

Local Economic Assessment 2013



Produced by Halton Borough Council

1: Context and place

To make Halton a better place for its residents, employers and employees, a strong emphasis on economic prosperity is required. For Halton 'place-making' extends beyond the development of capital schemes in isolation but leads us to an approach which connects our capital assets to Halton's communities, so that local people benefit from these opportunities.

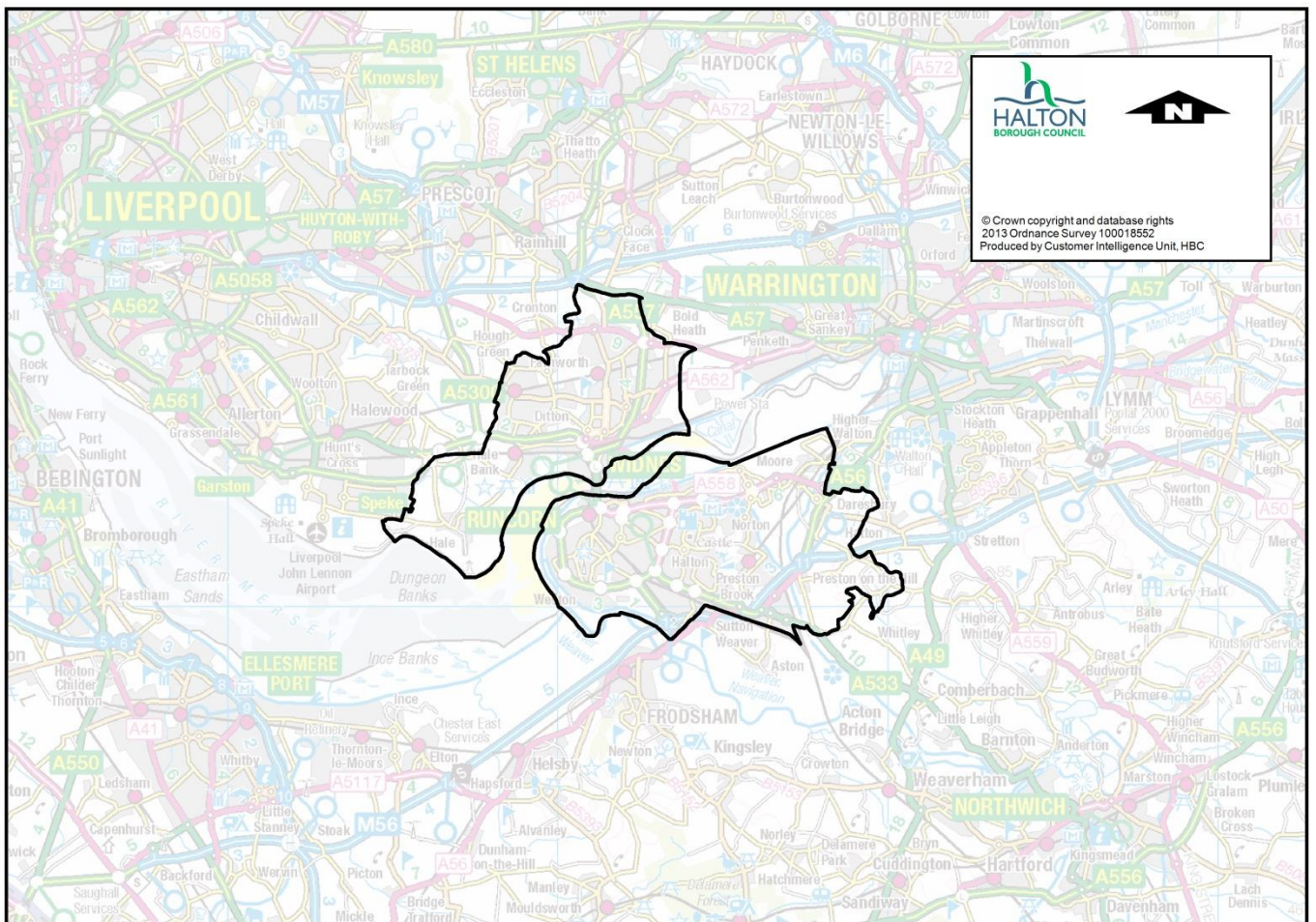
If we are to drive future economic growth and prosperity in the borough

effectively, it will require the alignment of activities, development of new approaches and vehicles to regeneration and pooling resources accordingly.

