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MARCH 2025

Cheshire West and Chester Economic Development Needs Assessment

Final Report

ICENI PROJECTS LIMITED ON BEHALF OF CHESHIRE WEST AND CHESTER COUNCIL

Iceni Projects Limited on behalf of
Cheshire West and Chester
Council

March 2025

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Cheshire West and Chester Economic Development Needs Assessment

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1. INTRODUCTION AND SUMMARY

1.1 Iceni Projects has been commissioned by Cheshire West and Chester (CW&C) Council to undertake an Economic Development Needs Assessment (EDNA). This project is funded by the UK Government through the UK Shared Prosperity Fund.

1.2 The brief for this project encompasses:

- Baseline economic data and characteristics of the borough and relevant property market areas.
- Existing stock of land for employment uses by type within the borough and property market areas
- Market demand (by location and sector)
- Recent patterns of employment land supply and loss
- Analysis of market signals to forecast future needs for the 2024/25 to 2044/45 period.
- Recommendations on the key economic issues to be addressed in a new Local Plan

1.3 The study area is the Cheshire West and Chester Council Area. Where analysis is presented spatially, the Borough has been split into five areas (Chester, Ellesmere Port, Northwich, Winsford and the rural area). This reflects the spatial areas defined within the adopted January 2015 Local Plan (Part One).

1.4 Key findings of this report are:

- CW&C has a robust and resilient economy that has seen growth over the last decade. There are a range of strengths in terms of financial services, professional, scientific and technical services, tourism, manufacturing and specialist manufacturing - as well as to a lesser degree warehouse and distribution. CW&C has particular strengths in sub sectors of energy and nuclear, environmental technologies, advanced manufacturing and

engineering and automotive sectors which have been supported by the Cheshire Science Corridor Enterprise Zone.

- The employment forecasters (Experian and Cambridge Econometrics) signal reductions in manufacturing employment in the longer term. Based on current stakeholder and market intelligence, if these reductions do materialise are likely to be in generalist or lower value sectors. Conversely there appear to be strong opportunities in higher value manufacturing and related sectors. The labour demand forecasts suggest jobs growth ranging from 7,500 jobs to 13,600 jobs (2024-44) however these numbers could potentially be exceeded subject to the density of employment on recommended land supply.

- The planning authority should ensure a deliverable provision of future land supply in line with the recommendations of this report being 193 ha of industrial/warehousing. In reality this may mean a switch from PDL, available through the last plan period, to greater levels of greenfield provision. There may be exceptional investments over and above planned or allocated land to be considered on a case by case basis. Ellesmere Port followed by Northwich and Winsford are the priority areas for provision. Large scale inward investment sites[1] should make up a minimum of 40% of the future total but it would be preferable for this to be closer to 60% reflecting trends towards large units for both inward investment and strategic distribution.

- The office market has been weakened through the COVID-19 process, with increased home working and reluctance to occupy secondary stock. Increased construction costs mean that viability thresholds for new office space are challenging outside of the main UK cities. There is demand for premium space in Chester but speculative development is unlikely to take place. If available, public funding to support the introduction of Grade A offices in and around Chester would be welcomed by the market. Diversification of

[1] Defined as larger sites of at least 5 ha for the extension of existing large sites, and a minimum of 10 ha for new sites, but more frequently 25 ha and significantly above.

employment activities will also support the viability and vibrancy of business parks.

2. FUNCTIONAL ECONOMIC MARKET AREA (FEMA)

Introduction

2.1 The PPG[2] provides specific guidance on how Functional Economic Market Areas (FEMA) can be defined. It notes that no standard approach is possible as patterns of economic activity vary from place to place. However, it does suggest that when defining a FEMA the following factors are important to consider:

- The extent of any Local Enterprise Partnership within the area;
- travel to work areas;
- housing market area;
- flow of goods, services and information within the local economy;
- service market for consumers;
- administrative area;
- catchment areas of facilities providing cultural and social well-being[3]; and
- transport network.

Previous Definitions

2.2 As a relatively new local authority (established 2009) there is not a rich history of studies examining the local authority. The 2013 Employment Land Study did not examine the FEMA but did recognise the close links between Chester West and Chester and Flintshire due to the proximity between Chester and the Flintshire border.

[2] [2] Reference ID: 61-018-20190315

[3] Includes facilities such as museums, hospitals, leisure centres, universities, theatres and cinemas

Administrative boundaries

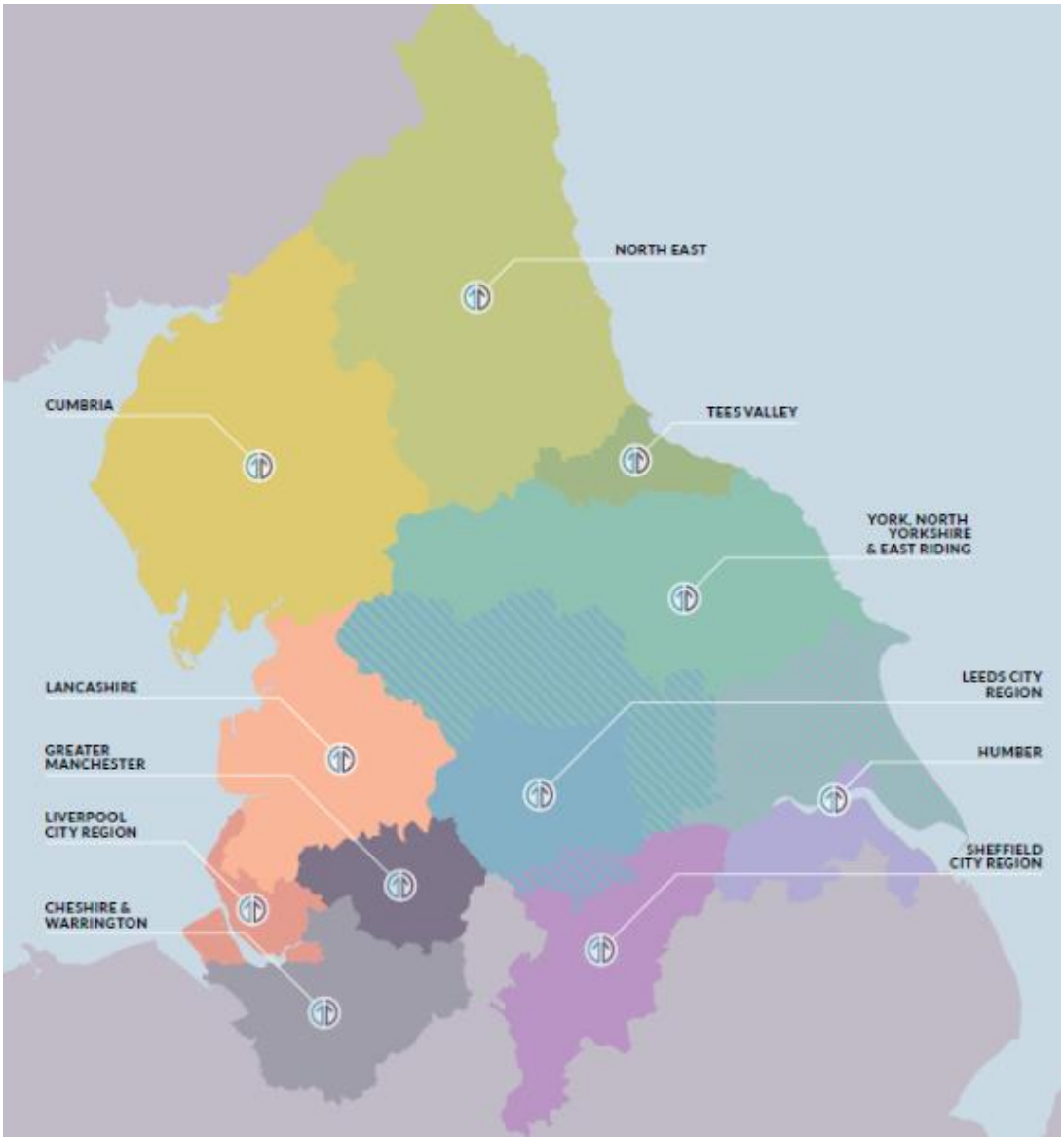
2.3 **Administrative area –** Cheshire West and Chester is a local government district with borough status and lies within the county of Cheshire. The council (CW&C Council) is a unitary authority - a district council which also performs the functions of a county council.

2.4 Other Administrative Boundaries include Cheshire Constabulary and Cheshire Fire and Rescue Service which operate across Chester West and Cheshire, Cheshire East, Halton and Warrington local authorities.

2.5 **Transport Network –** As a Unitary Authority, CW&C are the Local Transport Authority (LTA) and are responsible for making decisions regarding transport infrastructure investment.

2.6 Cheshire West and Cheshire also sit on the Board for Transport for the North – a sub-national transport body formed to make the case for strategic transport investments across the North of England. This body brings together the North's 20 LTAs, business leaders, Network Rail, National Highways and HS2 Ltd whilst working closely with Central Government.

Figure 2.1 - Transport For the North Area



Source: Northern Transport Strategy, 2016

2.7 There are a number of local train networks operating in CW&C including Avanti West Coast, Transport for Wales, Merseyrail and Northern Trains who serve Chester. Transport for Wales manages Chester Station as well as Frodsham, Helsby and Neston Stations. Merseyrail manages the stations at Hooton, Little Sutton, Overpool, Capenhurst, Bache and Ellesmere Port. The mid-Cheshire line (Chester – Northwich – Manchester) is operated by Northern and the West Coast Mainline (which passes through Winsford station) is operated by London Northwestern railway.

2.8 The nearest major airports are Liverpool John Lennon and Manchester Airport. There is an airport at Hawarden which is largely used for private flights but also plays an important role in freight transport serving Airbus' Broughton factory in Flintshire.

2.9 **Health services –** The Integrated Care Board (ICB) that covers Cheshire West and Chester is NHS Cheshire and Merseyside ICB. The ICB covers the wider area shown in the map below and is responsible for local NHS services, functions, performance and budgets.

Figure 2.2: Map showing extent of NHS Cheshire and Merseyside ICB

Source: NHS Cheshire and Merseyside, https://www.cheshireandmerseyside.nhs.uk/

2.10 There are also two NHS Trusts which manage the Hospitals in CW&C. This includes the Mid-Cheshire Hospitals NHS Foundation Trust which run the Victoria Infirmary in Northwich and the Elmhurst Intermediate Care Centre in Winsford and the Cheshire and Wirral Partnership Trust which runs facilities including the Countess of Chester Hospital, Tarporley War Memorial Hospital and Ellesmere Port Hospital.

2.11 This suggests that the East and West of CW&C operate in slightly different functional areas by this measure.

2.12 **The Local Enterprise Partnership (LEP)** – The Cheshire and Warrington LEP covers Cheshire West and Chester, Cheshire East and Warrington, responsible for driving the economic growth of the sub-region. It should be noted however that the Government ceased funding LEPs in April 2023 and many LEP functions are now being integrated to local and council authorities. The Cheshire and Warrington LEP is now known as Enterprise Cheshire and Warrington.

2.13 **The local Chamber of Commerce** – The West Cheshire & North Wales Chamber of Commerce provides business support across the two regions, highlighting the economic connections between North Wales and CW&C.

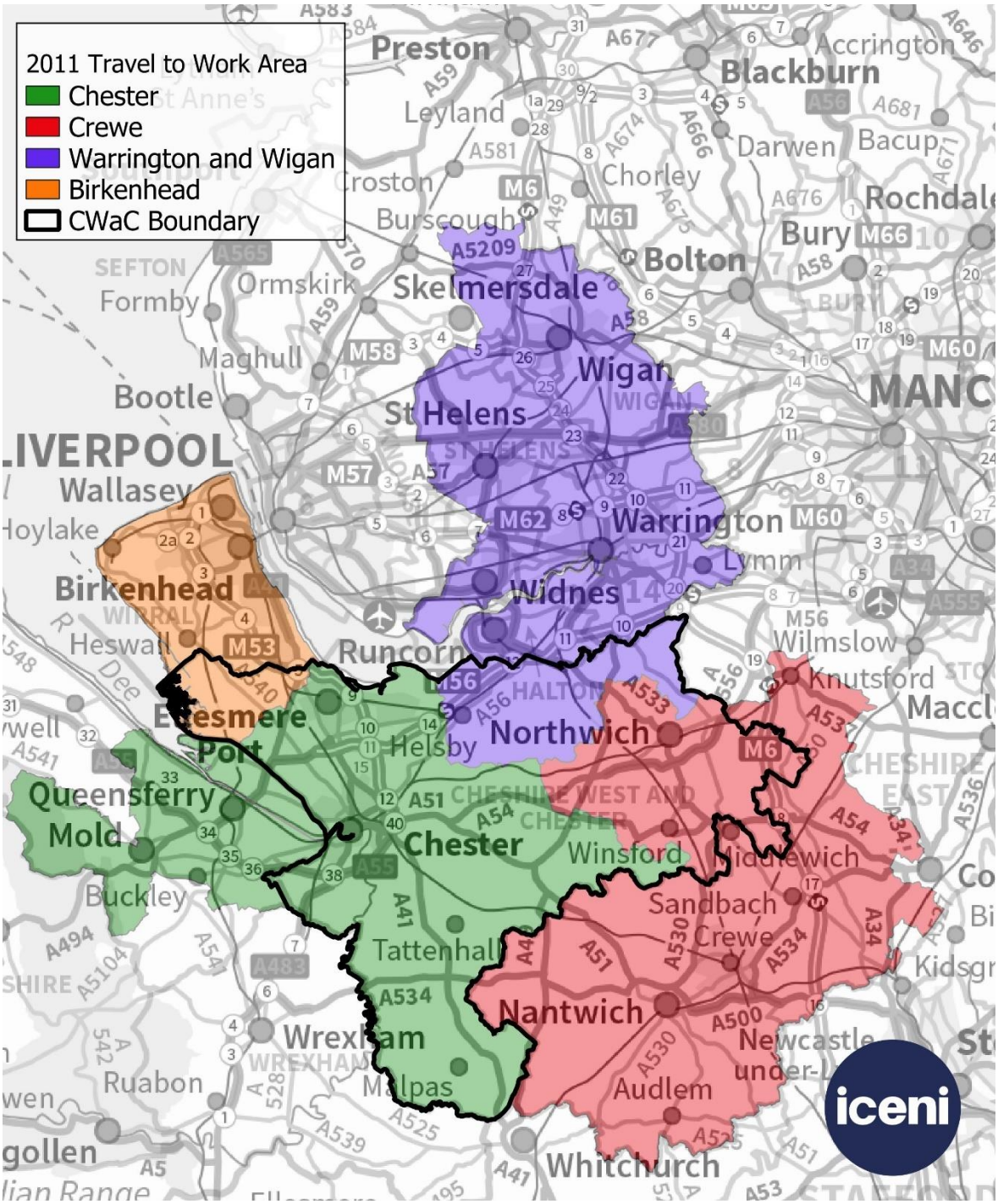
Travel to Work Area

2.14 In 2015, ONS produced Travel to Work Areas (TTWA) for England based on 2011 census data. These remain the latest available TTWA data set. As illustrated below, Cheshire West and Chester falls within four TTWAs:

- The east of CW&C including Northwich and Winsford falls within the Crewe TTWA.
- The west of CW&C, including Chester and Ellesmere Port, lies within the Chester TTWA which extends into North Wales.
- The north-west of CW&C, including Neston and Willaston, falls within the Birkenhead TTWA.
- The north-east of CW&C, including Helsby and Frodsham, forms the southern end of the Warrington & Wigan TTWA.

2.15 This is a consolidation from the previous TTWA where there was a rural area to the south linked with Wrexham and Ellesmere Port formed part of the Wirral and Ellesmere Port TTWA. This might indicate an increasing level of self-containment with this area.

Figure 2.3: 2011 Travel to Work Areas in Cheshire West and Chester



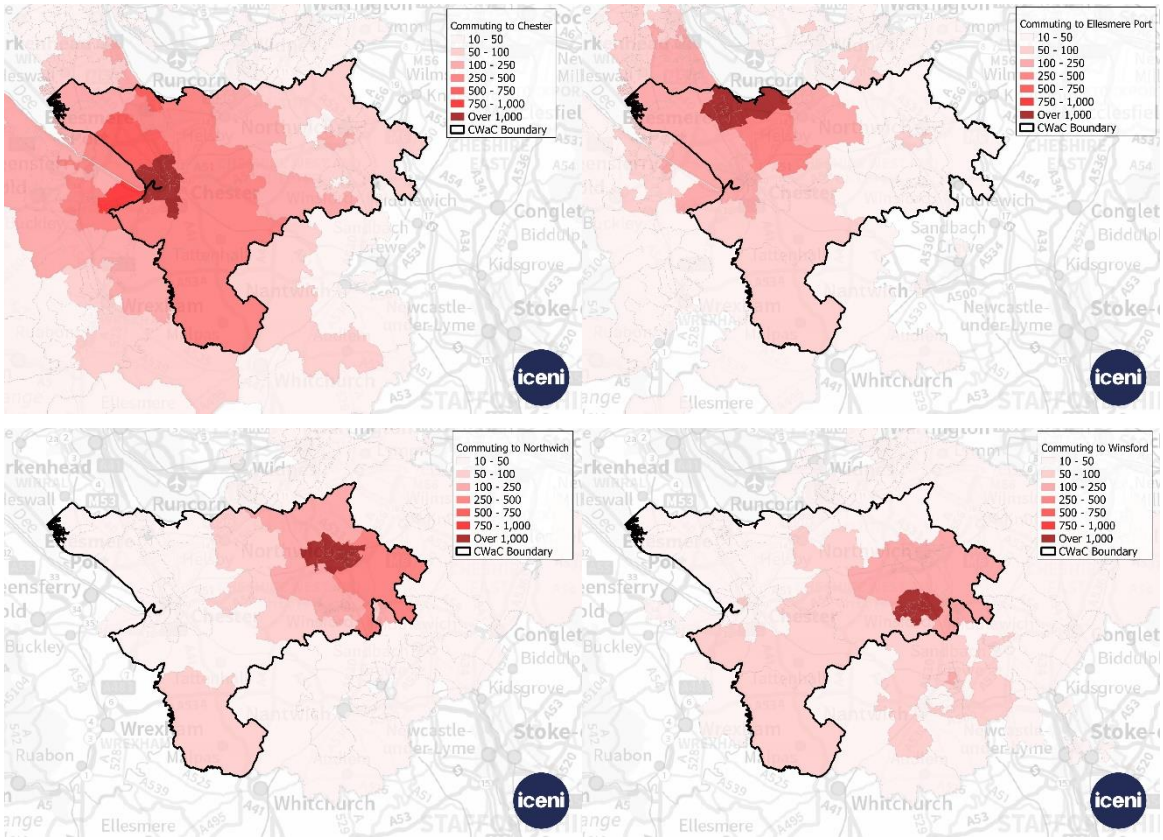
Source: MHCLG, Contains OS data © Crown copyright and database right 2021

2.16 The Travel to Work Areas have not yet been updated to use the 2021 Census Data. However, commuting data has been published and we have examined this for CW&C. It should be noted that the Census 2021 collected responses during a period of partial lockdown which affected the information gathered for several topics, including working from home. This fundamentally affected census travel-to-work patterns making it difficult to compare to the 2011 census, however despite its limitations, it is the most reliable and up-to-date data available.

2.17 Firstly, we have looked at where the borough draws its workforce from. For this we have examined commuting to Chester, Ellesmere Port, Northwich and Winsford. As the map below shows, all of the main urban areas[4] draw from their immediate surrounding areas. Chester being the largest employment centres has the largest catchment with many people commuting from North Wales. Both Chester and Ellesmere Port also draw from the Wirral Peninsula.

Figure 2.4: Commuting to Main Urban Areas

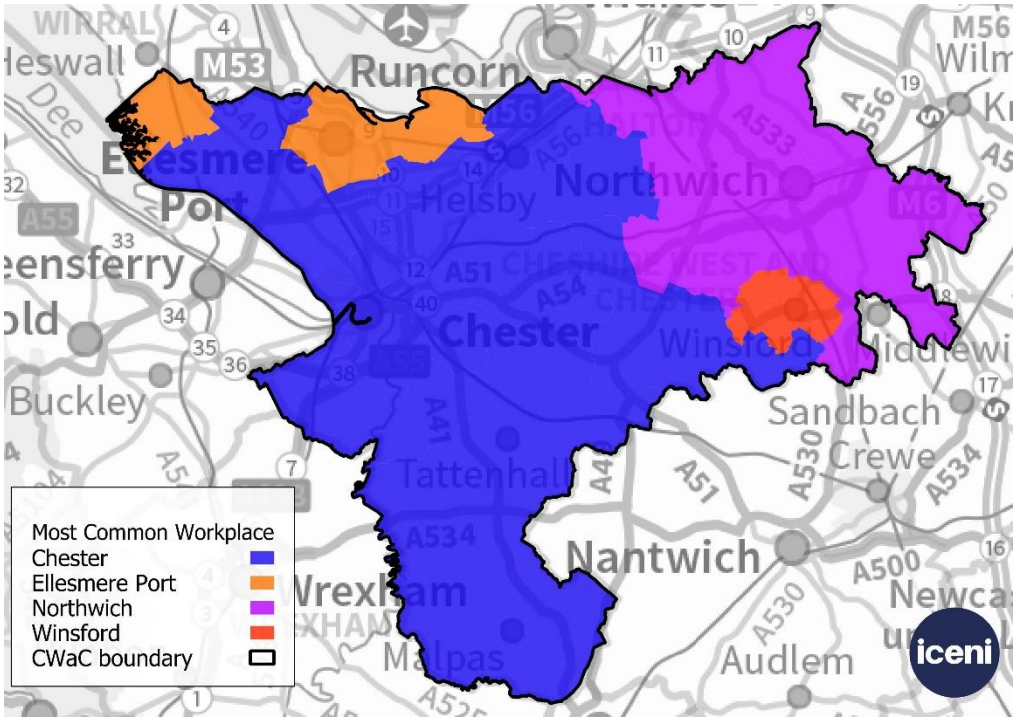
[4] Chester is defined as MSOAs – Cheshire West and Chester 027,028,029,031,032,033,034, 036, 041, 043, 044. Ellesmere Port as Cheshire West and Chester 005, 007, 008, 009, 010, 011, 013, 014, 016; Northwich as Cheshire West and Chester 012, 018, 019, 020, 021, 023 and Winsford Cheshire West and Chester 035, 037, 038, 040, 042



Source: Iceni Analysis of ONS, Census 2021, Contains OS data © Crown copyright and database right 2021

2.18 For each Middle Super Output Area within CW&C we have identified which of the main employment centres is the most common destination for its residents. As shown for large parts of CW&C Chester is the most common employment centre. Chester's influence extends to the northwest of CW&C, with the exception of small areas around Ellesmere Port and Neston. Northwich is the most common location for eastern CW&C with the exception of the group of MSOAs comprising Winsford. This points to slightly different functionality between the east and west of the district, with a general tendency for residents towards the west of the borough to also work within the western part of CW&C and residents towards the eastern side of the borough to also work there.

Figure 2.5: Main Internal Commuting Destination



Source: Iceni Analysis of ONS, Census 2021, Contains OS data © Crown copyright and database right 2021

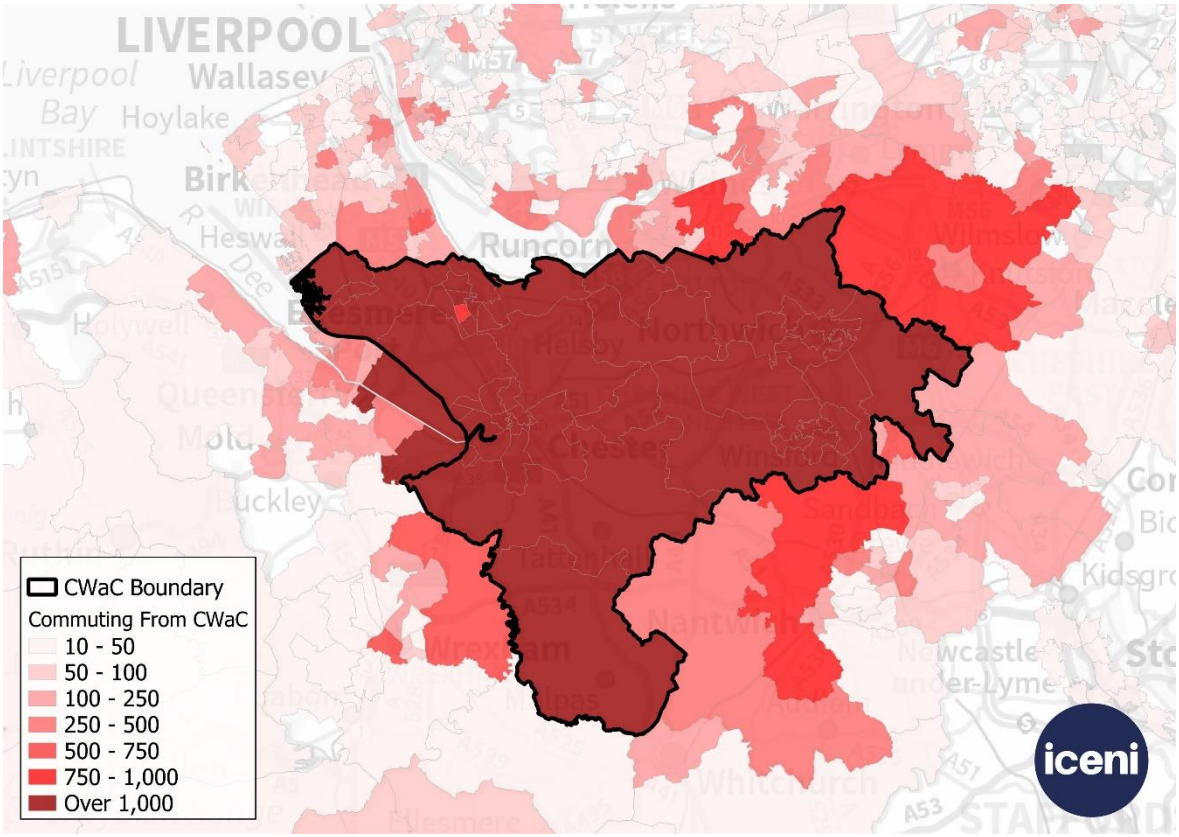
2.19 In total the 2021 Census states that there are 169,747 jobs located in Cheshire West and Chester (including those working from home). Of these, 132,381 are taken up by those residing in Cheshire West and Chester. This is the equivalent to a jobs-based self-containment rate of 78.0%. This exceeds the 75% threshold used by ONS to define TTWAs.

2.20 We have also looked at where the borough's residents find employment using 2021 Census data. This analysis does include those who work from home. Again, it should be noted that the Census 2021 collected responses during a period of partial lockdown in which people a greater proportion of people are likely to have been working from home and people may have been commuting further afield for office-based jobs. Despite its limitations, it is the most reliable and up-to-date data available.

2.21 As shown the highest number of commuters originating from CW&C also work in CW&C. There is also a level of out-commuting to Preston Brook, Nantwich, Middlewich, Broughton, Bromborough, Wrexham and Deeside.

2.22 While there are commuters to Manchester and Liverpool City Centres these are few in number with most commuters only travelling in large numbers to the immediately surrounding areas. This aligns with a strong degree of self-containment.

Figure 2.6: Out Commuting from CW&C



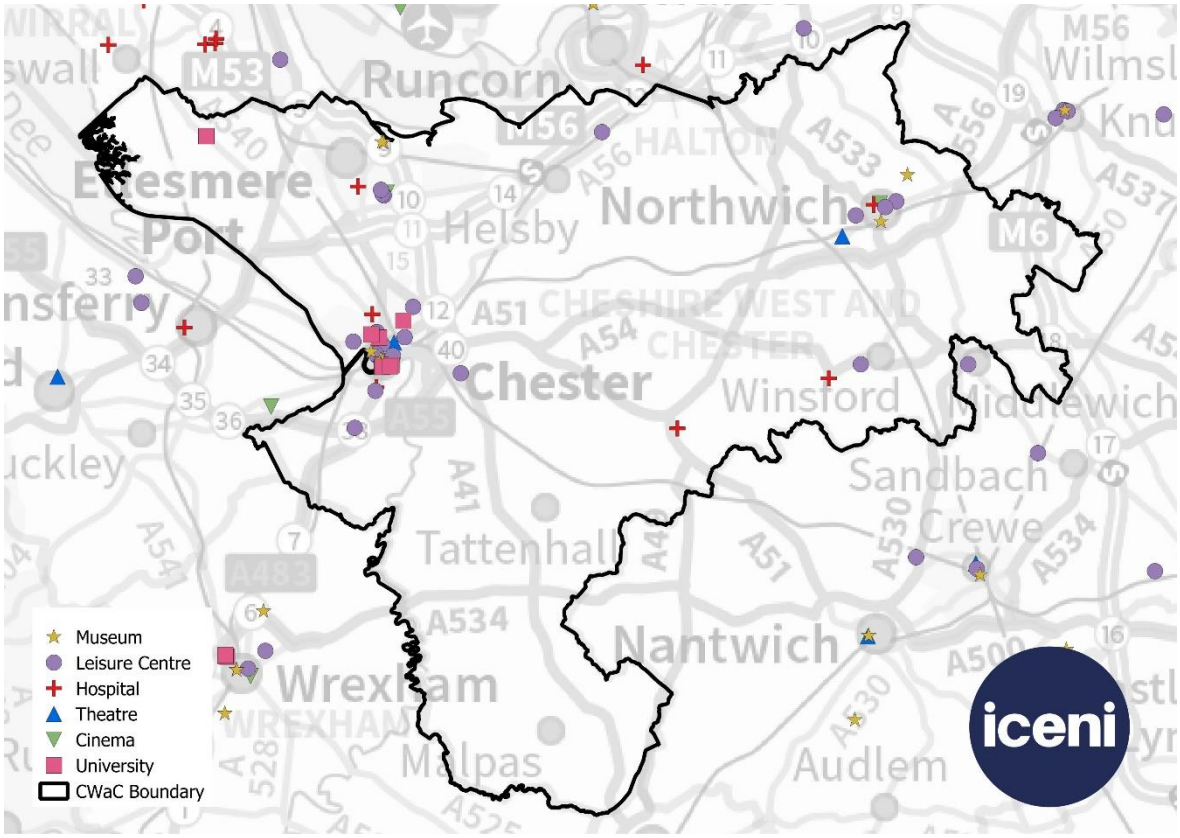
Source: Iceni Analysis of ONS, Census 2021, Contains OS data © Crown copyright and database right 2021

2.23 In total the 2021 Census states that there are 169,090 residents in employment in Cheshire West and Chester. Of these, 132,381 work in Cheshire West and Chester (including those working from home). This is the equivalent of a residents-based self-containment rate of 78.3%. This exceeds the 75% threshold used by ONS to define TTWAs.

Cultural and Social Facilities

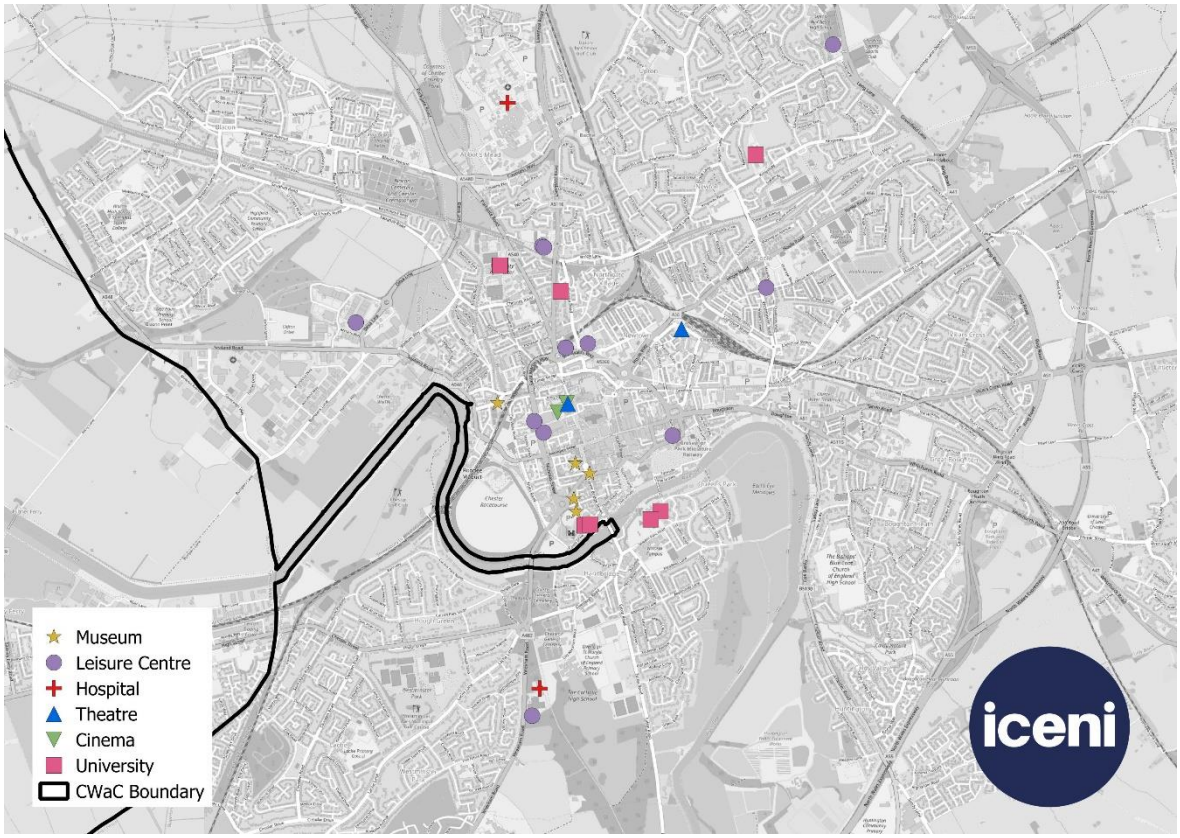
2.24 The maps below illustrate the location of key cultural and social facilities in CW&C and the wider area. As shown, there are two main clusters in the CW&C. The largest is in Chester with a secondary centre at Northwich. The only University is located in Chester as is the only accident and emergency hospital. This also highlights the importance to the wider area.

Figure 2.7: Map of key cultural and social facilities



2.25 *Source: Iceni analysis, Contains OS data © Crown copyright and database right 2021*

Figure 2.7: Map of key cultural and social facilities - Chester



2.26 *Source: Iceni analysis, Contains OS data © Crown copyright and database right 2021*

Service Market for Consumers

2.27 The service market for consumers analysis draws on the Cheshire Retail Study(2016)[5]. This notes that in 2010/11, Venuescore identified that Chester city centre was ranked 32nd in the UK and by 2014/15 the centre had declined to 37th. A more recent study suggests the City Centre had recovered to 20th by 2021 which was a significant improvement[6] . All studies were prior to the opening of Northgate Shopping Centre Phase 1 in 2022.

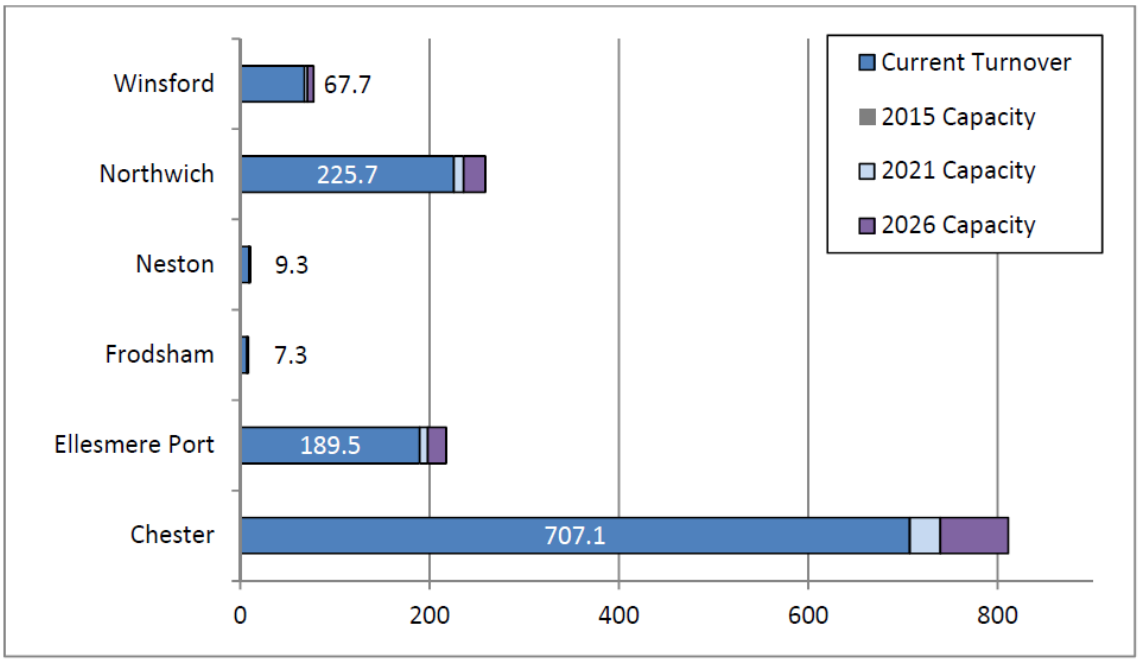
[5] https://www.cheshireeast.gov.uk/planning/spatial-planning/research_and_evidence/retail-study.aspx - This is due to be updated.

[6] https://experiencehenley.co.uk/wp-content/uploads/2021/02/HDH-Vitailty-Rankings-2021.pdf

2.28 The district's other major comparison locations are Greyhound Retail Park, Sealand, Cheshire Oaks in Ellesmere Port, and Northwich and Ellesmere Port town centres, although the report also pre-dates Barons Quay opening in 2016. Cheshire Oaks Venuescore improved from 126th in 2010/11 to 113th in 2014/15.

2.29 The previous 2013 Cheshire West and Chester Retail Study Update (Interim) report[7] sets out the estimated comparison goods expenditure in each of the towns in CW&C. This is replicated below and shows that 55% of the expenditure is in Chester with 18% in Northwich and 16% in Ellesmere Port.

Figure 2.8: Estimated Comparison Goods Expenditure (£m) by Town



Source: CW&C Retail Study Update (Interim), WYG, 2013

2.30 This illustrates the primacy of Chester as the district's main service market for consumers and as a sub-regional centre. Although Northwich is secondary as a "Strategic Centre" within the retail hierarchy identified. The report does not identify any leakage to other areas with the exception of major centres in Liverpool, Manchester and the Trafford Centre.

[7] https://consult.cheshirewestandchester.gov.uk/file/2790433

Flow of Goods and Services

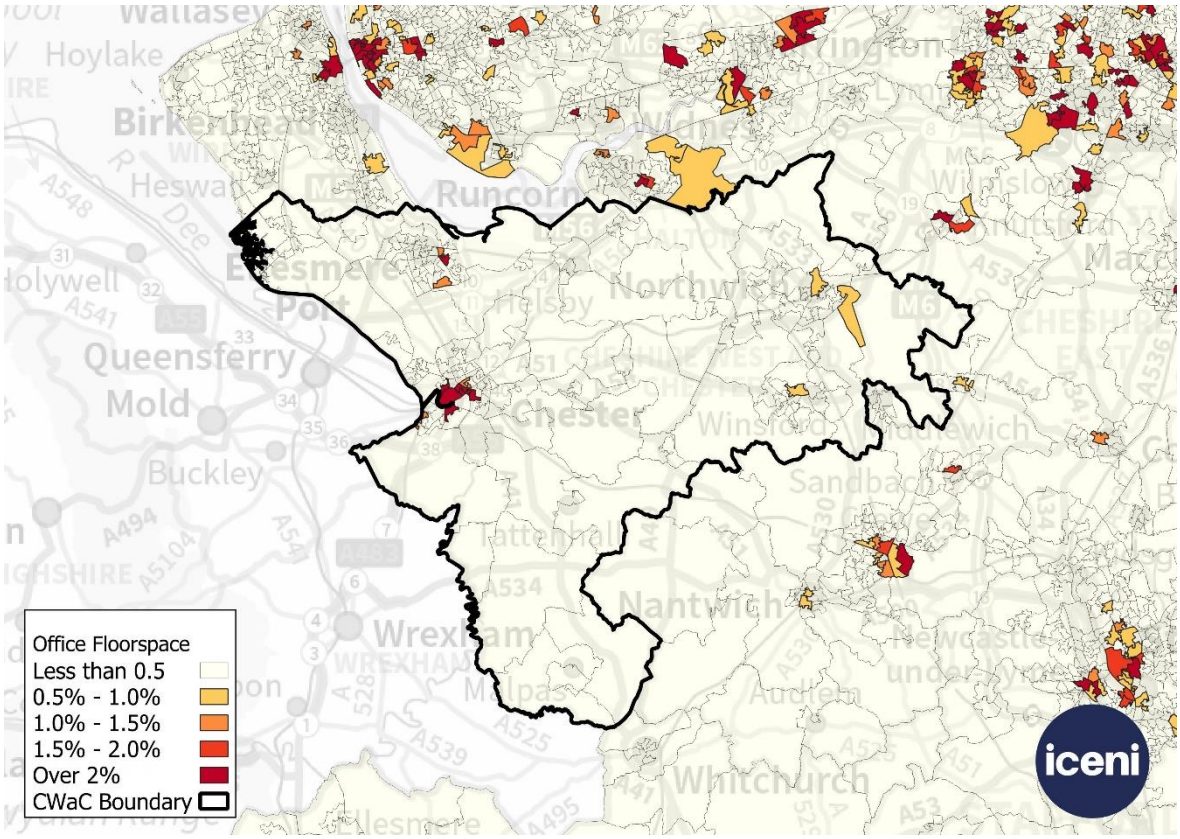
2.31 The flow of goods, services and information within the local economy is difficult to quantify. Our approach therefore is to look at office and industrial clusters across CW&C and neighbouring authorities.

2.32 Using 2023 VOA floorspace data (for England only) we have identified the areas with the greatest concentrations of office and industrial floorspace (total floorspace as a percentage of LSOA area).

2.33 CW&C's main office clusters are illustrated in the figure below. These show major concentrations in Chester and to a much lesser degree in Central Ellesmere Port and Winsford and Northwich. This suggests that for many office-based services the district is reliant on Chester.

2.34 There are also pockets of office concentrations surrounding the district including in Runcorn, Crewe and Knutsford. These are unlikely to influence the flow of goods/services within CW&C.

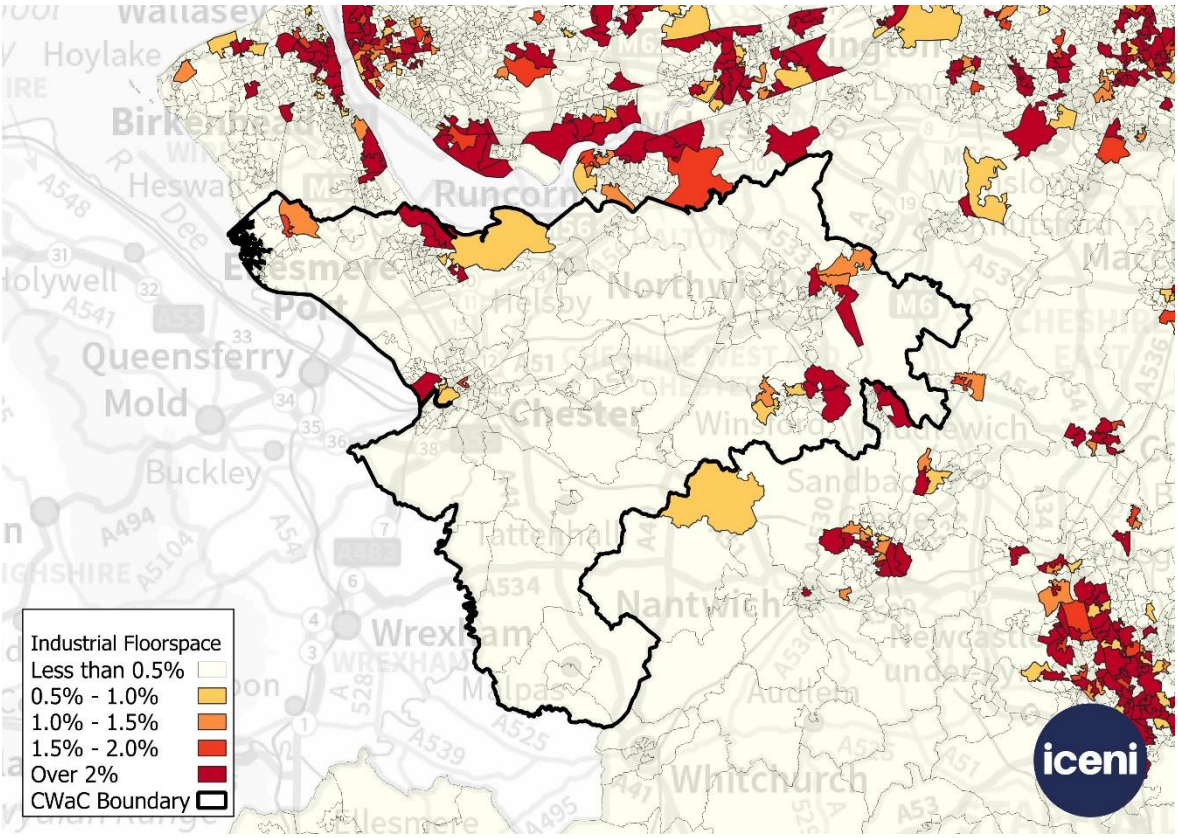
Figure 2.9: Office Floorspace Concentrations – LSOA (2023)



Source: Iceni analysis of VOA data, Contains OS data © Crown copyright and database right 2021

2.35 Concentrations of industrial floorspace are more widespread and within CW&C these are located in Ellesmere Port and Winsford with lesser concentrations in Northwich and Chester (Sealand). This differs notably from the Office Market but does suggest a level of self-containment in CW&C.

Figure 2.10: Industrial Floorspace Concentrations – LSOA (2023)



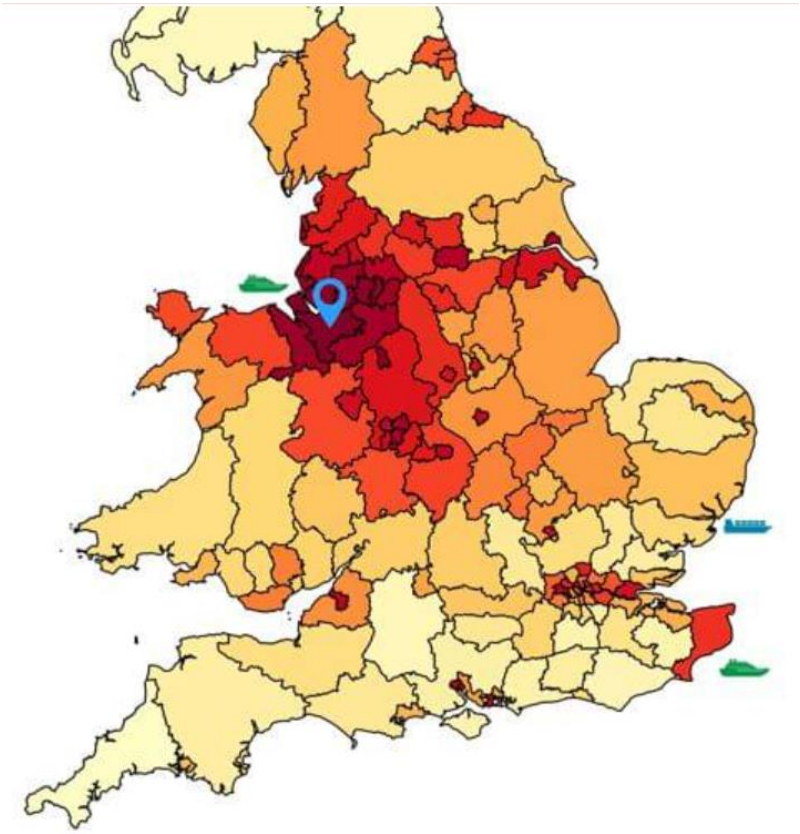
Source: Iceni analysis of VOA data, Contains OS data © Crown copyright and database right 2021

2.36 As illustrated in the map there are also a number of major industrial locations just outside of CW&C within England (VOA data not provided in Wales). These include Middlewich and Appleton Thorn which directly abut the district. There are also clusters along either side of the Mersey in Halton, Speke and Port Sunlight. Although not mapped there are also concentrations in Wales including Deeside, Broughton and Connah's Quay in Flintshire and Wrexham.

