid for and free attractions for leisure visitors (day and staying), business conferences have had an estimated value of £9.4 million in 2016/17 (to date).
- 7.23 Tourism data also shows that the town appears to have seen footfall fare better than the UK or coastal town averages. Although its figures show a 0.2% fall in footfall in 2016, this compares to

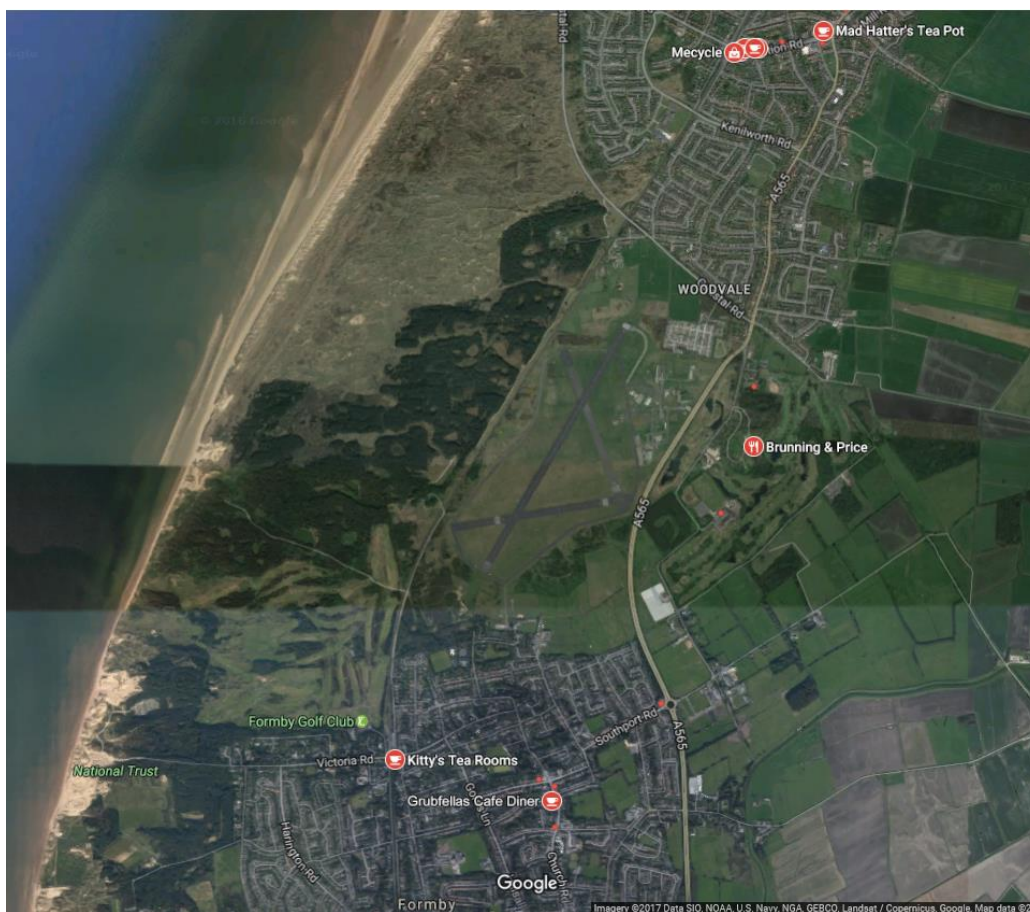
1.1% nationally and 2.3% in coastal towns. Encouragingly, indexed data show a 4.1% increase in hospitality and leisure spend in 2016.

- 7.24 This suggests that the focus of the Southport Development Framework, one of the borough’s key regeneration frameworks, is targeting the right objectives. Improving the quality of its retail core and extending and improving the leisure attractions it offers are important if it is to broaden its appeal to visitors and encourage more spending in the town and its facilities (hotels, other accommodation, shops, leisure attractions etc).

The Coast

- 7.25 The coast is home to attractions such as Ainsdale Beach, Another Place (Gormley statues) and the National Trust. It attracts an estimated 1.2m visitors per year, and it is clearly one of the attractions in its own right most associated with Sefton, particularly amongst day visitors from the surrounding area.

Figure 7.4 Spending Money at Formby Beach



Source: Google Maps

- 7.26 Sefton MBC and its partners have recognised that there is a need to improve the connection between visits to its beaches and the borough’s towns and villages. There is a balance to be struck between the environmental quality of coastal Sefton and the economic value they generate to the borough. Consultees have highlighted, for example, a number of key gateway locations which lack facilities in which visitors could and would spend money i.e. cafes and retail outlets. Figure 7.4 below shows how few facilities there are close to Formby beach. Others have pointed to the

potential for parts of the coast to offer more to visitors to encourage them to link trips, including for visitors from Liverpool.

- 7.27 Moreover, while the coast is the beach destination of choice for residents in the Liverpool City Region and although it attracts visitors from Greater Manchester and Lancashire, anecdotal evidence suggests its reach is limited. Sefton needs to better promote the coast as a visitor attraction, to extend its draw, increase footfall and boost visitor spend.

Appendix A - National Well-being Indicators

Table A.1 National Wellbeing Indicators	
Theme	Indicators
Personal Wellbeing	Life satisfaction
	Sense of worthwhile
	Anxiety
	Mental wellbeing
Our Relationships	Unhappy relationships
	Loneliness
	Having somebody to rely on
Health	Life expectancy
	Reported disability
	Satisfaction with health
	Evidence of depression or anxiety
What We Do	Unemployment rate
	Job satisfaction
	Satisfaction with amount of leisure time
	Volunteered more than once in the last 12 months
	Engaged with arts or cultural activity
Where We Live	Participation in sport
	Crimes against the person
	Feel safe walking alone after dark
	Accessed natural environment once a week
	Belonging to a neighbourhood
	Minimum travel time to reach key services
Personal Finance	Satisfaction with accommodation
	Median household income
	Wealth per household
	Satisfaction with household income
The Economy	Difficulty getting by financially
	Real net disposable income per head
	Public sector debt
Education and Skills	Inflation rate
	Human capital
	Those not in education, employment or training
Governance	Residents with no qualifications
	Voter turnout in UK General Elections
The Natural Environment	Those who have trust in national Government
	Greenhouse gas emissions
	Protected areas
	Energy consumed from renewable sources
	Waste from households that is recycled

The background features a dynamic pattern of blue light trails that curve and swirl across the page. Several semi-transparent white squares are scattered throughout, some overlapping the light trails. In the center-right, there is a white rectangular box containing contact information.

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