The current economic climate requires the delivery of services in a different way; they need to become more focused; and there is a need to develop new ways of working, particularly with the private sector.

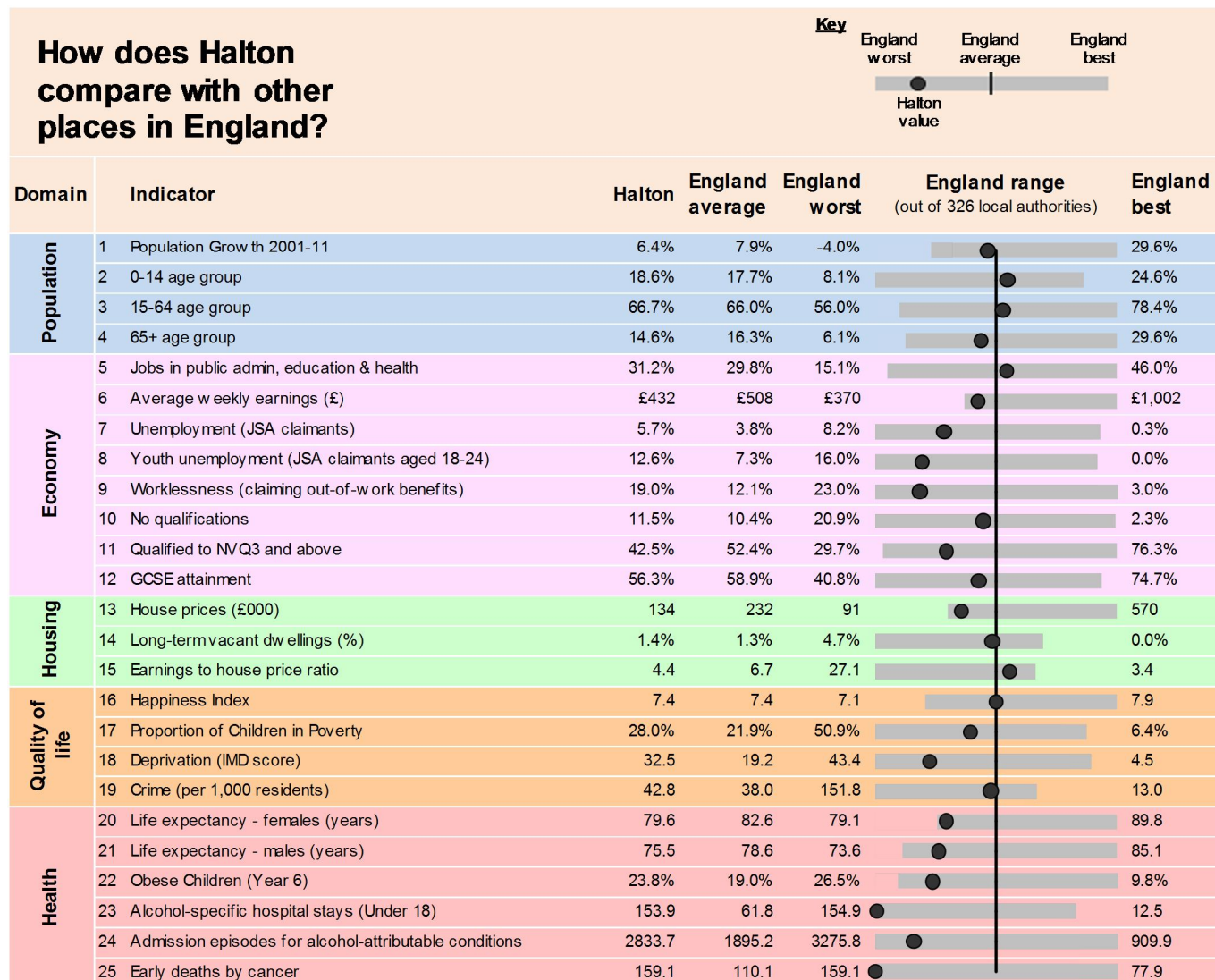
The Halton Economic Assessment will comprise a robust evidence base about the Halton economy and a clear functional analysis of economic activity across the borough. This will then feed into the development of a local strategy and a rigorous assessment of key policy issues, trends and future scenarios.