2.37 The map below, sourced from MDS Transmodal's Freight Data Hub[8], shows the origins and destinations of the 8.87 million road freight journeys per annum to and from CW&C. It shows that the highest volumes of road freight (number of journeys to/from CW&C) are with neighbouring areas such as Cheshire East, Flintshire and the Liverpool City Region.

2.38 There are also significant volumes of freight between CW&C and along the M62 Corridor to Hull (presumably import/export flows) and down the M6 Corridor to the Midlands. There are also some other notable flows to London and Dover, again presumably for import/export.

Figure 2.11: Road freight Origin-Destination flows to/from CW&C by Upper Tier Local Authority



Source: MDS Transmodal, Freight Data Hub

[8] MDS Transmodal. Freight Data Hub. Available: Full Database – MDS Freight (freightdatahub.org)

2.39 The Manchester Ship Canal borders the borough to the north at Ellesmere Port. This enables freight shipments to and from Ellesmere Port, which is connected to the Royal Seaforth Container Terminal and the Liverpool2 deep-water Container Terminal based at the Port of Liverpool through regular barge shipments. Peel Ports handle 7.5 million tonnes of cargo across their five terminals along the Manchester Ship Canal[9].

2.40 This demonstrates the strategic nature of the logistics sector and that the market can effectively be located anywhere with good transport links. However for defining the FEMA it may therefore be more prudent to look at other indicators.

Housing Market Area

2.41 According to the PPG[10] Housing Market Areas are defined by examining migration and commuting trends as well as house prices. Migration and commuting data can be taken from 2021 census data and land registry data. This data should be treated with some caution as it was collected during a period of partial lockdown, however it is the most reliable and up-to-date data source available. For determining housing market areas at sub-area level (subdivisions of CW&C), house price data is more suitable..

[9] https://www.peelports.com/port-locations/manchester-ship-canal

[10] Paragraph: 018 Reference ID: 61-018-20190315

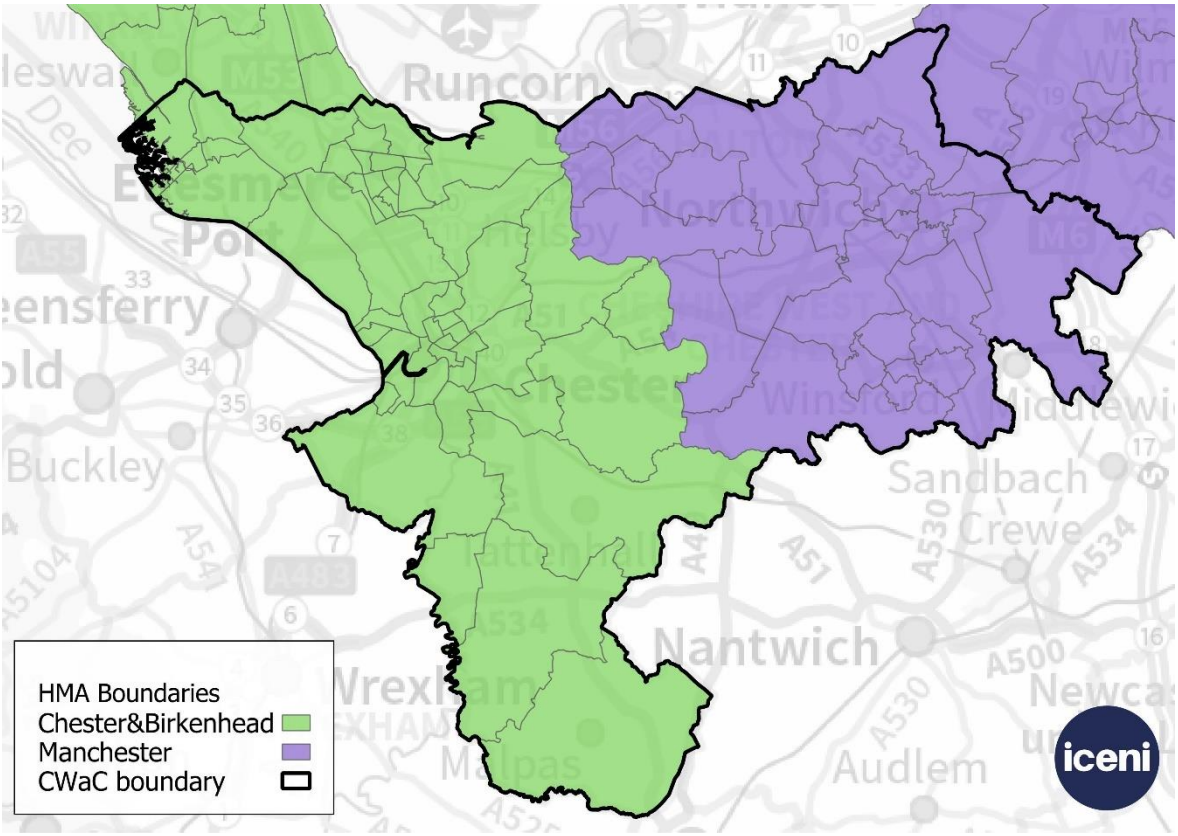
2.42 The Cheshire West and Chester Strategic Housing Market Assessment (SHMA, 2013) included an assessment of housing market interactions and self-containment. Data from the household survey carried out for the SHMA indicated that approx. 66% of households that had moved home in the preceding five years originated within Cheshire West and Chester and around 34% originated from outside the area. Furthermore, survey data revealed that of the households that intend to move over the next five years, over 70% intended to remain in Cheshire West and Chester. The report also provided detail on commuting patterns derived from the household survey undertaken for the SHMA. This indicated that about 65% of employees worked within Cheshire West and Chester and around 35% commuted to other areas, most notably to elsewhere in Cheshire (12.4%), Greater Manchester (5.5%), the Wirral (4.1%) and Wrexham/Flintshire (4.1%).

2.43 The Inspector's Report (Dec 2014)[11] supported the view that the borough is likely to have a self-contained housing market, stating that "I consider that available evidence supports the view that the Borough can be described as a largely self-contained HMA. There is no evidence which would substantiate a specific alternative boundary for the HMA".

2.44 Previous definitions of HMAs have also been produced by the Centre for Urban and Regional Development Studies (CURDS) at the University of Newcastle who identified two strategic HMAs across CW&C. One of these covered the east of the District and was connected to Manchester while the West of the District was more self-contained in the Chester and Birkenhead HMA.

[11] CW&C Council – Cheshire West and Chester Local Plan (Part One) Strategic Policies, Inspector's Report, December 2014

Figure 2.12: Housing Market Areas (2011)



Source: Iceni based on CURDs data based on ONS Census 2011, Contains OS data © Crown copyright and database right 2021

2.45 This data was based on 2011 data and has not been updated since the release of the 2021 census data. We can examine migration patterns which is the key determinant of HMAs. We have examined Gross Migration per head as this is in our opinion the best measure of the relationship between areas of different sizes. Once again, it should be noted that the 2021 Census was undertaken during the COVID-19 pandemic and therefore migration figures should be treated with caution as movement was restricted during periods of lockdown.

2.46 As the table below illustrates CW&C's closest relationship is with Flintshire, Cheshire East and Wirral all of which are similar in scale. This then falls to around half that level with Wrexham and Liverpool.

Table 2.1 Gross Migration Per '000 with CW&C (2021)

	Out	In	Gross Migration	Gross Migration Per '000
Flintshire	1042	909	1951	3.80
Cheshire East	1251	1194	2445	3.22
Wirral	952	1178	2130	3.14
Wrexham	405	456	861	1.75
Liverpool	757	713	1470	1.74
Warrington	288	587	875	1.54
Halton	316	381	697	1.43
Trafford	126	472	598	1.01
Manchester	441	446	887	0.98

Source: Iceni based on ONS Census 2021

2.47 A further measure of a HMA is the self-containment rate. This is the percentage of moves from an area whose destination is elsewhere in the same local authority or the percentage of moves to an area whose origin was from the same local authority. While this is no longer part of the guidance previous guidance provides a target benchmark of over 70% when long-distance moves (this is not defined by the PPG but it relates to student movements and people moving long distances to retire to the country/coast) are removed.

2.48 As shown in the table below CW&C has a self-containment rate of between 60% and 62% when all moves are examined. However, when long-distance[12] moves are excluded this increases to between 71% and 73%. As a consequence, CW&C can be considered a HMA in its own right.

Table 2.2 Self-Containment Rates – CW&C (2021)

	Out Migration Based Self-Containment	In Migration Based Self-Containment
All Moves	31,247	32,272
Internal Moves	19,335	19,335
Self Containment Rates	62%	60%
Excluding Long Distance Moves	26,484	27,250
Self Containment Rates	73%	71%

Source: Iceni based on ONS Census 2021

[12] Only moves to/from neighbouring authorities and their neighbours.

2.49 Viewing CW&C as an HMA in its own right is a reasonable conclusion to make despite the reality that HMA (and FEMA) boundaries rarely stop and start at administrative boundaries. This is because many of the key datasets used in assessing housing needs (such as household projections) and employment needs (such as economic forecasts) are only published at a local authority level.

2.50 As such a pragmatic response is to define HMAs and FEMAs at a local authority level but to continue to have a duty to cooperate discussions with those areas where there is an overlap. This approach was advised by the Planning Advisory Services (PAS) Technical Advice Note on Objectively Assessed Housing Needs and Housing Targets[13] (July 2015) which concluded that:

"It is best if HMAs, as defined for the purpose of needs assessments, do not straddle local authority boundaries. For areas smaller than local authorities' data availability is poor and analysis becomes impossibly complex."

2.51 The Technical Advice Note also adds that "this is not always possible, and it may be the case that some [local authority] areas, particularly those covering an expansive area fall into more than one HMA."

2.52 As previously noted, the CW&C Local Plan (Part One) Inspector's Report (Dec 2014) supported the borough-wide HMA definition stating that "there is nothing in the PPG to suggest that in some cases, a single local authority area could not form the HMA".

FEMA Conclusion

2.53 One of the purposes of defining market areas is to identify the "appropriate functional geographical area to gather evidence and develop policies to address these (Strategic) matters, based on demonstrable cross-boundary relationships."

2.54 Where these areas are identified the relevant local planning authorities are required to cooperate on strategic matters. This cooperation includes, according to Paragraph 11 of the Plan-Making PPG (reference ID: 61-011-20190315), agreeing to a statement of common ground which contains:

[13] https://www.local.gov.uk/sites/default/files/documents/objectively-assessed-need-9fb.pdf

"If applicable, the housing requirements in any adopted and (if known) emerging strategic policies relevant to housing within the area covered by the statement"; ***or***

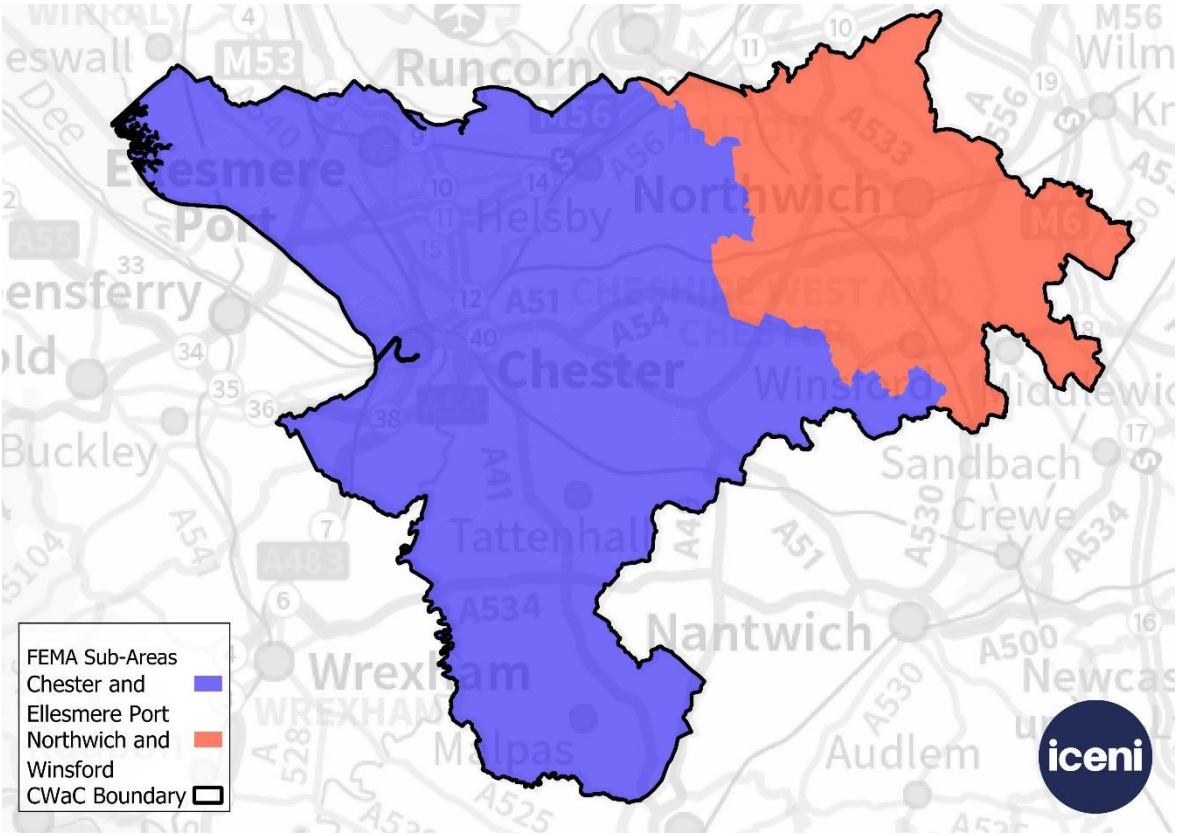
"Distribution of needs in the area as agreed through the plan-making process, or the process for agreeing the distribution of need (including unmet need) across the area".

2.55 However, the evidence presented herein suggests the CW&C FEMA is relatively self-contained. This is perhaps unsurprising given the area's scale. It also presents a pragmatic opportunity to look at CW&C in isolation. **We therefore conclude that CW&C is a FEMA in its own right.**

2.56 However, this approach while reasonable fails to recognise the differences between the east and west of the district. This includes differences in the role and function of the area with Northwich and Winsford having less reliance on Chester than the rest of the district.

2.57 It will be therefore important for the Council to continue to understand the difference between those sub-areas. These areas are illustrated below based on the commuting data presented in Figure 2.5 (with Ellesmere Port and Chester Combined and Northwich and Winsford Combined).

Figure 2.13: FEMA Sub-Areas



Source: Iceni based on CURDs data based on ONS Census 2011, Contains OS data © Crown copyright and database right 2021

2.58 It will still be important for the Council to continue to liaise with neighbouring Authorities on strategic planning matters and to ensure that suitable employment opportunities are planned for in unison.

Section Summary

2.59 A number of different measures have been assessed in order to define the Functional Economic Market Area for CW&C, in line with PPG guidance. CW&C have not previously defined a FEMA for the borough.

2.60 Administrative boundaries vary, with the responsibility of many bodies (including for example the Fire and Rescue service and the former LEP) extending beyond just CW&C, incorporating authorities such as Cheshire East and Warrington.

2.61 The latest available ONS TTWAs suggest that CW&C fall within four TTWAs. Analysis based on more up-to-date Census data (2021) suggests that CW&C's four main urban areas draw the majority of their workforce from the immediately surrounding areas. Regarding internal commuting destinations, there is a general east/west divide in terms of most common destinations. This points to slightly different functionality between the east and west of the district.

2.62 CW&C has a jobs-based self-containment rate of 78.0% and a resident-based self-containment rate of 78.3%. These both exceed the 75% threshold used by ONS to define TTWAs.

2.63 The largest clusters of cultural and social facilities in CW&C are located in Chester and Northwich. Chester and Northwich are also the borough's primary and secondary service market for consumers based on comparison goods expenditure volumes[14]. The only areas where leakage of spend occurs are to major centres (Liverpool, Manchester and the Trafford Centre).

2.64 Chester is also the main location for office-based services and whilst there are other small concentrations of office space surrounding the borough, they are unlikely to interfere with the flow of services within CW&C. Concentrations of industrial floorspace are more widespread and suggests a level of self-containment in CW&C.

2.65 CW&C is considered to be a HMA in its own right based on analysis of self-containment rates for house moves which aligns with previous conclusions drawn at the Examination of the Local Plan (Part One). The evidence presented herein suggests the CW&C FEMA is relatively self-contained and it is therefore concluded that CW&C is a FEMA in its own right.

[14] https://consult.cheshirewestandchester.gov.uk/file/2790433

3. POLICY REVIEW

3.1 This section reviews the main policy, strategies and planning documents relevant to Cheshire West & Chester (CW&C), and specifically seeks to identify and summarise policies, plans and projects which have an impact on economic growth, employment land demand & supply.

3.2 A summary of the documents which form part of this review, are outlined below:

- National Planning Policy Framework (NPPF) December 2024
- The Levelling-up and Regeneration Act 2023
- Changes to the Use Class Order 2021
- Cheshire West and Chester Local Plan (Part One) Strategic Policies
- Cheshire West and Chester Local Plan (Part Two) Land Allocations and Detailed policies
- Cheshire West and Chester Employment Land Study Update 2013
- Cheshire and Warrington Local Enterprise Partnership, Local Industrial Strategy (LIS) 2019
- Cheshire West and Chester Local Area Industrial Strategy Evidence Base, July 2019
- Cheshire West and Chester Inclusive Economy Strategy 2021
- Cheshire Science Corridor (Enterprise Cheshire and Warrington)
- Sustainable and Inclusive Growth Commission
- CW&C Inclusive Economy Strategy (2023)

National Planning Policy Framework Dec 2024

3.3 The adopted NPPF states inter alia:

Para 8: *Achieving sustainable development means that the planning system has three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways (so that opportunities can be taken to secure net gains across each of the different objectives):*

a) an economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure;

Para 86: *Planning policies should:*

a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;

b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;

c) pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics.

d) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and

e) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.

Para 87. *Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for:*

a.) *clusters or networks of knowledge and data-driven, creative or high technology industries; and for new, expanded or upgraded facilities and infrastructure that are needed to support the growth of these industries (including data centres and grid connections)*

b.) *storage and distribution operations at a variety of scales and in suitably accessible locations that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation; and*

c.) *the expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience.*

Para 88: *Planning policies and decisions should enable:*

a.) *The sustainable growth and expansion of all types of business in rural areas, both through conversion of existing buildings and well-designed, beautiful new buildings;*

b.) *The development and diversification of agricultural and other land-based rural businesses;*

c.) *Sustainable rural tourism and leisure developments which respect the character of the countryside; and*

d.) *The retention and development of accessible local services and community facilities, such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship.*

Para 89: *Planning policies and decisions should recognise that sites to meet local business and community needs in rural areas may have to found adjacent to or beyond existing settlements, and in locations that are not well served by public transport. In these circumstances it will be important to ensure that development is sensitive to its surroundings, does not have an unacceptable impact on local roads and exploits any opportunities to make a location more sustainable (for example by improving the scope for access on foot, by cling or by public transport). The use of previously developed land, and sites that are physically well-related to existing settlements, should be encourages where suitable opportunities exist.*

The December 2024 NPPF also makes provision for a revised standard method housing number which in the case of CW&C is substantially increased (discussed later in the report).

The Levelling-up and Regeneration Act 2023

3.4 The amendments made by Schedule 7 of The Levelling-up and Regeneration Act 2023 (LURA) to Part 2 of the Planning and Compulsory Purchase Act 2004 (PCPA 2004) are aimed at ensuring plans can be produced more quickly and their content simplified. While the LURA sets the framework, much of the detail will be set out in guidance, policy and secondary legislation still to come.

3.5 The LURA itself does not prescribe timescales for plan making as these are to be brought forward in regulations, however, the government's July 2023 consultation on the implementation of plan-making reforms (2023 Consultation) indicates that LPAs will be required to prepare and adopt a plan within 30 months (significantly faster than the current average of 7 years and to start work on new plans by, at the latest, 5 years after adoption of their previous plan.

3.6 In September 2024 alongside the NPPF consultation (below) the government also consulted wider changes to the planning system. This noted the intention to implement the new plan-making system as set out in the Levelling- up and Regeneration Act. Current system plans will need to be submitted for examination under the existing 2004 Act system no later than December 2026.

3.7 Further details of the Government's intentions around plan-making reform will be published in due course.

Changes to the Use Class Order 2021

3.8 The Use Class Order relates to the town and country planning process, and categorises property and land into different classes[15] according to their function. Planning applications within the same use class are not required and buildings can be converted subject to the limitations set out in the Use Classes Order 1987 (as amended) and the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended). This may be dependent on the original planning permissions and any limitations (e.g. floorspace maxima, restrictions, conditions) on the future use of the building. This can lead to the erosion of for example B1(c) / E(g)(iii) premises converted to retail or gyms, depending on the original planning permission.

3.9 From 1st August 2021 the Use Class Order (UCO) was amended.

3.10 Of relevance to this study, Classes B2 (light industrial) and B8 (storage and distribution) were retained however B1 (offices, R&D and light industrial) was merged into Class E (commercial, business and service). B1a,b,c now falls under E(g)(i,ii,iii) – offices, R&D and light industrial. Change of use across Class E also covers former Class A/D elements including shops, café/restaurant, financial and professional services, gyms.

3.11 Class E premises can be converted to residential under prior approval without planning application. This has led to the continued loss of office and other commercial premises nationwide. Article 4 directions are required to remove the prior approval route.

3.12 Changes to the UCO provide some challenges for economic needs assessment work. Outcomes for needs of E(g) in any recommendations may also need to be considered by planning authorities alongside other Class E requirements.

[15] See Appendix A8 for a glossary including definitions of relevant Use Classes

3.13 Allocations under office E(g)(i) may also be more readily interpreted as wider Class E use locations. Some authorities use the E(g) subdivision or E(g)(i/ii/ii) for allocations and land use planning.

3.14 Further changes to Permitted Development Rights were introduced by the Government from 5th March 2024. One of these changes removed the floorspace limit of 1,500 sqm from Class MA (which allows change of use from Class E to residential). This will enable a greater number of building owners to convert commercial properties into residential use and has the potential to impact town centre offices and out of town business parks.

Cheshire West and Chester Local Plan (Part One) Strategic Policies Plan

3.15 Part one of the Local Plan was adopted in January 2015. The vision for CW&C over the plan period seeks to continue Chester's development as a prosperous sub-regional employment location, shopping and international tourist destination. The city will be a key asset to the borough with a thriving business, retail and tourism economy and as a centre for learning. The setting and special character of Chester will be maintained. Ellesmere Port will be a confident industrial area, a hub for high quality industries and technologies including the green energy and waste sector, attracting inward investment. Perceptions of the town will be enhanced as a result of improvements to the image of the town as a prosperous area.

3.16 The plan identifies several key strategic aims including those outlined below:

- *Develop the role of Chester as a sub-regional city, promote regeneration and development in the towns of Ellesmere Port, Northwich and Winsford and enable appropriate levels of development in the key service centres to support sustainable rural communities.*
- *Support a vibrant, diverse and competitive local economy that provides a range of job opportunities to support sustainable communities.*
- *Support education and skills and ensure that deprived communities have access to services and employment.*

- *Support sustainable development and urban regeneration by supporting the use of suitably located previously developed land and buildings and by locating the majority of development within and on the edge of the main urban areas and key service centres.*

3.17 A key component of the Plan spatial strategy is to support economic growth - the Council's strategy is to support an additional 14,000 people in employment.

3.18 Policy STRAT 2, Strategic Development, sets out that over the period of 2010 to 2030 the Plan will deliver at least 365 hectares of land for employment development to meet a range of types and sizes of site. The majority of new development will be located within or on the edge of the city of Chester and towns of Ellesmere Port, Northwich and Winsford to maximise the use of existing infrastructure and resources and allow homes, jobs and other facilities to be located close to each other and accessible by public transport. Development will be focused in the key service centres of Cuddington and Sandiway, Farndon, Frodsham, Helsby, Kelsall, Malpas, Neston and Parkgate, Tarporley, Tattenhall and Tarvin, which represent the most sustainable rural locations.

3.19 Policy STRAT 3, Chester, sets out that Chester is the key economic driver for the borough and development will enhance the city's role as a sub-regional shopping and leisure destination and support its role as an international tourism destination.. the Chester Business Quarter is identified as a broad location for mixed use, employment led regeneration to the east of the city centre. This will include in the region of 44,000 m^2 of high quality office floorspace adjacent to Chester Railway Station. To meet a range of sizes and types of business needs, employment land and premises will be protected from alternative forms of development within the following areas: Chester Business Park, land at Chester Business Park is protected for high quality office development (B1 use class) in a parkland setting, and Chester West Employment Park and Sealand Industrial Estate, existing employment land and premises are retained and protected for employment use. Qualitative improvements within these areas will be supported.

3.20 Policy STRAT 4 sets out that the Council will maintain a portfolio of employment land and premises available within Ellesmere Port and the surrounding area, to meet a range of sizes and types of business needs to 2030 and contribute to the overall employment land requirement. Key sites with considerable potential to achieve future economic growth are New Bridge Road, Stanlow and Ince Park.

3.21 Policy STRAT 5 outlines that Northwich will provide a key focus for development in the east of the borough and provision will be made for 30ha of additional land for business and industrial development. Gadbrook Park is a key site protected for employment use.

3.22 Policy STRAT 6 outlines that Winsford will provide a key focus for development in the east of the borough and development proposals will help to support the continued regeneration in the town. Provision will be made for 35ha of additional land for business and industrial development. Winsford Industrial Estate and Woodford Park are safeguarded as key business and industrial locations.

3.23 Policy STRAT 8 outlines that within the rural area provision will be made for 10ha of additional land for employment development. This will enable small scale expansion of existing employment sites, and new sites within or on the edge of key service centres outside of Green Belt locations.

3.24 Policy ECON1 sets out the key employment locations, which are as follows:

- Chester Business Quarter
- Chester Business Park
- Hooton Park
- Ince Park
- New Bridge Road
- Stanlow

Cheshire West and Chester Local Plan (Part Two) Land Allocations and Detailed Policies

3.25 The Local Plan (Part Two) Land Allocations and Detailed Policies document was adopted on 18 July 2019. It provides further detailed policies and land allocations which support the strategic objectives and policies set out in the Local Plan (Part One).

3.26 Policy CH3 sets out the following allocated sites for new employment development:

- Remaining parts of Chester Business Park (3 hectares, use class B1)
- Northern Gateway - Chester Business Quarter (2.3 hectares, use class B1a)
- Northern Gateway - Hoole Enterprise Centre (0.7 hectares, use class B1)
- Northern Gateway - Hoole Lane, Boughton (0.4 hectares, use class B1)
- Northern Gateway - Garden Lane (0.3 hectares, use class B1)
- remaining parts of Chester West Employment Park (0.7 hectares, use classes B1, B2, B8)
- land off New Crane Street, Chester (0.4 hectares, use class B1)

3.27 Policy EP2 sets out the following allocated sites for new employment development:

- land at Encirc Glass Ltd (34 hectares, use classes B1, B2, B8)
- New Bridge Road, Stanlow - (28 hectares, use classes B1, B2, B8)
- former Booston Oil Depot (4.5 hectares, use classes B1, B2, B8)
- Hooton Park (27 hectares, use classes B1, B2, B8)
- remaining land at Cheshire Oaks Business Park (1.7 hectares, use class B1)
- remaining land at Rossmore Road East (7 hectares, use classes B1, B2, B8)

- land at Station Road Ince (5.5 hectares, use class B1)
- land off Stanney Mill Lane (north) (0.5 hectares, use classes B1, B2, B8)

3.28 Policy EP3 outlines that the Stanlow oil refinery is of national importance and safeguarded for continued use for petrochemical and related industries. The redevelopment of any vacant, under-used or derelict land for employment use (use classes B1, B2 and B8) that is surplus to the primary operational use of the site will be encouraged.

3.29 Policy EP4 outlines that Hooton Park is identified on the policies map for employment use (use classes B1, B2 and B8).

3.30 Policy EP5 outlines that Thornton Science Park is identified on the policies map for research and enterprise development.

3.31 Policy EP7 states that Ellesmere Port historic canal port will be promoted as a major tourist facility where tourism development will generally be supported.

3.32 Policy N4 sets out that the following sites in Northwich are allocated to meet the strategic requirement for new employment development:

- land at Chapel Street, Wincham (16 hectares, use classes B1, B2, B8)
- Winnington Avenue, Northwich (6 hectares, use classes B1, B2, B8)
- land at Lostock Works House (1.7 hectares, use classes B2, B8)
- land on Denton Drive Industrial Estate (0.6 hectares, use classes B1, B2, B8)
- Gadbrook Park (3 hectares, use classes B1, B2, B8)
- land to the south A556/south-west Gadbrook Park (19 hectares, use classes B1, B2, B8)

3.33 Policy W2 sets out that the following sites in Winsford are allocated to meet the strategic requirement for new employment development:

- land West of Road One (9 hectares, use classes B1, B2, B8)

- remaining land at Woodford Park Industrial Estate (1.5 hectares, use classes B1, B2, B8)

3.34 Policy R3 sets out that the following sites in the rural area are allocated to meet the strategic requirement for new employment development:

- extension to Monument Place Employment Park, Farndon (1.9 hectares, use classes B1, B2)
- land adjacent Mere's Edge, Helsby (3.5 hectares, use classes B1, B2, B8)
- land to the west of Chowley Oak (2.2 hectares, use class B1)
- Oaklands Office Park, phase 3 (1 hectare, use class B1)

3.35 Employment land provision in Neston will be met from sites allocated in the Neston Neighbourhood Plan at Clayhill Business Park (3.8 hectares, use classes B1, B2 B8).

3.36 Policy GBC1 sets out that large scale existing commercial and employment sites located within the Green Belt are identified on the policies map, where the principle of development for the following uses will be supported:

- Chester Zoo - zoological purposes
- Countess of Chester Health Park - medical and associated purposes
- Dale Barracks, Chester - military use
- Chester Business Park - use class B1a offices
- Urenco, Capenhurst - uranium enrichment and other related activities, scientific and engineering research covered by use classes B1, B2 or B8

3.37 Policy DM5 outlines that development proposals that would result in the loss of employment land or premises (use classes B1, B2, B8 or other similar employment uses) will only be supported where: they meet the requirements of Local Plan (Part One) policy ECON, will not limit any allocated employment land, reasonable attempts must have been made to continuously let or sell the premises for employment use for at least 12 months, the proposed use is compatible with the location and is in line with STRAT1 and the development is necessary to secure additional employment development that would not otherwise be viable.

Cheshire West and Chester Employment Land Study Update 2013

3.38 This report assessed the supply and demand for employment land (falling within Use Classes B - office, research and development, light industry, general industrial and storage/distribution) within Cheshire West and Chester. It reviewed and updated the findings of the Employment Land and Premises Study (BE Group, 2009), and informed the land allocations in the adopted Local Plan (Part Two).

3.39 Key findings of the report included:

- Demand and supply analysis for the past three years to 2013 indicated that there remains demand for smaller units across industrial and office sectors, but that overall there is significant headroom across the Borough which is likely to absorb demand for a number of years. This is particularly true of the office market in Chester. The only area where there appears to be scope for potential supply constraints is for modern premises catering for distributions-type industries, particularly in the Ellesmere Port area where demand has increased significantly.

- Data available on the historic take up and development of employment land in the Borough as based on monitoring information from the former District Authorities prior to Local Government Reorganisation. This illustrated that over a 17 year period since 1996 there was an annual average take up of 22.85ha per annum. If these trends were to continue, to 2030 there would be a need for a total of 388.45ha of employment land to be provided.

- The forecasting based on historic take up results in a gross land requirement. This assumes that other existing employment land currently in use will continue

to be lost to alternative forms of development. As there is limited historic data on such employment land losses, the difference between the gross and net figures cannot be clearly identified. It is likely therefore that historic take up rates may overstate the need for new employment land. For the period 2009-2013, taking account of employment land losses, the take up rate would be 12ha/pa. For the period 2010-2013 (i.e. the first 3 years of the new Local Plan period), this would be 11.4ha/pa (which would result in a requirement for 193.8ha).

- There is likely to be a wide variation between the gross and net average employment land take up rates. A cautious approach should therefore be taken in applying historic take up rates to forecasting future employment land requirements. A median value of 17ha/pa is considered reasonable given the wide variation identified above. This would equate to a residual requirement of 290ha.

- The BE Group Study (2009) incorporated a flexibility factor to allow scope for churn and offer a range and choice of employment sites. This was 27% in line with the methodology used for the Regional Spatial Strategy for the North West. If this buffer was applied to the median take up value it would result in a take up rate of 21.59ha/pa, which equates to a total need for approximately 368ha of employment land for the remaining plan period (2013-2030).

- The Cheshire Halton and Warrington Econometric Model (CHWEM) was also used to forecast employment change and land demand. Overall, these forecasts indicate a continued decline in industrial/manufacturing across the Borough. Service sector employment requiring new office development is projected to increase year on year throughout the plan period. This suggests a need for new employment land to accommodate office development (up to 48ha).

- Borough wide, additional new employment land allocations could be required within the range of 72.75ha-177.63h after taking into account realistic land supply and historic take up rates.

Cheshire and Warrington Local Enterprise Partnership, Local Industrial Strategy 2019

3.40 The Cheshire and Warrington LEP covers Cheshire West, Cheshire East and Warrington. It should be noted however that the Government ceased funding LEPs in April 2023 and many LEP functions are now being integrated to local and council authorities. The Cheshire and Warrington LEP is now known as Enterprise Cheshire and Warrington.

The Local Industrial Strategy (2019) sets out that the sub-region has a shared ambition for an even more successful and prosperous Cheshire and Warrington, improving the lives and opportunities for the people who live and work there. CWLEP's ambition is that the region becomes a £50bn economy by 2040, with three priorities: to raise productivity, increase business resilience and to increase the earnings power of residents.

3.41 The Strategy identifies three sectors where Cheshire and Warrington have distinctive attributes which make them stand out in the national context. These are Manufacturing, Life Sciences and Energy and Clean Growth. Manufacturing strengths are identified in chemicals and automotive manufacture and assembly, citing TATA Chemicals and Vauxhall as major employers within these areas in CW&C. With regard to Energy and Clean Growth, the Strategy notes the Stanlow refinery in Ellesmere Port which has historically been at the heart of the traditional carbon economy, but also highlights the emerging strengths in hydrogen production and storage and nuclear engineering with assets such as Capenhurst Technology Park.

3.42 It further identifies two key sectors which the potential to make a strong contribution to the region's growth going forward: Finance and Business Services and Logistics and Distribution. Finance and business services is highlighted as a significant sector in Cheshire and Warrington, with a particular focus on financial service activities, especially banking and credit with many well-known, large companies having a presence in the region. The report also highlights Cheshire and Warrington's excellent transport links and describes the area as a "major logistics hub".

3.43 The report also provided an overview of Cheshire and Warrington's (C&W) economy, however the LEP have since commissioned an updated sub-regional economic evidence base[16]. A Local Area Industrial Strategy (Metro-Dynamics, 2019) was also developed to drill into the evidence base generated for the LEP area to further identify what the challenges and opportunities are for CW&C.

3.44 The Cheshire and Warrington evidence base states that C&W is a growing £32.4bn economy with a 9% increase in GVA since 2015 – a higher rate of growth than the England average of 6.6%.

3.45 The report notes that the sub-region has a population of 939,000, with a higher proportion of residents aged over 65 compared to the regional and national averages. Despite this, Cheshire and Warrington is stated as having a strong labour market, with a high proportion of the working age population economically active (79.9%). This rate has grown faster than both regional and national comparators in the past five years.

3.46 The proportion of the population with no or low skills attainment is declining in line with national trends whilst the proportion with NVQ+4 is comparable to the England average at 42.9% of the working age population, however the rate of growth over the past five years has been less than half that of the England average. Slower growth in skills attainment may present constraints to employers in accessing relevant skills and talent.

CW&C Inclusive Economy Strategy

3.47 The aim is for an inclusive economy that prioritises reducing poverty and inequality, combating the climate emergency, supporting community wellbeing, and enhancing the vibrancy of the Borough.

[16] Cheshire and Warrington Economic Evidence Base. Consolidated Pack. September 2022.

3.48 The strategy to meet this aim is working together as a partnership of public, private, voluntary and community sectors, they have co-created an inclusive economy strategy that builds on strengths but understands the barriers preventing prosperity for all.

3.49 The priority actions to achieve the above include:

- People: Implement skills escalators, increase green skills and jobs, expand digital inclusion and nurture youth aspirations
- Place: build stronger communities, improve transport access to job opportunities, support sustainable food and agriculture and create a long term plan for housing retrofit
- Enterprise: Promote good employment and business best practice and other anchor institutions and their supply chains, establish an anchor network and strengthen local supply chains and social value.

Cheshire and Warrington Sustainable and Inclusive Growth Commission

3.50 The Cheshire and Warrington Sustainable and Inclusive Growth Commission was set up by the Subregional Leaders' Board in November 2020, with the aim of building on progress to date to help realise Cheshire and Warrington's ambition of becoming the most sustainable and inclusive subregion in the UK.

3.51 Recommendations made by the commission include:

- A fair employment charter for Cheshire and Warrington
- The decarbonisation of dairy
- The full decarbonisation of all transport by 2035
- Building the UK's First Net Zero industrial cluster around the area's large hydrogen and net zero projects
- Public investment to address disadvantage and target opportunities
- Improve active travel and public transport

- Provide new infrastructure/ support for electric cars and zero-emission vehicles to make them cost effective and accessible
- Work with businesses, public sector and agriculture to speed up the transition to a circular economy
- Retrofitting insulation and clean energy to housing, particularly for social housing and disadvantaged households
- Access to digital for all
- Making current land use net zero

Employment areas survey 2024

3.52 The Draft Employment Areas Survey 2024 provides a qualitative assessment of established employment areas in the borough to inform future planning policies on the economy and employment land.

3.53 The study provides a snapshot of established employment areas across the borough to inform the preparation of the Council's new local plan. It considers the suitability of these areas to be safeguarded for continued employment use, or their capacity to accommodate future employment growth. Further evidence on Economic Needs will be required to understand the future demand for employment land/premises in the borough. Planning Practice Guidance[17] recommends analysing supply and demand, as this allows policy makers to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites.

[17] PPG Paragraph: 029 Reference ID: 2a-02920190220

Places Paper (2024)

3.54 The Places Background Paper provides evidence and information on the relative sustainability of settlements within the borough and identifies the availability of services and facilities within settlements at a point in time.

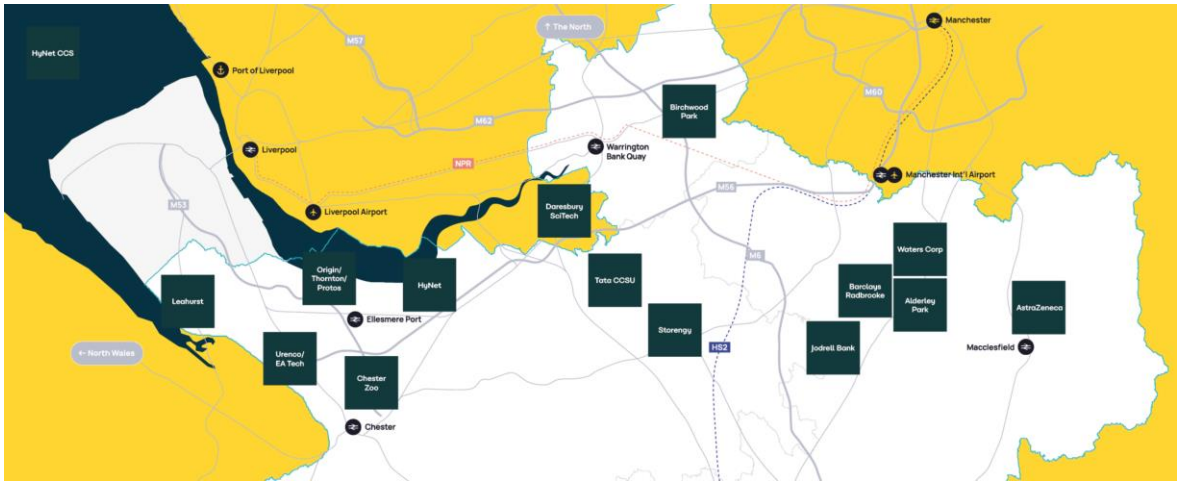
3.55 It looks at the larger settlements in the borough to provide an understanding of how well residents' everyday needs are met living in a particular area. It will also give an indication of what might help to facilitate thriving and healthy communities through the policies of the Local Plan. The assessment looks at topics such as population, households, employment provision, retail services, education facilities and availability and quality of transport connections.

Cheshire Science Corridor

3.56 The Cheshire Science Corridor is an Enterprise Zone spanning approx. 40 miles covering the area shown on the map below which includes much of CW&C. It is focussed on the life sciences, energy and nuclear, environmental technologies, advanced manufacturing and engineering and automotive sectors[18]. CW&C currently has strengths across most of these sectors besides life sciences. The Corridor captures a range of key assets/clusters of development, including HyNet, Origin, Protos, Capenhurst Technology Park and Thornton Science Park in CW&C. Key employers in the Science Corridor in CW&C include Liverpool University's Leahurst Campus, Chester Zoo, Urenco and Stellantis.

[18] https://www.gov.uk/guidance/enterprise-zones

Figure 3.1 Map of the Cheshire Science Corridor and Key Assets



Source: Cheshire Science Corridor, https://www.cheshiresciencecorridor.com/

4. LOCAL ECONOMIC BASELINE

4.1 This section provides an overview of Cheshire West and Chester's (CW&C) economy in relation to the North West and England as a whole. It draws on a wide range of data sources including notably from the Office for National Statistics (ONS).

Spatial portrait

4.2 CW&C covers an area of around 354 square miles and has a population density of 1,009[19] persons per square mile. The Borough was among the lowest 40% for population density across English local authority areas at the last census. This is unsurprising given the largely rural nature of the Borough.

4.3 The principal towns are Chester (county town), Ellesmere Port, Northwich and Winsford. Each has different roles and characteristics.

4.4 The city of Chester is the most populous settlement in CW&C and is attractive to visitors and tourists with attractions such as Chester Cathedral, the Rows, Chester Zoo and Chester Racecourse.

4.5 The town of Ellesmere Port is located on the southeastern edge of the Wirral Peninsula and is located on the bank of the Manchester Ship Canal. This enables freight shipments to and from Ellesmere Port, which is connected to the Royal Seaforth Container Terminal and the Liverpool2 deep-water Container Terminal based at the Port of Liverpool through regular barge shipments.

4.6 Northwich and Winsford are located towards the east of CW&C and are therefore easily accessibly via the M6. Both towns have significant employment sites. Gadbrook Park – a 100 acre business park – is located to the south east of Northwich, whilst Winsford Industrial Estate lies to the east of Winsford with access to J18 of the M6 via Middlewich.

[19] 357,150 from Census 2021 divided by 354 square miles

4.7 Motorway connectivity includes the M56, M53 and M6, connecting CW&C to the major cities of Liverpool, Manchester and Birmingham.

Figure 4.1: Cheshire West and Chester administrative ar

Figure 4.1

Source: Map data © OpenStreetMap c/o nomisweb

Labour Market

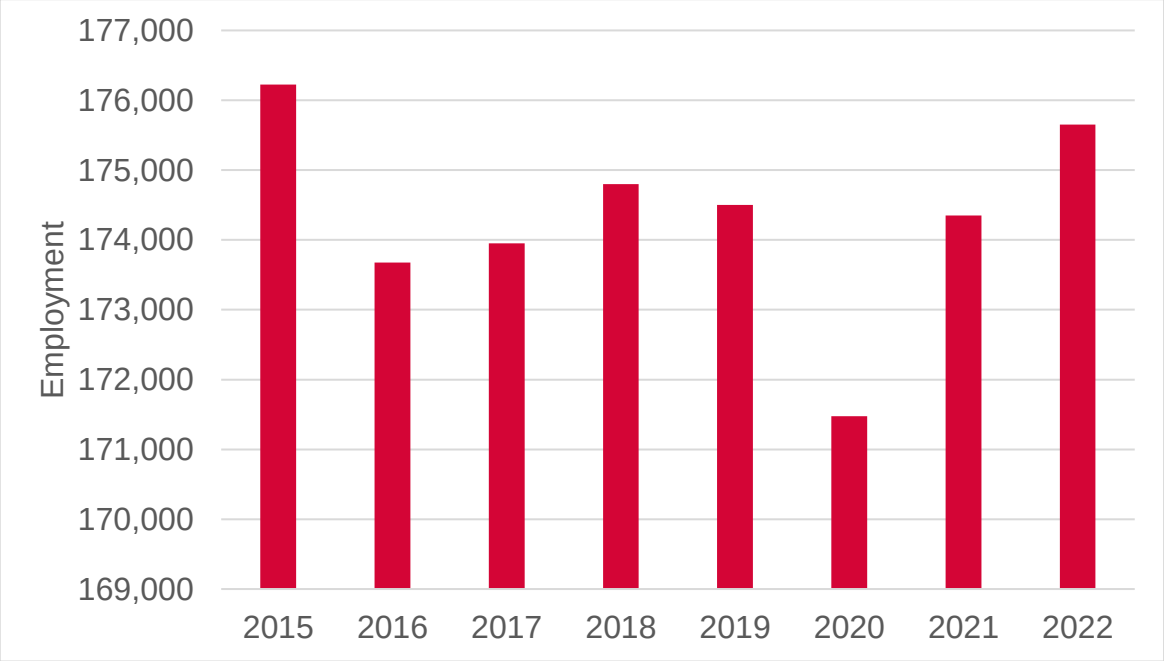
4.8 There were approximately 175,650 jobs in CW&C in 2022 according to the latest Office for National Statistics (ONS) data (Business Register and Employment Survey, (BRES)).

4.9 BRES data on employment includes employees plus the number of working owners. BRES therefore includes self-employed workers as long as they are registered for VAT or Pay-As-You-Earn (PAYE) schemes. Both Experian data and Cambridge Econometrics data effectively report 190,000 jobs in CW&C in 2023. ONS BRES data is much more granular in nature so is used for the majority of analysis below.

4.10 Figure 4.2 shows how total employment has changed between 2015 and 2022. A sharp decline in employment can be seen in 2020 which is unsurprising given the economic climate during the COVID-19 period. Employment has since recovered and by 2022 had reached levels higher than pre-COVID-19, although not as high as the peak seen in 2015.