Map of Halton



What other information is out there?

The following “spine” chart provides contextual information for Halton. Information is constantly updated and can be accessed at www.halton.gov.uk/research



2: Economic Value and Growth by sector

GVA and the City Region Context

Gross value added (GVA) is a measure in economics of the value of goods and services produced in an area, industry or sector of an economy. The Liverpool City Region has a

£23.1bn economy

The 2012 Merseyside Partnership Economic Review estimated that in 2009 Halton provides

£2.3bn of the Liverpool City Region's GVA (around 10%).

Comparative GVA

Area	GVA 2011 (£m)
Greater Manchester	48,202
Lancashire	23,382
LCR	23,059
Cheshire	20,321
Cumbria	8,950
England	1,124,881

Growth Sectors

The Liverpool City Region has a number of growth sectors that will have an impact on Halton. The identified sectors are:

- Creative and Digital Industries
- Advanced Manufacturing
- Finance and Professional Services
- Life Sciences
- Low Carbon
- Visitor Economy

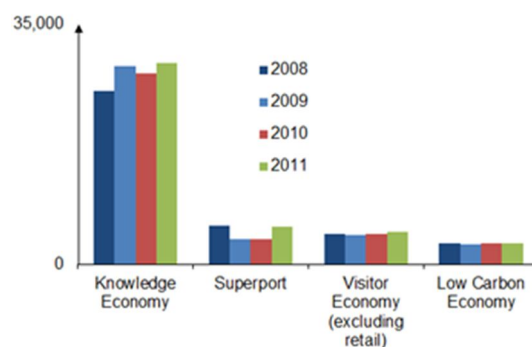
Within the City region context the following sites within Halton have been identified as being key:



1. 3MG
2. Mersey Gateway
3. Daresbury
4. The Heath

Current Halton picture of growth sectors

The chart below shows the number of jobs in growth sectors, the largest proportion being those classed as forming part of the knowledge economy.



The future picture

The 2012 Merseyside Partnership Economic Review provided the following economic forecasts:

Baseline Growth Sector Employment in Liverpool City Region

	2009 (000s)	2000- 2005 (% pa)	2005- 2010 (% pa)	2010- 2015 (% pa)	2015- 2020 (% pa)	2020- 2025 (% pa)
Low Carbon	14.6	-0.2	-3.5	0.3	0.3	0.5
Knowledge						
Advanced Manufacturing	35.1	-4.3	-3.4	-0.3	-0.8	-0.4
Digital & Creative	25.9	2.0	-5.6	1.3	0.3	0.4
Life Sciences	56.2	1.7	1.6	-1.2	0.7	0.9
Professional & Financial	70.6	3.1	-1.9	1.0	0.9	0.9
Tourism & Visitor	50.0	4.3	-0.6	0.3	0.4	0.7
SuperPort	30.8	2.8	0.3	0.6	0.2	0.4
Total LCR Economy	645.8	1.3	-0.8	-0.4	0.5	0.5

Growth expected in life sciences, i.e. Daresbury

Note: Workplace based employment.

Source: LEFM Baseline consistent with Cambridge Econometrics' UK Regional Economic Forecast, July 2011.

Baseline Growth Sector GVA in Liverpool City Region

	2009 (£m 2006)*	2000- 2005 (% pa)	2005- 2010 (% pa)	2010- 2015 (% pa)	2015- 2020 (% pa)	2020- 2025 (% pa)
Low Carbon	421.5	1.3	-0.7	6.2	4.3	3.5
Knowledge						
Advanced Manufacturing	1,623.9	-2.8	-2.3	4.3	2.1	2.1
Digital & Creative	1,071.1	2.8	0.3	4.7	4.7	5.0
Life Sciences	763.4	4.4	10.5	2.9	5.1	3.7
Professional & Financial	2,842.8	2.1	1.7	2.8	3.0	3.6
Tourism & Visitor	768.5	2.5	-1.9	1.4	2.2	2.4
SuperPort	975.5	0.9	-1.4	3.5	2.2	2.8
Total LCR Economy	20,265.5	1.6	0.4	1.6	2.5	2.5

Source: LEFM Baseline consistent with Cambridge Econometrics' UK Regional Economic Forecast, July 2011.