4.11 It should be noted that BRES is a national survey and is therefore subject to survey sampling error. The smaller the sample, the less representative it is likely to be, and therefore the BRES figures tend to be less accurate for smaller geographical areas. Whilst the economic impact of COVID-19 was clearly a factor in the changes seen in (and after) 2020, survey sampling error accounts for some of the year-on-year fluctuations in BRES employment estimates at individual local authority level. It is possible that the 2015 figure is an outlier arising from an unrepresentative survey sample.

Figure 4.2: Cheshire West and Chester employment count 2015-2022



Source: BRES

4.12 Job density provides a measure of how many jobs there are in comparison to the population of an area. According to ONS Job Density figures, CW&C's job density in 2022 was 0.88, indicating that there were 0.88 jobs per working age person in the borough. This is in line with the job density for England as a whole (also 0.88) and slightly higher than the North West's density (0.84).

Sectoral profile of the economy

Employment

4.13 Table 4.1 shows the ONS split of employees by sector compared to the North West and England. The largest sectors of employment in the Borough are:

- Retail – reflecting the Chester city centre function and out of town retail destinations
- Health – reflecting the presence of two hospitals;
- Professional, Scientific and Technical;
- Accommodation and food – with the City of Chester as a tourism destination along with attractions such as Chester Zoo.

Table 4.1 Employment Jobs by Sector, CW&C vs the North West and England, 2022

Industry	Employment Jobs	CW&C (%)	North West (%)	England (%)
Wholesale and retail trade	28,000	15.8	14.7	14
Health	20,000	11.3	14.8	12.9
Accommodation and food service	18,000	10.2	7.9	7.9
Professional, scientific and technical	18,000	10.2	9.4	9.5
Admin and support services	14,000	7.9	8.2	9
Manufacturing	13,000	7.3	8.8	7.4
Education	13,000	7.3	7.8	8.3
Financial and insurance	10,000	5.6	2.4	3.3
Construction	8,000	4.5	5.2	4.9
Public Administration and defence	7,000	4	4.8	4.2
Transportation and storage	6,000	3.4	4.7	5.1

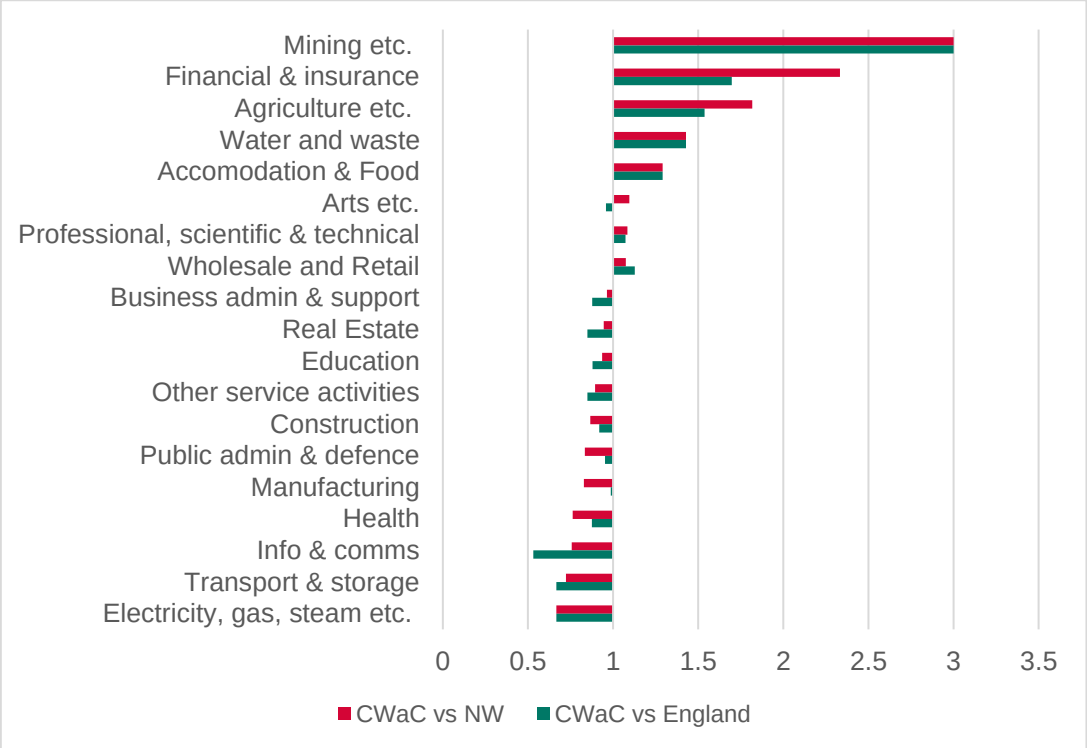
Information and communication	4,500	2.5	3.3	4.7
Arts, entertainment & recreation	4,000	2.3	2.1	2.4
Agriculture, forestry and fishing	3,500	2	1.1	1.3
Real estate	3,000	1.7	1.8	2
Other service activities	3,000	1.7	1.9	2
Water supply, sewerage, waste	1,750	1	0.7	0.7
Mining and quarrying	600	0.3	0.1	0.1
Electricity, gas, steam and air con	300	0.2	0.3	0.3
Total	175,650	99.2	100	100

Source: Iceni analysis of ONS Business Register and Employment Survey

Concentrations

4.14 To demonstrate an accurate sector size comparison, CW&C has been compared to England and the North West through the use of a location quotient (LQ) (% employees in CW&C divided by % employees across the Region/England).

4.15 **Figure 4.3: Location Quotient of Employment in CW&C Vs Region and England**



Source: Iceni analysis of ONS Business Register and Employment Survey

4.16 Mining and Quarrying has the highest location quotient with 3x the proportion of employment within this sector compared to both the North West and England. At the 5-digit SIC level, 70% of the jobs in this sector are related to the Extraction of Salt. Winsford has the UK's largest rock salt mine operated by Compass Minerals[20]. The remaining 30% of employment within the Mining and Quarrying sector relates to the operation of gravel and sand pits / mining of clays and kaolin.

4.17 Financial & Insurance also has a high location quotient, especially against the North West where CW&C has over double the regional proportion of employment within this sector. Finance and business services were highlighted by the CWLEP (see Policy Review, Chapter 3) as a significant sector in the region with a particular focus on financial services.57% of employment within this sector in CW&C is within Banks at the 5-digit SIC code level. There are notable financial businesses located in Chester for example Close Brothers Asset Management, Lloyds Banking Group, Bank of America and M&S Bank.

4.18 The Accommodation and food services make up a higher percentage of the CW&C economy compared to elsewhere.

4.19 Other higher LQ sectors are Agriculture and Water Supply, although these employ a smaller number of people.

4.20 Lower scoring LQ sectors are Transport and Storage, Information & Communications and Electricity, gas, steam and air con.

Detailed sectors

4.21 Analysis has been undertaken of employment concentrations in CW&C at the 3 digit level for Standard Industrial Classification from BRES (2023), filtered to sectors employing over 200 persons with a LQ of over 3 (3 times the North West's concentration).

[20] https://www.compassminerals.com/who-we-are/locations/winsford-cheshire-u-k-2/

4.22 This shows strengths in a range of manufacturing industries including petrol refinement, glass products, communication equipment and chemicals. Other important sub sectors include monetary intermediation, data processing and agencies – the latter being any contract-based work, across arrange of sectors.

Table 4.2 SIC 3 digit location quotient

Industry	Employment	LQ (vs NW)
192 : Manufacture of refined petroleum products	800	11.14
390 : Remediation activities and other waste management services	150	5.22
231 : Manufacture of glass and glass products	1,000	4.64
205 : Manufacture of other chemical products	800	4.18
641 : Monetary intermediation	6,000	3.80
236 : Manufacture of articles of concrete, cement and plaster	350	3.66
631 : Data processing, hosting and related activities; web portals	600	3.58
352 : Manufacture of gas; distribution of gaseous fuels through mains	500	3.48
263 : Manufacture of communication equipment	400	3.34
201 : Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms	1,250	3.26
781 : Activities of employment placement agencies	5,000	3.26
292 : Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semitrailers	300	3.13

GVA

4.23 It is important to note that sectors with the highest levels of employment are not necessarily the most productive sectors. The table below shows GVA by industry – a measure of productivity – for CW&C.

4.24 Whilst the wholesale and retail trade sector is the largest employer in CW&C, it ranks 4th in terms of GVA share. Manufacturing sees the greatest share of GVA (19.3%) , but ranks 7th in terms of employment. The manufacturing sector has key businesses including Encirc, Stellantis, Tata Chemicals, Rolls Royce Defence. Whilst the Accommodation and food services sector ranked third in terms of employment share, it ranks considerably lower in terms of GVA share. Finance and insurance and Real estate are also higher value sectors in terms of their GVA share, followed by Professional, scientific and technical services.

Table 4.2 – GVA by industry, Cheshire West and Chester, 2022

Industry	GVA (£m, 2019 Prices)	CW&C (%)
Manufacturing	2227	19.3
Financial and insurance activities	1842	16.0
Real estate activities	1355	11.8
Wholesale and retail trade	1239	10.8
Professional, scientific and technical	708	6.1
Human health and social work	661	5.7
Public administration and defence	494	4.3
Education	470	4.1
Construction	432	3.7
Administrative and support services	400	3.5
Accommodation and food services	363	3.1
Information and communication	333	2.9
Transportation and storage	316	2.7
Utilities (electricity, gas, water, sewerage)	289	2.5
Arts, entertainment and recreation	144	1.2
Other service activities	123	1.1
Agriculture, forestry, fishing, mining and quarrying	115	1.0
Activities of households	14	0.1
Total	11,525	100

Source: Regional Gross Value Added (balanced) by industry, ONS, April 2024.

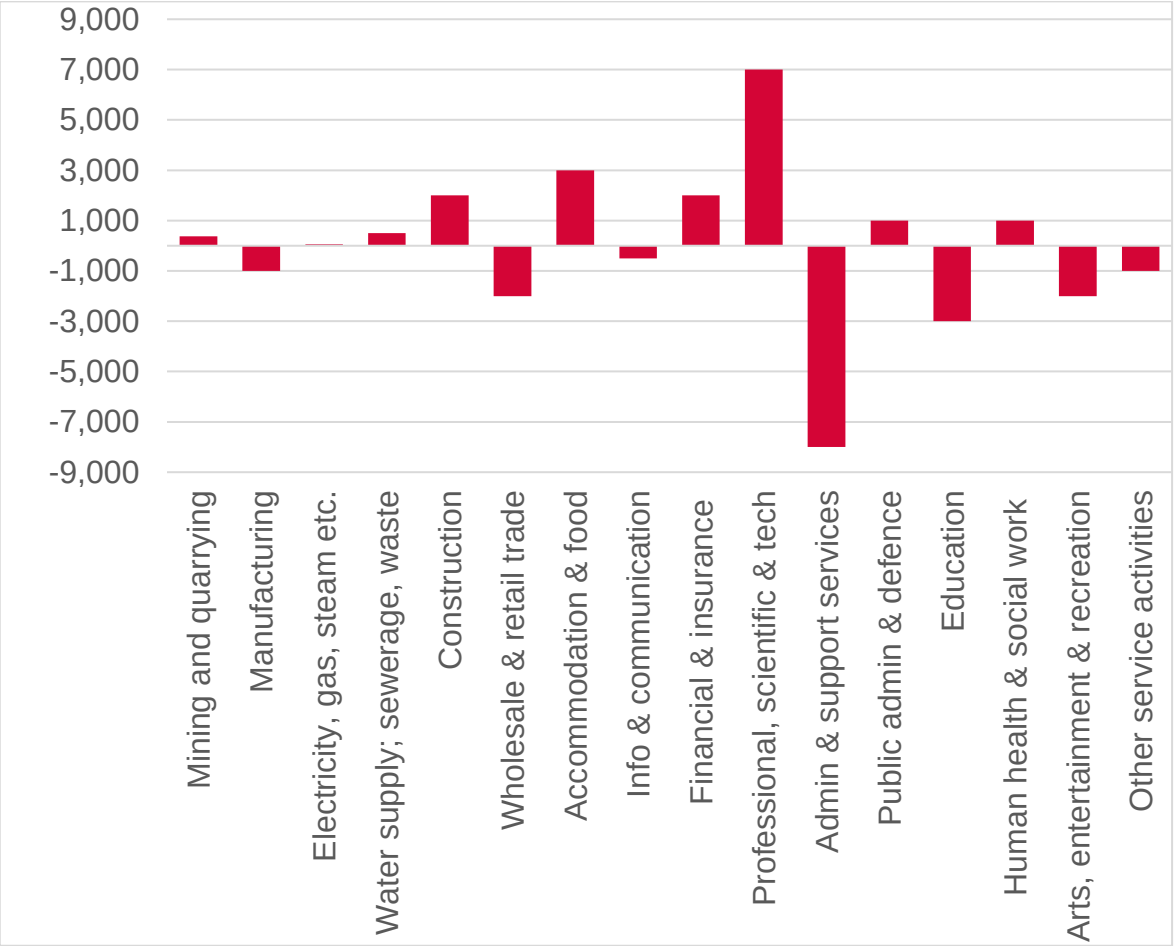
4.25 Other sectors have shown the strongest growth in recent years. Over the past 5 years (2017-2022) the sectors that saw the greatest relative growth in GVA were Transport and storage (60%), Professional, scientific and technical activities (52%) and Information and Communication (43%).

Employment Change over Time

4.26 Figure 4.4 shows how employment levels have changed by sector in CW&C between 2015 and 2022 (latest BRES data). 2015 is the earliest year that BRES data is available for and has been chosen to provide the longest period possible to analyse trends over. This is important for two main reasons. Firstly, employment figures from recent years (2020, 2021, 2022) are influenced by the impact of recovery from the COVID-19 pandemic and therefore should be treated with caution as they are unlikely to be representative of longer-term trends. In addition, as the BRES is a national survey, to which only a proportion of employers respond, the results are less representative and more volatile for smaller geographical areas (such as individual local authorities). The year-on-year changes indicated by the BRES figures may therefore, in some cases, reflect the impact of unrepresentative survey samples (and/or ONS' rounding) rather than actual changes in the number of jobs in each sector.

4.27 The sector which has seen the greatest growth in CW&C is the Professional, scientific and technical activities sector followed by the Accommodation & food services Sector. Conversely, the Administration and support service activities sector has experienced the greatest decline (a reduction of 8,000 jobs) followed by the Education, Arts, entertainment, recreation & Wholesale and retail trade sectors.

Figure 4.4 Employment Change by Sector in CW&C, 2015-2022



Source: BRES, 2022

NB: Sectors with no change in employment have not been presented on the chart

Spatial analysis of sectors

4.28 The maps below show the spatial distribution of businesses across a number of selected sectors within CW&C. These sectors have been chosen based on either current or potential strengths within the borough as noted:

- **Professional, Scientific and Technical –** Strong recent employment growth and identified as the sector with greatest growth potential by Cambridge Econometrics and Experian forecasts (see Ch 7).

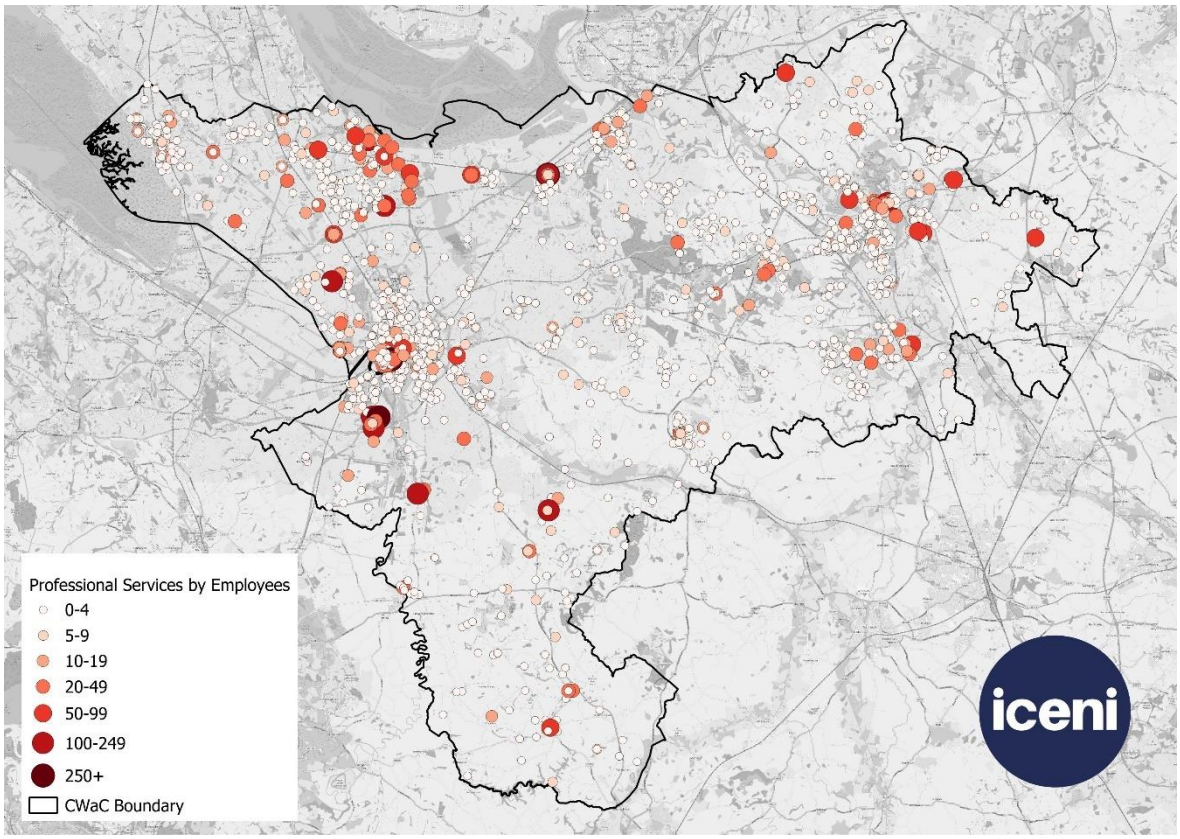
- **Financial and Insurance -** strongly represented within CW&C compared to the wider region/England (high location coefficient)

- **Manufacturing** and **Advanced manufacturing -** Cheshire Science Corridor specialist sector
- **Logistics –** Strong demand given proximity to SRN in CW&C.
- **Engineering and automotive –** Cheshire Science Corridor specialist sector
- **Energy and Nuclear –** Cheshire Science Corridor specialist sector

4.29 The sectors have been defined by 5 digit SIC 2007 codes (see Appendix A1) and use ONS Inter-Departmental Business Register (IDBR) data to provide analysis of the size and spatial distribution of the sectors. It should be noted that maps produced are postcode-based and businesses under the same postcode will be shown under the same marker.

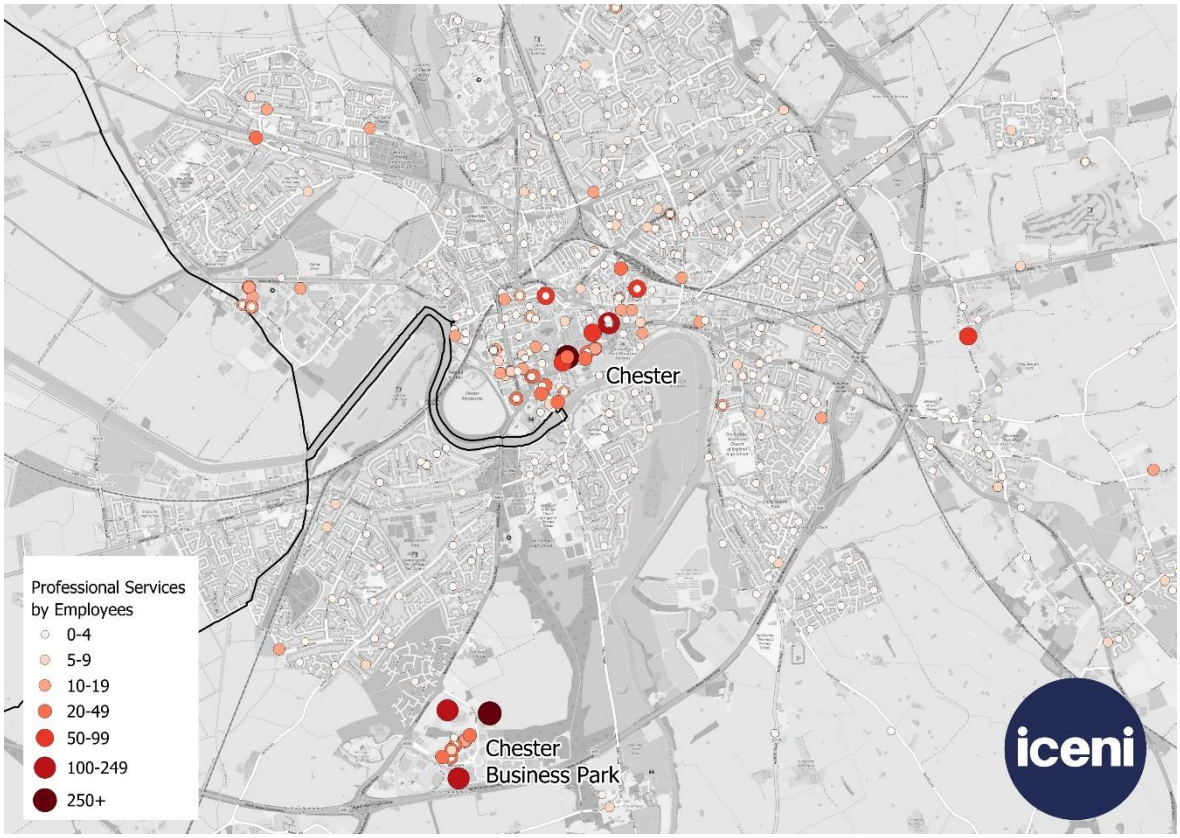
4.30 As would be expected, the majority of professional services firms (SIC Section M) are concentrated in and around the largest settlements – Chester, Ellesmere Port, Northwich and Winsford. Micro sized businesses (<4 employees) are more evenly spread across the Borough, with these businesses potentially being registered to domestic addresses rather than necessarily commercial accommodation. There are a number of larger firms located in smaller towns and more rural areas such as Helsby, Aldford and Tattenhall.

Figure 4.5 Map of Professional Services Businesses by Size (Employees)



Source: Iceni analysis of IDBR data (2023)

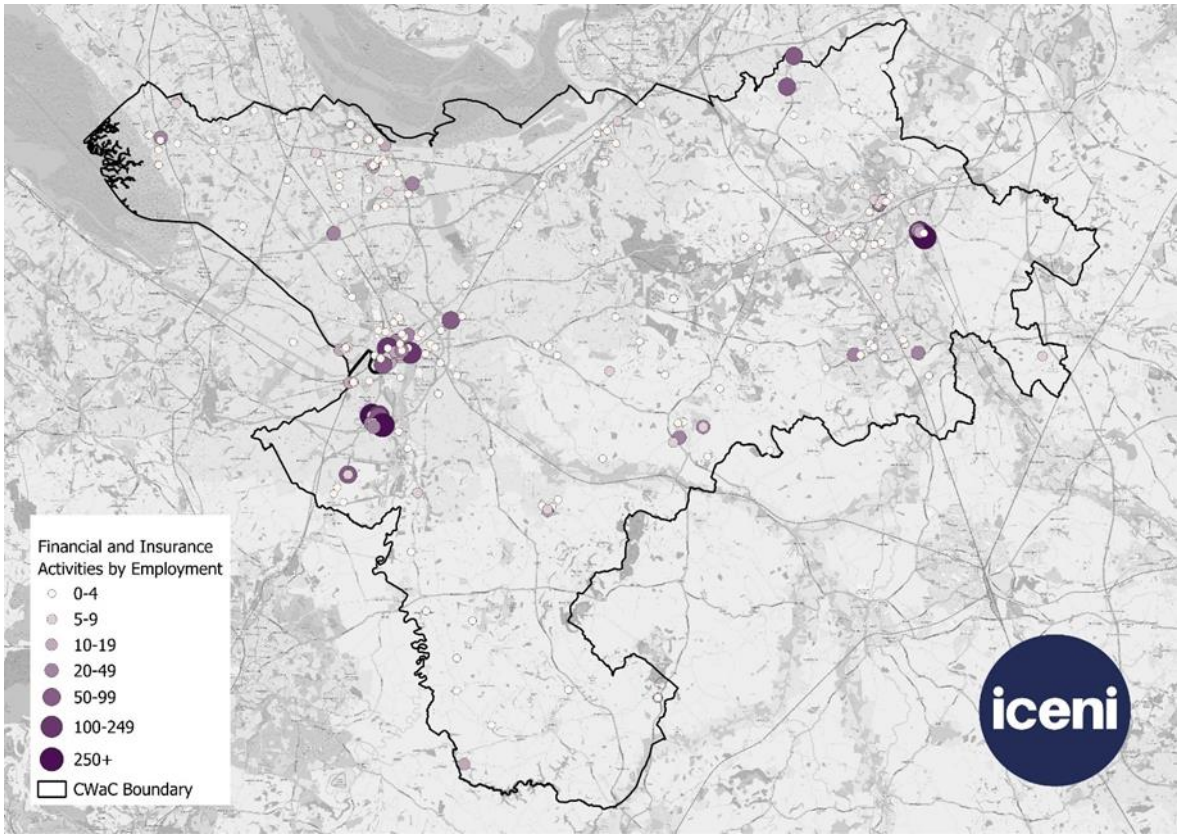
Figure 4.6 Map of Professional Services Businesses by Size (Employees) – Chester and Chester Business Park



Source: Iceni analysis of IDBR data (2023)

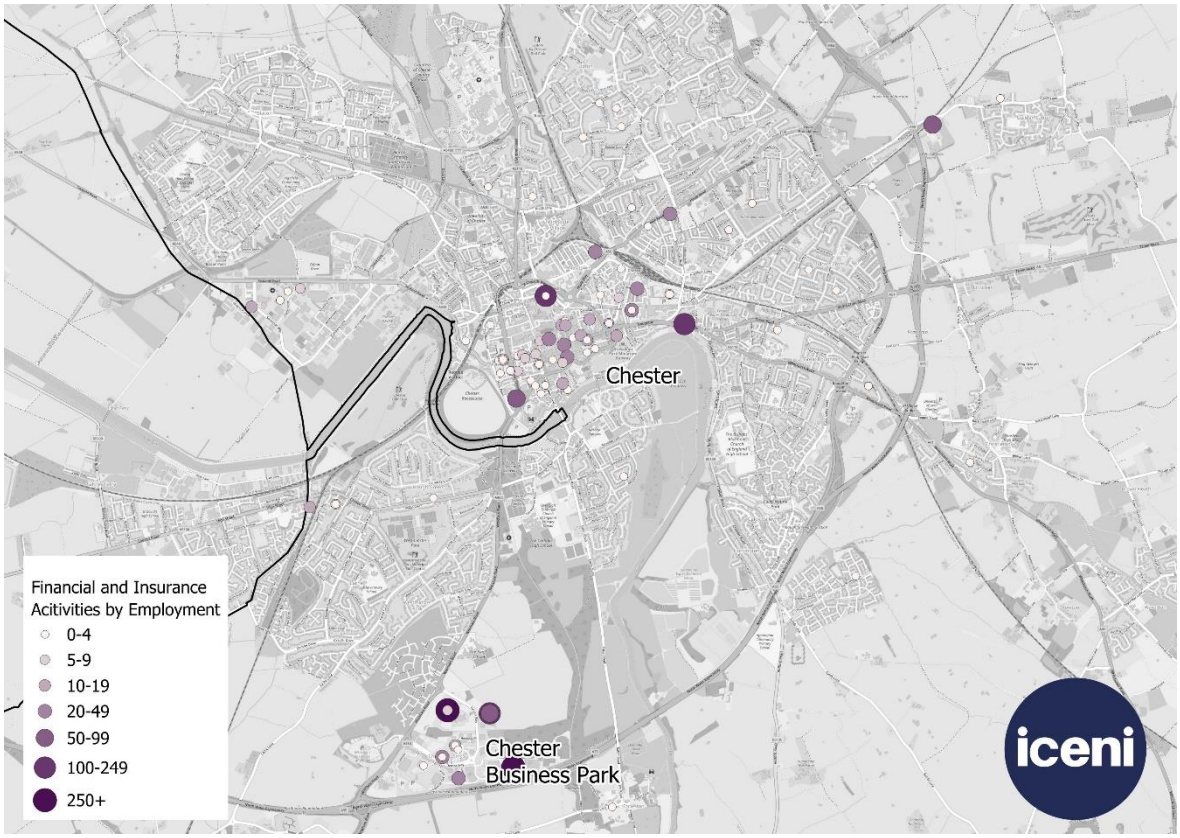
4.31 In comparison to professional services, financial and insurance firms tend to be larger and are more concentrated in urban areas and business parks. The two largest clusters are located in Chester city centre and at Chester Business Park. There also remains a number of large financial and insurance firms located at Gadbrook Park despite the recent closure of the Barclays offices.

Figure 4.7 Map of Financial & Insurance Businesses by Size (employees)



Source: Iceni analysis of IDBR data (2023)

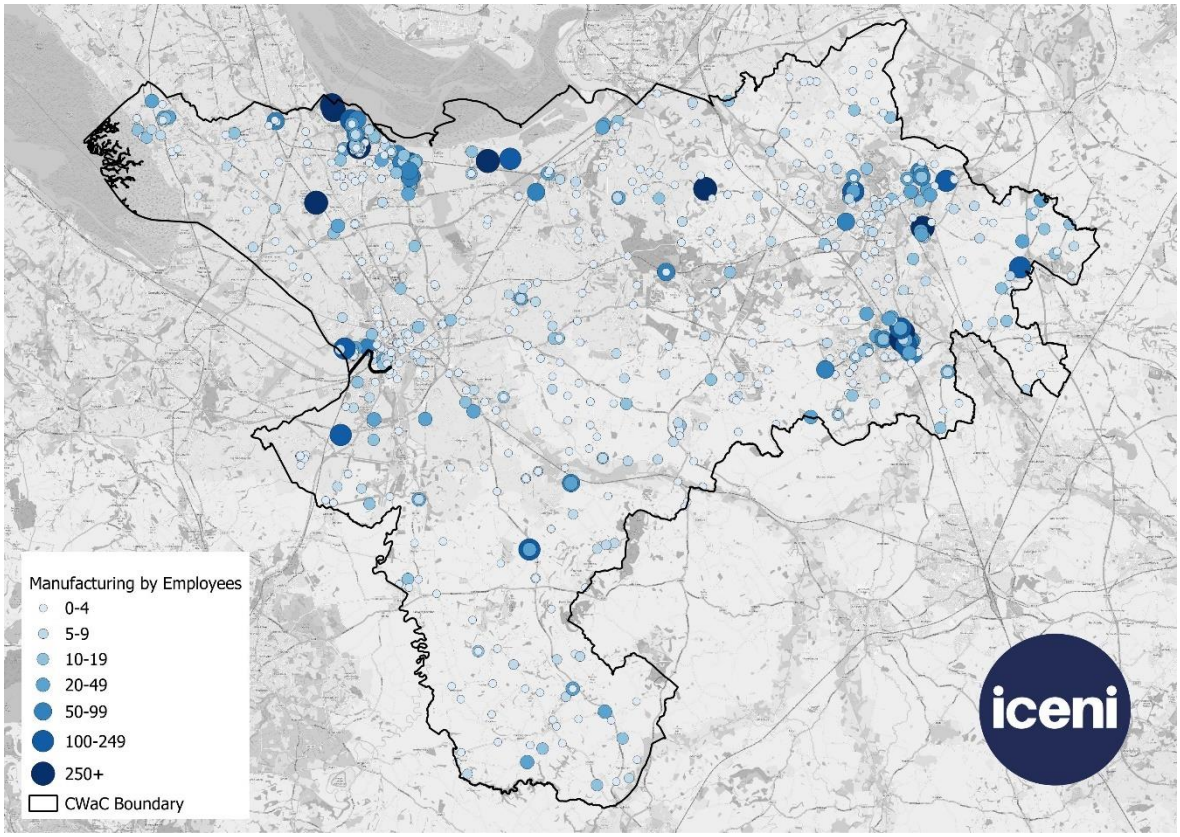
Figure 4.8 Map of Financial & Insurance Businesses by Size (employees) – Chester and Chester Business Park



Source: Iceni analysis of IDBR data (2023)

4.32 There are strong concentrations of larger manufacturing firms at both Ellesmere Port and Winsford at Winsford Industrial Estate. Both of these locations are well-established industrial areas and are well connected by road and via ship and rail in the case of Ellesmere Port. As seen in the case of professional services, smaller (predominantly micro) firms are spread more evenly across the Borough including across more rural areas.

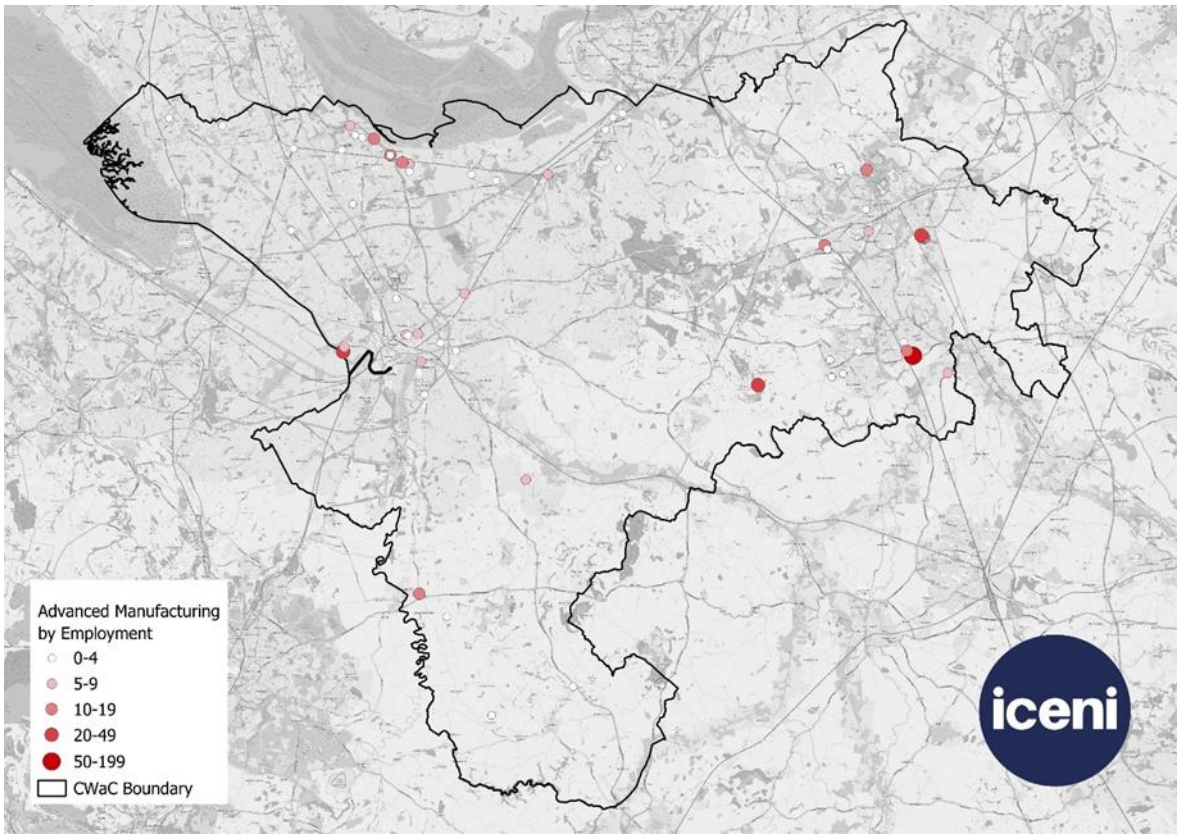
Figure 4.9 Map of Manufacturing Businesses by Size (employees)



Source: Iceni analysis of IDBR data (2023)

4.33 There are clearly significantly fewer advanced manufacturing firms in comparison to all manufacturing firms. Firms tend to be larger in size which is expected given the nature of the activities which are less likely to be undertaken by SMEs. Advanced manufacturing firms are more concentrated within urban areas in comparison to all manufacturing firms, with the largest concentration being located at Ellesmere Port, but the largest firm in terms of employment being located in Winsford.

Figure 4.10 Map of Advanced Manufacturing Businesses by Size (employees)

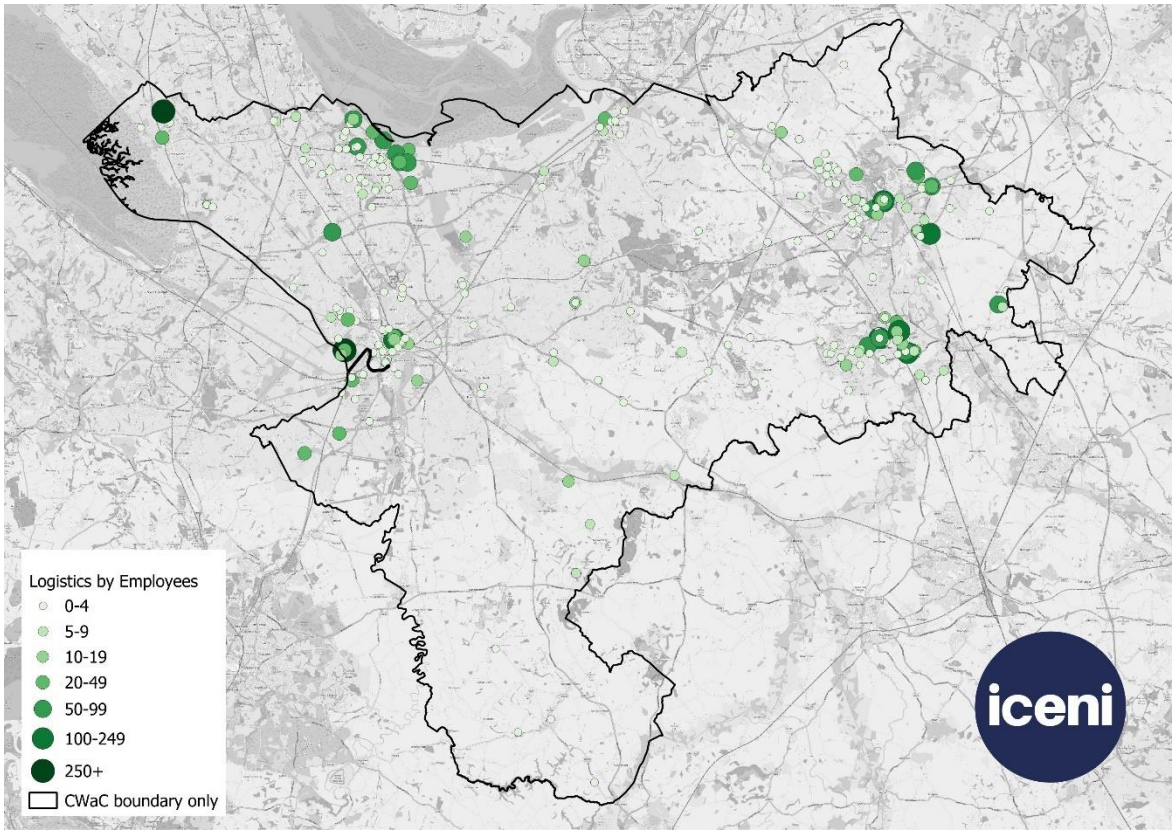


Source: Iceni analysis of IDBR data (2023)

4.34 In contrast to professional services and manufacturing, logistics firms are much more concentrated in 5 locations: Chester, Ellesmere Port, Northwich, Winsford and Frodsham. This is unsurprising given that logistics firms require strategic locations in close proximity to key transport networks such as the Strategic Road Network (SRN)[21] or ports. The SRN in CW&C includes the M56 and M53 motorways, the A550 and A55. There are very few logistics firms located rurally across the Borough where road connections are weaker.

[21] The Strategic Road Network (SRN) comprises more than 4,500 miles of motorways and major A roads, managed by National Highways. https://nationalhighways.co.uk/our-roads/roads-we-manage/

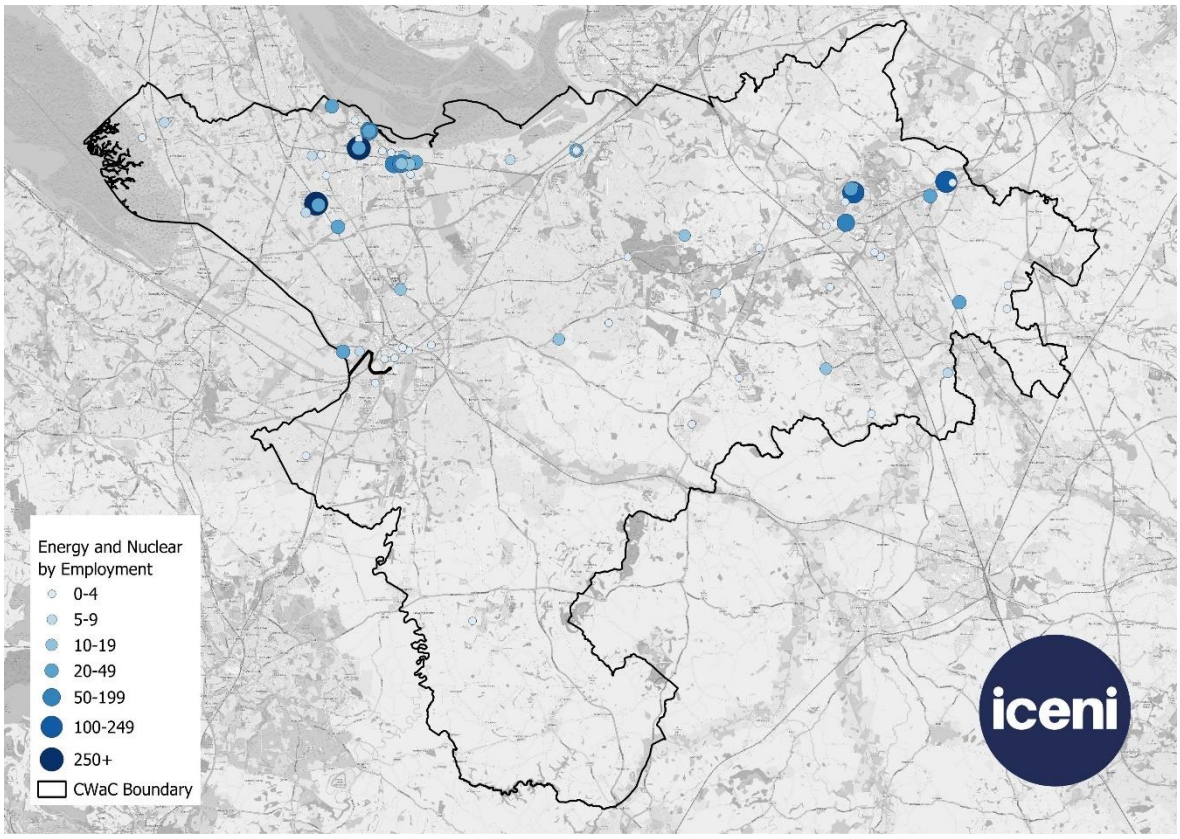
Figure 4.11 Map of Logistics Businesses by Size (employees)



Source: Iceni analysis of IDBR data (2023)

4.35 As can be seen on the map, firms within the Energy and Nuclear sector tend to be larger and are predominantly located towards the north west of the borough at Ellesmere Port and Capenhurst and around the outer edges of Northwich to the east. The locations of energy and nuclear activities are often constrained by regulatory and security requirements, hence they are more likely to be located in industrial areas away from residential uses.

Figure 4.12 Map of Energy and Nuclear Businesses by Size (employees)

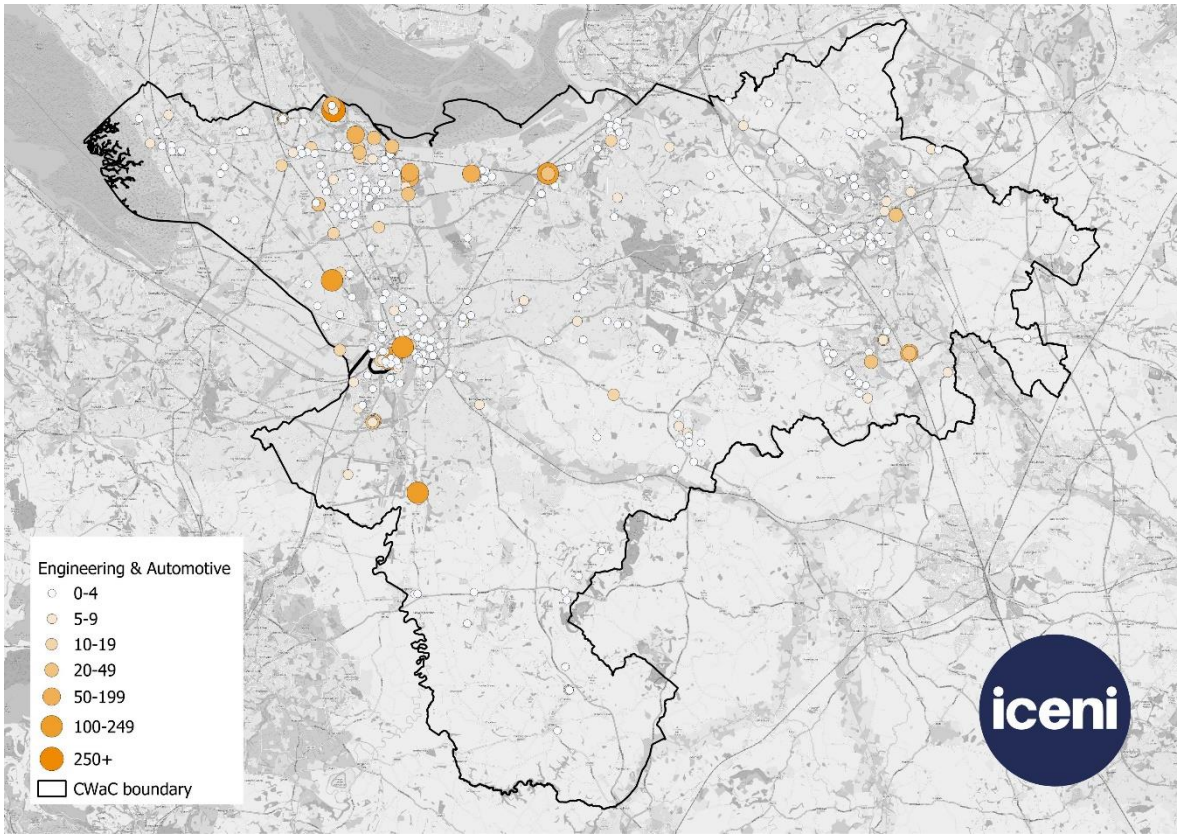


Source: Iceni analysis of IDBR data (2023)

4.36 The engineering and automotive sector comprises both manufacturing activities relating to vehicles and engineering activities such as the design of industrial process and production and scientific and technical consulting activities. This means that activities within this sector take place in a variety of premises types. Some large firms can be seen located within Chester town centre which tend to be engineering and technical consultancies. There are a large number of micro sized companies (<10 employees) clustered around larger firms which are likely to form part of the supply chains for the larger companies. Vauxhall is a major employer within the automotive sector, with a plant located at Ellesmere Port. It has recently been announced[22] that Vauxhall will be closing its van-making factory in Luton in 2025, with electric van production moved to the Ellesmore Port plant, creating further jobs at the site.

[22] Vauxhall confirms Luton plant will close in April - BBC News

Figure 4.13 Map of Engineering & Automotive Businesses by Size (employees)



Source: Iceni analysis of IDBR data (2023)

Business Sizes, Formation and Survival

4.37 According to ONS data (2022), there are 13,475 businesses operating in CW&C. Table 4.2 shows the split of enterprises in CW&C by size compared to the North West and England as a whole. The split by enterprise size band in CW&C is comparable to the regional and national picture.

Table 4.3 Split of Enterprises by Size, CW&C vs the North West and England 2022

	CW&C	North West	England
Total businesses	13,475	266,950	2,370,125
Micro (0 to 9 employees)	11,865	235,640	2,113,640
Small (10 to 49)	1,330	25,715	209,555
Medium-sized (50 to 249)	225	4,490	37,305
Large (250+)	60	1,110	9,630

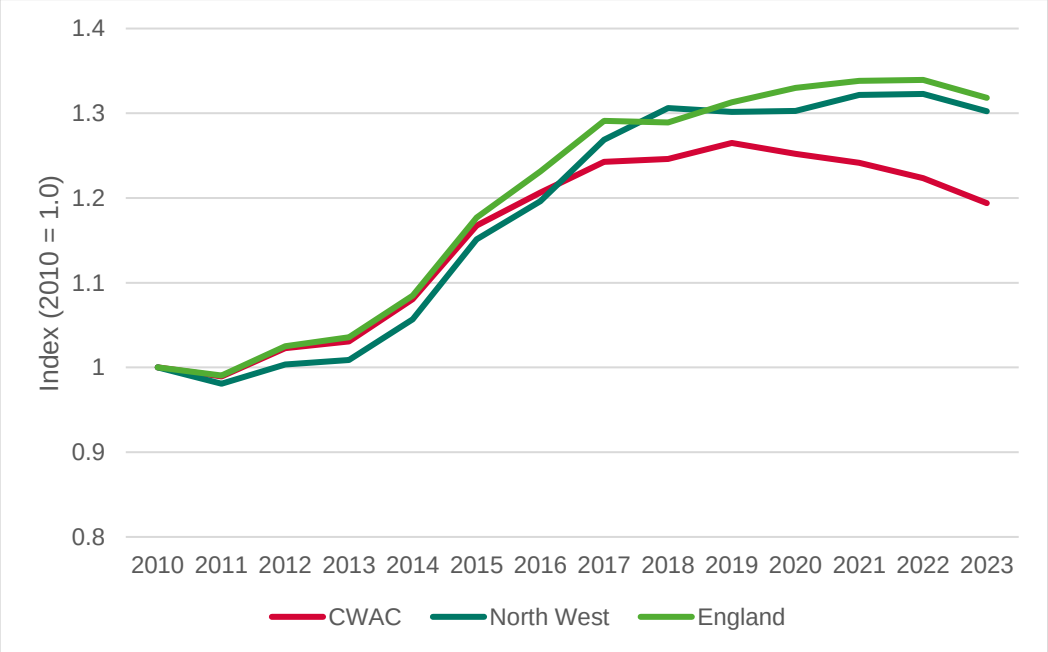
Source: ONS UK Business Counts, NB: Figures may not sum due to rounding

4.38 Figure 4.14 shows the indexed rate of change (from 2010) in the number of enterprises in CW&C compared to the North West and England as a whole between 2010 and 2021.

4.39 The rate of enterprise growth in CW&C was comparable to the North West and lower than England in 2016. From 2017 onwards, enterprise growth was slower than the North West and England, with the wider areas appearing to flat line through COVID-19 whereas CW&C saw a drop in performance.

4.40 The average annual rate of enterprise growth in CW&C was 1.4% between 2010 and 2023. This illustrates that the number of businesses in the Borough is increasing. However, enterprise growth declined by 4.6% between 2020 and 2023, which could be an adverse pandemic influence.

Figure 4.14 Indexed Enterprise Growth, CW&C, North West and England



Source: Iceni analysis of ONS, IDBR data

4.41 Table 4.3 shows business survival rates in CW&C compared to the North West and England between 2017 and 2021.

4.42 CW&C business survival rate data shows that the Borough compares well with the regional and national averages for 2017-2020 but performs slightly below regional and national averages for businesses born in 2021.

Table 4.4 Business Survival Rates, 2017 – 2021, CW&C vs the North West and England

Survived at least…	CW&C	North West	England
1 year - Born 2021	90.8%	92.1%	93.5%
2 years - Born 2020	71.2%	70.2%	71.1%
3 years - Born 2019	58.7%	54.8%	55.9%
4 years - Born 2018	47.4%	44.0%	47.2%
5 years - Born 2017	41.8%	31.6%	39.4%

Source: ONS, IDBR (Business Demography Tables 5.1a-e)

Labour Market

4.43 A key measure of an area's labour force is the economic activity rate – this is the proportion of the working age population (16 to 64 years) who are active, or potentially active (seeking work), members of the labour market.

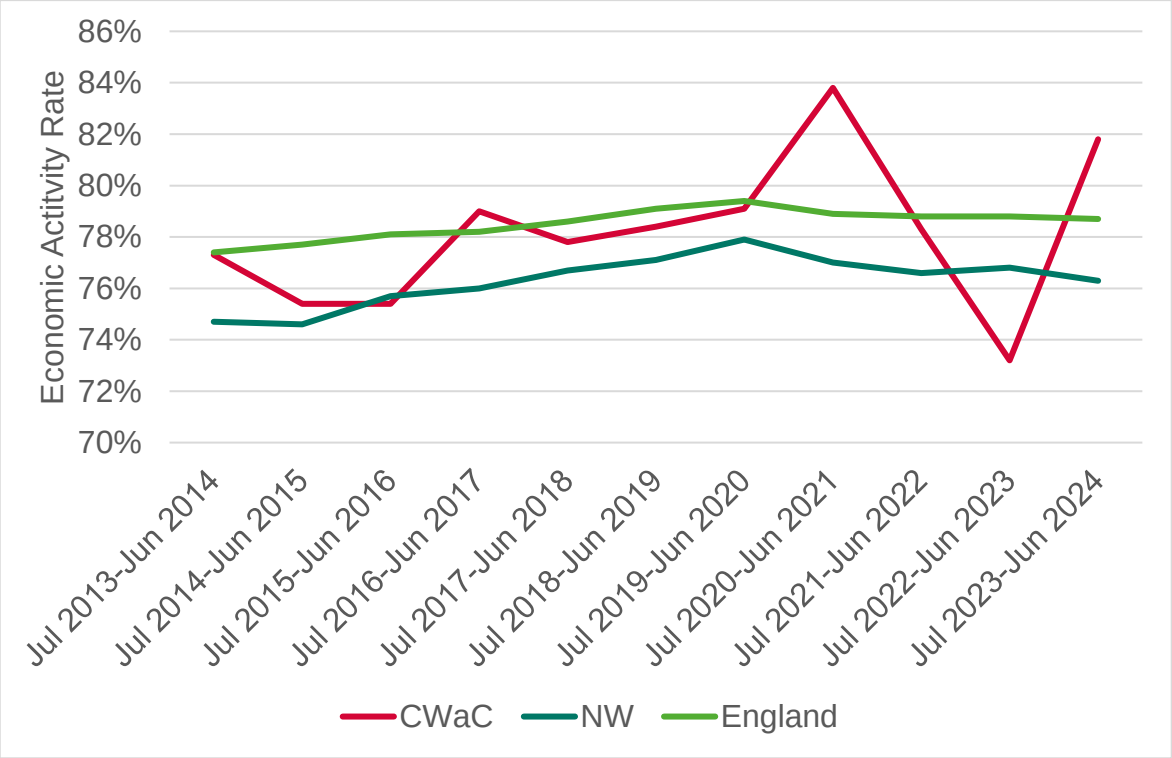
4.44 Across England, this rate grew between 2010 and 2020 before falling during the pandemic. The North West's economic activity rate has consistently been lower than the national average but has followed a similar general trend.

4.45 CW&C's economic activity rate has seen increased volatility over the last 4 years according to ONS Annual Population Survey (APS) data. The latest data (July 2023-June 2024) has shown an increase in economically active and CW&C now has an economic activity rate of 81.8%, outperforming the regional and national averages of 76.3% and 78.7% respectively.

4.46 It should be noted that volatility in APS data, especially at the local authority level (as seen for CW&C in the figure below), may be a function of the survey sampling approach as opposed to genuine volatility and data should therefore be treated with caution[23].

[23] For more information regarding uncertainty regarding ONS surveys, please see: https://www.ons.gov.uk/methodology/methodologytopicsandstatisticalconcepts/uncertaintyandhowwemeasureit

Figure 4.15 Economic activity rate, 2010 – 2024



Source: ONS, Annual Population Survey

4.47 In terms of reasons for economic inactivity, CW&C has a higher proportion of the economically inactive population that are retired (63%) compared to the North West (54%) and England (55%)[24]. This is reflective of CW&C's demographic structure which sees a more ageing population compared to the region as a whole and England. As per the national and regional figures, the second largest group of economically inactive are students at 11% of CW&C's economically inactive residents. The age of residents therefore has an impact on the overall economic performance.

4.48 One metric for unemployment in the UK is the unemployment rate for people aged 16-64. At 2.4% CW&C has a lower unemployment rate than the North West (3.9%) and England (3.8%) for the most recent period (2023)[25].

[24] Census, 2021

[25] APS, Jan 2023-December 2023

Skills and Qualifications

4.49 Figure 4.16 reports the proportion of the usual resident population aged 16 and over who work at different occupational levels as defined by NS-SeC data collected as part of the 2021 Census. The Census data is provided as eight classes, which have been grouped into 3 classes as per ONS guidance[26] - see table 4.4 below.

Table 4.5 Nested relationship between ONS NS-SeC Classifications

Eight Classes	Three Classes
1. Higher managerial, administrative and professional occupations	1. Higher managerial, administrative and professional occupations
2. Lower managerial, administrative and professional occupations	
3. Intermediate occupations	2. Intermediate occupations
4. Small employers and own account workers	
5. Lower supervisory and technical occupations	3. Routine and manual occupations
6. Semi-routine occupations	
7. Routine occupations	
8. Never worked and long-term unemployed	*Never worked and long-term unemployed

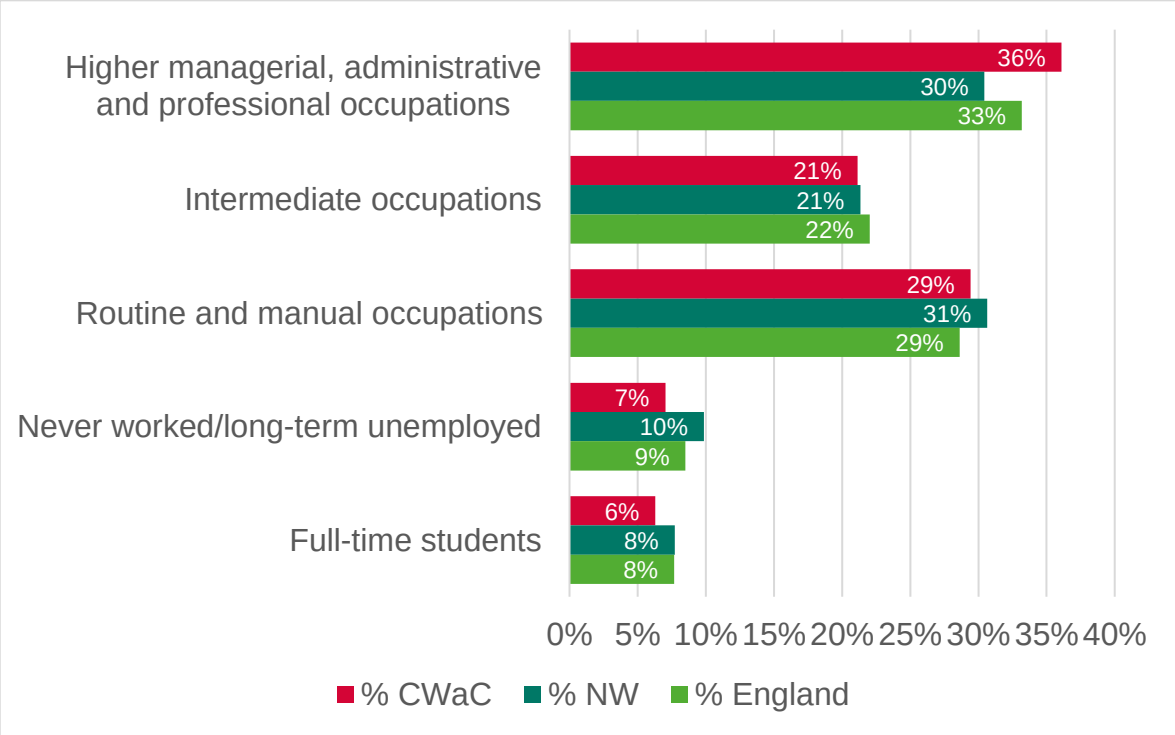
Source: ONS, The National Statistics Socio-economic classification (NS-SEC)

4.50 In terms of occupational groups, CW&C has a higher proportion (36%) of its population in the top occupational group (higher managerial, administrative and professional occupations) compared to the North West (30%%) and England (33%).

[26] https://www.ons.gov.uk/methodology/classificationsandstandards/otherclassifications/thenationalstatisticssocioeconomicclassificationnssecrebasedonsoc2010

4.51 The proportion of CW&C's population in Intermediate occupations is broadly in line with the regional and national figures. The proportion of CW&C's population in routine and manual occupations is broadly similar to the national proportion and slightly lower than the NW. The borough has a slightly lower proportion of the population in the 'never worked/long-term unemployed' and 'full time students' categories.

Figure 4.16 Occupation Level, NS-SeC, 2021

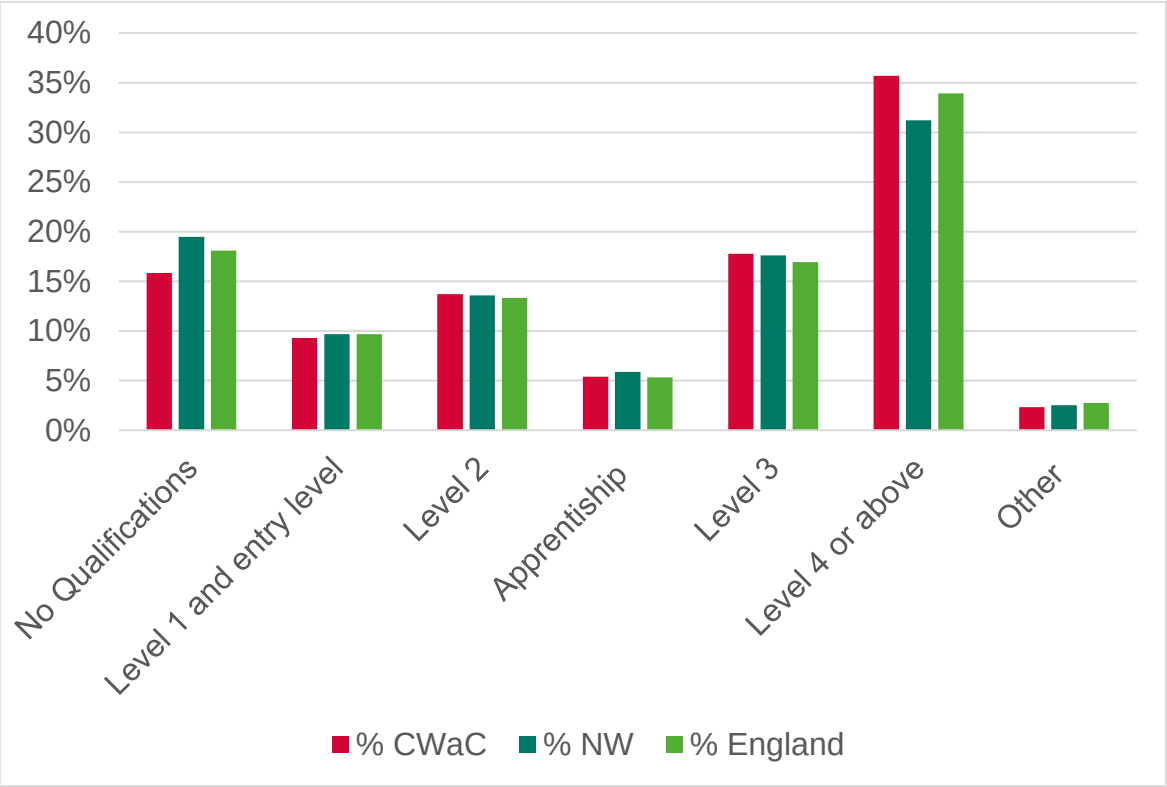


Source: Iceni analysis of Census, 2021

4.52 With regard to educational attainment, Figure 4.17 presents all usual residents aged 16 years and over by highest level of qualification using 2021 Census data. Level 1 is the lowest educational classification equivalent to 1-4 Grace A*-C GCSEs and Level 4 and above refers to degree level qualifications and equivalent. Appendix A2 provides a full description of all of the qualification classifications, as defined by the ONS.

4.53 It can be seen that CW&C has a lower proportion of residents with no qualifications (16%) compared to the NW (19%) and England (18%). CW&C has broadly comparable proportions of residents with Levels 1-3 to the NW and England, but a greater proportion with the highest level of qualification (Level 4 and above) at 36% compared to 31% (NW) and 34% (England).

Figure 4.17 Highest Level of Qualification, 2021



Source: Iceni Analysis of Census, 2021

4.54 GCSE results in CW&C indicate the Borough performs similarly to England, with 65.7% achieving grades 4 or above in English and Mathematics GCSEs compared with 65.4% across England and 62.3% in the North West (2022/23) [27].

[27] KS4 local authority district and region of pupil residence data

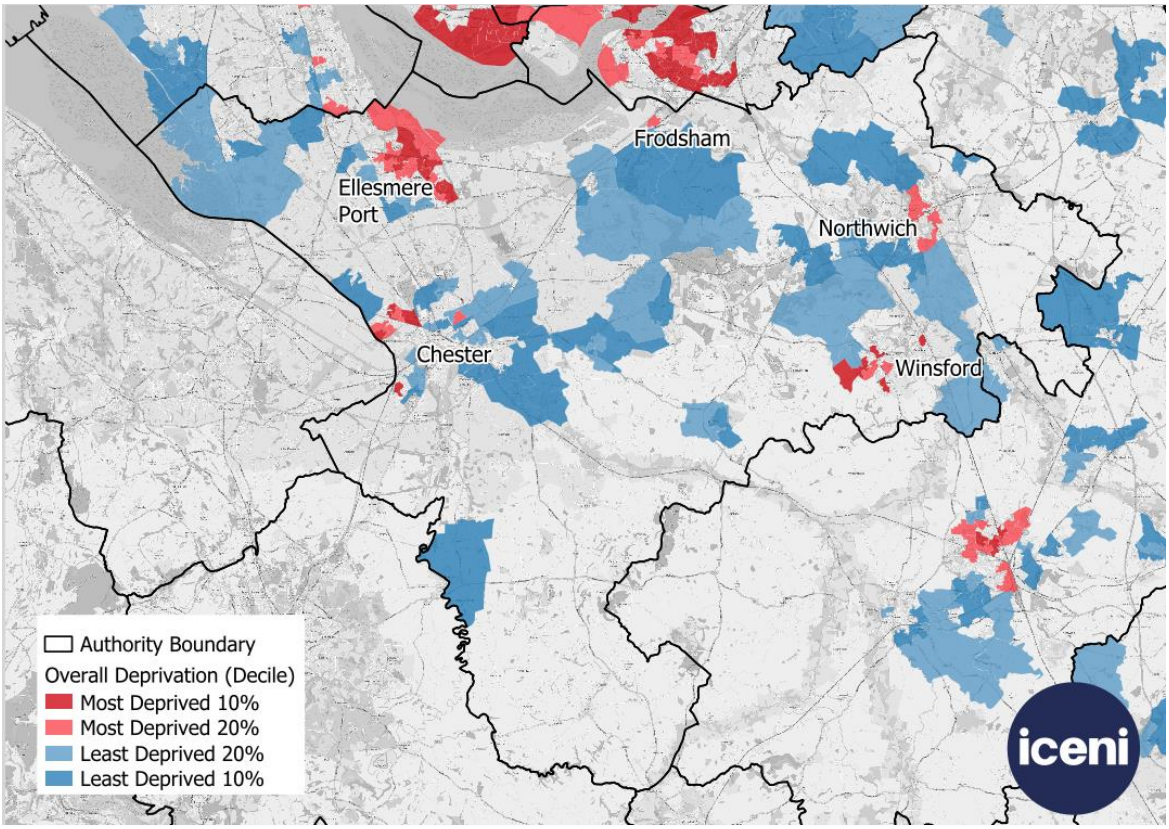
Deprivation and health

4.55 Indices of Multiple Deprivation (IMD) data from 2019 (which is the latest data) provides insight into the challenges faced by some residents. This includes deprivation in the domains of income, education, employment, health, crime and housing. Overall, CW&C has a less deprived population profile compared to England[28], however there are some disparities within the borough.

4.56 Figure 4.18 maps the top 10% and 20% most and least deprived Lower Super Output Areas (LSOA 2011) across CW&C. The areas of CW&C that are within the least 10-20% deprived areas in the country tend to be rural. . The area also has some areas that are within the 10-20% most deprived in the country. These tend to be within the more populated urban areas, with clusters of deprivation in Ellesmere Port, Winsford, Northwich and parts of Chester.

[28] Cheshire West and Chester Council, Indices of Multiple Deprivation 2019 https://www.cheshirewestandchester.gov.uk/your-council/datasets-and-statistics/insight-and-intelligence/data-and-intelligence/inequalities/indices-of-multiple-deprivation-2019

Figure 4.18 Index of Multiple Deprivation - (2019)



Source: IMD 2019, MHCLG

4.57 Public Health England data reports on a range of health indicators a selection of which are identified here[29]. As with the IMD data, they reflect health challenges in the local population:

- Limiting long-term illness or disability – proportion of population is higher in CW&C (18.5%) than nationally (17.6%)
- Emergency hospital admissions for all causes, all ages – the rate in CW&C is higher (105.3) when standardised[30] against England (100.0), particularly for emergency hospital admissions for coronary heart disease (107.9)

[29] OHID data

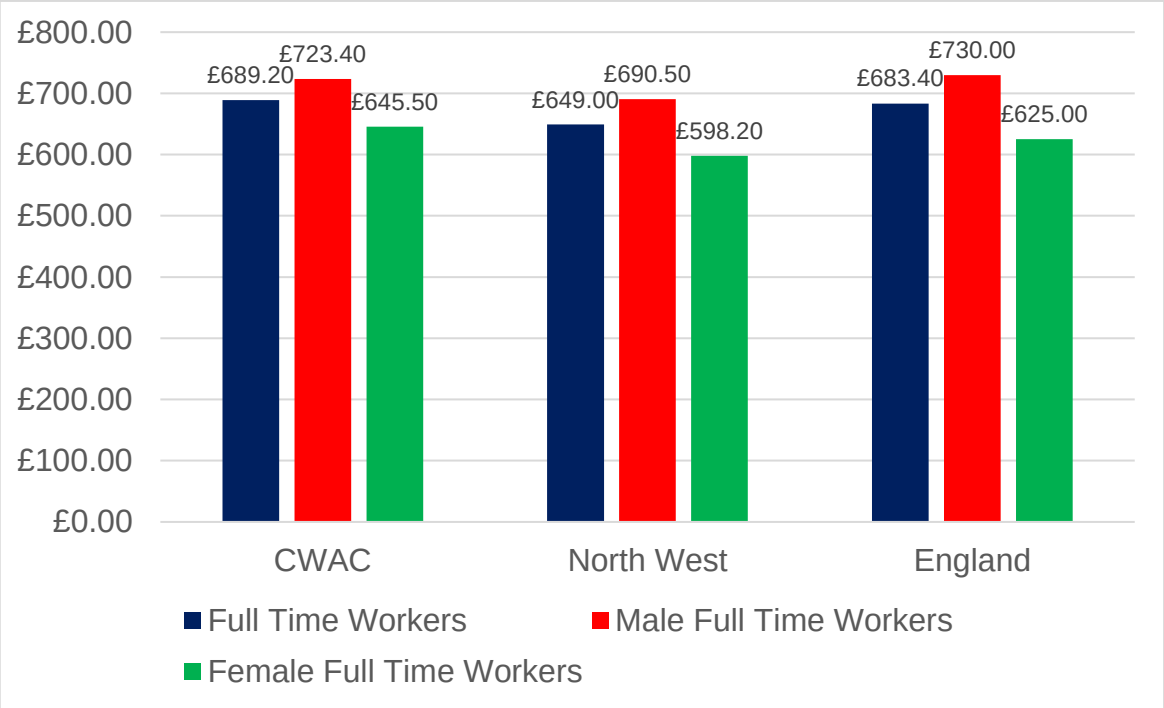
[30] Standardisation in this context refers to the adjustment of the data to account for factors such as difference in age structure between CW&C and England to ensure that the figures are comparable.

- Incidences of all cancers are higher in CW&C (103.7) when standardised against England (100.0)

Earnings and Productivity

4.58 In 2023 the median gross earnings of full time workers in the Borough stood at £689 per week compared to £649 for the North West and £683 for England as a whole. Earnings for part-time workers in CW&C are also slightly higher than across the North West and England. It should be noted that these figures are based on survey data and small sample sizes at a local authority level may introduce sampling error.

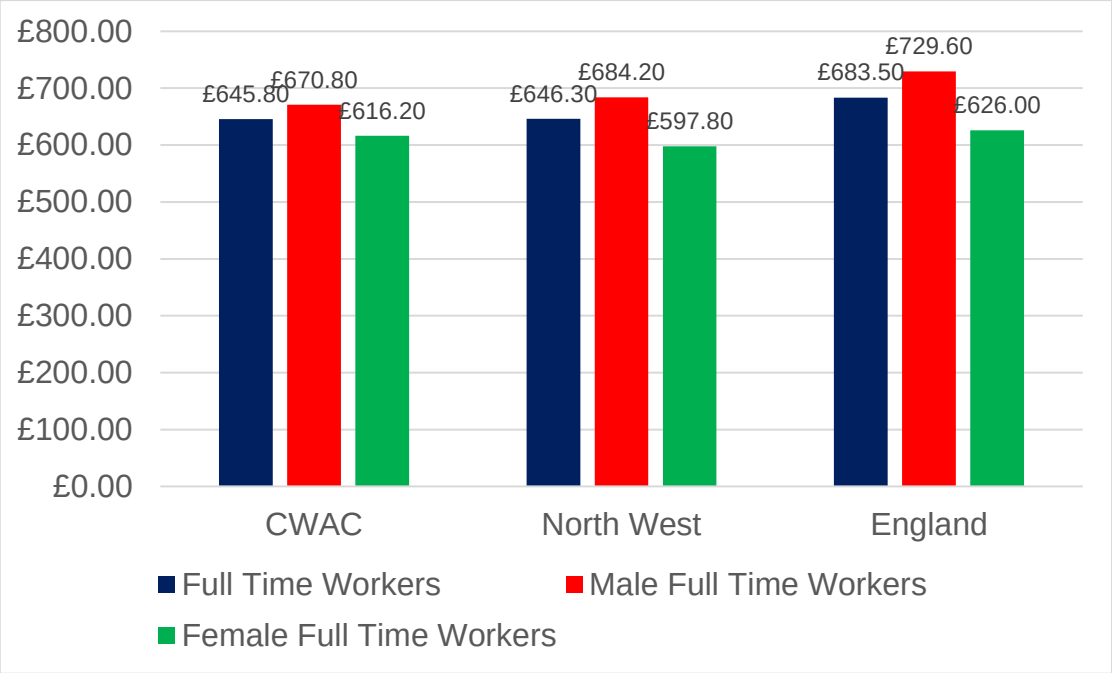
Figure 4.19 Median Gross Weekly Residence Based Earnings, 2023



Source: ONS, Annual Survey of Hours and Earnings

4.59 Workplace based earnings in CW&C are broadly similar to the North West but lower than the national average. They are also lower than residence based earnings, although the gap has narrowed over time. This may indicate that a proportion of residents in CW&C travel out of the Borough to access higher paid employment elsewhere.

Figure 4.20 Median Gross Weekly Workplace Based Earnings, 2023

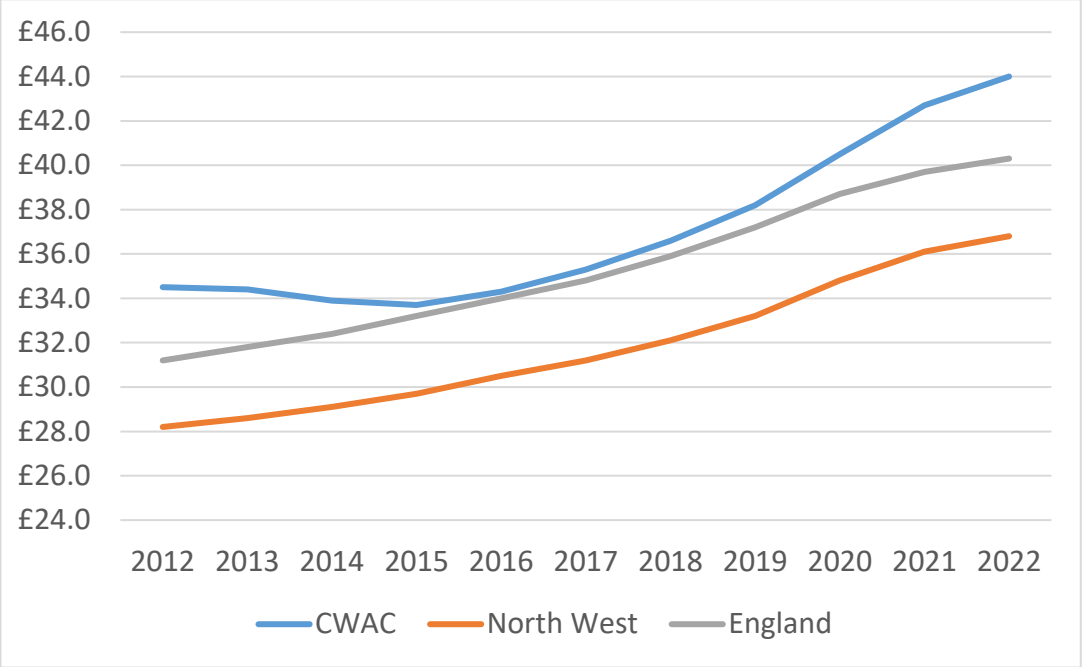


Source: ONS, Annual Survey of Hours and Earnings

4.60 Lower earning jobs in CW&C may be linked to lower productivity jobs however this will mask a range of job types including high quality jobs in manufacturing and engineering. The key metric for labour productivity in the UK is GVA per hour worked.

4.61 Figure 4.21 shows that GVA per hour worked in CW&C is higher than across England and the North West. As shown, GVA per hour worked in the Borough has been higher than both the North West and England since 2012, Between 2015 and 2019 there was some narrowing of the difference between CW&C and England. However since 2019 the gap has increased again which is a positive indicator for the Borough.

Figure 4.21 - GVA Per Hour Worked (Smoothed), 2022



Source: ONS Subregional Productivity

Local Economic Baseline – Summary

4.62 There are 175,650 jobs in CW&C according to BRES. Total employment fell during the COVID-19 pandemic but has since recovered.

4.63 The largest sectors of employment in the Borough are Wholesale and retail trade, Health, Professional, Scientific and Technical and Accommodation and food services. However, it should be noted that these sectors are not necessarily the most productive sectors. For example, whilst the Accommodation and food services sector ranks third in terms of employment share, it ranks much lower in terms of GVA share. Since 2015, Professional, scientific and technical activities saw the greatest growth in employment, followed by Accommodation and food services.

4.64 The Borough performs well in terms of business survival rates andGVA per hour worked exceeds the regional and national averages. There is a higher concentration of Finance and Professional, scientific and technical jobs than the national average which are typically higher earning and higher value. Higher level skills indicators reflect performance above the regional and national averages and the proportion of residents with no qualifications is lower than the regional and national averages.

4.65 The Borough also faces challenges – although the majority of the Borough falls within the least deprived areas in the country, there are clusters of deprivation particularly around Ellesmere Port, Northwich and Winsford means that those residents and the economy as a whole are ‘held back’ from faster growth. Workplace earnings in CW&C are also lower than national averages suggesting a level of out-commuting occurs where residents travel out of the Borough they reside in to access higher paid employment elsewhere.

5. COMMERCIAL PROPERTY MARKET

5.1 This section provides separate assessments of the industrial (covering industrial and warehousing) and office markets in CW&C. This analysis will be used to inform the scale and type of future needs, to be identified later in the report.

5.2 A range of data sources are used including CoStar which is a national property database compiled using agent data. Given the source of the data, this database does not cover all properties/transactions (e.g. owner-occupier properties and smaller transactions may not always be input by agents – this may mean that occupier expansions are not picked up in the data).

5.3 Valuation Office Agency (VOA) data has also been used which provides the best indication of the amount of commercial floorspace in the area.

5.4 We have also supplemented the data with our discussions with local stakeholders including local property agents, developers, key employers and business/economic forums – see Chapter 6.

Office Market

UK Office Market Overview

5.5 In recent years of office market has been turbulent, with a drastic shift towards home working post COVID-19 and release of much occupied space. Demand is increasingly focused on higher quality space.CoStar stated in their June 2024 UK Office Market Review:

“The national office vacancy rate remains on an upward path heading into the summer of 2024, with space released onto the market continuing to outweigh new leasing. Annual net absorption remains deeply negative, at -4.5 million SF, as ongoing structural change in the office sector combines with weak economic conditions to depress demand. The uptick in leasing recorded in the final months of last year has fallen away in 2024, although preleasing is continuing apace in the City of London.”

5.6 CoStar report that vacant office space is at its highest level in ten years, with 115 million sq.ft (approx. 10 million sqm) of vacant space – an 85% increase on the amount vacant when the covid-19 pandemic struck.

5.7 Despite this, it is noted that some market segments (high quality, Grade A office spaces) continue to perform well, with micro-location and the quality of office space becoming important in an increasingly polarised market.

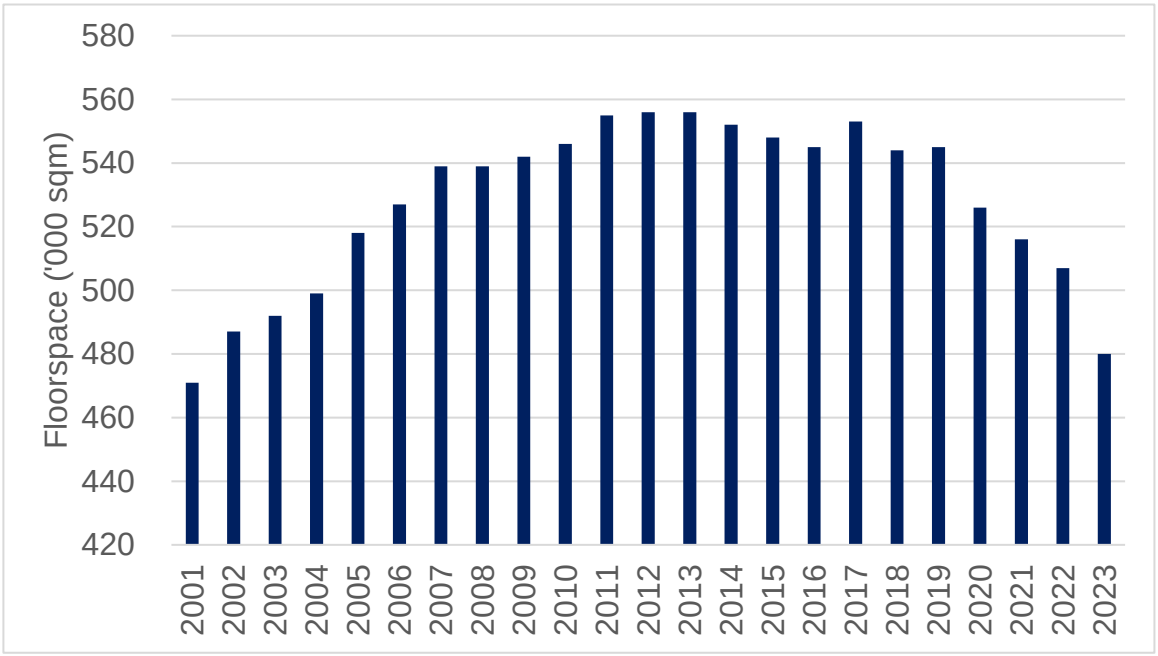
Cheshire West and Cheshire Office Market Overview

5.8 CoStar stated in June 2024 that the CW&C submarket comprises approx. 5.5 million sq.ft (approx. 511,000 sqm) of office space. Vacancy rates have fallen significantly in the last year, with net absorption (total space leased net of total space vacated) becoming positive (more space leased than vacated) after a five-year average net negative absorption (more space vacated than leased). Rents have increased over the past year, however growth is slower than the average over the past decade.

Cheshire West and Chester Office Stock

5.9 The Valuation Office Agency provides information on the volume of rateable office floorspace by administrative area. Figure 5.1 shows that between 2001 and 2012, the amount of office stock in CW&C increased from 471,000 to 556,000 sqm. Between 2013 and 2016 there was a gradual decrease in the volume of office space before increasing again in 2017. Since 2019 there has been a decrease in the CW&C office stock from 545,000 sqm in 2019 to 480,000 sqm in 2023. This reflects the fall in demand for office space since the COVID-19 pandemic which saw increased home working.

Figure 5.1 Office Stock in CW&C 2001-2023 ('000 sqm)

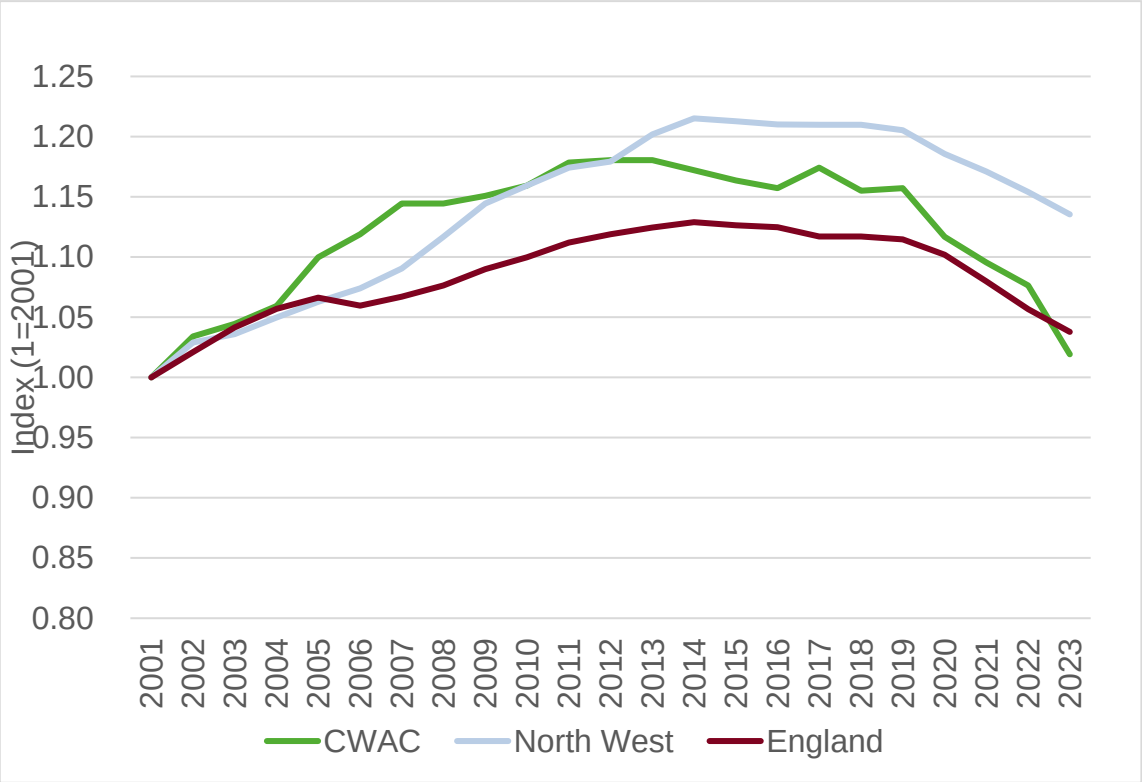


Source: VOA: Office sector - total floorspace by administrative area

5.10 The figure below shows how the amount of office stock has changed in CW&C compared to the North West region and England, with total floorspace in 2001 in each area acting as a base index. All show a similar pattern.

5.11 Regionally within the North West, office stock has increased overall, although this has fallen somewhat since 2019. While CW&C saw a greater increase in the amount of office stock between 2005 and 2009, the borough has seen a more significant drop in office stock since 2019. Nationally, the proportion of office stock has remained lower than at the CW&C and North West levels, but has seen less dramatic increases and decreases in stock. However the amount of office stock has also been gradually decreasing since 2019.

Figure 5.2 Office Floorspace Indexed Growth, CW&C, North West and England (2001-2023)



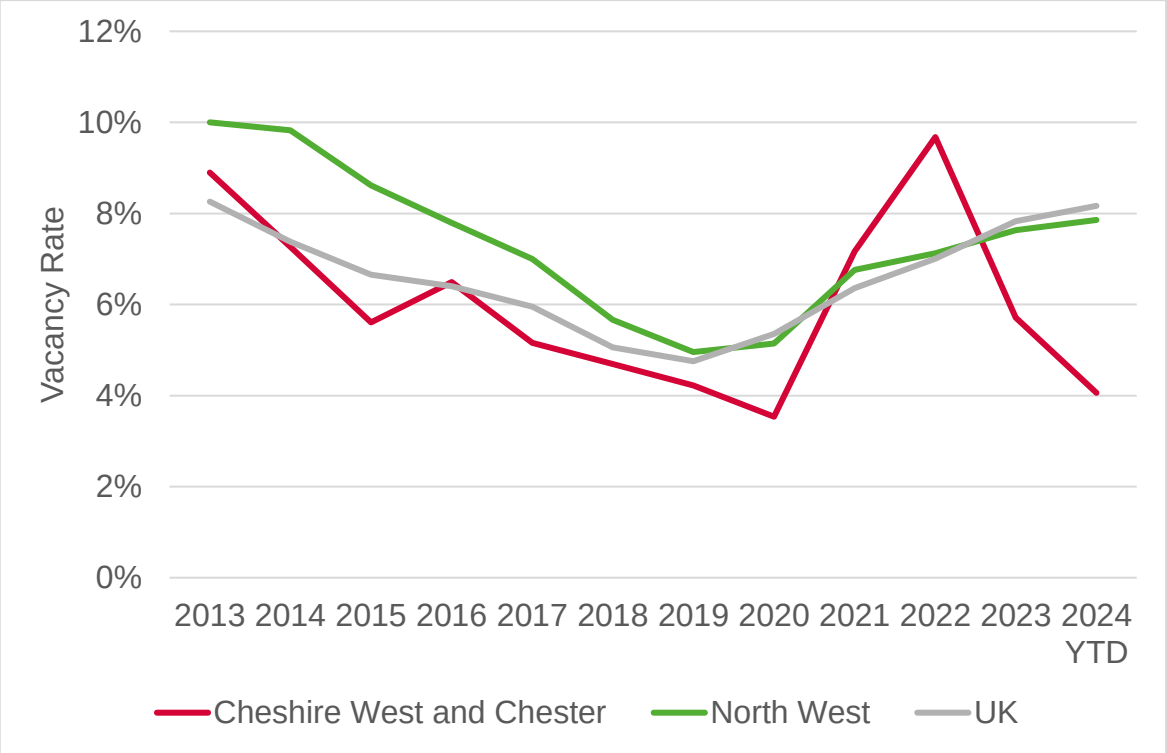
Source: Iceni analysis of VOA data (August 2024)

Overall Supply-Demand Balance – Cheshire West and Cheshire Office Market

5.12 The overall supply-demand balance has been assessed by analysing headline indicators – namely vacancy rates and rents. The drivers of changing vacancy rates, demand and supply have then been assessed by looking at net absorption and net deliveries.

5.13 The figure below shows how the vacancy rate in Cheshire West and Cheshire has changed over time compared to the North West and the UK. Currently (June 2024), the vacancy rate in CW&C is 4.1%.

Figure 5.2 Office Vacancy Rate (2013-2024)



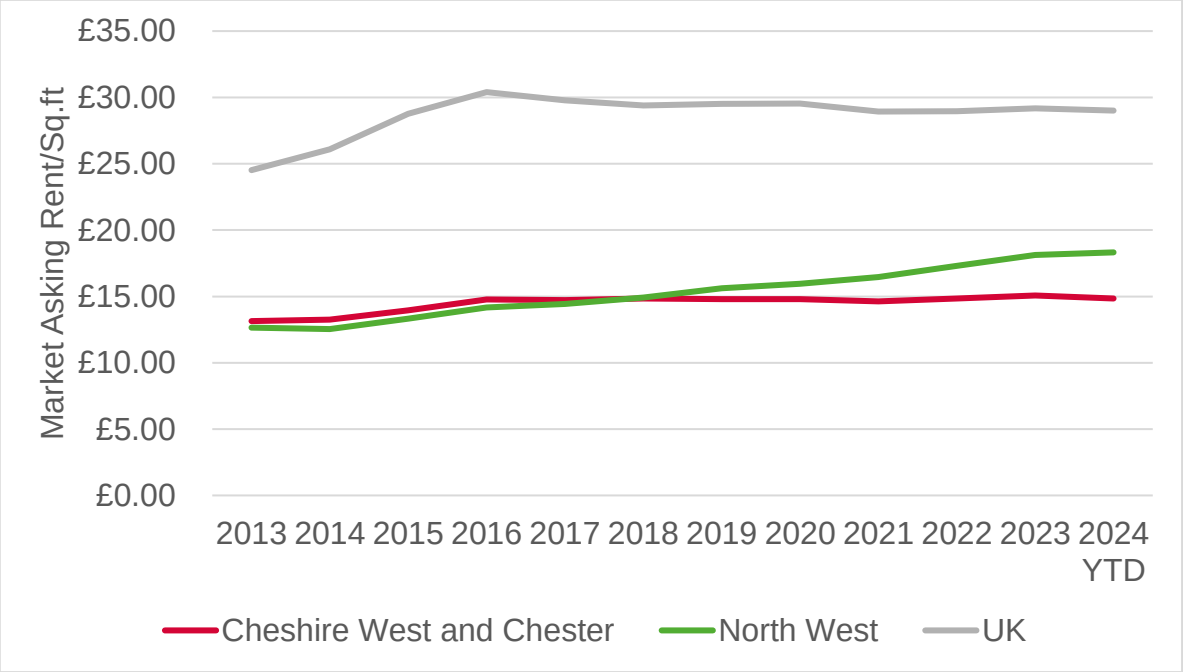
Source: Iceni analysis of CoStar data (June 2024)

5.14 Cheshire West and Chester's current vacancy rate of 4.1% is significantly lower than the comparator areas which range from 7.9% - 8.2%. A vacancy rate of 7%-8% is generally considered to indicate a well-functioning market. The significant increase in vacancy rate between 2020 and 2022 is likely to have resulted from the fall in demand for office space during the COVID-19 pandemic which saw an increase in home working. Cheshire West and Cheshire's vacancy rate is lower than other areas, indicating move-ins over the last two years to absorb some excess supply or due to supply losses of vacant space to other uses.

Office Rents

5.15 The Figure below shows how average rental prices in CW&C have changed over time compared to Cheshire, the North West and the UK. As of June 2024, the average rental price in CW&C is £14.84/sq.ft. This is slightly lower than average rents across the North West £18.32 per sq.ft) and significantly lower than UK rents (£29.01/sq.ft). This relationship is to be expected with North West figures reflecting premium rents associated with the Manchester office market and national figures capturing the 'big six' cities where rents can achieve over £50 per sq.ft.