* Figures quoted in £millions based on 2006 prices.

GVA forecast to increase in Digital & Creative, i.e. Heath/Daresbury

For more detail see the 2012 Mersey Partnership Economic Review:

http://www.liverpoollep.org/docs/Economic_Report_2012.pdf

3: Employment and Economic Activity

Workforce in Halton

60,000 people work in Halton

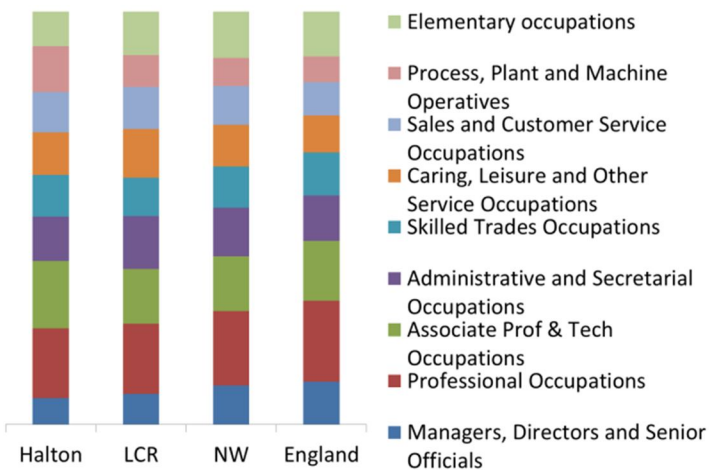
Halton has a higher proportion of people working in full-time jobs when compared regionally and nationally

Status of workforce in Halton

Area	% full-time	% part-time
Halton	77	23
LCR	73	27
NW	74	26
England	74	26

Halton's workforce is similar when compared nationally and regionally. Halton does have a lower level of Managers and a higher level of Machine operatives.

Workforce by occupation type



Wages

The average weekly wage for a worker in Halton is higher than the North West (£470) but lower than England (£512).

£493 average weekly wage for workers in Halton

The average weekly wage for a resident in Halton is lower than the North West (£473) and England (£513).

£452 average weekly wage for residents in Halton

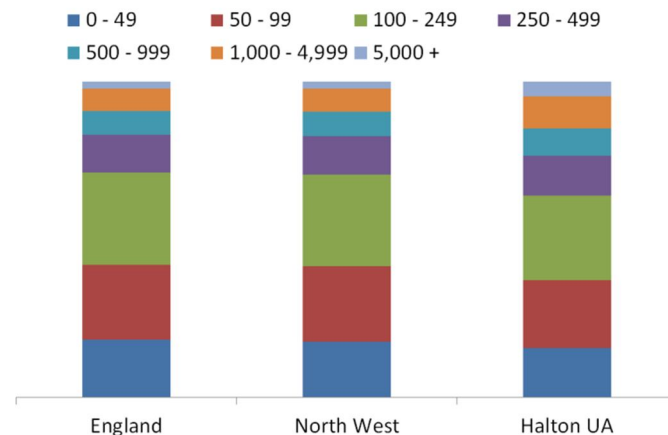
Businesses in Halton

3,500 businesses (local units) in Halton

Business type	Count
Agriculture, forestry & fishing	30
Production	335
Construction	375
Motor trades	110
Wholesale	190
Retail	410
Transport & storage (inc. postal)	190
Accommodation & food services	200
Information & communication	185
Finance & insurance	80
Property	110
Professional, scientific & technical	435
Business administration and support services	285
Public administration and defence	30
Education	135
Health	265
Arts, entertainment, recreation	215

Halton has a higher proportion of businesses who turnover £1million plus when compared to England and the North West

Turnover size (£ thousand)



Resident Analysis

Halton's employment rate is similar to regional and national rates

Employment rate (% working age)