Figure 5.3 Average Office Rental Price (£ per Sq.ft, inflation adjusted)



Source: Iceni analysis of CoStar data (June 2024)

5.16 Rents in CW&C have remained relatively stable over the last 10 years, varying between £13.14 and £15.07 per sq.ft. There is no clear relationship between vacancy rates and rents, with no significant fall in rents despite the significant increase in vacancy seen between 2020 and 2022.

Net absorption in the Office Market

5.17 CoStar provides data on net absorption which is the balance between the amount of space moved into and moved out of (i.e. Net absorption = Move Ins – Move outs). It provides an indicator of the strength of demand.

5.18 This differs from net deliveries which is the difference between floorspace delivered (i.e. constructed and brought onto the market) and demolished (or otherwise taken out of use and removed from the market).

5.19 A positive net absorption figure indicates strong demand and leads to a falling vacancy rate (unless it is outweighed by net deliveries). On the other hand, a negative net absorption figure indicates weaker demand and leads to a rising vacancy rate (unless it is outweighed by negative net deliveries).

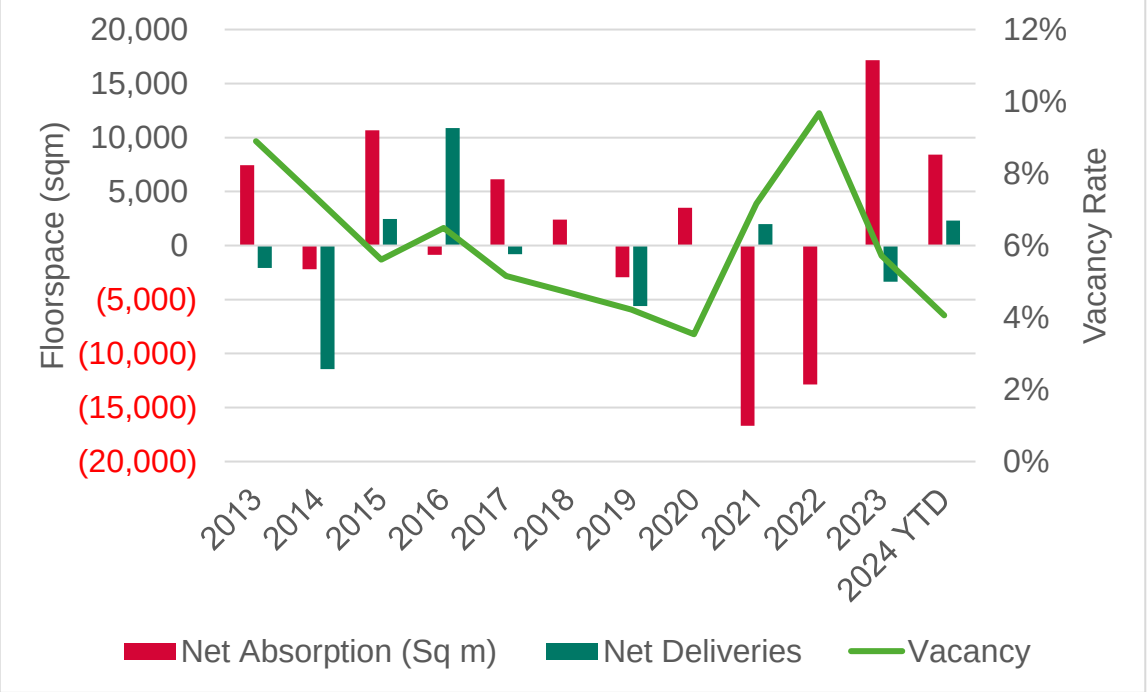
5.20 The figure below shows net absorption, net deliveries and their resulting impact on vacancy rates in CW&C. Net absorption has varied over the last 10 years, with both positive and negative net values of varying magnitudes.

5.21 2021 and 2022 saw significant levels of negative net absorption. This is likely a result of a consolidation in office floorspace as a result of the covid-19 pandemic which saw increased levels of home working and therefore reduced demand for office space. It can be seen that the negative net absorption is strongly correlated with the steep rise in vacancy rate between 2020 and 2022.

5.22 Since 2022, demand in the office market appears to recover, with positive net absorption. In 2023, CW&C saw 17,160 sqm of positive net absorption which is correlated with the sharp fall in vacancy rate between 2022 and 2023.

5.23 Over the past 5 years (since 2019), overall net deliveries were negative, with a net loss in floorspace of 6,949 sqm.

Figure 5.3 Office Net Absorption, Net Deliveries and Vacancy Rate for Offices in Cheshire West and Chester.



Source: Iceni analysis of CoStar data – NB vacancy displayed on right hand legend

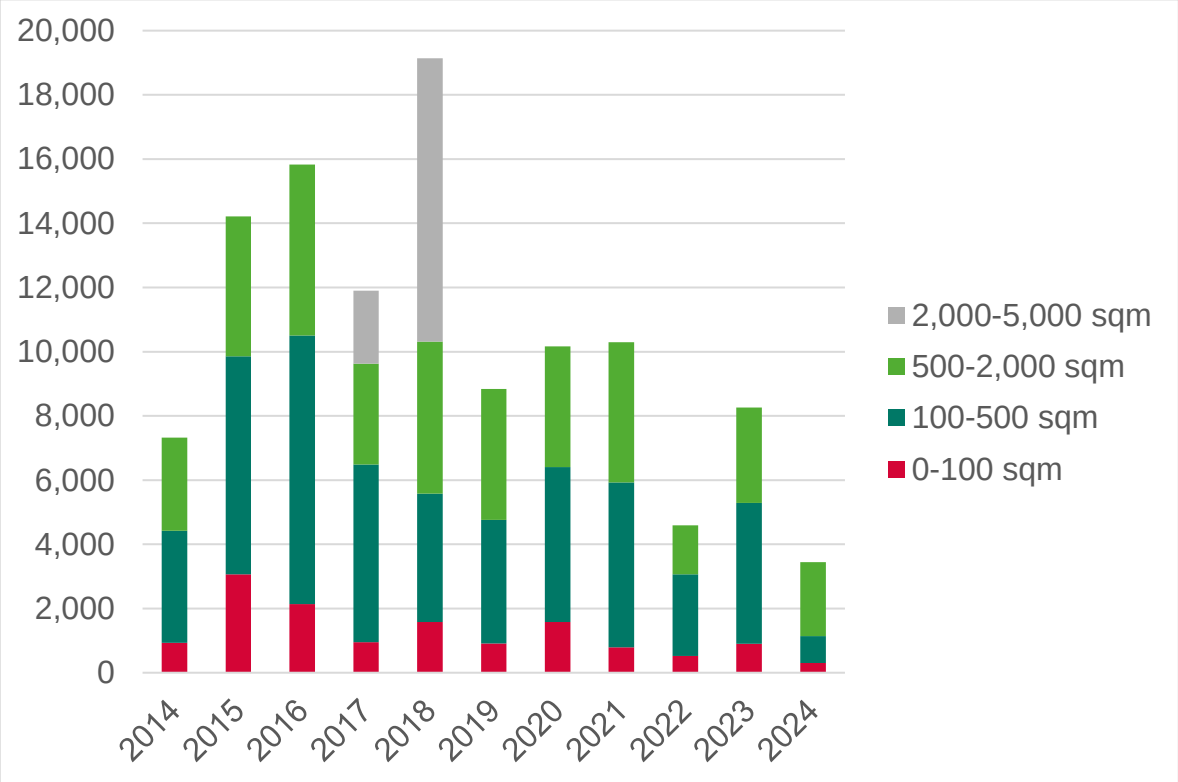
Demand by Size

5.24 The amount of leasing activity which has occurred in various size bands has been assessed to provide an indication of demand by size. However, it should be remembered that leasing activity is constrained by the size of available stock.

5.25 The figure below shows the amount of leasing activity (sq.m) by size band which have occurred over the last 10 years. Over the past 5 years, an average of 8,431 sqm has been leased each year; the majority of this floorspace was in the 100-500 sqm size band.

5.26 Leasing of office floorspace peaked in 2018 when 19,143 sqm was leased, of which nearly half can be attributed to three large deals of 3,237 sqm (Job Centre), 2,830 sqm and 2,760 sqm (both Barclays). Leasing was at a 10-year low in 2022 during the covid-19 pandemic, with 4,595 sqm leased. Although leasing seems to have recovered to an extent since the pandemic (8,262 sqm in 2023), floorspace leased remains significantly below the volumes recorded between 2015 and 2018.

Figure 5.4 Office Floorspace Leased in CW&C by Size Band (Sqm)



Source: Iceni analysis of CoStar data, NB 2024 YTD H1

Supply and Demand by Sub-area

5.27 The table below provides current (2024 YTD) figures of total office floorspace and vacancy rates for the sub-areas of Chester, Ellesmere Port, Northwich and Winsford. It should be noted that sub-area analysis should be treated with some caution, especially where total stock levels are low (for example office stock in Ellesmere Port) as the small sample sizes make analysis highly sensitive to change and less robust.

5.28 As reflected by stakeholder engagement, Chester is the dominant office sub-market with 287,746 sqm of floorspace, followed by Northwich with less than half the floorspace of Chester at 85,125 sqm.

5.29 Chester currently has the lowest vacancy rate of the sub-areas which would reflect the high demand for office space in the City noted by stakeholders (see Ch 6), however comparison of sub-market vacancy rates is cautioned due to some of the small sample sizes which may skew results. Nonetheless, with a maximum vacancy rate of 7%, none of the rates appear to indicate an excess supply of office stock in the sub-markets.

Table 5.1 Office floorspace and vacancy rates, CW&C sub-areas, 2024 YTD

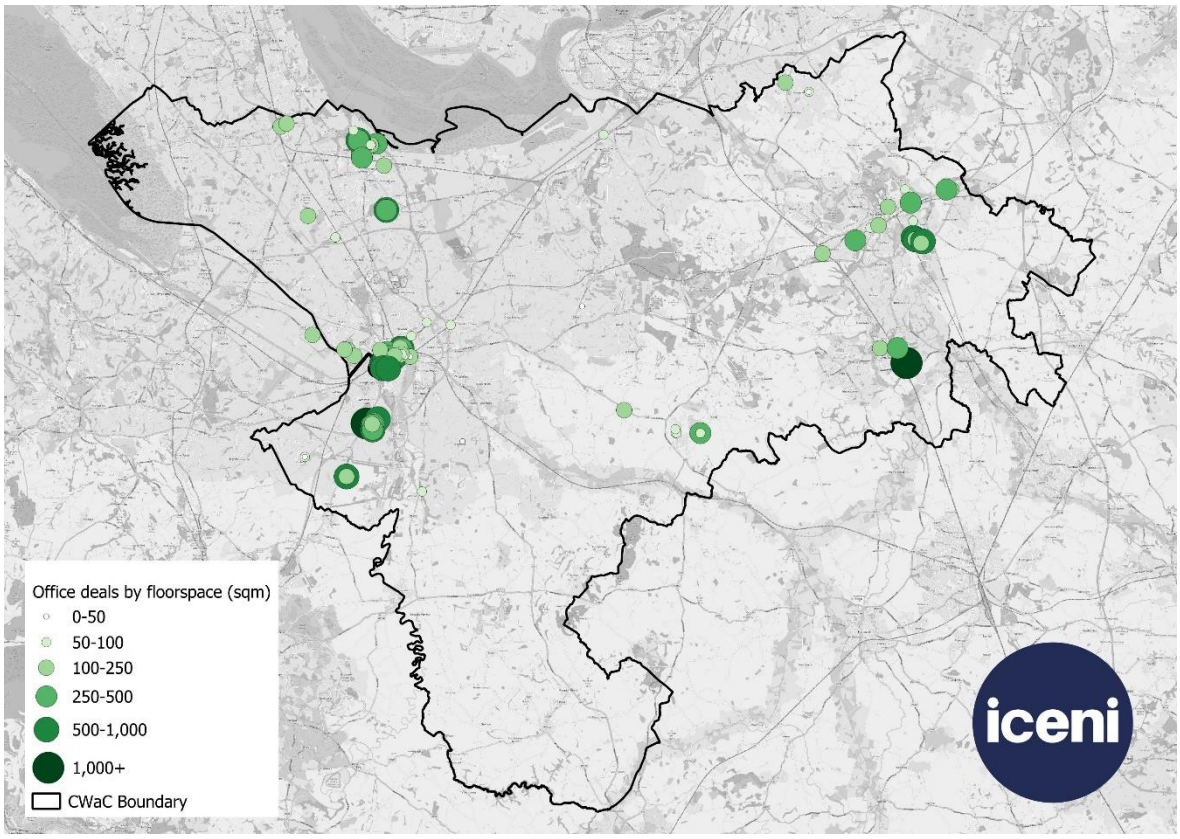
	Chester	Ellesmere Port	Northwich	Winsford
Floorspace (sqm)	287,746	25,733	85,125	16,404
Vacancy Rate (%)	3%	7%	6%	5%

Source: CoStar, 2024

5.30 The map below shows office lease deals over the last 5 years (to mid-June 2024) according to CoStar records. Unsurprisingly, the majority of deals are seen in the City of Chester and at Chester Business Park. There are also smaller clusters of deals seen in and around Ellesmere Port and Northwich – in particular at Gadbrook Park. Whilst there have been few office deals in Winsford, there was one significant deal for 1,161 sqm at Winsford Industrial Estate in 2024.

5.31 It should be noted that the deals in CoStar are categorised as office deals based on the premises type, however this does not mean that all of the deals are for 'traditional' office uses, with CW&C seeing increased applications for alternative uses coming forward for office spaces. As noted in Chapter 3, Class E now offers a wider range of uses, depending on any planning conditions which may/may not be in place to restrict a former B1 use.

Figure 5.5 Map of office deals by floorspace (sqm), 5 years to June 2024



Source: Iceni Analysis of CoStar data (June 2024)

Industrial Market

5.32 This section provides an assessment of CW&C's industrial and warehousing market.

UK Industrial and Warehousing Market Overview

5.33 CoStar stated in June 2024 that:

"The heightened levels of occupier and investor demand for industrial property witnessed during the height of the pandemic have faded following an extended period of high inflation and elevated interest rates. However, the sector continues to benefit from structural factors such as e-commerce, supply chain reconfiguration and the push towards net-zero carbon emissions, which should continue to support leasing decisions and, in turn, unlock opportunities for investors."

5.34 CoStar note that although consolidation by distribution occupiers and retailers has caused net absorption to cool down significantly over the past 12 months, it remains positive. Vacancies are rising but remain below their decade peak. Rising vacancies can be attributed to both increased supply as well as the slowdown in demand with construction activity remaining elevated.

5.35 Sector-wide rent gains have decelerated to 4.7% year-over-year as vacancies have inched up and occupiers face ongoing cost pressures. Rents are expected to keep growing, however, driven by relatively tight supply-demand conditions in some segments of the market. Tenant appetite for greener buildings is offering support to rental growth. Industrial properties with the highest energy-efficiency ratings continue to post stronger rent growth than their lower-rated or unrated counterparts and are expected to continue to do so.

Cheshire Industrial and Warehousing Market Overview

5.36 CoStar highlights that Cheshire (including East and West) is well connected by the M6, M62, and M56 motorways and is, as such, a key warehouse and distribution hub. Thanks to its connectivity to the rest of the UK and relatively affordable rents, demand for industrial space in Cheshire has been relatively broad-based over the past few years, though take-up has been driven principally by discount retailers, delivery specialists, and the automotive sector.

5.37 At August 2024 CoStar reports that occupier market conditions in Cheshire continue to favour landlords. Although the vacancy rate is among the highest in the North West (currently 5.3%) on account of substantial deliveries in recent years, it has been relatively stable over the past 18 months. The slowdown in the rise in vacancy is expected to continue over the next few quarters as new supply and demand remain relatively well balanced, with the vacancy rate remaining below its historical average of 6.4%.

5.38 Leasing activity has slowed in all size bands[31] over the past few quarters compared to the levels achieved during the pandemic. Mid-box and multi-let lettings have made up the majority of activity, with the M62 and M56 corridors the busiest. Several mid-box lettings were agreed on at the Winsford Industrial Estate at the end of 2023, and in the multi-let sector, there have been several lettings at various industrial estates, such as the recently completed Winnington Business Park in Northwich and Poynton Industrial Estate.

5.39 Construction has reached record levels in recent years, but more lately, starts have slowed. While the M62 and M56 corridor towns of Warrington, Widnes, and Ellesmere Port have seen the lion's share of recent construction activity, further south Crewe and Middlewich have seen considerable big-box construction.

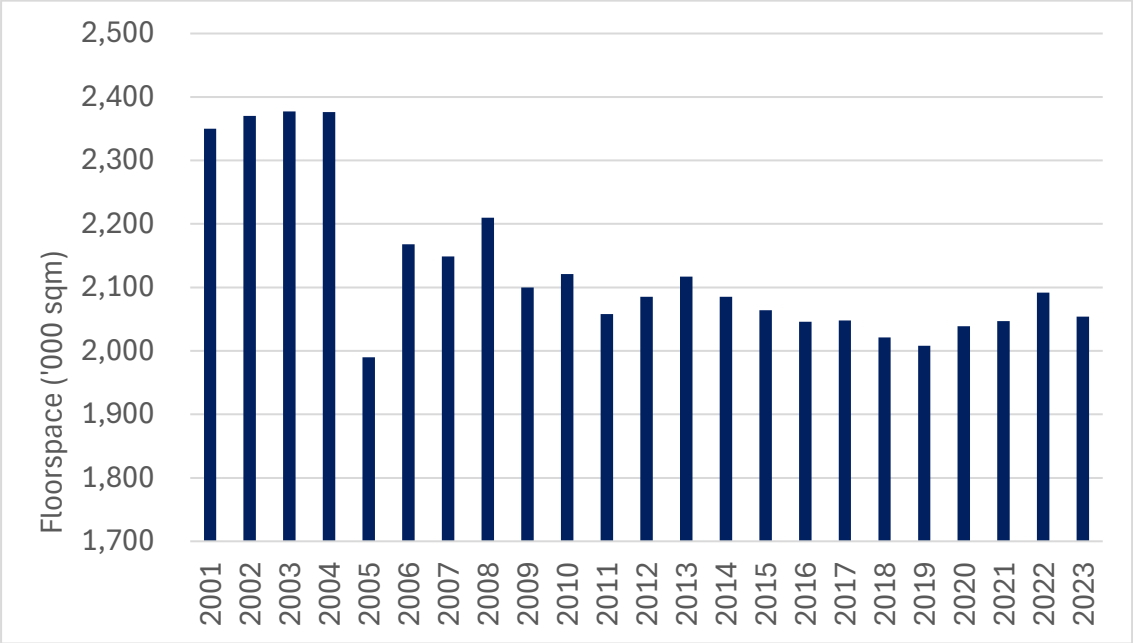
5.40 Fuelled by several years of positive net absorption and tight vacancy, average industrial rents in Cheshire have been rising since 2012. Rental growth peaked at 12% per annum in 2021 and while it is still strong, it has slowed to 5.7% year-over-year. With average rents of £8.60/SF, it ranks in the top half of CoStar's 54 industrial markets across the UK. It is one of the most expensive industrial markets outside London and the South East.

Cheshire West and Chester Industrial Stock

5.41 The Valuation Office Agency provides information on the volume of rateable industrial floorspace by administrative area. In CW&C the industrial stock saw a large decrease between 2004 and 2005 before increasing again until 2009 when the volume of stock fell (although this may be due to changes in data collection). Since then the volume of industrial floorspace has remained fairly stable at around 2 million sqft (approx.185,800sqm), around 4 times the recorded office space.

[31] Generally, size bands for industrial units are considered to be: Medium/'Mid-Box' 25,000-108,000 sqft (2332-10,000 sqm), Big-Box 100,000 sqft+ (9290 sqm)

Figure 5.6 Industrial Floorspace in CW&C 2001-2023 (‘000 sqm)

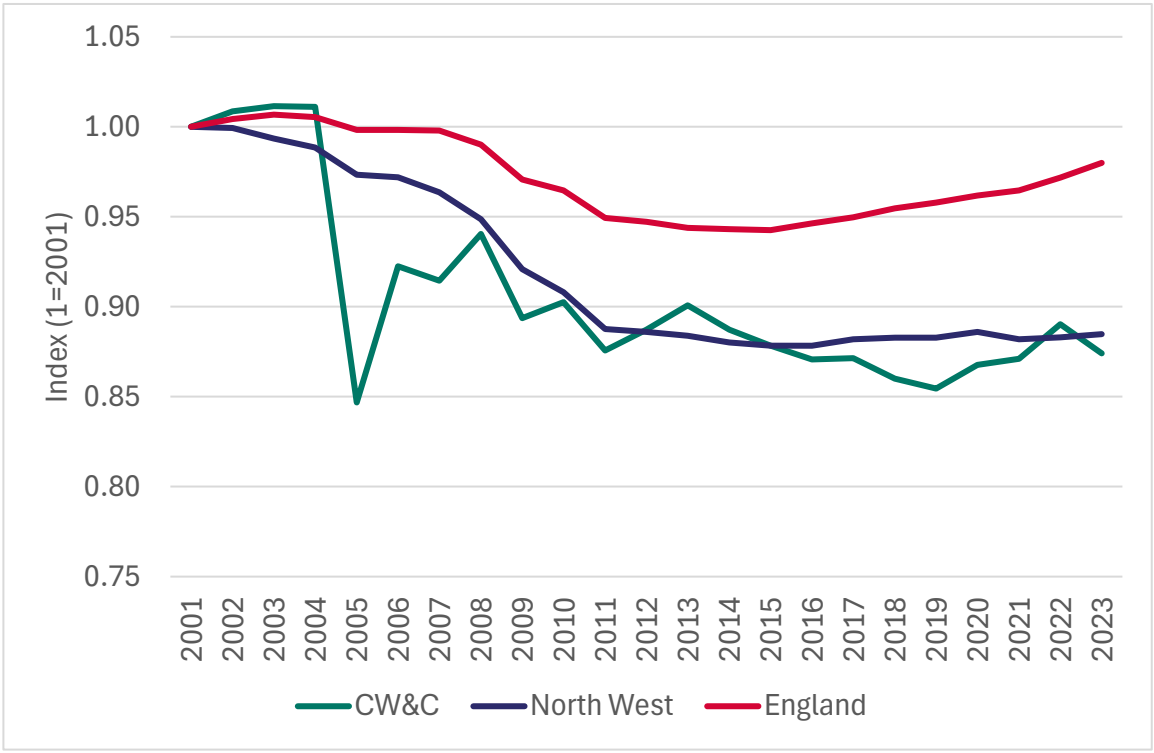


Source: VOA: Industrial sector - total floorspace by administrative area (2023)

5.42 The figure below shows how the amount of industrial floorspace has changed in CW&C compared to the North West region and England, with total floorspace in 2001 in each area acting as a base index.

5.43 All areas have seen an overall drop in the number of industrial space between 2001 and 2023. However this decrease has been less dramatic in England than across CW&C and the North West. Nationally the industrial stock appears to be gradually increasing again since 2014, whereas in regionally it has been broadly stable, and in CW&C gently falling to 2019 since which it has started to rise.

Figure 5.7 Industrial Floorspace Indexed Growth, CW&C, North West and England (2001-2023)



Source: Iceni analysis of VOA data (August 2024)

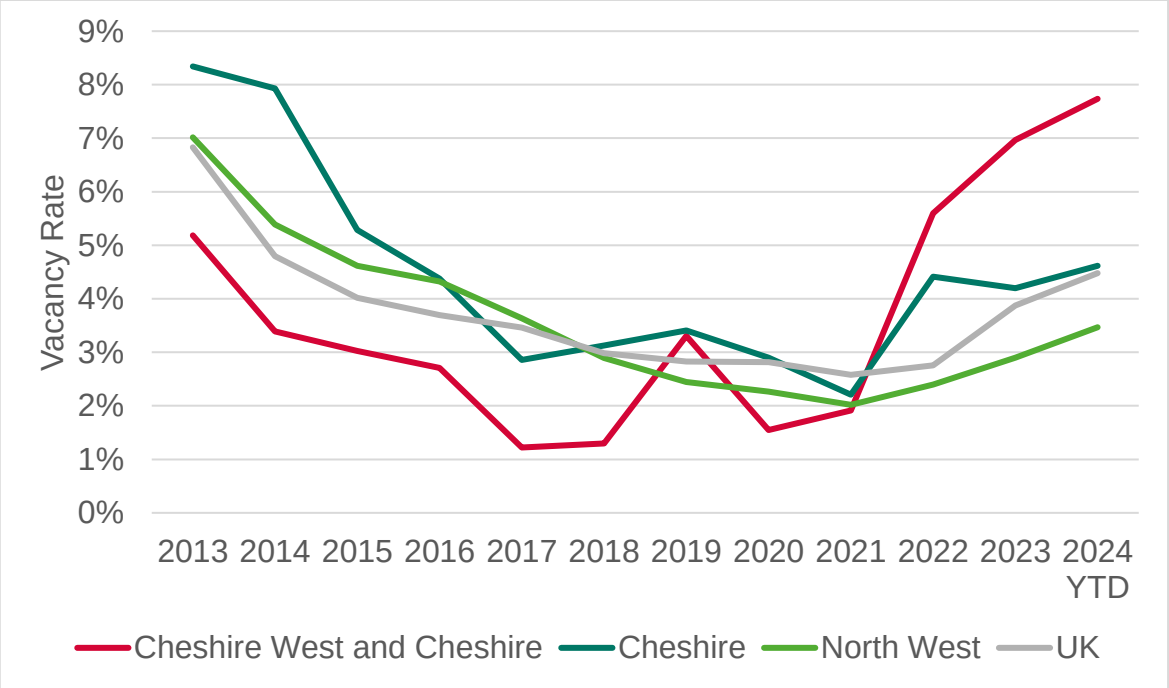
Overall Supply-Demand Balance – CW&C Industrial Market

5.44 The overall supply-demand balance has been assessed by looking at headline indicators – namely vacancy rates and rents. The drivers of changing vacancy rates, demand and supply have then been assessed by looking at net absorption and net deliveries.

5.45 The figure below shows how the industrial vacancy rate in CW&C has changed over time compared to the wider Cheshire area, the North West and the UK. Currently (June 2024), the vacancy rate in CW&C is at an all-time high at 7.7%, considerably higher than the comparator areas which see vacancy rates between 3.5% and 4.6%. A vacancy rate between 7-8% is usually indicative of a well-functioning market which suggests that there is a healthy balance between supply and demand for industrial stock within CW&C whilst there is constrained supply across wider regions and the UK as a whole. Agents however report that the position in CW&C is due to some specific larger units being brought forward at Ellesmere Port, which do have deals in place, and the vacancy is expected to fall quickly again to below 5%[32].

5.46 The trend in industrial vacancy rates in CW&C broadly followed that of its comparator areas up until 2021, with the exception of a spike in vacancy in 2019.

Figure 5.8 Industrial Vacancy Rate, 2013-2024



[32] To note: recent developments include the leasing of Link 674 (774,000 sqft at Link Logistics Park) to B&M Retail (https://www.cainint.com/media-centre/press-releases/cain-secures-674265-sq-ft-lease-with-bm-retail-for-ellesmere-port-logistics-facility/)

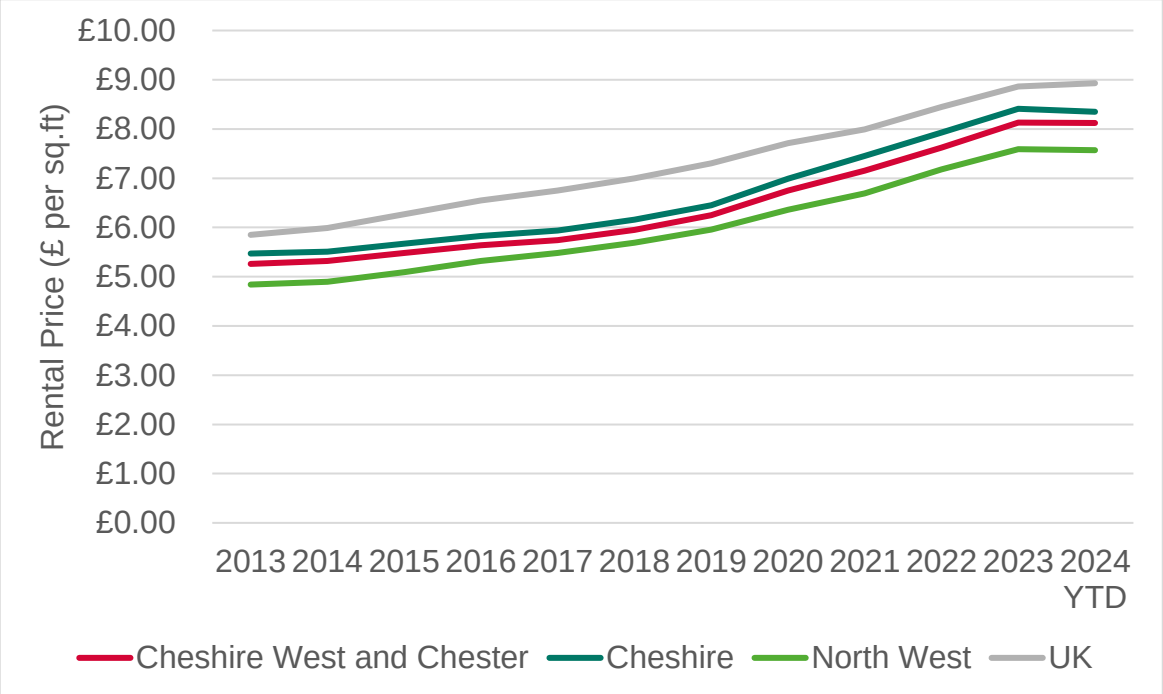
Source: Iceni analysis of CoStar data (June 2024)

5.47 The figure below shows how average rental prices in CW&C have changed over time compared to Cheshire, the North West and the UK.

5.48 As of June 2024, the average industrial rental price in CW&C is £8.12/sq.ft. This is slightly higher than the average across the North West (£7.57) and slightly lower than the UK average (£8.93).

5.49 Industrial rents have increased gradually over the last 10 years, broadly in line with the trend seen across all of the comparator areas.

Figure 5.9 Average Industrial Rental Price (£ per sq.ft, inflation adjusted)

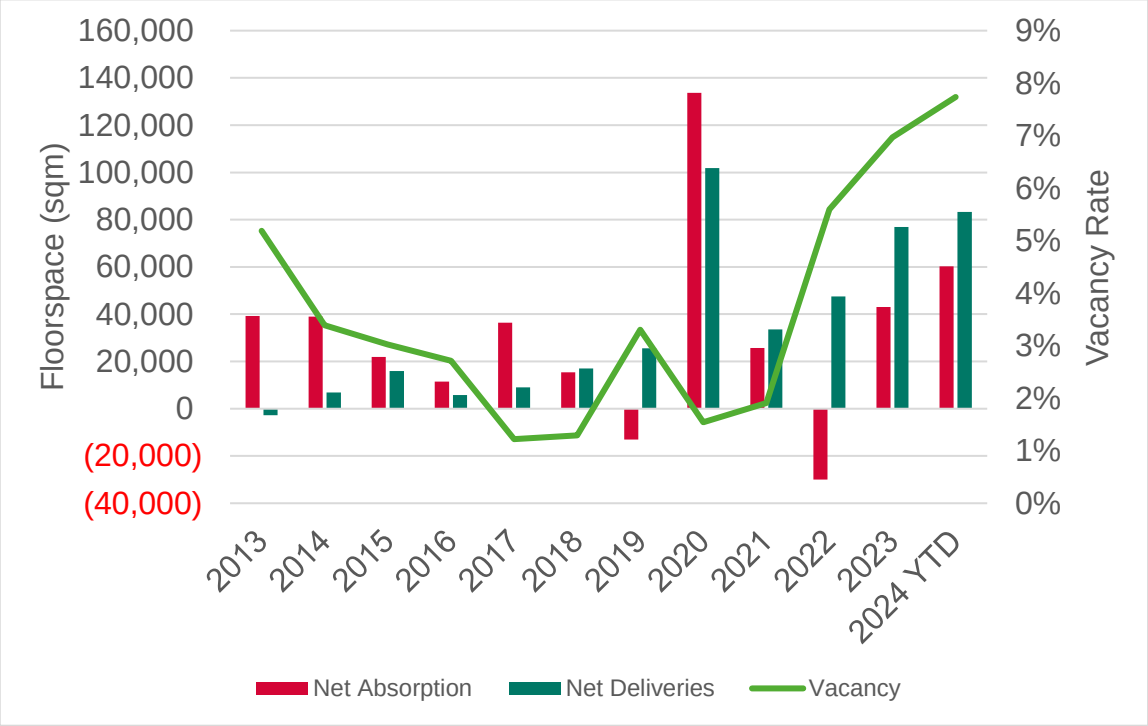


Source: Iceni analysis of CoStar data (June 2024)

5.50 The figure below shows net absorption, net deliveries and their resulting impact on vacancy rates in CW&C. Over the past decade, net absorption rates have been positive with the exception of 2019 and 2022. Net absorption peaked in 2020 with a net take-up of 133,696 sqm. This considerable volume of take-up is most likely associated with the rise in e-commerce related to the covid-19 pandemic driving demand for warehousing and logistics space.

5.51 The spike in vacancy in 2019 resulted from a combination of positive net deliveries and negative net absorption. More recent significant increases in the vacancy rate can be attributed to increasing levels of net deliveries, exceeding the amount of floorspace being taken-up. Notable deliveries of floorspace since 2022 include the Stellantis parts distribution centre (62,211 sqm), Link Logistics Park including Link 674 (62,641 sqm) and Aviator Park including Aviator 200 (18,475 sqft).

Figure 5.10 Industrial Net Absorption, Net Deliveries and Vacancy Rates



Source: Iceni analysis of CoStar Data (June 2024) – NB vacancy shown on right hand axis

Demand by Type

5.52 In order to identify the types of occupier space typically sought, we have reviewed CoStar data for the 2014-2024(YTD) period reporting lease deals on properties as below.

5.53 This indicates that manufacturing firms are the largest occupiers of industrial floorspace. Whilst transportation and warehousing appears relatively low (11%), this underestimates the requirement for stock because most retail and wholesale activities occur in B8 premises.

Table 5.2 Occupier types in CW&C 2014-2024

Category	Description	SQM	%
Manufacturing	Jaguar Land Rover largest deal, followed by Howard Tenens, Advanced Medical Solutions Ltd and Adient (automotive seating).	146,726	29%
Transportation and Warehousing	Distribution services. Largest deals are the Royal Mail Chester Mail Centre and Buffaload Logistics Ltd.	53,915	11%
Wholesaler	Including construction, i.e. Travis Perkins and Howdens.	27,732	6%
Retailer	Part retail, part retail distribution (e.g. Zavvi Group)	54,396	11%
Professional, Scientific, and Technical Services	General high tech manufacturing and R&D. Largest deals Novar ED&S, Survitec and Gradus.	71,360	14%
Other		48,667	10%
Not listed		97,875	20%
Total		500,671	100%

Source: Iceni analysis of CoStar data (June 2024) – NB Figures may not sum due to rounding

Supply and Demand by Sub-Area

5.54 The table below provides current (2024 YTD) figures of total industrial floorspace and vacancy rates for the sub-areas of Chester, Ellesmere Port, Northwich and Winsford. It should be noted that sub-area analysis should be treated with some caution, especially where total stock levels are low as the small sample sizes make analysis highly sensitive to change and therefore less robust.

5.55 Unsurprisingly, Ellesmere Port has the greatest industrial floorspace out of the sub-areas. Ellesmere Port has also seen substantial increases in floorspace since 2019. Winsford is the secondary sub-area with regards to industrial stock with 425,901 sqm (less than half of that at Ellesmere Port). CoStar records 102 units in Winsford compared to 158 units at Ellesmere Port, which indicates that unit sizes at Ellesmere Port tend to be larger on average.

5.56 Vacancy rates in Chester, Northwich and Winsford are all 5% and below which indicates a supply constrained market. Ellesmere Port has a much higher vacancy rate at 13%, however there have been significant deliveries of stock in recent years and there may be a lag in terms of take-up of this stock. Stakeholder engagement indicated that there is high demand for industrial stock in Ellesmere Port so it is unlikely that the high vacancy rate is indicative of over-supply (see Ch 6).

Table 5.3 Industrial floorspace and vacancy rates, CW&C sub-areas, 2024 YTD

	Chester	Ellesmere Port	Northwich	Winsford
Floorspace (sqm)	150,498	1,058,530	206,556	425,901
Vacancy Rate (%)	3%	13%	5%	2%

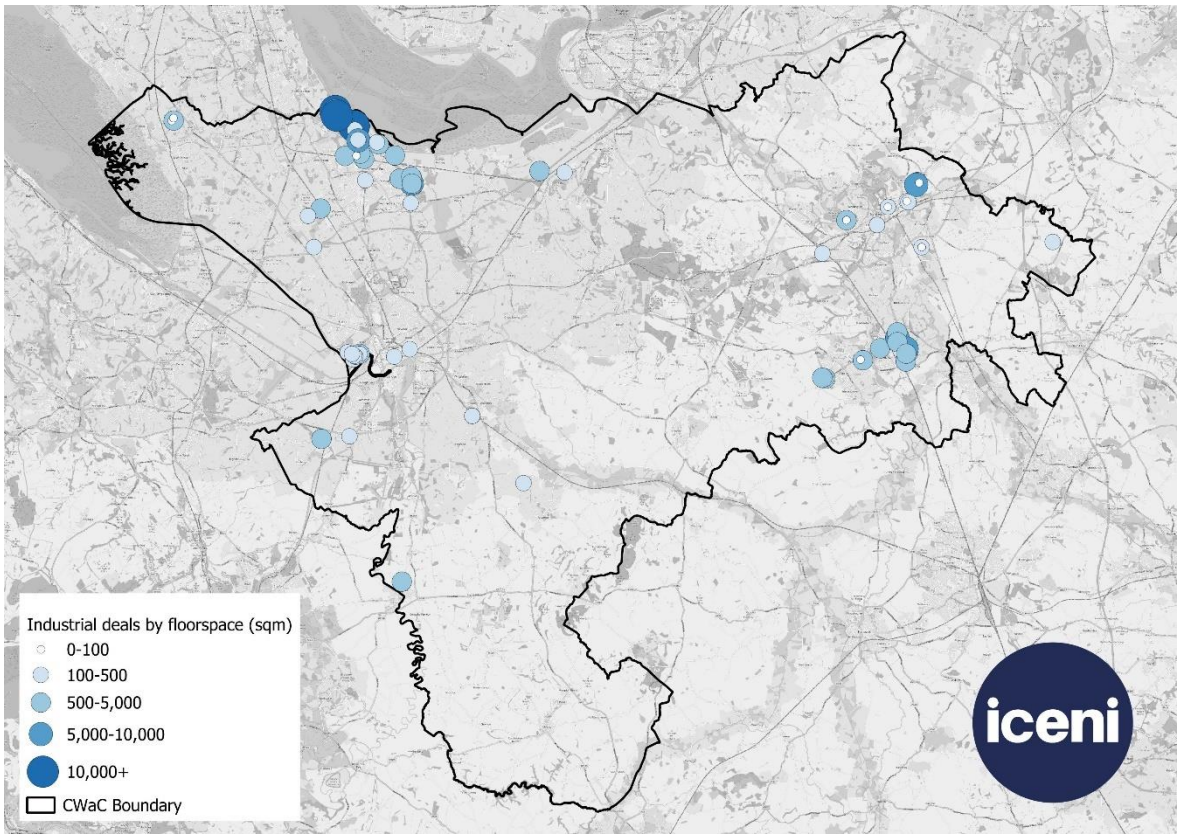
Source: CoStar, 2024

5.57 The Figure below maps industrial deals over the last 5 years (to June 2024). It can be seen that there are two significant clusters of deals – one at Winsford Industrial Estate and one at Ellesmere Port. The largest deals occurred at Ellesmere Port, with large deals with tenants Jaguar Land Rover, Survitec and Novar ED&S.

5.58 Clusters of deals involving smaller floorspaces also took place at Chester Trade Park to the west of the City and across Northwich.

5.59 Few deals were recorded by CoStar in rural locations, however it should be noted that CoStar data is weaker in rural areas and for smaller deals and so not all transactions may be picked up in these areas.

Figure 5.11 Map of industrial deals by floorspace, 5 years to June 2024.



Source: Iceni analysis of CoStar data (to June 2024)

Commercial Property Market – Summary

Office

5.60 There has been a reduction in office stock since 2019 reflecting a fall in demand for office space since the COVID-19 pandemic which saw an increase in hybrid working. Whilst this trend is seen nationally and regionally, CW&C saw a more significant drop in stock.

5.61 Office vacancy is lower than the level generally considered to indicate a well-functioning market, suggesting some supply constraint. This could be driven by the fall in office stock as supply is lost to alternative uses or a level of recovery in office demand.

5.62 Office Rents in CW&C have remained relatively stable over the last 10 years, with no clear relationship between vacancy rates and rents.

5.63 2021 and 2022 saw significant levels of negative net absorption (more move outs than move ins) – this is likely a result of the changing demand for office space during the COVID-19 pandemic. Since 2022, demand in the office market appears to recover, with positive net absorption.

5.64 At the sub-area level, Chester has the greatest amount of office stock, followed by Northwich. This correlates with where the majority of office lease deals have been undertaken in the last 5 years, with Chester and Chester Business Park being popular locations.

Industrial

5.65 The volume of industrial floorspace in CW&C has remained relatively stable in recent years at around 2 million sqft (VOA data).

5.66 Vacancy is at an all-time high at 7.7%. Whilst this indicates a healthy balance between supply and demand, the position in CW&C is due to some specific larger units being brought forward at Ellesmere Port, which do have deals in place, and the vacancy is expected to fall quickly. This indicates strong demand for industrial space.

5.67 Industrial rents have increased gradually over the last 10 years, broadly in line with the trend seen across all of the comparator areas. As of June 2024, the average industrial rental price in CW&C is £8.12/sq.ft - slightly higher than the average across the North West.

5.68 Net absorption peaked in 2020, most likely driven by the rise in e-commerce related to the COVID-19 pandemic driving demand for warehousing and logistics space.

5.69 At the sub-area level, Ellesmere Port has the greatest volume of industrial floorspace, followed by Winsford which aligns with where the greatest volumes of industrial lease deals are recorded.

6. STAKEHOLDER ENGAGEMENT

6.1 Iceni Projects undertook engagement with stakeholders between July and October 2024 to gain further insight into the local commercial market, local economy and potential future land and premises requirements. Engagement was initially undertaken via an online business survey, with the opportunity for stakeholders to then take part in a more in-depth follow up session. This section of the report explores the findings from the stakeholder engagement activities.

Business Survey

6.2 Iceni undertook a Business Land and Premises Survey to understand the views of businesses within the Borough about their future growth potential and premises requirements. The survey included questions regarding the suitability of existing premises, as well as whether there may be a requirement to expand or relocate in the future – Appendix A3 provides the full list of survey questions.

6.3 The Survey was live between July-August 2024 and was publicised by the Council via the Council website, social media feeds, business newsletters and email distribution. The Survey was open to businesses across all sectors and sizes who rent/own at least one business premises. In total, 53 businesses completed the survey in full.

6.4 Businesses from a wide range of sectors took part in the survey, however the ‘manufacturing’ and ‘other services’ sectors had the most representation. The majority of respondent businesses had been trading for over 5 years. 45% of business respondents were micro businesses (1-19 employees) and approx. 80% were SMEs (<250 employees).

6.5 There was good representation of businesses across the main urban areas (Chester, Ellesmere Port, Northwich and Winsford), plus a number of responses from rurally based businesses.

6.6 Approximately half of respondents predominantly sell their goods and services locally within CW&C and approx. 40% of businesses reported that their supply chain was predominantly located within CW&C.

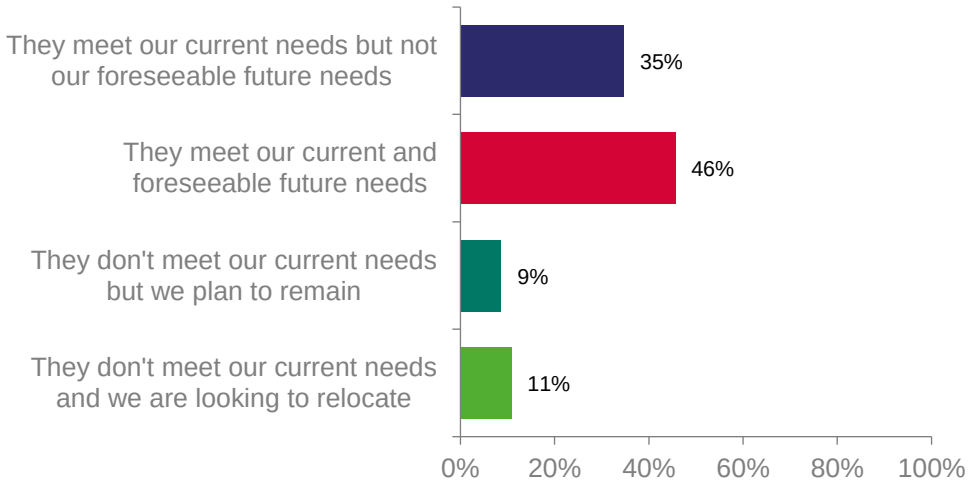
6.7 Businesses were asked approximately when their current premises was built. The majority of businesses stated that their premises was built earlier than the 1980s and are therefore in ageing properties.

6.8 There was a relatively even split of businesses owning or leasing their premises at 46% and 48% respectively (the remainder were unsure).

6.9 Over half of businesses stated that there was no potential to expand their premises at their current site. Of the remaining responses, just over a quarter stated that there was potential to expand at their current site and that they did have plans to do this in the future. Approx. 11% stated that they did have room to expand but no plans to do so and 9% were unsure.

6.10 To understand future needs, the survey asked respondents to select one of four statements that best reflected how adequate their current premises are for their needs. Figure 6.1 below lists these statements and shows the proportion of respondents who chose each option.

Figure 6.1: Responses to Q16 "Which of the following best reflects how adequate your current premises are for your needs?"



Source: Iceni Analysis

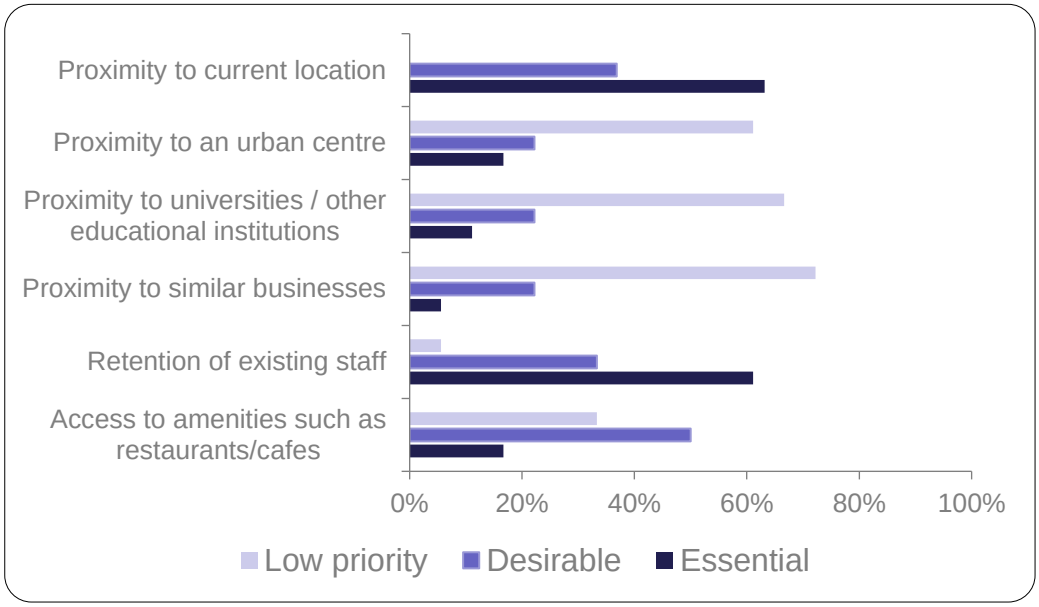
6.11 46% of respondents stated that their current premises meets their current and foreseeable future needs, whilst 35% stated that whilst their premises meets their current needs it does not meet their foreseeable future needs.

6.12 The most commonly stated reasons for current premises not meeting future needs were that the business anticipated future growth and would therefore require expansion (including possible additional vehicle parking space) and that the current building was ageing or in poor condition and required refurbishment / replacement.

6.13 One respondent who stated that their premises doesn’t meet their current needs but plans to remain at the premises reported that there was no viable alternative commercial property available in the local area.

6.14 Respondents were asked to rank various factors in terms of their importance if they were to relocate their business. Figure 6.2 shows responses with regard to locational factors. A large proportion of respondents stated that proximity to their current location and retention of existing staff were essential factors. This aligns with feedback received during stakeholder engagement suggesting that many tenants look to expand at their current locations. It was suggested that relocation is avoided due to poor transport connections making it difficult to retain staff if a premises is moved. One stakeholder also mentioned issues with labour supply, suggesting that finding and replacing staff is difficult if employees are lost through a move.

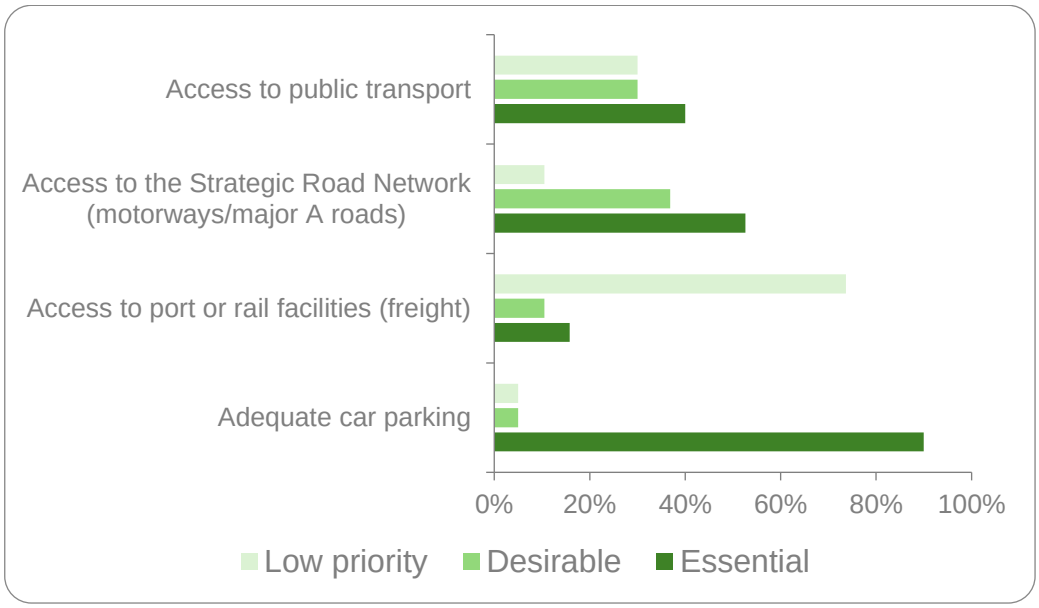
Figure 6.2: Responses to Q22. "How would you rank the following locational factors in terms of priority if you were to relocate?"



Source: Iceni Analysis

6.15 Figure 6.3 shows responses relating to preferences around transport and access to premises. It can be seen that whilst 40% of respondents see access to public transport as essential, a relatively high proportion (30%) see this as a low priority. Meanwhile, 90% of respondents see adequate car parking as essential. These findings are likely reflective of sentiment received throughout the wider stakeholder engagement exercise which identified issues with public transport provision across CW&C and a high reliance on car travel for commuting purposes.

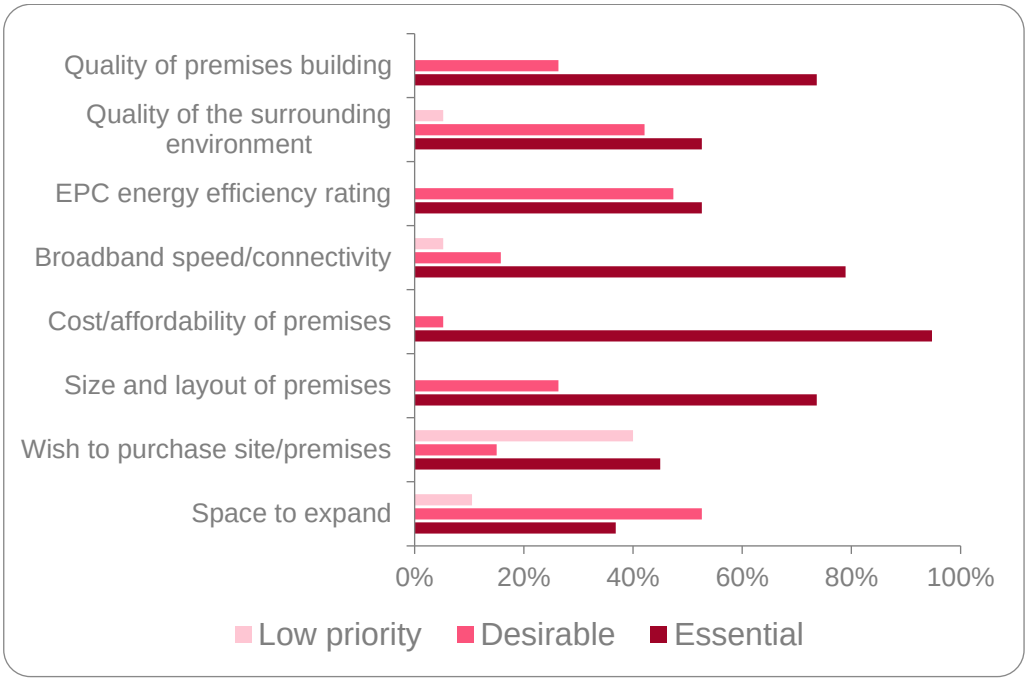
Figure 6.3: Responses to Q23: "How would you rank the following factors in terms of priority if you were to relocate?"



Source: Iceni Analysis

6.16 Figure 6.4 presents responses in relation to premises themselves including factors such as building quality, energy efficiency rating and broadband connectivity. Most of the factors were rated as desirable or essential, with cost and affordability receiving the most responses for being essential factor.

Figure 6.4: Responses to Q24: "How would you rank the following factors in terms of priority if you were to relocate?"



Source: Iceni Analysis

6.17 Over half of businesses stated that they expect staff numbers to grow in the next 2 years, however over half of businesses also reported issues in finding staff with the right skills. A broad range of sector-specific skills were noted as being deficient in the local labour supply, with some recruiting from outside of CW&C to find the talent they require. One stakeholder noted difficulties in recruiting staff due to the poor public transport links in the area. Others noted difficulties in attracting and retaining staff in rural areas compared to major cities, including those in the wider region such as Liverpool or Manchester – especially for more skilled jobs.

6.18 The survey also asked questions around the impact of the COVID-19 pandemic and the recent increases to the cost of living on business premises requirements and growth trajectories. Unsurprisingly, many businesses noted lower occupation of office buildings post pandemic with a rise in hybrid working. One serviced offices operator noted that many small businesses in particular are deciding to operate from home rather than seeking office space. One landowner who manages commercial property noted that recent rises in the cost of living has made occupiers more price sensitive, both in terms of rent and business rates. Building energy efficiency has become a higher priority. Another stakeholder mentioned that energy and other building-based costs coupled with the cost of living impact on consumer spending have slowed their businesses growth and expansion plans.

Needs of the modern economy

6.19 The NPPF (Dec 2024) refers to the importance of identifying needs around laboratories, gigafactories, data centres, digital infrastructure, freight and logistics.

6.20 The role of CW&C in terms of freight and logistics is considered to be well covered in this study, with recommendations in terms of providing land for B8 purposes that is expected to in part meet demands for logistics businesses making use of the motorway network connections in and around the borough.

6.21 Through stakeholder consultation there has been no indication of requirements for gigafactories (battery manufacturing) or data centres. It is perhaps not out of the realms of possibility that gigafactory interest could emerge for the Ellesmere Port cluster but this has not been articulated to date. A gigafactory could seek to encompass over 200 ha in one site (the Somerset gigafactory, known as the Gravity Smart Campus, is 250 ha). For CW&C this would need to be considered on its own merits outside of the current recommendations of this study. Existing land recommendations from this work do not account for such an investment scale and would be additional. The recommendations herein are designed to cater for the pattern of investment seen historically in CW&C which includes a range of logistics, manufacturing and specialist environmental and low carbon developments.

6.22 Data centre demand has also not been articulated for CW&C. This sector is relatively nascent and evolving. Locational demands centre on: data connectivity/ fibre connection; proximity to end users (for cloud servers – AI servers are less location sensitive); and substantial reliable power source. Data Centre land take can be towards 100 ha (hyperscale) down to much smaller facilities for bespoke users. Data centre development could displace land for other users which might then need to be reprovided.

6.23 There is anticipated to be some laboratory demand in CW&C but not of a significant independent science park cluster. The university of Chester's Thornton Science Park is the base for the North West HyNet consortium operations focused on low carbon and hydrogen energy projects. In August 2024, it was announced that Essar Energy Transition (EET) signed an agreement to acquire Thornton Science Park as part of its plan to create one of Europe's leading energy transition hubs[33]. There could be wet / dry lab demands in the Cheshire Science Corridor over time which can be brought forward as applications on current or future sites most likely be individual operators as required.

Detailed Stakeholder Engagement

6.24 As part of the Business Survey, organisations were asked if they would be happy to be contacted for a further, more in-depth interview. This led to Iceni Projects engaging with fifteen stakeholders between August and October 2024. Stakeholders included regeneration managers from CW&C Council, local agents, landowners, business representative organisations and key local employers – a full list of organisations is provided in Appendix A4. Engagement was undertaken to provide further qualitative insight regarding:

- Commercial market dynamics – supply and demand of office and industrial premises across CW&C

[33] Essar Energy Transition signs deal to acquire Thornton Science Park | EET Fuels

- The local economy – perceived strengths, weaknesses, opportunities and threats.

- Future land requirements and development intentions – any future plans for development and associated land requirements, plus any challenges in bringing development forward.

6.25 The findings from the engagement have been organised by sub-area below.

Winsford

6.26 Winsford's employment offer is focussed on industrial uses, with two Industrial Estates at the east and west sides of the town. Winsford Industrial Estate (IE) is the larger of the two estates and is located on the eastern edge of the town whilst Woodford Park Industrial Estate is located on the western edge. Winsford Industrial Estate is well established and has a good mixture of property available to businesses, ranging from professional start up business incubator units to large manufacturing, warehouse and logistics facilities. The first Industrial Business Improvement District (BID) was set up at Winsford Industrial Estate.

6.27 Winsford benefits from being close to the countryside whilst also offering excellent transport links, with the M6 motorway and major A-roads linking the estate with Merseyside, Chester and North Wales. The town also has a number of key strengths such as a growing population, space to expand, and the presence of a college (Warrington & Vale Royal College).

6.28 Stakeholders noted that the town centre offer is currently weak, with work being undertaken by the Council around place making to improve the attractiveness of the town as a place to live.

6.29 Wider connectivity was noted as the town's biggest weakness, with poor accessibility by public transport – in particular by rail, with the existing station poorly served by the national network. Improvements to public transport could improve sustainability, the labour supply and also reduce the amount of land being used for car parking on existing estates and therefore could allow for intensification of the existing employment land.

6.30 Internal connectivity within the town was also highlighted as an issue with the railway line separating Winsford IE from the town. It was suggested that where sites become redundant, they could be seen as an opportunity to improve access around the IE. Active travel around Winsford IE could also be improved as Road One (the main road through the estate) is a wide road with significant HGV movements.

6.31 It was noted that there are significant levels of deprivation adjacent to Windford Industrial Estate. The majority of employees at Winsford Industrial Estate commute in to work from outside of the town due to the weak town centre and residential offer. It was suggested that there may be a need for more executive and town centre living options that would be attractive to younger people and graduates.

6.32 Regarding the supply of commercial stock, the focus in Winsford has always been on larger format industrial premises with difficulties in delivering smaller start-up space. Identifying the demand is difficult as small start-ups are often less vocal than larger firms. It has also proved more difficult to deliver smaller floorspace units due to viability issues.

6.33 There is a general lack of office space in Winsford, however this represents a result of lack of demand for office space in this location. Most industrial premises on the existing Industrial Estates consist of large manufacturing units with small ancillary offices and this seems to cater for the current demand.

6.34 In terms of demand, there is quite significant demand from within existing Industrial Estates – for example from businesses that have been in situ for 5+ years and are looking to expand, or firms in ageing premises that no longer meet their requirements. There is an ambition to also cater to external demand and attract new businesses to locate in Winsford – a diverse range of available sites including modern, high quality stock would support this.

6.35 Demand for storage and distribution (B8) premises is rising, although there remains significant manufacturing activity at Winsford IE. A strong relationship between the local college and the IE may help to retain and support advanced manufacturing activities in the town by providing local residents with the required skills. It was noted that B8 uses may be better suited to Middlewich (Cheshire East) which is located closer to J18 of the M6.

6.36 The majority of the units at Winsford IE are ageing, although there is demand for these more affordable premises. In the future, it is expected that further premises may be released, demolished and rebuilt. This recycling and replenishment of stock is viewed positively.

6.37 Winsford IE is currently undergoing expansion at the north of Road One, with the development of Winsford Gateway by Rula Developments. This development was unlocked via infrastructure development (service station, new roads, improved landscaping etc) and funding from the Local Growth Fund. Without this funding, it is unlikely that the site would have come forward. Approximately half of the site has been built out, with Tiger Trailers occupying a large new industrial unit.

6.38 Once Winsford Gateway is completed, further demand could initially be accommodated in the existing IE and via recycling of older premises. Looking further ahead there is farmland outside the settlement boundary which has the potential to provide a natural extension to the existing IE. Further infrastructure investment may be required to release any further land, subject to further site appraisal.

6.39 A number of issues arose during the development of Winsford Gateway including:

- Power supply – investment into an additional substation was required – the Council secured some grant funding which helped but power supply was ultimately a long term investment so that the land released could be marketed and would not cause occupier uncertainty.

- Biodiversity Net Gain – significant biodiversity offsetting was required, especially due to Winsford's location surrounded by open countryside. Onsite and offsite mitigation was costly and is associated with long term maintenance obligations.

- Releasing land in a logical way – need to strike a balance between avoiding issues with neighbouring development, e.g. noise issues and not over specifying what the land can be developed into.

6.40 These issues are likely to be relevant to future extensions of the IEs in Winsford.

Northwich

6.41 Gadbrook Park, located on the south eastern edge of Northwich provides a significant amount of office space. The business park is well-located, with good access to the M6 via J18 and J19. Despite the site's good road connectivity, it is not well connected by public transport, making it highly car reliant. Many employees in-commute from outside of Northwich due to the skills required by the businesses at the park which require a wider labour supply catchment. Gadbrook Park Business Improvement District (BID) enables the Gadbrook Park business community to commission projects that lead to improvements in the local trading environment.

6.42 The Business Park predominantly provides office space, although there are some non-office uses, for example Roberts Bakery which is a key local employer. Since the pandemic, Gadbrook Business Park has lost a number of key occupiers including Barclays who chose to retain a hybrid working model and consolidated their office space to Nantwich and the Hut Group who moved to Manchester Airport to offer a place-based destination to their employees. Multiple large office buildings, including two large buildings formerly occupied by Barclays, are now vacant with associated under-utilised car parks. The buildings are now very dated and have become functionally obsolete. One stakeholder was of the view that the costs associated with refurbishment or repurposing would be in excess of expected returns and therefore redevelopment is likely to be inevitable. There is currently (December 2024) a pending planning application associated with one of the units (24/03256/FUL) for change of use from office (Use Class E) to Independent School (Use Class F1) which suggests that repurposing is an option.

6.43 There is uncertainty around whether large office blocks like those found at Gadbrook Park are required given the state of the post-covid office market. Stakeholders suggested that there may be greater demand for offices offering more flexible workspaces such as hotdesking with flexible lease terms. The Council have trialled a hot desking facility at Meridian House on Winsford industrial Estate, however there were questions around the suitability of this location as this estate doesn't have the critical mass of office occupiers, nor facilities like cafes or managed receptions. Stakeholders further suggested that flexible office space could be located in town centres to help activate the town centre and encourage people to spend money on the high street.

6.44 There have been conversations regarding the expansion of Gadbrook Park over the last decade, however stakeholders are of the view that it is not currently viable to build new office space given current construction costs vs achievable rents. Gadbrook Park is currently allocated for former B1, B2 and B8 uses (now E(g)/B2/B8). Developers are looking at alternative uses on Gadbrook Park, such as mixed industrial/warehousing and office space. Based on market feedback, industrial (E(g)(iii) / B2 / B8) premises of most sizes should be viable. This is evidenced by the recent speculative development of Winnington Business Park, comprising industrial units (permitted for B2 and B8 uses).

6.45 There is further office provision at Cheshire Business Park which offers relatively modern office units (2010). Whilst the current stock is well-occupied, there was initially an intention for the Business Park to be larger however much of the site has been developed for residential uses and other mixed uses including retail, a public house and care home.

Ellesmere Port and Stanlow

6.46 Ellesmere Port and Stanlow are home to significant industrial activity strategically located alongside the Manchester ship canal and with access to the M53 via multiple junctions. Ellesmere Port and Stanlow also each have a railway station, as well as freight rail infrastructure. This offers multi-modal opportunities for freight transportation, with access via port, rail and road.

6.47 The industrial area is made up of 4 contiguous key areas with over 1,300 businesses employing approximately 24,000 people. There is a mix of industry, with both high profile investors with links to the low carbon economy but also smaller businesses such as welders, car mechanics, metal fabrication that support bigger industry.

6.48 The area has benefited from being part of the Cheshire Science Corridor (CSC) Enterprise Zone which came into effect in 2016 and has been successful in terms of supporting economic growth.

6.49 The quality of stock across the area is highly polarised with a mix of very poor older stock and very high-quality new build developments.

6.50 There is significant demand and tight supply for premises at Ellesmere Port, especially within the Enterprise Zone. Demand is generally for large scale units (likely driven by the motorway connectivity) and there has been significant speculative development over the last five years (e.g. Link Logistics Park, Northside 45 and 53, PLP Ellesmere Port) which reflects developer confidence in the area. There are limited sites for smaller businesses – and in particular grow-on space for smaller businesses - who from an important component of the supply chain for the larger occupiers at Ellesmere Port.

6.51 Stakeholders identified public transport as one of the key weaknesses of Ellesmere Port’s industrial area, with no bus services, making it heavily car reliant with regard to commuting. There are train services to Stanlow and Thornton Station, however this only provides private access to EET with infrequent services.

6.52 The industrial area at Ellesmere Port is now becoming one of the first decarbonised industrial clusters in the UK, branded in 2023 as ORIGIN. ORIGIN is at the forefront of advanced plans to respond to the Climate Emergency through several transformational projects. ORIGIN is a fundamental part of the growth of not only Ellesmere port but also CW&C, the north west and the UK as a whole.

6.53 The most significant project is HyNet, an industry-led initiative to develop world-leading Carbon Capture Usage and Storage (CCUS) and Hydrogen Power. Vertex Hydrogen, a key part of Essar Energy Transition (EET) is planning investment of nearly £500 million building a new production plant in Ellesmere Port. This is likely to stimulate significant further growth locally, with opportunities for other businesses to locate in close proximity to the hydrogen plant to decarbonise their operations. This will be most important for heavy industry/waste management who create significant carbon emissions.

6.54 Stakeholders noted some challenges in bringing forward land for development at Ellesmere Port. In some cases, the landowner has unrealistic expectations of land values and is therefore unwilling to release the land even though it may be an allocated employment site. Some sites are held up by the planning process, whilst others are landlocked sites at the rear of other sites which are difficult to develop.

6.55 At the time of the Business Survey, Stellantis stated that their current site at Ellesmere Port meets their current and foreseeable future needs, however it has recently been announced[34] that Vauxhall will be closing its van-making factory in Luton in 2025, with electric van production moved to the Ellesmore Port plant, creating further jobs at the site.

Chester

6.56 Chester is the main office location in CW&C, with key office provision in the city centre and Chester Business Park. Demand in the office market tends to be driven by existing firms expanding or contracting, rather than firms from outside of CW&C looking to establish within Chester.

[34] Vauxhall confirms Luton plant will close in April - BBC News

6.57 According to a local office agent, there has been a significant and unprecedented trend over the last 5-10 years of loss of office space which has undergone conversion predominantly to residential and hotel uses. Much of the stock that has been lost was no longer fit for purpose and values associated with residential development were significantly higher than for commercial use, hence leading to conversion. This has led to a significant fall in the total quantum of office stock within the city. There may be a need to protect and retain remaining office space through policy measures.

6.58 Grosvenor's Eaton Estate own and manage a range of office space within Chester including St John's Court. There is low demand for older, poorer quality stock and the Estate recently converted an office premises to residential use following the loss of an office occupier due to lack of demand. Whilst the Estate do not want to remove stock from their commercial portfolio, they can't allow properties to remain vacant and therefore use permitted development rights where necessary.

6.59 Stakeholders also highlighted a lack of grade A office space within the city, with viability issues preventing the delivery of new space. Rental values, even in the city centre, are far below the threshold that would allow for viable development to take place. This is evidenced by the public sector intervention required to deliver 1 City Place – a Grade A office building in Chester city centre. Further phases of this development were originally planned but have not materialised.

6.60 Viability issues are not uncommon and are seen across the UK outside of major cities, however a lack of Grade A space places a constraint on inward investment potential, and risks the loss of existing firms from the area. Occupier demand is focussed on Grade A space, especially since the COVID-19 pandemic, with a need to attract employees back into the workplace by offering modern workspaces with attractive amenity offers. Agents fear that without availability of attractive Grade A space, local firms may look beyond CW&C when relocating. It is suggested that public sector intervention is required to enable Grade A office developments to take place, however the way in which this may be funded is currently unclear and will be dependent upon future devolution.

6.61 A local agent noted that the average size requirement for office space in Chester city centre has reduced significantly since the COVID-19 pandemic. This is likely a result of firms consolidating their office space as working patterns have changed, with a shift towards hybrid working. There is currently a weak supply of flexible / small scale office space which there would be strong demand for, especially post-covid. Agents also noted very little provision of incubator or innovation space within the city centre.

6.62 Chester Business Park, located on the outskirts of Chester adjacent to the A55, is relatively successful, however there are concerns around the future evolution of the park given current use class restrictions. There have been a number of planning applications at the Park involving change of use and some flexibility in policies may be required to sustain business Parks such as Chester Business Park. This may involve broadening the types of employment uses that may be accepted, whilst protecting the sites from conversion to residential uses. Alternative employment uses would be assessed on a case-by-case basis.

6.63 In comparison to other areas of CW&C, Chester has a much smaller industrial market. Sealand Industrial Estate is a well-established and very popular IE to the west of Chester and makes up part of the West Chester BID area, along with Chester West Employment Park. Vacancy is low, however expansion of the site would be complex as the site straddles the England/Wales border.

Rural Areas

6.64 The rural areas of CW&C generally offer smaller commercial properties which are important for meeting the needs of local SMEs. Rural demand is generally focussed on small units with parking provision, however there are also a number of major employers located within the rural area, including commercial sites within the green belt, for example Urenco

6.65 The Bolesworth Estate comprises 6,500 acres of contiguous land between Chester and Crewe. The Estate is home to over 150 commercial tenants occupying a range of premises including both office and industrial spaces. Many firms occupying space within the Estate undertake activities relating to agriculture, for example dairy and other food manufacturers.

6.66 There is also an emerging cluster of high value R&D / agri-tech/ bio-science activities[35], including activities relating to assisted reproductive technologies for animals. Chowley Oak Business Park – a small rural business park located south of Tattenhall - has companies such as Cogent Breeding, Aviagen, Blue Chip Technology and inScience Communications occupying a range of spaces including offices, labs and R&D facilities. There may be an opportunity to expand and further develop this cluster.

6.67 Bolesworth report that they experience a lot of demand for commercial space. Recent analysis undertaken into enquiries highlighted particular demand for flexible mixed office and storage or mixed office and workshop/lab space. For scientific uses, demand is also for flexible office, manufacturing and storage workspace and there is an undersupply of this at present. It was suggested that ensuring the planning process was able to deliver flexible spaces like these was key to supporting their growth. There is also a lot of demand from existing tenants who are looking to expand or move premises. Regarding office space, there is a surplus of space with low demand since 2020 when the COVID-19 pandemic occurred. In terms of enquiries for new developments within the Estate, there is more interest for residential with few enquiries from developers for commercial uses.

[35] To note: The Department for Science, Innovation and Technology's Innovation Clusters Map identifies CW&C as being within a wider Cheshire biosciences cluster. See: https://www.innovationclusters.dsit.gov.uk/

6.68 A local office agent noted that broadband connectivity is the main reason for difficulties in letting rural office space. Mobile connectivity also proves an issue – especially for those commuting by road who are unable to use this time productively with no phone signal. Poor transport connections were also emphasised. Whilst there is some good quality commercial stock, firms are sometimes deterred from locating within rural areas due to poor road and public transport accessibility which limits the labour supply pool.

6.69 It was noted that there is an opportunity to further develop the leisure offer in rural CW&C, especially given the close proximity to Chester as a leisure destination. However, it was also suggested that the economic strategy should not solely be focussed on the leisure industry, and other economic opportunities such as the emerging agri-tech cluster should be supported.

6.70 Grosvenor's Eaton Estate manages a range of agricultural, residential and commercial properties in rural Cheshire (located across the villages of Aldford, Eccleston and Saighton and parts of Churton and Waverton) and parts of Chester city centre. The Estate comprises 12,000 acres of land including 110 commercial units including offices, industrial units and warehouses. A large proportion of occupiers are local businesses and many grow within the Estate, expanding into larger properties.

6.71 A large proportion of premises within the rural estate are barn or agricultural building conversions. The historic nature of the stock raises significant concern regarding meeting the Minimum Energy Efficiency Standard, with a minimum of Energy Performance Certificate (EPC) B required by 2030. It is generally not financially viable to retrofit the commercial stock. Where this is the case, the Estate may have to convert some commercial property to alternative uses such as residential or dispose of the property.

6.72 Grosvenor report that demand is generally good for their commercial stock. Regarding office space, vacancy levels have not increased as much as expected post-covid however the Estate remain cautious. The main issue in relation to industrial stock has been businesses failing, leaving the Estate with the costs of clearing and refurbishing the spaces to re-let.

6.73 Grosvenor have a large stock of old farmyards that could be converted to commercial uses if / when there became appetite to do so. The Estate would only convert a property on an agreement to lease to reduce financial risk. The Estate do not have any constraints regarding land availability, however obtaining planning consent presents a constraint as much of the Estate lies within the greenbelt.

6.74 In general, as noted regarding Chester's office market, typical rural office rents (approx. £12-15 per sq ft) are too low to enable viable newbuild office development, despite demand for good quality small office units.

6.75 Urenco, a major employer located within the rural area, to the south of Ellesmere Port, has a site allocated in the Cheshire West and Chester Council (CWAC) Local Plan under Policy GBC 1.E – Urenco, Capenhurst. However, the site is also located within the Cheshire Green Belt under Policy STRAT 9. As such, in this location, there is a presumption against development, which is only approved where it accords with a series of strict criteria. Given future operational expansion plans at the Urenco site, there is a direct conflict between relevant currently adopted Local Plan policies and future business requirements. Notwithstanding the above, given the scale of development that already exists, and the scale of future development proposals in the short to medium-term, and mindful of the regulatory and security requirements relating to nuclear substances, it would be wholly impractical to relocate the site away from Capenhurst. Accordingly, and where relocation would be wholly impractical, a change in local planning policy would be required to assist the business in its unique and strategically / internationally important operations.

6.76 The University of Liverpool's Leahurst Campus, located rurally to the east of Neston, also noted that the Campus will require growth in the future due to increasing student numbers.

6.77 The table below provides a summary of some of the key Strengths, Weaknesses, Opportunities and Threats to the local CW&C economy identified in Chapters 4, 5 and 6.

Table 6.1 Local Economy SWOT Analysis

Strengths	Weaknesses
• Higher concentration of Finance and Professional, scientific and technical jobs than the national average • Detailed sector concentrations in manufacturing industries including petrol refinement, glass products, communication equipment and chemicals. Other important sub sectors include monetary intermediation and data processing. • Strong business survival rates • GVA per hour worked above regional and national average • Residence based earnings above regional average. • Fewer people with no qualifications and more people with Level 4 (degree level) and above qualifications • Well connected by the M6, M53 and M56. Ellesmere Port offers multi-modal accessibility for freight – rail/port/road. • Strong delivery of industrial floorspace in recent years – indicator of demand	• Disparities in levels of deprivation across the Borough – urban/rural divide • Workplace based earnings lower than national average • Declining enterprise growth in recent yearsSurvey responses suggest skills deficiencies across a broad range of sector-specific skills • Public transport commonly cited as an issue by businesses – many areas heavily reliant on car usage. Related issues with recruiting of staff. • Changing office demand – large office blocks may no longer be in high demand due to changing working patterns • Limited sites for smaller businesses at Ellesmere Port – in particular grow-on space for smaller businesses. • Very little provision of incubator/innovation space in Chester city centre. • Some good quality rural commerical stock, but poor broadband/mobile connectivity and public transport connections can deter occupiers.
Opportunities	**Threats**
• Continued strong performance in business start-ups and improvements in productivity • Well qualified workforce • Recovery in office space take-up since COVID, suggesting demand for office space recovering • A strong relationship between the local college and Winsford IE could help to retain and support advanced manufacturing activities in the town	• Global economic headwinds and macroeconomic UK challenges including high inflation and energy costs. • Challenges of tackling deprivation in parts of the Borough. • Office stock declining – mainly being lost to alternative uses with higher values. Low office vacancy rate – indicative of tight supply. • Lack of Grade A office space in Chester – constraining inward investment potential and risking

• Changing office demand – increasing demand for flexible workspaces such as hotdesking rather than large offices. Potential to locate these types of premises in town centres to activate them. Significant demand for premises at Ellesmore Port – especially for larger units. • Ellesmere Port becoming one of the first decarbonised industrial clusters in the UK, branded as ORIGIN. HyNet stimulating significant investment. • Expansion of Stellantis operations as Vauxhall set to move electric van production to Ellesmere Port from Luton. • Policy measures could be introduced to prevent further loss of office stock. • Emerging agri-tech/bio-science cluster at Chowley Oak Business Park. • Public sector intervention to help to deliver Grade A office space – although funding mechanisms TBC	loss of existing businesses to areas outside of CW&C. • Viability issues associated with developing new office space due to achievable rental levels. Average office rents low in comparison to wider region and the UK. • Difficulties noted in delivering smaller floorspace units for start-ups • Barriers to development for example power supply constraints, biodiversity net gain requirements, delays in obtaining planning consent. • Inflexible planning policies – tight restrictions on use classes could be detrimental for out of town business parks – uses may need to evolve to ensure sustainability of these parks. • Minimum Energy Efficiency Standard – may not be viable to retrofit commercial stock – could lead to loss of stock to alternative uses.

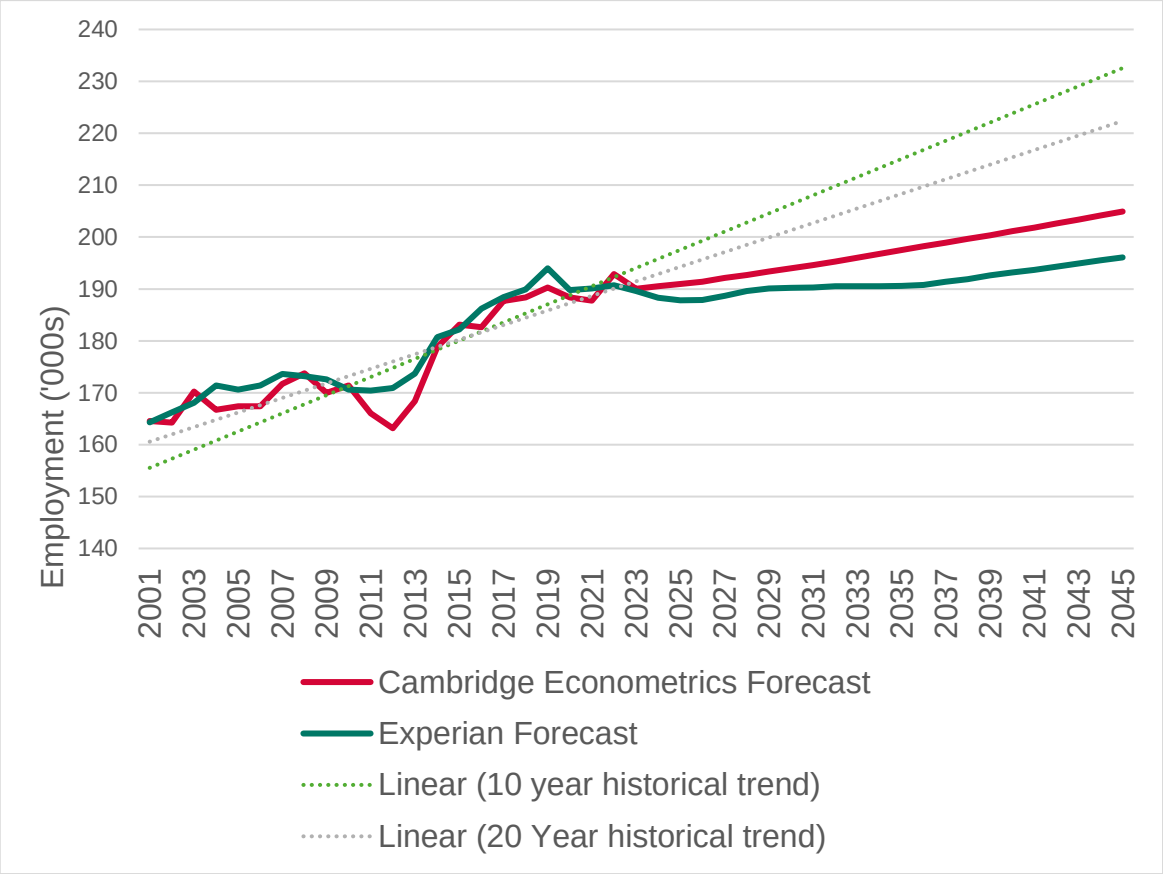
7. FUTURE EMPLOYMENT OUTLOOK

7.1 This section looks at forecasts for future employment in CW&C drawing on Experian and Cambridge Econometrics datasets (acquired in 2024, historic data to 2023). The forecast period focuses on the 2024-44 period to align with a potential future Local Plan period, albeit that at the time of publication of this report in early 2025 the 2024 employment position is itself a forecast with historic data to 2023. Historical analysis therefore considers data up to 2023.

7.2 The chart below reports the employment records from both forecasters for CW&C from 2001 onwards. The impact of the 2008 economic downturn is evident as employment growth fell in the years following immediately before increasing again post 2012. The impact of the covid pandemic is also evident with employment growth falling from 2019-21.

7.3 The trend lines on the chart project forward the linear 10- and 20-year trends based on the historic Cambridge Econometrics data. It can be seen that in both cases, forecast employment growth based solely on linear extrapolation would be much greater than the forecasts produced. Cambridge Econometrics provide a more positive outlook than Experian.

Figure 6.1 Employment Change in CW&C



Source: Cambridge Econometrics and Experian Projections

7.4 Tables 6.1 and 6.2 below examine employment change in CW&C by sector using Cambridge Econometrics and Experian forecasting data.

7.5 All sectors across the datasets are forecast to grow or remain steady over the 2024-2044 period except Agriculture, Forestry & Fishing, Mining & Quarrying, and Manufacturing. Experian data also indicates a slight fall in employment in the ICT, Construction and Utilities sectors. The sector expected to see the largest decline between 2024 and 2044 is manufacturing.

Cambridge Econometrics

7.6 Cambridge Econometrics data indicates that the Professional Services followed by Other Services[36] sectors are expected to see the greatest growth in CW&C at 5,200 and 4,700 jobs respectively. For Professional Services this is slower than the last 10 years but for Other Services this is much higher.

Table 7.1 Employment change by sector (000s) – Cambridge Econometrics

Broad Sector	Employment				Change 2013-2023 (past 10 yrs)	Change 2024-2044 (future 20 years)
	2013	2023	2024	2044		
Agriculture, Forestry & Fishing	2.1	1.0	1.0	0.9	-1.1	-0.1
Mining & Quarrying	0.1	0.5	0.5	0.3	0.4	-0.2
Manufacturing	14.5	13.9	13.6	11.1	-0.6	-2.4
Utilities	1.2	2.3	2.3	2.4	1.1	0.1
Construction	8.9	10.9	11.0	11.1	2.0	0.1
Retail	28.4	26.7	26.6	27.9	-1.7	1.3
Transport & Storage	7.4	7.0	7.1	7.4	-0.4	0.3
Accommodation & Food	13.0	19.6	19.8	20.1	6.6	0.3
ICT	3.6	5.5	5.6	6.7	1.9	1.1
Professional Services	27.6	33.3	33.5	38.7	5.7	5.2
Business Support	11.4	16.0	15.9	17.2	4.6	1.3
Public Admin & Defence	6.6	6.9	6.9	6.9	0.3	0.0
Education	14.4	15.2	15.3	16.7	0.8	1.4
Health	10.9	13.8	14.2	14.6	2.9	0.4
Other Services	18.1	17.4	17.4	22.1	-0.7	4.7
Total	168.4	190.0	190.5	204.2	21.6	13.6

Source: Cambridge Econometrics, Iceni analysis (broad sectors aggregated from CE 45 sectors)

7.7 More detailed sector analysis (Appendix A7) of CE data identifies ***forecast*** changes as follows, although these in many instances deviate from past performance as reported as a projection of past trends:

[36] Other Services includes Residential & social, Arts, Recreational services and Other services

- Flat or declining employment in all manufacturing sectors, except for marginal growth in Food, drink & tobacco. Greatest losses in Chemicals, Non-metallic mineral products; and Metals & metal products.
- Growth in retail – despite past decline.
- Growth in: Real estate; Legal & accounting and Business support services which have all performed well historically.
- Growth in: Education; Health; Residential & social care; and Recreational services – although the latter two have seen historic decline.

Experian

7.8 Experian data sees positive but slower growth in Professional Services compared to Cambridge Econometrics – and is much slower than the past. The Experian data also shows strong growth in Public Services, which will include the Residential & social care component (captured in Cambridge data under 'Other services'), and this also sees slower growth than the past.

7.9 Both the CE and Experian outlooks represent a considerable slow down compared to past performance overall.

Table 7.2 Employment change by sector (000s) – Experian

Broad Sector	Employment			Change 2013-2023 (10 yrs)	Change 2024-2044 (20 years)
	2013	2023	2044		
Accommodation, Food Services & Recreation	17.6	23.5	24.7	5.9	1.7
Agriculture, Forestry & Fishing	2.7	1.6	1.6	-1.1	-0.1
Construction	9.8	9.8	10.0	0.0	-0.1
Extraction & Mining	0.2	0.4	0.2	0.2	-0.2
Finance & Insurance	11.1	10.1	10.4	-1.0	0.4
ICT	3.8	5.2	4.7	1.4	-0.4
Manufacturing	14.1	14.2	12.2	0.1	-1.6
Professional & Other Private Services	35.5	44.4	47.7	8.9	3.3
Public Services	39.9	43.2	46.0	3.3	3.0

Transport & Storage	7.6	7.5	8.1	-0.1	0.7
Utilities	1.5	1.6	1.4	0.1	-0.2
Wholesale & Retail	29.9	28.1	28.5	-1.8	0.7
Total	173.7	189.6	195.5	15.9	7.5

Source: Experian, Iceni Analysis

NB figures may not sum due to rounding

Labour Supply

7.10 The labour supply-led scenario seeks to model the inter-relationship between potential housing and demographic growth on the one hand, and potential employment that could be supported by this. Invariably this will be influenced by decisions on a future housing requirement within the Local Plan. However it is helpful at this stage to consider how an indicative labour supply scenario relates to other scenarios modelled.

7.11 We have modelled two scenarios, one reflecting the housing need identified in the adopted Local Plan (1,100 dwellings per annum (dpa)) and one reflecting the latest NPPF (December 2024) Standard Method figures for housing need from Government (1,914 dpa). The latter scenario models a significantly more ambitious rate of housing delivery and therefore results in a greater theoretical change in resident labour supply. The modelling assumptions regarding these scenarios are set out in more detail in Appendix A5.

7.12 Labour supply models need to be treated with some caution, as an increased working population does not necessarily lead to demand in all sectors, and commuting patterns can change to reflect employment opportunities. There is also uncertainty of housing market demand and capacity to achieve levels of over 2,000 dwellings per annum.

7.13 The modelling points to a growth of 19,230 jobs over the 2024-44 period under the Adopted LP scenario and 43,558 in the New standard method scenario.

7.14 This is significantly above the Experian and Cambridge Econometrics labour demand scenario projections of 7,500 and 13,600 jobs growth respectively.

Capacity based (notional)

7.15 The Experian and Cambridge Econometrics forecasts are based on a combination of national, regional and local past trends and future outcomes. However they may not recognise local opportunities that mean the actual local economic outcome differs significantly from the forecasts. One way of considering alternative outcomes is to take the employment land recommendations (see following chapter) and consider how these might accommodate jobs in the future. This relates to the development of some 198 ha of land. It is important to highlight that it is increasingly complex to assess labour market requirements from a supply side capacity assessment due to changing densities, working patterns and differences in gross and net change. As a result any capacity based model is only notional.

7.16 The Experian and Cambridge Econometrics forecast indicate that between 7,500 and 13,600 jobs might be required in the future plan period. However a relatively small amount of these are assumed to support the ‘employment land’ type workspaces, including for example those employed in office based professional services, as well as industrial and distribution jobs in manufacturing and transport. Other jobs in retail, education and health do not relate to ‘employment land’. With the current adopted Local Plan housing target supporting around 19,230 jobs of workforce growth, there appears to be labour supply headroom when looking at additional growth potential for employment needs.

7.17 To test the amount of jobs that might be needed in ‘employment land’ specific activity, table 7.3 below sets out a series of estimation steps. For illustrative purposes, 198 ha of land at 0.4 plot ratio and a notional average 50 sqm per job generates a labour requirement of around 15,800 jobs over the plan period. However this ignores the displacement effect of site recycling. Typically average displacement rates are typically around 50% [37], which seems to be the case in CW&C when comparing gross and net completions in table 8.16. This would reduce demand from 15,800 to 7,900 jobs relating to land supply based labour

[37] HCA ADDITIONALITY GUIDE Fourth Edition 2014 table 4.8

needs. However, there will also be multiplier effects of growth, which are assumed at a rate of around 1.3 [38].

Table 7.3 Indicative employment land capacity based jobs

Step	Count	Metric
Land	198	(Ha)
Floorspace at 0.4 plot ratio	792,000	(sqm)
Employment density blended to 50 sqm per job	15,840	(jobs)
Displacement at 50% applied to jobs	7,920	(jobs)
Multiplier jobs at 1.3	2,376	(jobs)

Source: Iceni Projects

7.18 Since some of the jobs in the Experian and Cambridge Econometrics forecasts are already in 'employment land' sectors (1,300 and 3,400 respectively, see table 8.2). These would be replaced by the higher value of 15,840 as above. The multiplier jobs also need to be included, although some will already be built into the future non employment land sectors, so a 25% discount is applied.

7.19 Overall, the notional modelling suggests around 19,900 jobs could be created. This would rise f the displacement rate differs, as this makes a considerable difference. The outcome marginally exceeds the adopted Local Plan housing target supported 19,230 jobs. However under the new standard method the workforce labour supply will be much higher.

Table 7.4 Notional capacity based employment need (CE based)

		Jobs ('000s)
A	CE employment labour demand growth (all sectors)	13.6
B	CE based employment land jobs	3.4
C	CE non employment land jobs [A-B]	10.2
D	Indicative employment land capacity based jobs, with displacement applied	7.9
E	Multiplier based jobs (75%)	1.8
F	Total job growth [C+D+E]	19.9

[38] HCA ADDITIONALITY GUIDE Fourth Edition 2014 table 4.12 / 4.14 (mid point of 1.1 neighbourhood and 1.5 region)

Summary

7.20 The future scenarios based on labour demand and supply are set out below. The NPPF new Standard Method outcome should be treated with caution given its outlying position. The notional capacity based position is not included due to the wider number of variables involved.

Table 7.5 Employment outlook scenarios 2024/44

	Jobs ('000s)
CE employment labour demand growth	13.6
Experian employment labour demand growth	7.5
Labour supply growth - Adopted LP	19.2
Labour supply growth – NPPF New Standard Method	43.6

8. EMPLOYMENT LAND REQUIREMENTS

8.1 In this section, we consider the requirement for employment land and floorspace over the plan period for 2024/25-2044/45. The requirements for employment land are disaggregated for the Office and Industrial uses. These correlate with Use Class E(g)(i) offices and E(g)(ii) R&D and E(g)(iii) industrial (light), B2 Industrial and B8 Warehousing.

8.2 When considering the scale of future needs the Planning Practice Guidance requires consideration of:

- sectoral and employment forecasts and projections (labour demand);
- demographically derived assessments of future employment needs (labour supply techniques); and
- analysis based on the past take-up of employment land and property and/or future property market requirements.

8.3 There are relative benefits of each approach. Econometric forecasts take account of expected economic growth in each sector relative to the past. However, these tend to be top down national / regional rather than locally based. Furthermore, a detailed model is required to translate forecasted changes in employment by sector to floorspace by use classes and estimate gross floorspace and land requirements. This is explained in detail further on in this Chapter.

8.4 There may also be distortions between typical floorspace densities and future floorspace needs caused by replacement demand requirements or productivity gains. This means that labour demand scenarios, driven by employment forecasts, may be less suitable for some forecasting some commercial activities – particularly industrial - where reductions in employment linked to say automation may not translate into reduced property/ floorspace requirements but rather increased plant space. Replacement demand - the need for modern floorspace - is an important demand driver which sees new premises replacing old potentially in new preferred locations.

8.5 Labour supply scenarios allow for an alignment of jobs and homes, but they do not take into account the role of a given area. They assume people move to an area to work there when this is not always the case. It also assumes the level of housing growth will be deliverable.

8.6 Past take-up is based on the actual delivery of employment development; but does not take account of the implications of potential growth in labour supply associated with housing growth nor any potential differences in economic performance relative to the past; nor the extent to which historical demand may have been influenced by supply-side constraints. Differences between net and gross take up also need to be accounted for and what effect losses of land has had in the past.