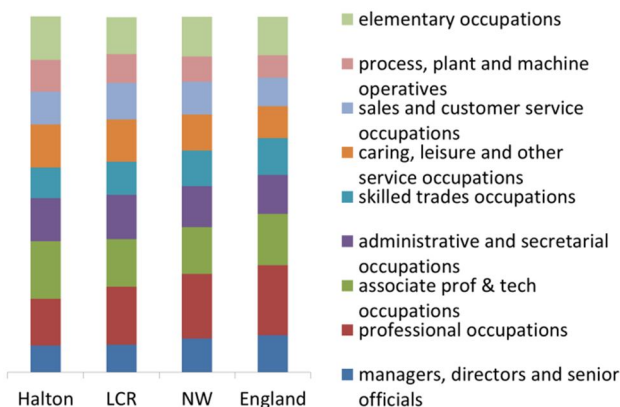
Area	All	Male	Female
Halton	68	70	65
LCR	66	68	63
NW	69	73	65
England	71	76	66

6% of Halton's working age residents are self employed

This is lower than the LCR (7%), North West (8%) and England (10%)

Halton has a lower proportion of residents in professional occupations when compared regionally and nationally. However the borough does have a higher proportion of residents working in associate professional and technical occupations.

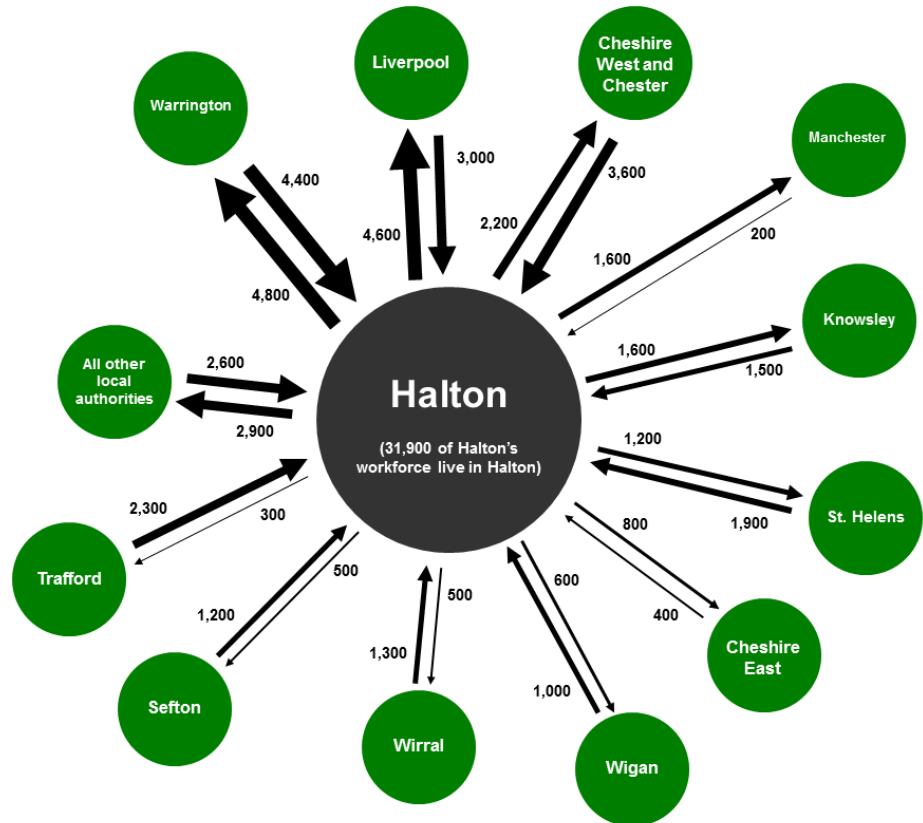
Occupation type of Halton Residents



Travel to work

31,900 of Halton's workforce live in Halton.

Halton's largest import and export of workers is to Warrington.

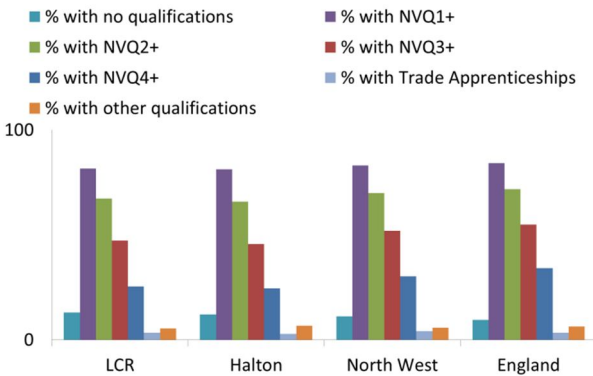


4: Skills

Adult Skills and learning

Similar to the City Region, Halton resident's qualification levels are lower than those of the North West and England.