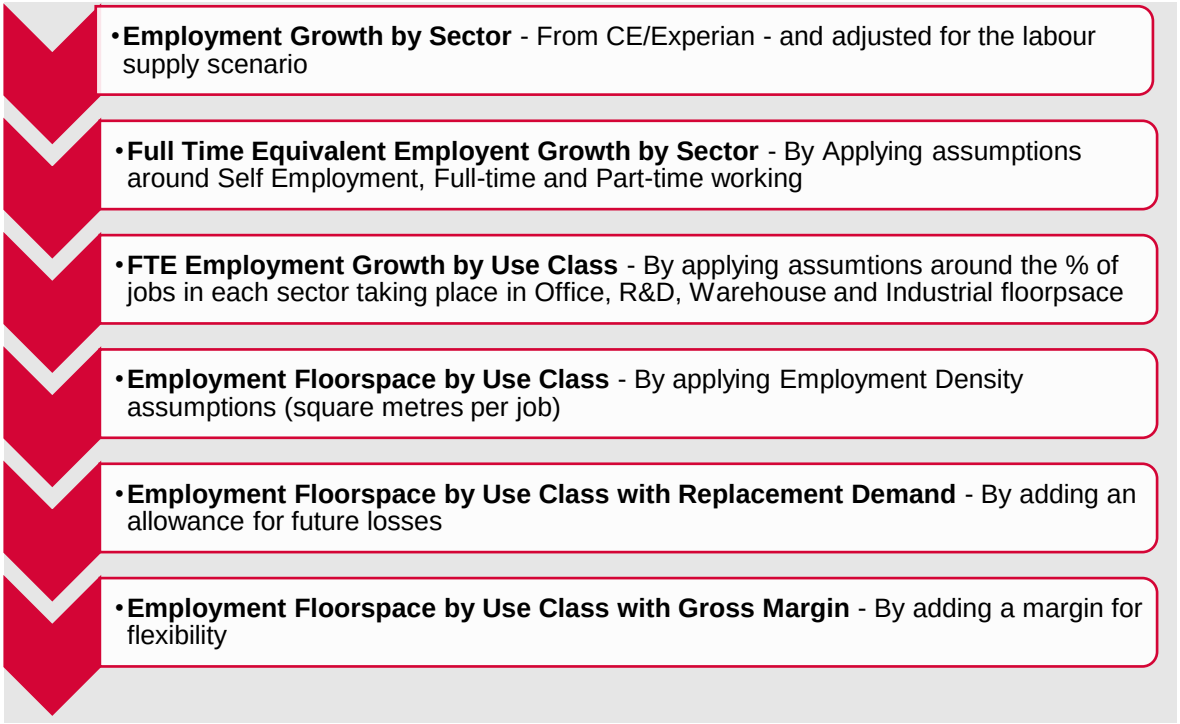
8.7 Data for employment floorspace trends has been drawn from Council monitoring data for the 2010/11-2023/24 period. This is supplemented by other data from the VOA and CoStar commercial database that report on floorspace by rates paid (VOA) and leased (CoStar).

8.8 The quantitative evidence is supplemented by the wider analysis of the market and economic dynamics set out earlier in this report.

Labour Demand

8.9 Jobs forecasts are translated to employment floorspace requirements through a series of steps as shown in Figure 8.1.

Figure 8.1 Overview of Labour Demand Model



Jobs to FTEs

8.10 The first step is to translate forecast employment growth into full-time equivalent (FTE) employment growth. This is required as the employment densities used relate to FTE jobs. The number of FTE jobs is calculated by looking at the number of self-employed, full-time and part-time employees in each sector using latest BRES data for CW&C. Full-time and self-employment jobs have been assumed to equate to 1 FTE; while part time jobs have been assumed to equate to half an FTE (in line with HCA Employment Density Guidance 2015).

8.11 Table 8.1 shows that forecast FTE jobs growth over the period from 2024 to 2044 is equivalent to c. 11,100 FTE jobs (rounded) under the Cambridge Econometrics baseline scenario, 5,700 under the Experian baseline scenario, 15,800 under the Adopted LP labour supply scenario and 36,300 under the new SM labour supply scenario.

Table 8.1 Total Jobs Growth and FTE Jobs Growth by Model, 2024-2044

Model	Total Jobs	FTE Jobs*
Cambridge Econometrics Forecast	13,600	11,100
Experian Forecast	7,500	5,700
Labour Supply – Adopted LP	19,200	15,800
Labour Supply – New SM	43,600	36,300

**After applying pre-COVID working from home assumptions (see Appendix A5)*

Use Class disaggregation

8.12 The next step translates FTE employment growth by sector into FTE employment growth by use class. For the purposes of this study, we have proportioned the number of FTE jobs in each sector into jobs in Industrial, Warehouse, Office and R&D floorspace. A set of pre-COVID-19 working from home assumptions have also been built in to reflect levels of hybrid working prior to the pandemic – being those employees that do not need commercial workspace. Appendix A6 sets out the sector floorspace assumptions for each forecasting model as well as working from home assumptions.

8.13 The table below shows the number of FTE jobs estimated to be in E(g)(i-iii), B2 and B8 premises compared to all FTE jobs. Over half of employment growth is concentrated in non E/B class jobs. It is worth noting that the figures in the below present net growth across all sectors and therefore losses in certain sectors are outweighing gains in others. The sectoral breakdown of employment change was presented in Chapter 7.

Table 8.2 FTE Jobs Growth by Model and Use Class, 2024-2044

Model	FTE Jobs	FTE Jobs in E(G)(i-iii), B2 and B8 Premises
Cambridge Econometrics Forecast	11,100	3,400

Experian Forecast	5,700	1,300
Labour Supply – Adopted LP	15,800	9,200
Labour Supply – New SM	36,300	13,700

Source: Iceni Analysis

8.14 To translate FTE employment growth to floorspace we have assumed a set of employment densities[39], which are set out in Table 8.3 below. These are informed by the Homes and Communities Agency Employment Density Guide Third Edition[40].

Table 8.3 Employment Densities – Gross Employment Area per job

	Office	R&D	Industrial	Warehouse
Employment Density (sqm)	12	50	40	80

Source: HCA Employment Densities Guide: 3rd Edition November 2015

8.15 Applying these employment densities to the FTE forecasts results in the employment floorspace requirement set out in Tables 8.4 and 8.5 (floorspace (sqm) and land (ha) respectively).

Working from home

39 Employment Densities are the assumed floorspace per FTE e.g. for offices it is assumed that every FTE will have 12 sqm (GEA) of floorspace

40https://www.kirklees.gov.uk/beta/planning-policy/pdf/examination/national-evidence/NE48_employment_density_guide_3rd_edition.pdf

8.16 We have also undertaken a sensitivity analysis for office space with greater levels of working from home. The pandemic has clearly seen an increase in home-working – in particular in office-based sectors – as well as hybrid working, whereby workers spend part of the week in the office, and part at home, with the emergence of 3/2 and 2/3 working patterns. Office market trends are responding and will potentially reinforce around good quality space designed to facilitate interaction and collaboration between staff; and locations which support social and leisure activities.

8.17 The 'Post-Pandemic Working from Home' scenario is informed by Iceni Projects review of information published by real estate agency Savills[41], Remit Consulting[42] and RICS[43] on the occupancy of in-use office floorspace pre and post pandemic as well as ONS data. ONS 2023 data showed that 40% of all UK working adults work from home at some point in the week with 16% solely working from home. Based on this information, Iceni Projects has concluded that post-pandemic office occupancy appears at around 70% of pre-pandemic levels. Therefore, we have reduced levels of employment growth and replacement demand in the 'Post-Pandemic WfH' scenario by a 30% factor. Further discussion on office requirements and deliverability is covered later in this chapter and the next.

Flexible margin

8.18 The need calculations also take into account a 'margin for flexibility.' This allows for:

- the allocation of sufficient land to cover inaccuracies in forecasting
- helps to provide a choice of sites to facilitate competition and

[41] https://www.savills.co.uk/research_articles/229130/343549-0

[42] https://return.remitconsulting.com/resource-centre/35-news-release-latest-data-reveals-improved-uk-office-occupancy-levels

[43] The outlook for office markets: Productivity and the return to the office (rics.org)

- allows for delays in any sites coming forward.

8.19 For CW&C Iceni recommend that a 'margin for flexibility' of 2 years long term average gross deliveries should be used, which is broadly equivalent to 10% of a 20 year planned need (when measured in gross deliveries). It is good practice to include a margin for flexibility however this tends to range from 2-5 years of gross deliveries or 10-25% of total need.

8.20 A margin at the lower end (10%) has been considered appropriate in CWaC. The Authority has remained on target to meet it's adopted Local Plan requirements for the plan period as at April 2024. Since the start of the plan around 246ha employment land has been delivered. There is an employment land supply to 2030 (development plan allocations and planning permissions) of some 170ha, of which 77ha are planning commitments/permissions[44]. Thus a track record of market choice and bringing sites forward is in place.

Labour demand outputs

8.21 The tables below report the outcomes from the labour demand model in sqm and ha assuming a 0.5 plot ratio for office, 0.5 for R&D and 0.4 for factory and warehouse.

Table 8.4 Employment Floorspace Requirement by Labour Demand Scenarios, 2024-2044 (sqm)

	CE Scenario	Experian Scenario
Office	58,860	14,800
Office Post Pandemic WFH 30%	41,200	10,400
R&D	3,600	5,100
Industrial	-79,500	-21,000
Warehouse	35,700	43,400
Including margin for flexibility (@ 10%)		
Office	64,700	16,300

[44] CWaC Annual Monitoring Reports, indicator STRAT 2, (F) *Amount of employment land developed since 2010 plus amount of employment land available in supply*

Office Post Pandemic WFH 30%	45,300	11,400
R&D	4,000	5,600
Industrial	-87,400	-24,000
Warehouse	39,200	44,500

Source: Iceni analysis of Experian and CE data

Table 8.5 Employment Floorspace Requirement by Labour Demand Scenarios, 2024-2044 (ha)

	CE Scenario	Experian Scenario
Office	11.8	3.0
Office Post Pandemic WFH 30%	8.2	2.1
R&D	0.7	1.0
Industrial	-19.9	-4.4
Warehouse	8.9	8.7
Including margin for flexibility (@ 10%)		
Office	12.9	3.3
Office Post Pandemic WFH 30%	9.1	2.3
R&D	0.8	1.1
Industrial	-21.8	-4.8
Warehouse	9.8	9.6

Source: Iceni analysis of Experian and CE data

Labour supply

8.22 The same assumptions for labour demand modelling have been applied to the supply inputs and outputs but adjusted for higher FTE inputs.

8.23 As noted, a detailed description of the conversion of housing need to jobs is reported in Appendix A5.

8.24 The Cambridge Econometrics forecast was used as the base input for the labour supply models (being the higher of the two). The jobs difference between the Cambridge Econometrics labour demand position and the higher supply position(s) was then spread out across the sectors at the 2023 (current) sector split, with linear incremental growth until 2044 when the full labour supply is realised. In reality a substantial increase in labour supply would have uncertain sector effects, particularly increasing demand on endogenous sectors (population based sectors such as health, retail and education) but unlikely to affect demand for exogenous investment sectors (such as professional services and manufacturing). Higher labour supply would most likely lead to greater out commuting. For the purposes of this assessment, the method employed is considered proportionate, however the figures below in Table 8.6 and 8.7 should consequently be treated with considerable caution.

8.25 The tables below report the outcomes from the labour supply model in sqm and ha.

Table 8.6 Employment Floorspace Requirement by Labour Supply Scenarios, 2024-2044 (sqm)

	Labour Supply – Adopted LP	Labour Supply – New Standard Method
Office	71,300	125,200
Office Post Pandemic WFH 30%	49,900	87,600
R&D	4,200	6,800
Industrial	-57,900	36,100
Warehouse	62,100	177,000
Including margin for flexibility (@ 10%)		
Office	78,400	137,700
Office Post Pandemic WFH 30%	54,900	96,400
R&D	4,600	7,400
Industrial	-63,700	39,700
Warehouse	68,300	194,700

Source: Iceni analysis of Experian and CE data

Table 8.7 Employment Floorspace Requirement by Labour Supply Scenarios, 2024-2044 (ha)

	Labour Supply – Adopted LP	Labour Supply – New Standard Method

Office	14.3	25.0
Office Post Pandemic WFH 30%	10.0	17.5
R&D	0.8	1,4
Industrial	-14.5	9.0
Warehouse	15.5	44.2
Including margin for flexibility (@ 10%)		
Office	15.7	27.5
Office Post Pandemic WFH 30%	11.0	19.3
R&D	0.9	1.5
Industrial	-15.9	9.9
Warehouse	17.1	48.7

Source: Iceni analysis of Experian and CE data

Past Completions

8.26 Historic completions, based on the Council's monitoring data, have been considered and projected forward to provide an indication of future floorspace needs. Both gross and net historic completions[45] have been considered:

- **Gross completions** (all employment land/floorspace completions, or gains) are useful as they inherently take into account all demand including replacement demand (on-site and off-site redevelopment and redeployment). However, using gross completions can overestimate demand where given some historic gross completions may have been on plots where the previous use was the same (i.e. re-development for the same use but with newer stock). Such redevelopments may continue in the future and do not need 'new' land provision.

- **Net completions** deduct losses from all gross completions to identify total stock change. Depending on the types of losses that have taken place, net completions change can significantly underestimate needs. Detailed data on losses is required to understand how net completions need to be augmented to take account of losses that need to be replaced – replacement demand.

Gross Completions

[45] Gross and Net Completions are defined within Appendix A8 – Glossary.

8.27 The figure below shows total gross completions by monitoring year and use class. The Town and Country Planning Order Use Classes were updated in 2020, with Use Class B1a, B1b and B1c forming Use Class E(g). The Council's monitoring data does not distinguish between Use Class E(g)(i), E(g)(ii) and E(g)(iii), hence for the purposes of this analysis E(g) has been grouped with B1a and B1b to form an Office and R&D group, however this may include some light industrial E(g)(iii) uses. It should also be noted that a significant quantum of floorspace is recorded as 'Mixed B' which means it is not possible to distinguish the use without analysing at the individual completion level by reviewing the planning application. This ambiguity makes it difficult to identify use class-based trends, however the majority of these applications relate to B2/B8 uses.

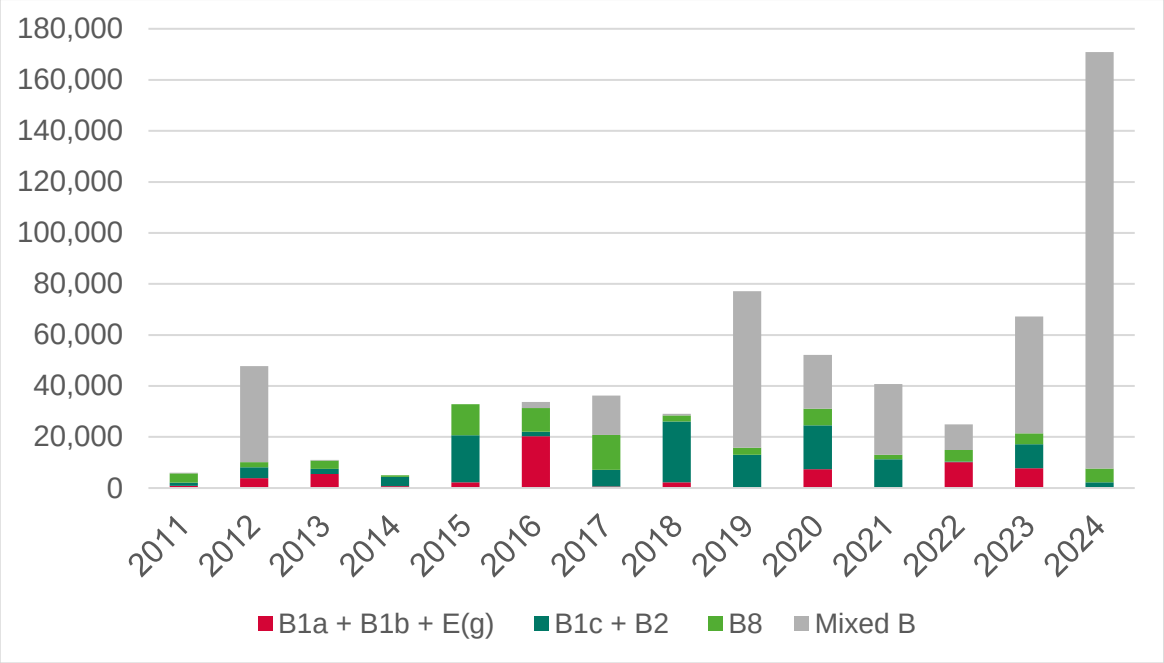
8.28 In terms of quantum of floorspace delivered, it can be seen that 2023/24 was a clear outlier, with more than double the volume of floorspace delivered compared to any previous year since 2010/11. 170,800 sqm of floorspace was delivered in 2024, approximately 95% of which was recorded as Mixed B. These applications were primarily for B2/B8 space.

8.29 Prior to this, completions peaked in 2018/19 at 77,200 sqm before declining steadily until 2021/22. Since 2021/22, completion of floorspace has increased annually. Since the majority of floorspace is categorised as Mixed B, it is likely to be associated with B2/B8 development. Strong growth in e-commerce during the pandemic increased demand for warehousing and logistics operations and therefore created strong market demand for B8 premises. Major developments include:

- Former Bridgewater Paper Mill North Road Ellesmere Port, 73,300 sqm (2023/24)
- Hooton Park, South Rd, Ellesmere Port (remaining area Stellantis), 62,200 sqm (2023/24)
- Land at Newport Business Park, Ellesmere Port, 21,000 sqm (2023/24)
- Aviator Phase 2, Land At Hooton Business Park North Road Ellesmere Port 26,000 sqm (2022/23)

8.30 The quantum of floorspace delivered clearly varies significantly and is likely to be linked to economic cycles as well as the realisation of particular schemes. An average historical annual completions figure based over the 2010/11-23/24 period has been calculated to capture fluctuations, including high and low years of delivery. This average figure is then extrapolated over the plan period to anticipate future variation caused by economic cycles.

Figure 8.2 Gross Completions by Use Class, CW&C, 2010/11-2023/24 (Sqm)



Source: CW&C Completions Monitoring Data

8.31 Table 8.8 shows the average gross completions over the time period for which monitoring data is available (2010/11-2023/24) and the associated floorspace and land requirements projecting this average forwards over the 2024/25-2044/45 period.

8.32 Whilst the 'Mixed B' permissions account for the most significant component of completions, in reality these are almost entirely B2/B8 developments.

8.33 Floorspace has been used and converted to hectares although hectare monitoring is available. This land (not floorspace) data has been considered but includes a range of permissions including temporary hardstanding and distorted relationships for site extensions (where sqm and ha are the same area on existing sites). As a result the sqm monitoring has been used and a ratio applied. CW&C can elect to use sqm or ha completions in their future land monitoring.

Table 8.8 Average gross completions and associated floorspace/land requirements

	Average Gross Completions (sqm) (2010/11-2023/24)	Floorspace Requirement (2024/25-2044/45, sqm)	Land requirement (2024/25-2044/45, ha)	Margin for Flexibility @ 10% (ha)
Office and R&D (B1a & B1b & E(g))	4,410	88,199	17.6	19.4
Industrial (B1c & B2)	8,206	164,119	41.0	45.1
Warehousing (B8)	5,155	103,090	25.8	28.4
Mixed B (B2/B8)	27,567	551,341	137.8	151.6
Total	45,338	906,749	222.2	245.5

Source: CW&C Completions Monitoring Data, Iceni analysis

8.34 Sensitivity analysis has been undertaken based on the gross completions trend to remove outliers from the completions data. We have defined outliers as schemes of a significant size and type that are unlikely to re-occur. Engagement with businesses directly including Stellantis has informed this work.

8.35 Table 8.9 lists the completions excluded for the purposes of the sensitivity analysis.

Table 8.9 Completions excluded within the sensitivity analysis

Name and address	Proposed Development	Site Size (Ha)	Total Floorspace (sqm)	Reason for exclusion
Former Ince Power Station/Encirc (Former Quinn Glass) - Rail discharge facility	The construction of an on-site rail discharge facility, conveyor system, storage slab and ancillary site office and substation together with the relocation of 2 rail lines, new access road and the erection of palisade fence to	1.1	11,000	A bespoke development - occupier and location-specific, unlikely to be repeated as indicated by occupier
Hooton Park, South Rd, Ellesmere Port (remaining area Stellantis)	Erection of a single unit (Use Classes B2 and B8) with ancillary offices, ancillary outbuildings, access, landscaping, sustainable drainage measures, car and cycle parking, pedestrian and cycle access routes, servicing and all ancillary enabling works.	15	62,151	Very large occupier-specific expansion, unlikely to be repeated as indicated by occupier

Meadow Foods Ltd Rough Hill Marlston Cum Lache Chester Cheshire Ch4 9Js	Extensions To Provide New Manufacturing/Processing and Chilled Storage Facilities, Protective Canopies To Existing Buildings/Plant, 5 No. Sugar Silos, Plant Housing Within Effluent Treatment Works, New Offices	8.43	8,883	A large expansion in the rural area, unlikely to be repeated

Source: CW&C Monitoring Data/ occupier engagement

8.36 The table below reports the outcomes under sensitivity scenario adjusted for table 8.9 schemes (above) removed.

Table 8.10 Average gross completions and associated floorspace/land requirements (outliers sensitivity)

	Average Gross Completions (sqm) (2011-2024)	Floorspace Requirement (2024-2044, sqm)	Margin for Flexibility @10% (sqm)	Land requirement (2024-2044, ha)	Margin for Flexibility @ 10% (ha)
Office and R&D (B1a & B1b & E(g))	4,340	86,795	95,475	17.4	19.1
Industrial (B1c & B2)	7,731	154,610	170,071	38.7	42.5
Warehousing (B8)	5,066	101,313	111,444	25.3	27.9
Mixed B (B2/B8)	22,342	446,840	491,524	111.7	122.9
Total	39,478	789,558	868,514	193.0	212.4

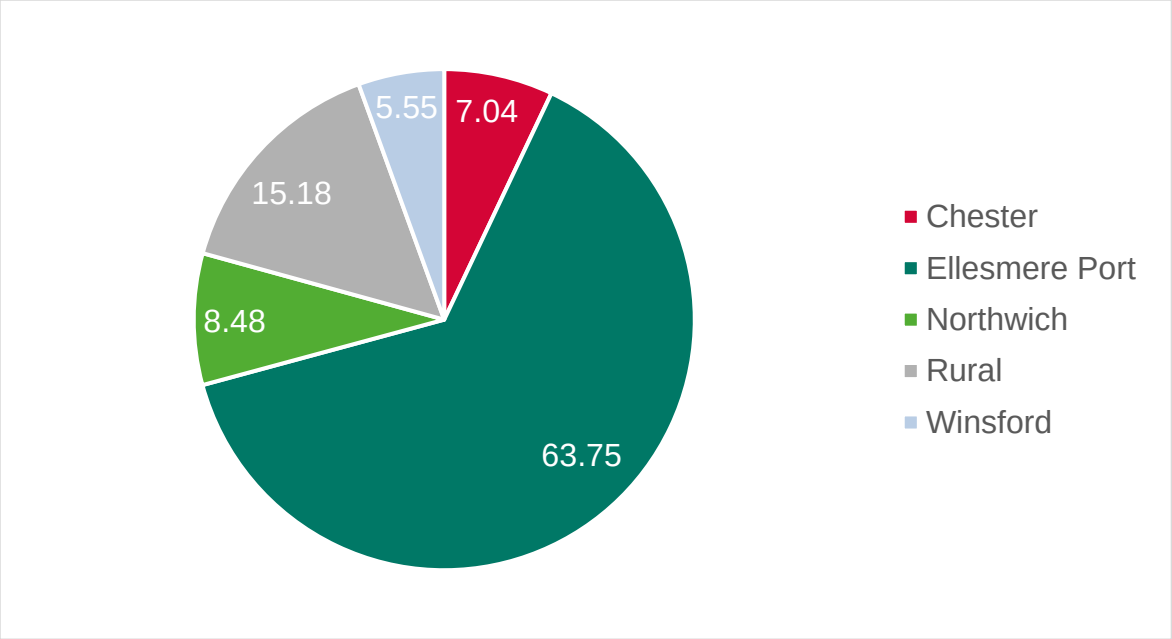
Source: CW&C Completions Monitoring Data, Iceni analysis

8.37 In spatial distribution terms, over half of completions take place at Ellesmere Port, followed by the rural area (15%), Northwich (8%), Chester (7%), and Winsford (6%).

8.38 This is set out in the figure below and provides a helpful guide in terms of considering future needs.

8.39 It is also of note that approximately half of the employment development is associated with allocations, 30% windfall and 20% expansions, indicating that there are specialist demand businesses in the borough which may need to be considered individually alongside general allocations.

Figure 8.3 Employment Completions by location (Sqm) (%)



Source: CW&C Completions Monitoring Data

8.40 The table below provides a breakdown of completions by location and type. This shows that the greatest proportion (over half) of office (B1a) completions were located in Chester. Ellesmere Port saw the greatest proportion (43%) of B2 (general industrial) completions, followed by Winsford. B8 (storage and distribution) completions are relatively evenly split between Ellesmere Port, Northwich and rural locations.

Table 8.11 Gross Completions by location and type (%)

	B1a	B1b	B1c	B2	B8	Mixed B	E(g) (after Sept 2020)
Chester	53%	0%	23%	5%	4%	0%	0%
Ellesmere Port	22%	85%	27%	43%	32%	84%	0%
Northwich	7%	0%	17%	13%	27%	4%	0%
Winsford	1%	15%	6%	23%	4%	3%	36%

Rural	17%	0%	27%	16%	34%	10%	64%
Total	100%	100%	100%	100%	100%	100%	100%

Net Completions

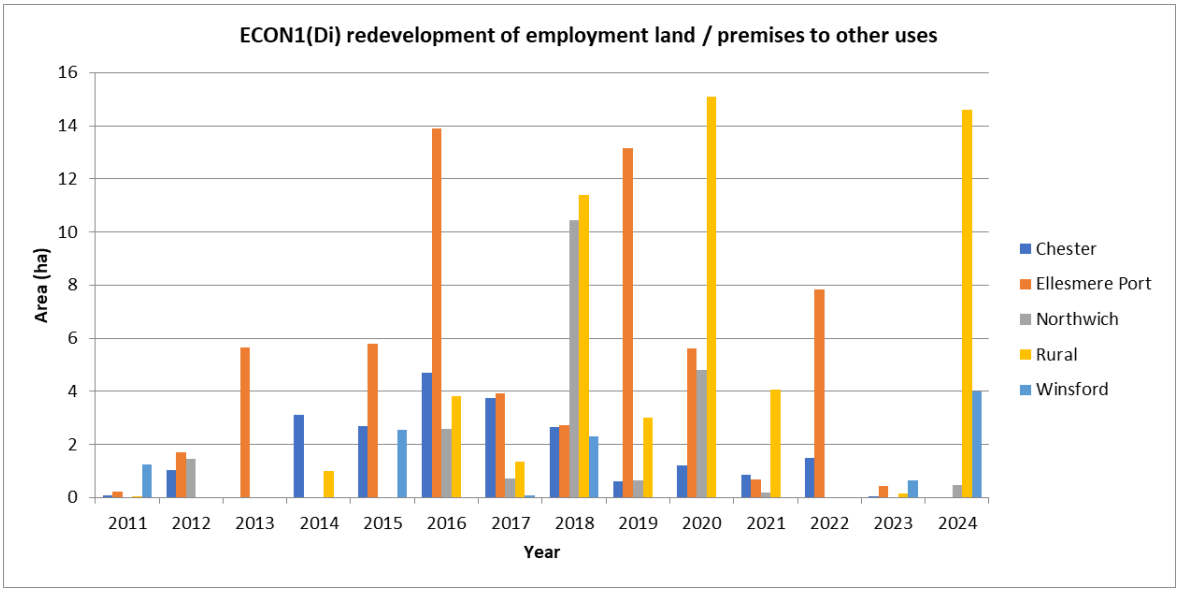
8.41 CW&C as a planning authority monitor various aspects of their employment completions including losses to non-employment uses.

8.42 The chart below reports on the locations of losses of employment land to other uses, such as residential.

8.43 The greatest volume of losses takes place in the rural areas. Officers indicate that many of these sites are older plants that are no longer required for the modern economy. As such they do not need replacement. Losses in Chester tend to be for office uses, representing losses of older office stock which is also unlikely to need to be replaced. Losses in Northwich and Ellesmere Port are reportedly in most instances also at redundant sites.

8.44 The pattern of losses is generally one which reflects a shift in the economy from historic locations and land uses. Therefore it is generally more useful to focus on the pattern of gains as an indication of need rather than losses.

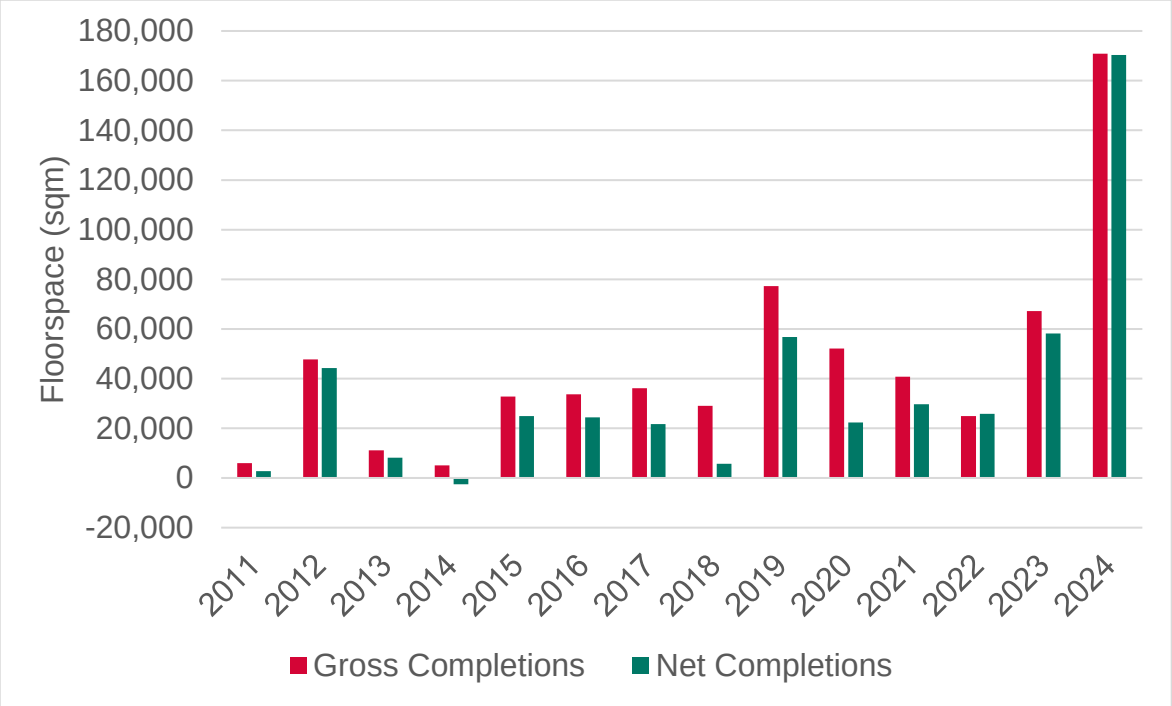
Figure 8.4 Annual losses to non employment uses (ha), CW&C, 2011-2024



Source: CW&C Completions Monitoring Data

8.45 The chart below compares net and gross data. For most years, the results are similar, which indicates that the scale of gains far outweighs losses. However, it should be noted that in reality some losses are not recorded following changes to permitted development rights (as set out in Chapter 3), which give greater flexibility to change to other uses without the need for planning permission. Therefore, these changes of use are no longer able to be monitored unless a prior approval application is submitted.

Figure 8.5 Annual gross and net completions (sqm), CW&C, 2011-2024



Source: CW&C Completions Monitoring Data

8.46 The table below shows the average net completions between 2011-2024. This is presented as a total requirement as losses data is not available by Use Class.

Table 8.12 Past average net completions (ha)

	Average net completions 2011-24 (sqm)	Average net completions 2011-24 (ha)
Total	35,193	5.4

Source: CW&C Completions Monitoring Data

8.47 The resulting projection over the plan period (2024-2044) is shown in the table below, alongside the total including a margin for flexibility.

Table 8.13 Net completions projected for future plan period (ha)

	Floorspace need 2024-44 (sqm)	Land need 2024-44 (ha)
Total	703,855	108.1

Total with Margin for Flexibility (@10%)	774,240	118.9

Source: CW&C Completions Monitoring Data

8.48 The net change is substantially less than the gross. However the net change figures are considered to underestimate need as the losses occurring to other uses are not considered relevant to the demand side story of completions in CW&C and it would not be appropriate to deduct the losses from the total need (net change).

8.49 It is also of note that much of the delivery of employment has taken place on previously developed land (PDL) in CW&C, as reported below. However, whilst these are brownfield sites, many were cleared, for example at Ellesmere Port, so did not involve demolition of stock.

8.50 Historically CW&C as a planning authority have not recorded employment losses to employment (redevelopment) as only a limited amount has taken place. However it may be beneficial to do so in the future should stock recycling increasingly take place.

8.51 A further issue resulting from the below data is that CW&C has had access to large areas of PDL in the past. However it is understood that this reserve may be dwindling (this will be reviewed through the Council's Land Availability Assessment and when preparing the local plan). For past development rates to continues, the authority may need to look at releases of more green field sites.

Figure 8.6: Completions by Land Type, 2011-2024, CW&C

Source: Iceni Analysis of CW&C Monitoring Data

Past Take-Up (Net Absorption)

8.52 A third supply-based calculation looks at past take-up of space occupied (rather than land delivered). This has been measured using CoStar data on net absorption - this is the balance between the amount of space moved into and moved out of (i.e. Net absorption = Move ins – Move outs) equating to the change in occupied space.

8.53 This differs from the net completions-based projections in that it predicts future floorspace requirements directly based on demand for floorspace rather than past completions of floorspace (which is a proxy for floorspace demand).

8.54 CoStar provides data on net absorption for CW&C's office and industrial markets. The historic net absorption rates for the 2012-2023 period have been projected forward to estimate employment floorspace requirements for 2024-44 – see Table 8.5.

8.55 The estimated floorspace requirements below also show the employment floorspace requirements after considering a margin for flexibility.

Table 8.14 Employment Floorspace Requirement by Net Absorption Projection 2024-2044

Types	Floorspace (sqm)	Land (ha)
Office	19,450	3.9
Industrial/Warehousing	643,900	129
Margin for Flexibility (10%)		
Office	21,400	4.3
Industrial/Warehousing	708,300	142

Source: Iceni Projects based on CoStar Data

8.56 The CoStar data provides a lower figure than the gross completions, albeit higher than the net data. One of the issues in CW&C is that there are manufacturing / bespoke owner / occupiers building out space that CoStar transactions data does not readily pick up, as it is tailored to the commercial market with registered deals which are unlikely to include custom owner occupier plant developments (including expansions) in all instances.

VOA Floorspace Trend

8.57 The Valuation Office Agency (VOA) provides data on total rates – payable floorspace for the office and industrial sectors (industrial and warehouse combined under VOA). Table 8.6 shows the average annual change in floorspace for the ten years between 2013 and 2023.

Table 8.15 Average annual change in floorspace (CW&C, 2013-2023)

Type	Average change in floorspace 2013-2023 (sqm)
Office	- 6,545
Industrial	1,818

Source: Iceni Projects based on VOA Data

8.58 The historic changes in floorspace for the 2013-2023 period have been projected forward to estimate employment floorspace requirements for 2024-44 – see Table 8.7.

Table 8.16 Projected floorspace and land requirements using VOA data (2024-2044)

Types	Floorspace (sqm)	Land (ha)
Office	-130,910	-26.2

Industrial/Warehousing	36,400	9.1
Margin for Flexibility (10%)		
Office	-144,000	-28.8
Industrial/Warehousing	40,000	10.0

Source: Iceni Projects based on VOA Data

8.59 The VOA data reports much lower outputs than other data sets. It is not absolutely clear why this is the case but it is also common for planning, commercial and VOA data to have different findings. VOA is based on rates payable space and therefore built but unoccupied buildings will not always attract a charge and therefore distort the outputs.

Drawing the Evidence Together

8.60 This chapter includes a range of detailed modelling scenarios to consider the future employment land needs for Cheshire West and Chester.

8.61 The table below summarises the total employment land need 2024-44 for each broad-use class across the various models discussed above in this chapter.

8.62 As set out at the start of the chapter there are various issues with each of the models. The outputs span a large range. Recommendations are set out below the table.

Table 8.17 Employment Floorspace and Land Requirement Summary, 2024-44 (including margin) (sqm)

Floorspace (Sq.m)	Experian Baseline	Cambridge Econometrics baseline	Labour Supply – Adopted LP	Labour Supply – New SM	Gross Completions	Gross Completions (sensitivity)	Net Completions	Net Absorption (CoStar)	VOA
Office	16,300	64,700	78,400	137,700					
Office WFH	11,400	45,300	54,900	96,400					
R&D	5,600	4,000	4,600	7,400					
Office and R&D Subtotal*	**17,000**	**49,300**	**59,500**	**103,800**	**97,000**	**95,500**		**21,400**	**-144,000**
Factory	-24,000	-87,400	-63,700	39,700					
Warehouse	44,500	39,200	68,300	194,700					
Industrial Subtotal	**20,500**	**-48,200**	**4,600**	**234,400**	**900,400**	**773,000**		**708,300**	**40,000**
Total*	**37,500**	**1,100**	**64,100**	**338,300**	**997,400**	**868,500**	**774,200**	**729,700**	**-104,000**

Table 8.18 Employment Floorspace and Land Requirement Summary, 2024-2044 (including margin) (Ha)

Area (Ha)	Experian Baseline	Cambridge Econometrics baseline	Labour Supply	Labour Supply – New SM	Gross Completions	Gross Completions (sensitivity)	Net Completions	Net Absorption (CoStar)	VOA
Office	3.3	12.9	15.7	27.5					
Office WFH	2.3	9.1	11.0	19.3					
R&D	1.1	0.8	0.9	1.5					
Office and R&D Subtotal*	**3.4**	**9.9**	**11.9**	**20.8**	**19.4**	**19.1**		**4.3**	**-28.8**
Factory	-4.8	-21.8	-15.9	9.9					
Warehouse	9.6	9.8	17.1	48.7					
Industrial Subtotal	**4.8**	**-12**	**1.2**	**58.6**	**225.1**	**193.3**		**142**	**10.0**
Total*	**8.2**	**-2.1**	**13.1**	**79.4**	**244.5**	**212.4**	**118.9**	**146.3**	**-18.8**

**Including Office WFH scenario for labour demand models.*

Converted using a 0.5 plot ratio for office, 0.5 for R&D and 0.4 for factory and warehouse

Source: Iceni analysis of Experian, Cambridge Econometrics, Local Authority Monitoring, VOA and CoStar data

Industrial and warehousing

8.63 The labour demand models show negative or marginal growth in industrial / warehousing as does the VOA trend. However the absorption and completions trends are very substantial rising to over 225 ha.

8.64 **Need to plan for:** Iceni recommends that the sensitivity based gross completions trend data (193.3 ha) be used as an indication of future industrial and warehousing requirements. This is based on the past take up of floorspace, adjusted for a limited number of developments which are not expected to be repeated. However, there may be exceptional investments over and above planned or allocated land to be considered on a case by case basis. Recent news (since the outset of this report) that Stellantis intends to relocate its Luton plant activities to Ellesmere Port highlights the importance of a response approach to economic planning.

8.65 The labour models are rejected as the stakeholder feedback and market signals indicate that the past rates of demand are broadly in line with trends in occupier and investment potential in CW&C, and far lower development rates would be a substantial brake on economic growth. The net absorption trend bears a risk of not capturing some of the past owner – occupier plant development and the net completions trend deducts substantial losses trends which would mis represent the actual industry demands. Some losses are expected to continue in the future in non preferred locations.

8.66 The gross completions trend may slightly over estimate future requirements by including some past on site renewal and replacement. Evidence in terms of monitoring is limited but a review of past applications suggests that this has not played a significant role in CW&C. Given business feedback on ageing stock there is more potential for this to occur in the future. The best way of assessing this would be to review physical stock on estates and engage with land owners on the potential for redevelopment as part of a wider Employment Land Review.

8.67 **Type of sites:** In terms of market size segments, CoStar's absorption data indicates a historic take-up ratio of big box (being over 9,300 sqm) vs small box units of 65:35, similar to the authority monitoring data which reports a 60:40 split of large to smaller units. This includes large one-off developments at Ellesmere Port including the Encirc rail discharge facility, Urenco uranium storage and the Vauxhall / Stellantis plant. There are also general mixed use industrial / distribution parks including at (Ellesmere) North Road, Newport Business Park and Aviator as well as Winsford. Discounting the largest one-off developments as noted (which are also discounted from the trend-based need), around 45% of development land has been for large scale industrial and distribution sites. This provides an indication of the proportion of land to allocate to strategic industrial development, being larger sites of at least 5 ha for the extension of existing large sites, and a minimum of 10 ha for new sites, but more frequently 25 ha and significantly above. It is expected that there will be on going requirements for large plant-based investments (such as Hynet) as well demand for strategic distribution (such as B&M taking a large unit at Link Logistics Park in November 2024). Therefore at least 80 ha should be provided for strategic investment (40% of 193 ha) but subject to suitable land availability this could rise to 125 ha (65%) or more.

8.68 There is demand for new smaller units. CoStar reports limited availability in the sub 20,000 sqft (1,850 sqm) band particularly for newer units – and these have taken well when delivered for example at Europa Court, Chester and Vortex Business Park, New Bridge Rd, Ellesmere Port. Particularly at Ellesmere Port and Winsford there is a reported undersupply of small and grow on units (500 sqft up to 10,000 sqft). There are mixed views on the viability of delivering smaller stock. Broadly, a mix of large scale and mid-small units should be encouraged, including on larger sites. These meet the requirements of local businesses, supply chains and final mile distribution services.

8.69 **Locations for sites:** Locationally, the past trends show a preference for Ellesmere Port, followed by the rural area, Northwich / Winsford and marginally in Chester. Ellesmere Port will continue to see the majority of future demand, followed by Northwich and then Winsford. Ellesmere Port remains an area of national and regional investment interest for a range of specialist and general industrial / distribution requirements.

8.70 Realistically the authority is not expected to plan for rural development / expansion and it is likely there may be further windfalls in rural areas in the future. This justifies the use of a flexible margin (10%) at the lower end of the traditional range. The authority could reasonably elect to 'under allocate' to the needs by around 10% (21 ha) on the basis of expecting windfall sites outside of allocations, given that in the past this has accounted for over 20% of development, although the 20% rate is not expected to be repeated.

Offices

8.71 The office / R&D 'need' range is narrower than for industrial, ranging from negative under the VOA trend up to over 19 ha under the gross completions.

8.72 **Need to plan for:** The labour demand range (adjusted) is 3.4 – 9.9 ha and broadly aligns with the absorption data from CoStar at 4.3 ha (influenced by the negative effects of COVID-19). Iceni considers that 4.3 ha is a realistic volume of R&D/office need to plan for, however the authority could plan for the higher end of this range (i.e. 9.9 ha) given past delivery rate projections are closer to 19.1 ha and that the market may improve over time. With considerable turmoil in recent years in office markets it is difficult to predict long term demand and viability.

8.73 Whilst there are clusters of labs, for example at Thornton Science Park (now acquired by Essar Energy Transition) it is not recommended that these are planned for specifically by the planning authority, rather they will be ancillary to other industrial plant based development. Therefore the need recommended is specific to offices.

8.74 **Locations for sites:** Demand is primarily focussed at Chester. In this location there are unmet inquiries for high quality business space that the market is unable to provide for due to rents being far below that which is justified in viability build terms. This applies to both in town flexible workspace and out of town business park opportunities. This does present a challenge for attracting and retaining professional services firms in Chester in particular. Whilst viability may improve over time, any public support available for delivering offices should be considered.

8.75 Outside of Chester there are ad hoc demands for smaller office premises however delivery will be even more challenging and can be left to town centre or ancillary industrial park uses.

8.76 **Managing change of use:** With a weaker office market in recent years there is pressure on change of use in business parks and office locations, with considerable losses to residential occurring under permitted development. In some areas notably Chester there is now a lack of Grade A stock, although new build is not viable in most instances. With higher vacancy rates remaining, there is a good case for increasing the flexibility of *employment* uses that can be operated at business parks in Chester but also in other areas such as Gadbrook Park. Adopted Policy DM5 refers to protecting Use Class B1 (E(g)) or 'similar' uses. Allowing for non-traditional employment uses (on a case-by-case basis) that still support jobs might improve the viability for refurbishment or redevelopment to ensure these remain vibrant locations.

8.77 The authority should continue to seek a clear demonstration of lack of demand and viability to resist losses to residential development on the basis that poorer quality stock has now been lost and further losses would be adverse. The introduction of Article 4 directions would be reasonable at premium office locations notably Cheshire Business Park and Chester Business Park, should this be considered necessary.

9. CONCLUSIONS AND POLICY RECOMMENDATIONS

Economy

9.1 CW&C has a robust and resilient economy that has seen growth over the last decade. There are a range of strengths particularly in terms of financial services, professional, scientific and technical services, tourism, manufacturing and specialist manufacturing and as well as to a lesser degree warehouse and distribution. Whilst not all these sectors report comparatively high concentrations (locational quotients) they all continue to show strong current and expected future occupier interest. CW&C also has particular strengths in the energy and nuclear, environmental technologies, advanced manufacturing and engineering and automotive sectors which have been supported by the Cheshire Science Corridor Enterprise Zone.

9.2 The employment forecasters (Experian and Cambridge Econometrics) signal reductions in manufacturing employment in the longer term. Based on current stakeholder and market intelligence, if these reductions do materialise are likely to be in generalist or lower value sectors. Conversely there appear to be strong opportunities in higher value manufacturing and related sectors. This applies to Ellesmere Port as well as Winsford and Northwich. Reductions in general manufacturing employment do not equate to a reduced demand for new high quality industrial premises - which might employ less people than in the past but still require investment in plant and technology for processing activities and generating high GVA outputs.

9.3 The Government has recently announced further carbon capture investment that Ellesmere Port is expected to benefit from, developing its cluster of existing businesses. This location can continue to attract innovative flagship low carbon technologies as well as broader general industrial and distribution activities.

Industrial land needs

9.4 The LPA should ensure a deliverable provision of future land supply in line with the recommendations of this report being 193 ha of industrial. In reality this may mean a switch from PDL, available through the last plan period, to greater levels of greenfield provision. Given the ongoing level of occupier interest and investment a strategy of land release is considered justified. A downward adjustment of up to 10% could be considered as an allowance for future windfalls, however, there may be exceptional investments over and above planned or allocated land to be considered on a case by case basis. Ellesmere Port followed by Northwich and Winsford are the priority areas for provision. Large scale inward investment sites should make up a minimum of 40% of the future total but it would be preferable for this to be closer to 60% reflecting trends towards large units for both inward investment and strategic distribution.

Offices

9.5 The office market has been weakened through the COVID-19 process, with increased home working and reluctance to occupy secondary stock. Increased construction costs mean that viability thresholds for new office space are challenging outside of the main UK cities. There is demand for premium space in Chester but speculative development is unlikely to take place. If available, public funding to support the introduction of Grade A offices in and around Chester would be welcomed by the market.

9.6 Article 4 directions could be considered to halt the loss of office to residential in premium locations however market feedback suggests that much secondary stock has already been converted or redeveloped. A further practical response would be to introduce flexible policies for a wider range of employment generating uses at business park locations to improve vitality.

Overall employment land requirement

9.7 The authority should plan for around 198 ha of employment land combining offices and industrial. Separate analysis will be required of the existing supply that remains suitable to meet this need as well as future land allocations that may be necessary to fulfil this need in appropriate locations.

Adopted Plan Period

9.8 This assessment period of this report is for twenty years 2024/25-2044/45 (2024-44). The changes at a national level to housing need, occurring in late 2024, and the introduction of the new planning system are understood to have delayed local plan preparation in CW&C. As a result it may be that the base date of this economic needs assessment differs from the housing need modelling or from the start of the plan period.

9.9 If a shorter plan period (i.e 15 years) is chosen, being less than the 20 years for this assessment, then it would be acceptable for a pro rated need to be used. For industrial need this reflects the use of a long term average of completions being projected forward, thus unaffected by the period. For office, similarly, this relies on net absorption, another average. Labour demand models will vary slightly by period due to assumptions on future sector change but this is not material to the outcomes here and the year to year difference in rates of change will be limited in any case, particularly for later years.

9.10 If the start point is forward from 2024/25 monitoring year then the authority can either deduct completions from that point in terms of measuring need, or can move the annualised need to the appropriate point. This does risk omitting market activity in the intervening years and a sense check may be required prior to a regulation draft plan preparation.

A1. SECTOR SIC CODE DEFINITIONS

Professional Services

- Section M – Professional, Scientific and Technical Activities

Financial and Insurance Activities

- Section K – Financial and Insurance Activities

Manufacturing

- Section C - Manufacturing

Advanced Manufacturing

- 26511 : Manufacture of electronic instruments and appliances for measuring, testing, and navigation, except industrial process control equipment
- 26512 : Manufacture of electronic industrial process control equipment
- 26600 : Manufacture of irradiation, electromedical and electrotherapeutic equipment
- 26701 : Manufacture of optical precision instruments
- 26702 : Manufacture of photographic and cinematographic equipment
- 26800 : Manufacture of magnetic and optical media
- 27110 : Manufacture of electric motors, generators and transformers
- 27120 : Manufacture of electricity distribution and control apparatus
- 27200 : Manufacture of batteries and accumulators

- 27310 : Manufacture of fibre optic cables
- 27320 : Manufacture of other electronic and electric wires and cables
- 30110 : Building of ships and floating structures
- 30120 : Building of pleasure and sporting boats
- 30200 : Manufacture of railway locomotives and rolling stock
- 30400 : Manufacture of military fighting vehicles
- 30910 : Manufacture of motorcycles
- 33120 : Repair of machinery
- 33130 : Repair of electronic and optical equipment
- 33140 : Repair of electrical equipment
- 33150 : Repair and maintenance of ships and boats
- 33160 : Repair and maintenance of aircraft and spacecraft
- 33200 : Installation of industrial machinery and equipment

Logistics

- 49410 : Freight transport by road
- 49420 : Removal services
- 50200 : Sea and coastal freight water transport
- 51210 : Freight air transport

- 52103 : Operation of warehousing and storage facilities for land transport activities
- 52219 : Other service activities incidental to land transportation, n.e.c.
- 52220 : Service activities incidental to water transportation
- 52230 : Service activities incidental to air transportation
- 52290 : Other transportation support activities
- 53100 : Postal activities under universal service obligation
- 53201 : Licensed carriers
- 53202 : Unlicensed carriers

Engineering and automotive

- 42990 : Construction of other civil engineering projects n.e.c.
- 71121 : Engineering design activities for industrial process and production
- 71122 : Engineering related scientific and technical consulting activities
- 71129 : Other engineering activities
- 72190 : Other research and experimental development on natural sciences and engineering
- 29100 : Manufacture of motor vehicles
- 29201 : Manufacture of bodies (coachwork) for motor vehicles (except caravans)
- 29310 : Manufacture of electrical and electronic equipment for motor vehicles and their engines
- 29320 : Manufacture of other parts and accessories for motor vehicles

Energy and Nuclear

- 24460 Processing of nuclear fuel
- 19209 Other treatment of petroleum products (excluding petrochemicals manufacture)
- 20130 Manufacture of other inorganic basic chemicals
- 20140 Manufacture of other organic basic chemicals
- 20590 Manufacture of other chemical products n.e.c.
- 46120 Agents involved in the sale of fuels, ores, metals and industrial chemicals
- 46719 Wholesale of other fuels and related products
- 35220 Distribution of gaseous fuels through mains
- 6100 Extraction of crude petroleum
- 9100 Support activities for petroleum and natural gas mining
- 46711 Wholesale of petroleum and petroleum products
- 35110 Production of electricity
- 35120 Transmission of electricity
- 35130 Distribution of electricity
- 35140 Trade of electricity
- 42220 Construction of utility projects for electricity and telecommunications
- 27120 Manufacture of electricity distribution and control apparatus

A2. CENSUS 2021: HIGHEST LEVEL OF QUALIFICATION VARIABLE

Qualification Level	Description
No Qualifications	No Qualifications
Level 1	1 to 4 GCSEs grade A* to C, Any GCSEs at other grades, O levels or CSEs (any grades), 1 AS level, NVQ level 1, Foundation GNVQ, Basic or Essential Skills
Level 2	5 or more GCSEs (A* to C or 9 to 4), O levels (passes), CSEs (grade 1), School Certification, 1 A level, 2 to 3 AS levels, VCEs, Intermediate or Higher Diploma, Welsh Baccalaureate Intermediate Diploma, NVQ level 2, Intermediate GNVQ, City and Guilds Craft, BTEC First or General Diploma, RSA Diploma
Apprenticeship	Apprenticeship
Level 3	2 or more A levels or VCEs, 4 or more AS levels, Higher School Certificate, Progression or Advanced Diploma, Welsh Baccalaureate Advance Diploma, NVQ level 3; Advanced GNVQ, City and Guilds Advanced Craft, ONC, OND, BTEC National, RSA Advanced Diploma
Level 4 or above	Degree (BA, BSc), higher degree (MA, PhD, PGCE), NVQ level 4 to 5, HNC, HND, RSA Higher Diploma, BTEC Higher level, professional qualifications (for example, teaching, nursing, accountancy)

Source:ONS, https://www.ons.gov.uk/census/census2021dictionary/variablesbytopic/educationvariablescensus2021/highestlevelofqualification

A3. LAND AND PREMISES SURVEY QUESTIONS

Cheshire West and Chester

Cheshire West and Cheshire Business Land and Premises Survey 2024

Introduction and Nature of Business

Cheshire West and Chester Council (CWaC) have commissioned this survey to understand the views of businesses within the Borough about their future growth potential and premises requirements.

It seeks to understand the suitability of your existing premises, as well as whether you might need to expand or are likely to move to new premises. We are interested in hearing from businesses across all sectors and sizes who rent or own at least one business premises.

The Survey will take approximately 10-15 minutes to complete. Your response is important to us so that we can plan for suitable and sustainable employment land and premises and ensure that the Borough's businesses can thrive and prosper.

1. What is the name of your business?

2. Please provide a brief description of your main business activity

3. What is your business' postcode? [If you have multiple premises, please provide the postcode of your primary premises in Cheshire West and Chester and answer all subsequent questions regarding this primary site]

4. Which of these categories best reflects the nature of your business?
   - Agriculture, forestry & fishing
   - Mining and quarrying
   - Manufacturing
   - Electricity, gas, steam and air conditioning supply
   - Construction
   - Wholesale and retail trade; repair of motor vehicles and motorcycles
   - Transportation and storage
   - Accommodation and Food (incl tourism)
   - Information and communication
   - Finance and insurance
   - Real estate activities
   - Professional, scientific & technical activities
   - Administrative & support service activities
   - Public administration and defence; compulsory social security
   - Arts, entertainment and recreation
   - Other service activities

5. What is your approximate annual turnover? (£000's)
   - 0-49
   - 50-99
   - 100-249
   - 250-499
   - 500-999
   - 1,000-9,999
   - 10,000-49,999
   - 50,000+
   - (Unsure / prefer not to say)

6. How long has your business been trading / operating?
   - Less than 1 year
   - 1-2 years
   - 3-4 years
   - 5-10 years
   - Over 10 years
   - (Don't know)

7. Where do you predominantly sell your goods/services?
   - Locally within CWaC
   - Locally within Cheshire and Warrington (outside of CWaC)
   - Locally within the North West (outside of Cheshire and Warrington)
   - North Wales

- UK (other than the North West/North Wales)
- International – Europe
- International - outside of Europe

8. Where are your supply chain predominantly located?
   - Locally within CWaC
   - Locally within Cheshire and Warrington (outside of CWaC)
   - Locally within the North West (outside of Cheshire and Warrington)
   - North Wales
   - UK (other than the North West/North Wales)
   - International – Europe
   - International - outside of Europe

Premises

9. What type of premises do you occupy?
   - Office
   - Industrial i.e. manufacturing
   - Warehouse i.e. storage/distribution
   - Retail
   - Leisure/hospitality
   - No current business premises (e.g. online business/working from home)
   - Other (please specify)

10. Do you own or lease your premises?
    - Own
    - Lease
    - Unsure
11. What is the approximate floorspace of your premises?
    - 0-500 sq.m (0 - 5,382 sq.ft.)
    - 501-1,000 sq.m (5,393 - 10,764 sq.ft.)
    - 1,001-5,000 sq.m (10,775 - 53,820 sq.ft.)
    - 5,001-10,000 sq.m (53,830 - 10,7639 sq.ft.)
    - 10,001+ sq.m (10,7650 sq.ft)
    - Unsure

12. Approximately when was the premises built?
    - Pre 1980s
    - 1980-1990
    - 1990-2000
    - 2000-2010

- 2010-2020
- 2020-2024
- Unsure

13. What is the premises' current EPC energy efficiency rating?
    - A
    - B
    - C
    - D
    - E
    - F
    - G
    - Unsure

14. Is there potential to expand your premises at your current site?
    - Yes – and we have plans to expand at this site in the future
    - Yes – but we have no plans to expand at this site in the future
    - No
    - Unsure

15. Which of the following best reflects how adequate your current premises are for your needs?
    - (A) They meet our current needs but not our foreseeable future needs
    - (B) They meet our current and foreseeable future needs
    - (C) They don't meet our current needs but we plan to remain
    - (D) They don't meet our current needs and we are looking to relocate

IF (A):

16. Why do you think that your current premises won't meet your future needs?

Skip to Q20

IF (B):

Skip to Q28

IF (C):

17. What factors at the current site / location do you feel restrict your business operation or growth potential?

18. Why do you plan to remain at your current site despite it not meeting your needs?

Skip to Q28

IF (D):

19. What factors regarding the current site / location do you feel restrict your business operation or growth potential?

Move on to Q20

Relocation

20. When do you think you are likely to look to relocate?
    - Actively looking to relocate
    - In the next 1-5 years
    - In the next 5-10 years
    - 10+ years
    - Unsure

21. How would you rank the following locational factors in terms of priority if you were to relocate?

	Low Priority	Desirable	Essential
Proximity to current location			
Proximity to an urban centre			
Proximity to universities/other educational institutions			
Proximity to similar businesses			
Retention of existing staff			
Access to amenities such as restaurants/cafes			

22. How would you rank the following factors in terms of priority if you were to relocate?

	Low Priority	Desirable	Essential
Access to public transport			
Access to the Strategic Road Network (motorways/major A roads)			
Access to port or rail facilities (freight)			
Adequate car parking			

23. How would you rank the following factors in terms of priority if you were to relocate?

	Low Priority	Desirable	Essential
Quality of premises building			
Quality of the surrounding environment			
EPC energy efficiency rating			
Broadband speed/connectivity			
Cost/affordability of premises			
Size and layout of premises			
Wish to purchase site/premises			
Space to expand			

24. What floorspace would you likely need if you were to relocate?
    - 0-500 sq.m (0 - 5,382 sq.ft.)
    - 501-1,000 sq.m (5,393 - 10,764 sq.ft.)
    - 1,001-5,000 sq.m (10,775 - 53,820 sq.ft.)
    - 5,001-10,000 sq.m (53,830 - 10,7639 sq.ft.)
    - 10,001+ (10,7650)
    - (Don't know)

25. Do you have a specific site / location / area in mind that you would ideally look to relocate to?
    - Yes – please specify
    - No

26. What tenure would you prefer?
    - Freehold
    - Leasehold
    - No preference

- Unsure

27. What type of accommodation would you require?
    - Office
    - Industrial i.e. manufacturing
    - Warehouse i.e. storage/distribution
    - Retail
    - Leisure/hospitality
    - Bespoke/Other (please specify)

Staffing

28. How many employees do you have (including yourself)?
    - 1 to 4
    - 5 to 9
    - 10 to 49
    - 50 to 249
    - 250+
    - Unsure

29. Do you expect staff numbers to grow in the next 2 years?
    - Yes – please provide an estimate of how many additional staff you expect to employ in the next 2 years
    - No
    - Unsure

30. Have you had any issues in finding staff with the right skills?
    - Yes – please explain and identify what skill levels are difficult to recruit
    - No
    - Unsure

Business Prospects

31. Are you expecting your annual business turnover to grow in the next 2 years?
    - Yes – please provide an estimate of how much you expect your annual business turnover to grow in the next 2 years (%)
    - No
    - Unsure

32. What do you think are the key local barriers to growth?

33. Has the COVID-19 pandemic changed your business' requirements in terms of premises?
    - Yes – please explain
    - No

34. Has EU – exit permanently changed your business strategy or growth potential?
    - Yes – please explain
    - No

35. Have rising costs / the cost of living crisis affected your requirements/preferences for business premises?
    - Yes – please explain
    - No

Final Questions

36. Do you have any further comments?

37. There are a number of Government funded business advice and support services available - are there any that you feel are needed or would be interested in?
    - Yes – please explain further
    - No

38. Would you be happy for us to contact you regarding your needs for business support or commercial property? Your details may be shared with the Council or other UK-SPF partners.
    - Yes – please provide your contact details (Name, email address, phone number)
    - No

39. Would you be happy to take part in a follow-up discussion?
    - Yes – please provide your contact details (Name, email address, phone number)
    - No

A4. STAKEHOLDER ENGAGEMENT

A4.1 In addition to the business survey, more detailed stakeholder engagement was undertaken with the following organisations:

- Bolesworth
- Cheshire West and Chester Council – regeneration managers
- Cushman and Wakefield
- EET Fuels (part of the Essar Oil UK Ltd)
- Encirc
- Enterprise Cheshire and Warrington
- Groundwork – Business Improvement Districts (BIDs)
- Grosvenor
- Legat Owen
- The Peel Group
- Stellantis
- Stoford Developments
- West Cheshire and North Wales Chamber of Commerce

A5. LABOUR SUPPLY ASSUMPTIONS

Introduction

A5.1 This section considers the potential change in the resident labour supply under a number of different demographic scenarios for housing delivery – essentially projecting how the population structure might change and working this through into changes to the economically active population and the number of jobs that could be supported. Three scenarios have been tested:

- Current Standard Method – 532 dwellings per annum;
- Adopted Local Plan – 1,100 dwellings per annum; and
- New Standard Method – 1,914 dwellings per annum

A5.2 All scenarios have been developed for a 20-year projection period (2024-44) with the initial discussion below looking at how the population structure is projected to change.

Developing Projections

A5.3 The projections developed draw on the latest available demographic information. A key driver of this is due to publication of new 2021 Census data which has essentially reset estimates of population (size and age structure) compared with previous mid-year population estimates (MYE) from ONS (ONS has subsequently updated 2021 MYE figures to take account of the Census). In addition, a 2023 MYE is now available. In population terms, the key drivers of change are natural change (births minus deaths) and net migration (both domestic (internal) and international).

Natural Change

A5.4 Natural change is made up of births and deaths and analysis above has shown a general downward trend over time. To project trends forward, the analysis looks at each of births and deaths separately and compares projected figures in the 2018-SNPP with actual recorded figures in the MYE. The analysis also takes account of differences between the estimated population size and structure in 2021 (in the 2018-SNPP) and the ONS MYE (as revised to take account of Census data). Overall, it is estimated recent trends in fertility are slightly lower mortality rates slightly higher when compared with data in the 2018-SNPP and so some modest adjustments have been made.

Migration

A5.5 When looking at migration, data has again been drawn from the 2018-based SNPP with adjustments made to reflect recent trends. Scenarios have been developed which flex migration to and from the Council area such that there is sufficient population for the required number of additional homes each year depending on the scenario – this also requires consideration of household growth which is derived from a combination of the household population and household representative rates (both by age and sex) – these are discussed below.

A5.6 Within the modelling, migration assumptions have been changed so that across the Council area the increase in households matches the housing need (including a standard 3% vacancy allowance). Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%).

Household Projections

A5.7 To understand what this means for housing need the population growth is translated into household growth using household representative rates and data about the communal (institutional) population. These have again been updated using data from the Census with the table below summarising the assumptions used.

A5.8 For the communal population, it is assumed actual numbers are held constant up to ages under 75, with the proportion of the population being used for 75+ age groups – this approach is consistent with typical ONS projections.

A5.9 For households representative rates (HRRs) the figures are calculated as at the time of the Census and have been held constant moving forward. If ONS follow the method used in their most recent projections for future releases then they are likely to build in the trend between the last three Census points (2001, 2011 and 2021). However, the analysis below does not build in any trend; were it to do so it would generally reduce the HRRs over time and levels of projected household growth would be lower. However, that would arguably build in a degree of suppression in the formation of households and has therefore not been considered as a robust approach.

A5.10 In interpreting the table below (by way of examples) the data shows around 10% of females aged 85-89 live in a communal establishments (i.e. are not part of the household population) whilst around 77% of males aged 50-54 are considered to be a 'head of household' (where they are living in a household). Generally the HRRs increase by age, this is due to older people being more likely to live alone, often following the death of a spouse or partner.

Table A5.1 Communal Population and Household Representative Rates from 2021 Census – Cheshire West and Chester

	Communal population		Household Representative Rates	
	Male	Female	Male	Female

Age 0 to 15	23	41	-	-
Age 16 to 19	452	630	0.023	0.018
Age 20 to 24	410	576	0.176	0.200
Age 25 to 29	293	112	0.416	0.336
Age 30 to 34	110	39	0.606	0.387
Age 35 to 39	132	25	0.706	0.385
Age 40 to 44	44	14	0.739	0.401
Age 45 to 49	23	17	0.749	0.428
Age 50 to 54	24	21	0.773	0.454
Age 55 to 59	33	24	0.774	0.473
Age 60 to 64	40	43	0.753	0.470
Age 65 to 69	34	43	0.704	0.451
Age 70 to 74	79	82	0.759	0.482
Age 75 to 79	0.014	0.017	0.822	0.568
Age 80 to 84	0.021	0.039	0.861	0.680
Age 85 to 89	0.049	0.102	0.902	0.798
Age 90 or over	0.086	0.226	0.925	0.879

Source: Derived from Census 2021 (mainly Tables CT 106 and 107)

Developing Projections linking to the three scenarios

A5.11 In developing projections linking to the range of scenarios a population increase of around 10,700 people is shown with the current Standard Method and a substantially higher (83,100) if moving to the higher (new) 'housing need' figure.

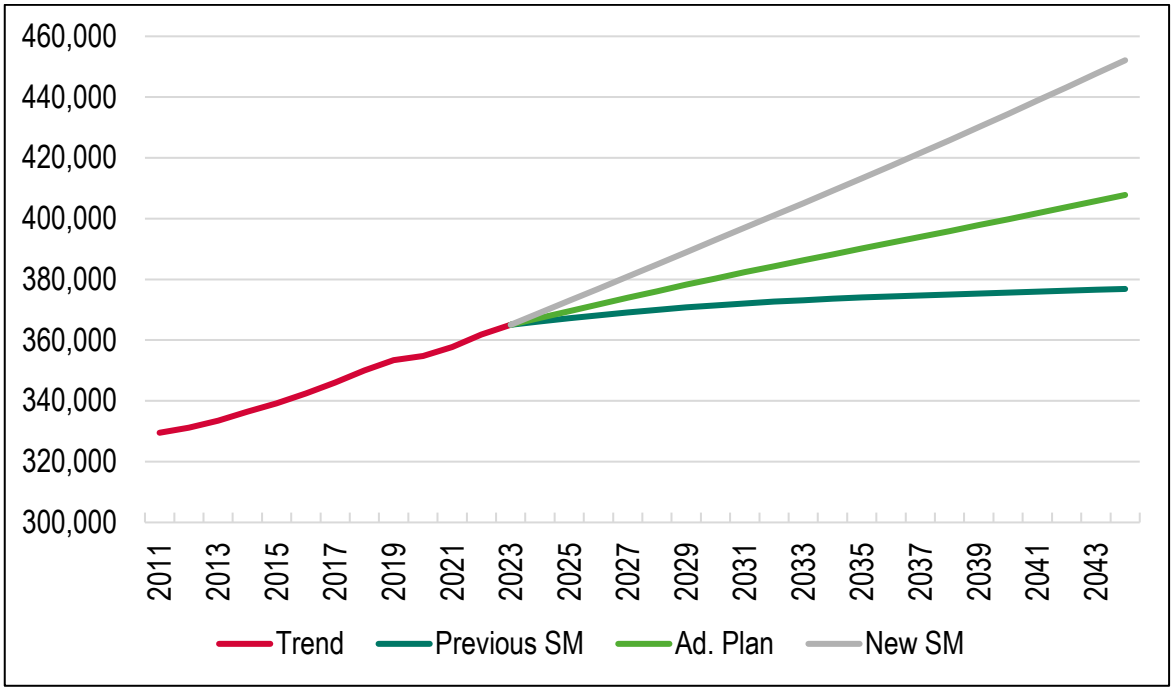
Table A5.2 Projected population growth under a range of scenarios – Cheshire West and Chester (2024-44)

	Population 2024	Population 2044	Change	% change
Standard Method	366,151	376,849	10,699	2.9%
Adopted Plan	367,333	407,782	40,450	11.0%
New SM	369,026	452,109	83,082	22.5%

Source: Demographic projections

A5.12 Below are a series of charts showing past trends and projected population growth and key components of change for each of the projections developed. Our analysis suggests the population of Cheshire West and Chester could rise to 452,100 by 2044 (up from (an estimated) 369,000 in 2024) a 22.5% increase, or 1.1% per annum. Between 2011 and 2023 the population grew by an average of around 0.9% per annum and therefore delivery of the new Standard Method could see population change in excess of past trends.

Figure A.1: Past trends and projected population – Cheshire West and Chester

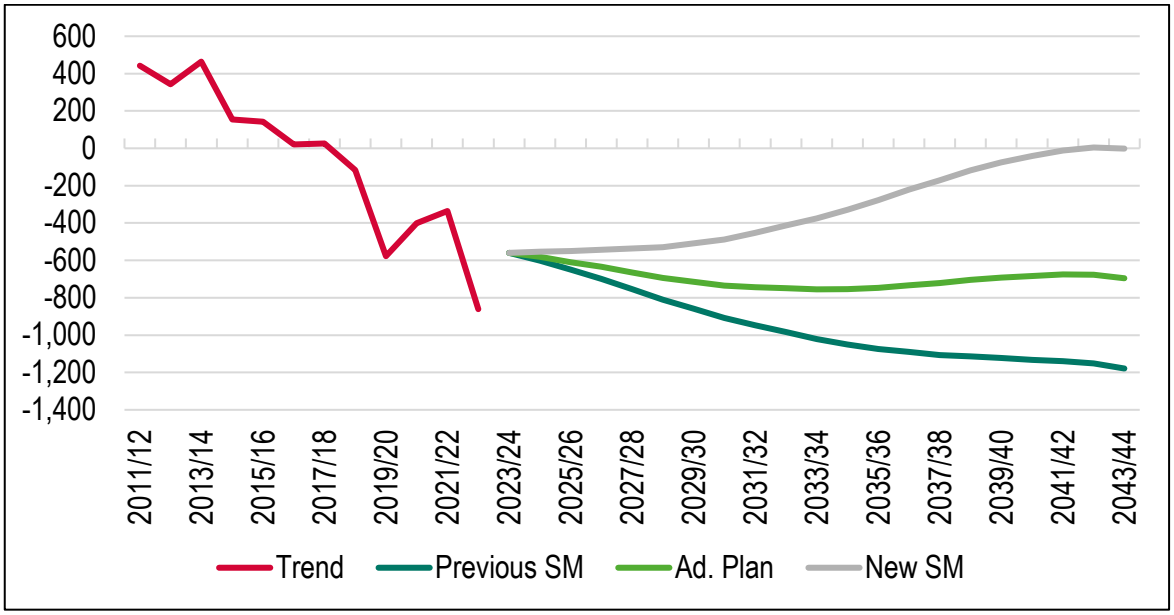


Source: ONS and demographic projections

A5.13 The main reason for the higher population growth would be due to increased net in-migration, although the decline in natural change (births minus deaths) would also flatten off as the population rises (as there will be more females of child-bearing age). The two figures below show projected natural change and net migration under the scenarios. Focussing on net migration, the analysis suggests that with higher delivery linked to the new Standard Method net migration would be at a level higher

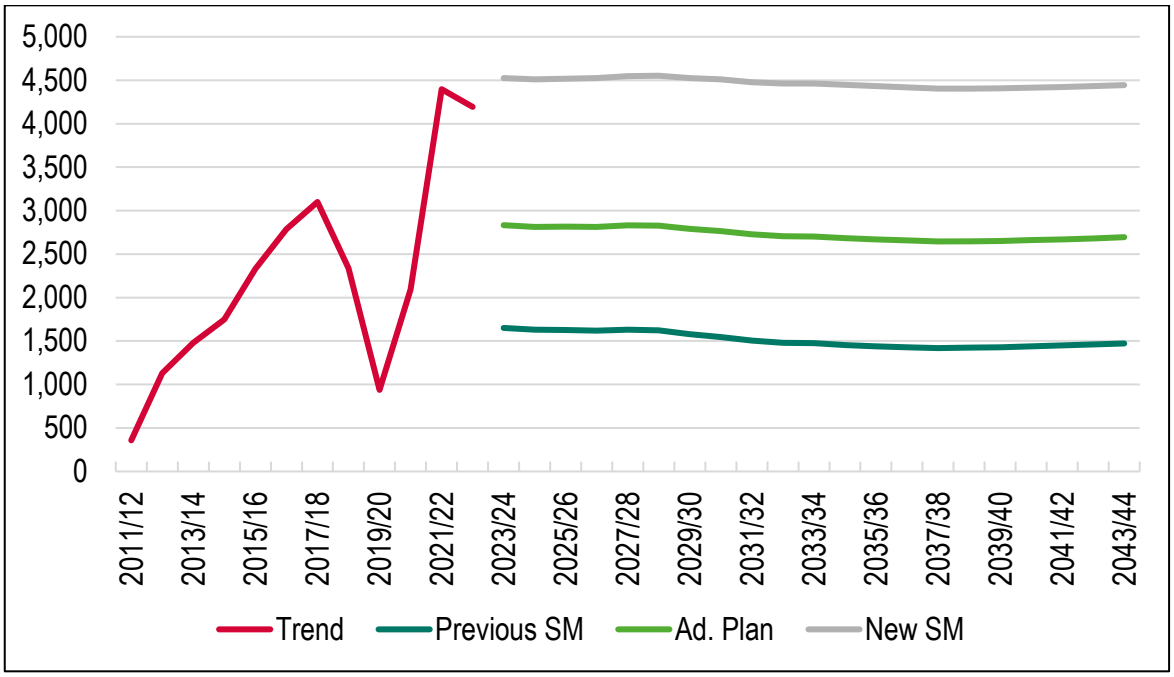
than trends and higher than figures seen for any year going back at least 12-years; although the general trend in net migration has been upwards.

Figure A.2: Past trends and projected natural change – Cheshire West and Chester



Source: ONS and demographic projections

Figure A.3: Past trends and projected net migration – Cheshire West and Chester



Source: ONS and demographic projections

A5.14 A final analysis compares age structure changes under each of these projections. This shows the current Standard Method would project reductions in the number of children and the population aged 16-64. With 1,100 dwellings per annum there is a positive level of growth in both of these age groups, whereas the new method shows substantial population growth across all age groups.

Table A5.3 Projected population change 2024 to 2044 by broad age bands – Standard Method

	2024	2044	Change in population	% change from 2024
Under 16	62,521	60,056	-2,465	-3.9%
16-64	223,521	215,497	-8,024	-3.6%
65 and over	80,109	101,297	21,188	26.4%
Total	366,151	376,849	10,699	2.9%

Source: Demographic Projections

Table A5.4 Projected population change 2024 to 2044 by broad age bands – adopted Local Plan

	2024	2044	Change in population	% change from 2024
Under 16	62,660	67,718	5,058	8.1%
16-64	224,475	235,990	11,515	5.1%
65 and over	80,198	104,075	23,877	29.8%
Total	367,333	407,782	40,450	11.0%

Source: Demographic Projections

Table A5.5 Projected population change 2024 to 2044 by broad age bands – New Standard Method

	2024	2044	Change in population	% change from 2024
Under 16	62,860	78,697	15,837	25.2%
16-64	225,841	265,355	39,514	17.5%
65 and over	80,325	108,057	27,732	34.5%
Total	369,026	452,109	83,082	22.5%

Source: Demographic Projections

Relationship Between Housing and Economic Growth

A5.15 The analysis to follow considers the relationship between housing and economic growth; seeking to understand what level of jobs might be supported by changes to the local labour supply (which will be influenced by population change). To look at estimates of the job growth to be supported, a series of stages are undertaken. These can be summarised as:

- Estimate changes to the economically active population (this provides an estimate of the change in labour-supply);

- Overlay information about commuting patterns, double jobbing (i.e. the fact that some people have more than one job) and potential changes to unemployment; and

- Bringing together this information will provide an estimate of the potential job growth supported by the population projections.

Growth in Resident Labour Supply

A5.16 The approach taken in this report is to derive a series of age and sex specific economic activity rates and use these to estimate how many people in the population will be economically active as projections develop. This is a fairly typical approach with data being drawn in this instance from the Office for Budget Responsibility (OBR) – July 2018 (Fiscal Sustainability Report) – this data has then been rebased to information in the 2021 Census (on age, sex and economic activity).

A5.17 The table below shows the assumptions made for the Council area. The analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups – this will to a considerable degree link to changes to pensionable age, as well as general trends in the number of older people working for longer (which in itself is linked to general reductions in pension provision).

Table A5.6 Projected changes to economic activity rates (2024 and 2044) – Cheshire West and Chester

	Males			Females		
	2024	2044	Change	2024	2044	Change

16-19	38.1%	38.6%	0.5%	38.4%	38.8%	0.4%
20-24	76.9%	76.9%	0.0%	71.7%	71.7%	0.0%
25-29	89.5%	89.4%	0.0%	83.9%	83.9%	0.0%
30-34	90.3%	90.3%	0.0%	83.1%	83.1%	0.0%
35-39	91.1%	91.0%	-0.1%	82.9%	83.8%	0.9%
40-44	90.2%	89.3%	-0.9%	84.7%	86.7%	2.1%
45-49	90.4%	89.2%	-1.2%	83.8%	87.3%	3.5%
50-54	87.7%	86.8%	-0.8%	79.0%	83.2%	4.1%
55-59	79.5%	78.6%	-0.8%	68.9%	71.7%	2.8%
60-64	64.5%	68.7%	4.1%	52.3%	58.0%	5.7%
65-69	29.5%	42.4%	12.9%	23.0%	36.0%	13.0%
70-74	12.2%	15.7%	3.4%	7.1%	13.9%	6.8%
75-89	5.1%	5.6%	0.4%	2.9%	5.6%	2.7%

Source: Based on OBR and Census (2021) data

A5.18 Working through an analysis of age and sex specific economic activity rates it is possible to estimate the overall change in the number of economically active people in the Council area – this is set out in the table below. The analysis shows that a projection linked to the previous Standard Method results in growth in the economically-active population of 2,200 people – a 1% increase; this increase is seen despite the overall age structure projected to see a decline in the number of people aged 16-64. With the new Standard Method the increase in the economically active population is projected to be 42,200.

Table A5.7 Estimated change to the economically active population (2024-44) – Cheshire West and Chester

	Economically active (2024)	Economically active (2044)	Total change in economically active	% change
Standard Method	181,326	183,508	2,182	1.2%
Adopted Plan	182,057	200,691	18,634	10.2%
New SM	183,105	225,314	42,208	23.1%

Source: Derived from demographic projections

Linking Changes to Resident Labour Supply and Job Growth

A5.19 The analysis above has set out potential scenarios for the change in the number of people who are economically active. However, it is arguably more useful to convert this information into an estimate of the number of jobs this would support. The number of jobs and resident workers required to support these jobs will differ depending on three main factors:

- Commuting patterns – where an area sees more people out-commute for work than in-commute it may be the case that a higher level of increase in the economically active population would be required to provide a sufficient workforce for a given number of jobs (and vice versa where there is net in-commuting);

- Double jobbing – some people hold down more than one job and therefore the number of workers required will be slightly lower than the number of jobs; and

- Unemployment – if unemployment were to fall then the growth in the economically active population would not need to be as large as the growth in jobs (and vice versa).

Commuting Patterns

A5.20 The table below shows summary data about commuting to and from Cheshire West and Cheshire from the 2011 and 2021 Census. Data from both sources is used as the 2011 data is quite old, but the 2021 data could be influenced by the COVID-19 pandemic.

A5.21 Overall, from both sources the data shows a broad balance in commuting with the number of people resident in the area who are working being similar to the number who work in the area. These numbers are shown as the commuting ratio in the final

row of the table and is calculated as the number of people living in an area (and working) divided by the number of people working in the area (regardless of where they live). In 2011, there was a modest level of out-commuting and this had reversed in 2021.

A5.22 When comparing the two sources it is worth reflecting on a large increase in the number of home workers (or those of no fixed workplace) in 2021 compared with 2011. In 2011, a total of 27,900 people were recorded as home workers or with no fixed workplace; in 2021 this figure had nearly tripled (to 73,000). As the country has moved away from the pandemic, it is possible this figure has started to reduce slightly with possible implications on commuting dynamics.

Table A5.8 Commuting patterns – Cheshire West and Chester

	2011	2021
Live and Work in LA	80,360	59,420
Home workers or no fixed workplace	27,878	72,953
In-commute	51,004	37,364
Out-commute	52,799	36,704
Total working in LA	159,242	169,737
Total living in LA and working	161,037	169,077
Commuting Ratio	1.011	0.996

Source: Census 2011, 2021

A5.23 Given the commuting ratios shown above, the assumption used in modelling is for commuting and new jobs to be on a 1:1 ratio (i.e. the increase in the number of people working in the area is equal to the number of people living in the area who are working).

Double Jobbing

A5.24 The analysis also considers that a number of people may have more than one job (double jobbing). This can be calculated as the number of people working in the local authority divided by the number of jobs. Data from the Annual Population

Survey (available on the NOMIS website) for the past 5-years (for which data exists) suggests across the Council area that typically about 3.1% of workers have a second job.

A5.25 For the purposes of this assessment it has therefore been assumed that around 3.1% of people will have more than one job moving forward – this means the number of jobs supported by the workforce will be around 3.1% higher than workforce growth. It has been assumed in the analysis that the level of double jobbing will remain constant over time.

Unemployment

A5.26 The last analysis when looking at the link between jobs and resident labour supply is a consideration of unemployment. Essentially, this is considering if there is any latent labour force that could move back into employment to take up new jobs. This is particularly important given there is likely to have been notable increases in unemployment due to Covid-19, although it will be difficult to be precise about numbers.

9.11 Given the estimates of economic activity and job growth are taken from mid-2024 it is considered that there is no need to include a further adjustment to take account of the pandemic. Essentially, it is assumed that people who lost employment through the pandemic will now be back in work (if they are seeking work) and so there is no latent labour supply available to fill additional jobs.

Jobs Supported by Growth in the Resident Labour Force

9.12 The table below shows how many additional jobs might be supported by population growth under the different projection scenarios. It is estimated under the previous Standard Method that around 2,300 additional jobs could be supported by the changes to the resident labour supply over the 2024-44 period. With the new Standard Method this figure is substantially higher (43,600 jobs) with figures set against the adopted Local Plan (1,100 dwellings per annum) sitting at 19,200.

Table A5.1 Jobs supported by demographic projections (2024-44) – Cheshire West and Chester

	Total change in economically active	Allowance for double jobbing	Allowance for net commuting (= jobs supported)
Standard Method	2,182	2,252	2,252
Adopted Plan	18,634	19,230	19,230
New SM	42,208	43,558	43,558

Source: Iceni analysis

Economic activity rate sensitivity

9.13 In addition to the above analysis, a sensitivity has been developed where the EARs are held constant at 2021 levels. It is considered the sensitivity is reasonable given data (including from the Census) has shown activity rates to have not grown as they had previously been forecast to do.

A5.1 The two tables below show estimates of the change in the number of economically active people under each of the housing delivery scenarios and the number of jobs this might support. Compared with the main analysis above all the figures are lower, including a negative change when looking at the previous Standard Method. For the new SM it can be seen the growth in economically active population falls from 42,200 to 34,300 over the 2024-44 period, with the estimated number of jobs supported falling from 43,600 to 34,300.

Table A5.1 Estimated change to the economically active population (2024-44) – economic activity sensitivity – Cheshire West and Chester

	Economically active (2024)	Economically active (2044)	Total change in economically active	% change
Standard Method	179,745	174,896	-4,849	-2.7%
Adopted Plan	180,475	191,729	11,254	6.2%
New SM	181,521	215,850	34,329	18.9%

Source: Derived from demographic projections

Table A5.2 Jobs supported by demographic projections (2024-44) – economic activity sensitivity – Cheshire West and Chester

	Total change in economically active	Allowance for double jobbing	Allowance for net commuting (= jobs supported)
Standard Method	-4,849	-5,004	-5,004
Adopted Plan	11,254	11,614	11,614
New SM	34,329	35,427	35,427

Source: Iceni analysis

A6. LABOUR DEMAND MODEL ASSUMPTIONS

Table A6.1 Work from Home Assumptions Pre-COVID-19: CE Model

Sector	Home Working Adjustment	Sector (Cont.)	Home Working Adjustment
Agriculture, forestry & fishing	85%	Land transport	98%
Mining & quarrying	90%	Water transport	98%
Food, drink & tobacco	95%	Air transport	98%
Textiles etc	95%	Warehousing & postal	98%
Wood & paper	95%	Accommodation	98%
Printing & recording	95%	Food & beverage services	98%
Coke & petroleum	95%	Media	85%
Chemicals	95%	IT services	85%
Pharmaceuticals	95%	Financial & insurance	95%
Non-metallic mineral products	95%	Real estate	88%
Metals & metal products	95%	Legal & accounting	88%
Electronics	95%	Head offices & management consultancies	88%
Electrical equipment	95%	Architectural & engineering services	88%
Machinery	95%	Other professional services	88%
Motor vehicles	95%	Business support services	95%
Other transport equipment	95%	Public Administration & Defence	98%
Other manufacturing & repair	95%	Education	95%
Electricity & gas	95%	Health	95%
Water, sewerage & waste	95%	Residential & social	95%
Construction	95%	Arts	90%
Motor vehicles trade	95%	Recreational services	90%
Wholesale trade	95%	Other services	90%
Retail trade	95%		

Source: Iceni analysis based on ONS Homeworking in the UK labour market, 2019 and ONS Annual Population Survey Jan-Dec 2012-19.

Table A6.2 Work from Home Assumptions Pre-COVID-19: Experian Model

Sector	Home Working Adjustment	Sector (Cont.)	Home Working Adjustment
Accommodation & Food Services	98%	Metal Products (manufacture of)	95%
Administrative & Supportive Services	95%	Non-Metallic Products (manufacture of)	95%
Agriculture, Forestry & Fishing	85%	Other Manufacturing	95%
Air & Water Transport	98%	Other Private Services	95%
Chemicals (manufacture of)	95%	Pharmaceuticals (manufacture of)	95%
Civil Engineering	88%	Printing and Recorded Media (manufacture of)	85%
Computer & Electronic Products	95%	Professional Services	88%
Computing & Information Services	85%	Public Administration & Defence	98%
Construction of Buildings	95%	Real Estate	88%
Education	95%	Recreation	90%
Extraction & Mining	90%	Residential Care & Social Work	95%
Finance	95%	Retail	95%
Food, Drink & Tobacco (manufacture of)	95%	Specialised Construction Activities	95%
Fuel Refining	95%	Telecoms	85%
Health	95%	Textiles & Clothing (manufacture of)	95%
Insurance & Pensions	95%	Transport Equipment (manufacture of)	95%
Land Transport, Storage & Post	98%	Utilities	95%
Machinery & Equipment (manufacture of)	95%	Wholesale	95%
Media Activities	85%	Wood & Paper (manufacture of)	95%

Source: Iceni analysis based on ONS Homeworking in the UK labour market, 2019 and ONS Annual Population Survey Jan-Dec 2012-19.

Table A6.3 Sector split: Experian Model

Sector	Office E(g)(i)	R&D (E(g)(ii)	Factory E(g)(iii)/B2	Warehouse B8	Other	Total
Accommodation & Food Services					100%	100%
Administrative & Supportive Services	25%	5%	30%	10%	30%	100%
Agriculture, Forestry & Fishing					100%	100%
Air & Water Transport				30%	70%	100%
Chemicals (manufacture of)			100%			100%
Civil Engineering	20%				80%	100%
Computer & Electronic Products	10%		90%			100%
Computing & Information Services	90%				10%	100%
Construction of Buildings			20%	10%	70%	100%
Education	5%				95%	100%
Extraction & Mining					100%	100%
Finance	80%				20%	100%
Food, Drink & Tobacco (manufacture of)			100%			100%
Fuel Refining					100%	100%
Health	5%				95%	100%
Insurance & Pensions	80%				20%	100%
Land Transport, Storage & Post				40%	60%	100%
Machinery & Equipment (manufacture of)			100%			100%
Media Activities	70%		20%		10%	100%
Metal Products (manufacture of)			100%			100%
Non-Metallic Products (manufacture of)			100%			100%
Other Manufacturing			100%			100%
Other Private Services	20%		10%	10%	60%	100%
Pharmaceuticals (manufacture of)			100%			100%
Printing and Recorded Media (manufacture of)			100%			100%
Professional Services	100%					100%

Public Administration & Defence	40%				60%	100%
Real Estate	60%				40%	100%
Recreation	5%				95%	100%
Residential Care & Social Work	5%				95%	100%
Retail				20%	80%	100%
Specialised Construction Activities			20%	10%	70%	100%
Telecoms	5%				95%	100%
Textiles & Clothing (manufacture of)			100%			100%
Transport Equipment (manufacture of)	0%		100%			100%
Utilities					100%	100%
Wholesale				75%	25%	100%
Wood & Paper (manufacture of)			100%			100%

Table A6.4 Sector split: CE Model

	Office	R&D	Factory	Warehousing	Other	Total
Agriculture, forestry & fishing					100%	100%
Mining & quarrying					100%	100%
Food, drink & tobacco			100%			100%
Textiles etc			100%			100%
Wood & paper			100%			100%
Printing & recording			100%			100%
Coke & petroleum			100%			100%
Chemicals			100%			100%
Pharmaceuticals			100%			100%
Non-metallic mineral products			100%			100%
Metals & metal products			100%			100%
Electronics		10%	90%			100%
Electrical equipment		10%	90%			100%
Machinery			100%			100%
Motor vehicles			100%			100%

Other transport equipment			100%			100%
Other manufacturing & repair			100%			100%
Electricity & gas					100%	100%
Water, sewerage & waste					100%	100%
Construction			20%	10%	70%	100%
Motor vehicles trade			45%	10%	45%	100%
Wholesale trade				75%	25%	100%
Retail trade			0%	20%	80%	100%
Land transport				40%	60%	100%
Water transport				30%	70%	100%
Air transport				30%	70%	100%
Warehousing & postal				50%	50%	100%
Accommodation					100%	100%
Food & beverage services			10%		90%	100%
Media	70%		20%		10%	100%
IT services	90%	10%				100%
Financial & insurance	80%				20%	100%
Real estate	60%				40%	100%
Legal & accounting	100%				0%	100%
Head offices & management consultancies	100%				0%	100%
Architectural & engineering services	100%				0%	100%
Other professional services	100%				0%	100%
Business support services	20%		10%	10%	60%	100%
Public Administration & Defence	40%				60%	100%
Education	5%				95%	100%
Health	5%				95%	100%
Residential & social	5%				95%	100%
Arts	5%				95%	100%
Recreational services	5%				95%	100%

Other services	5%				95%	100%

A7. DETAILED SECTOR FORECAST ANALYSIS

Table A7.1 CE Model

Sector	2045 Projection based on 2013-23 change	2045 forecast based on CE model
Agriculture, forestry & fishing	-2.2	-0.1
Mining & quarrying	0.8	-0.2
Food, drink & tobacco	0.3	0.1
Textiles etc	-0.1	-0.1
Wood & paper	0.1	0.0
Printing & recording	-0.5	0.0
Coke & petroleum	-0.5	-0.1
Chemicals	-1.2	-0.5
Pharmaceuticals	0.9	0.0
Non-metallic mineral products	0.6	-0.6
Metals & metal products	1.0	-0.7
Electronics	0.0	-0.1
Electrical equipment	-0.1	0.0
Machinery	-0.5	-0.1
Motor vehicles	-1.0	-0.2
Other transport equipment	0.6	-0.2
Other manufacturing & repair	-1.0	-0.1
Electricity & gas	-0.2	0.0
Water, sewerage & waste	2.5	0.1
Construction	3.9	0.1
Motor vehicles trade	-1.6	0.2
Wholesale trade	1.3	0.0
Retail trade	-3.1	1.0
Land transport	0.1	0.1
Water transport	0.1	0.0
Air transport	0.0	0.0
Warehousing & postal	-0.8	0.2
Accommodation	-1.4	0.3
Food & beverage services	14.5	0.0
Media	1.1	0.1
IT services	2.7	1.0
Financial & insurance	-4.2	0.3
Real estate	2.5	1.6
Legal & accounting	10.4	2.3
Head offices & management consultancies	0.7	0.3

Architectural & engineering services	2.4	0.4
Other professional services	-0.6	0.3
Business support services	9.2	1.3
Total	43.3	13.6

A8. GLOSSARY

Term	Definition
Planning Use Class	The Town and Country Planning (Use Classes) Order 1987 (as amended) categorises different types of property and land into classes. Change between uses within the same class does not constitute development and therefore does not require planning permission.
Employment land / premises	Defined as land/premises falling within Use Class E(g) / B2 / B8 – as defined below.
Class E(g)	In 2020, Use Class E was brought in, covering former Class A1, A2, A3 and B1 premises. Class E(g)(i-iii) covers former Classes B1a,B1b and B1c. Class E(g)(i) - Offices Class E(g)(ii) – Research and development of products or processes Class E(g)(iii) – Light industrial
Class B2	General Industrial
Class B8	Storage or distribution
Gross Completions	Total employment land (ha) or floorspace (sqm) completions (development), without accounting for any losses that may have occurred. This data is taken from the Council's Annual Monitoring data. Data relates to employment development falling within the B use classes, E class developments (after Sept 2020) or applicable sui generis uses.
Employment Losses	Total employment land (ha) or floorspace (sqm) lost to alternative uses. Includes both loss of allocated employment land and premises to other uses. Data relates to employment development falling within the B use classes, E class developments (after Sept 2020) or applicable sui generis uses.
Net Completions	Gross completions minus losses, both as defined above.
Net Absorption	Total space leased net of total space vacated. Positive net absorption indicates that more space was leased than vacated over the time period being assessed. Conversely, negative net absorption indicates that more space was vacated than leased.