12% of Halton's working age population have no qualifications.

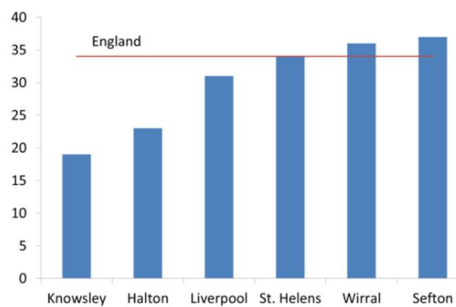


The 2011 skills for life survey showed that Halton has improved in each of the categories (Literacy, Numeracy and ICT Skills) when compared to the 2003 Skills for Life survey. In comparison to local, regional and national averages, Halton has outperformed all in terms of improvement.

Higher Education

Nationally, Halton has amongst the lowest proportions of pupils entering Higher Education.

% of pupils aged 15 in 2005/06 entering Higher Education before they are 19



Apprenticeships

Halton had 2,000 apprenticeship starts in 2011/12. Around half of these end in achievements.

The highest number of apprenticeships was in the Business, Administration and Law sectors, although Engineering and Manufacturing Technology apprenticeships offer a more successful completion rate.

Area	Starts	Ends
Agriculture, Horticulture and Animal Care	20	0
Business, Administration and Law	740	310
Construction, Planning and the Built Environment	90	40
Education and Training	40	10
Engineering and Manufacturing Technologies	230	220
Health, Public Services and Care	380	130
Information and Communication Technology	110	30
Leisure, Travel and Tourism	90	90
Retail and Commercial Enterprise	310	210
Total	2,010	1,040

Science Technology and Manufacturing (STAM) analysis

In 2012 Halton Borough Council carried out an analysis of STAM companies within the borough. Overall, Level 6 qualifications are the most required for the current employment types offered by Halton STAM companies, with fewer opportunities for those with lower qualifications, especially in the Bioscience and Engineering sectors.

Current recruitment opportunities are available for those qualified to at least Level 3. Future recruitment opportunities seem to require a wider range of qualification levels from Level 3-8 (though most opportunities are again at Level 6).

Apprenticeships appear to be well represented, with opportunities tending to be towards the Advanced and Higher Level Apprenticeships (leading to Level 3 and 4 qualifications). Companies in the Bioscience sector offered the fewest number of apprenticeships.

The table below summarises these comments:

	Employment Types	Recruitment Opportunities	Apprenticeship Opportunities
Bioscience	L6+	Current L3-5, Future – most at L6	Few - Advanced
Chemical	L2+ (most at L6)	Current none, Future – most at L6	Many – Advanced/ Higher/Undergraduate
Digital	L2+ (most at L6)	Current L3-4, Future – most at L3, 4, 6	Some – All levels
Engineering	L5 and 6	Current L5-8, Future – L3, 5-8 (L5-6 most)	Many – advanced / higher

For further information the report can be found here: <http://sciencehalton.co.uk/Halton-STAM-Skills-Report-2012.pdf>

5: Economic Inactivity and Unemployment

Economic Inactivity

18,900 (24%) of Halton's working age population are economically inactive

12,300 (65%) of the economically inactive do not want a job.

1 in 3 of the female working age population are economically inactive.

Out of Work Benefits

17% of Halton's working age population are claiming out of work benefits

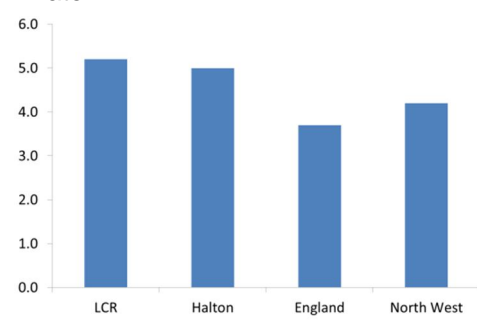
The out of work benefit with the largest number of claimants is ESA/incapacity benefits. The chart at the bottom of the page shows the out of work claimant rate at ward level. Windmill Hill has the highest proportion, with a third of the working age population claiming a key out of work benefit.

Job Seekers Allowance

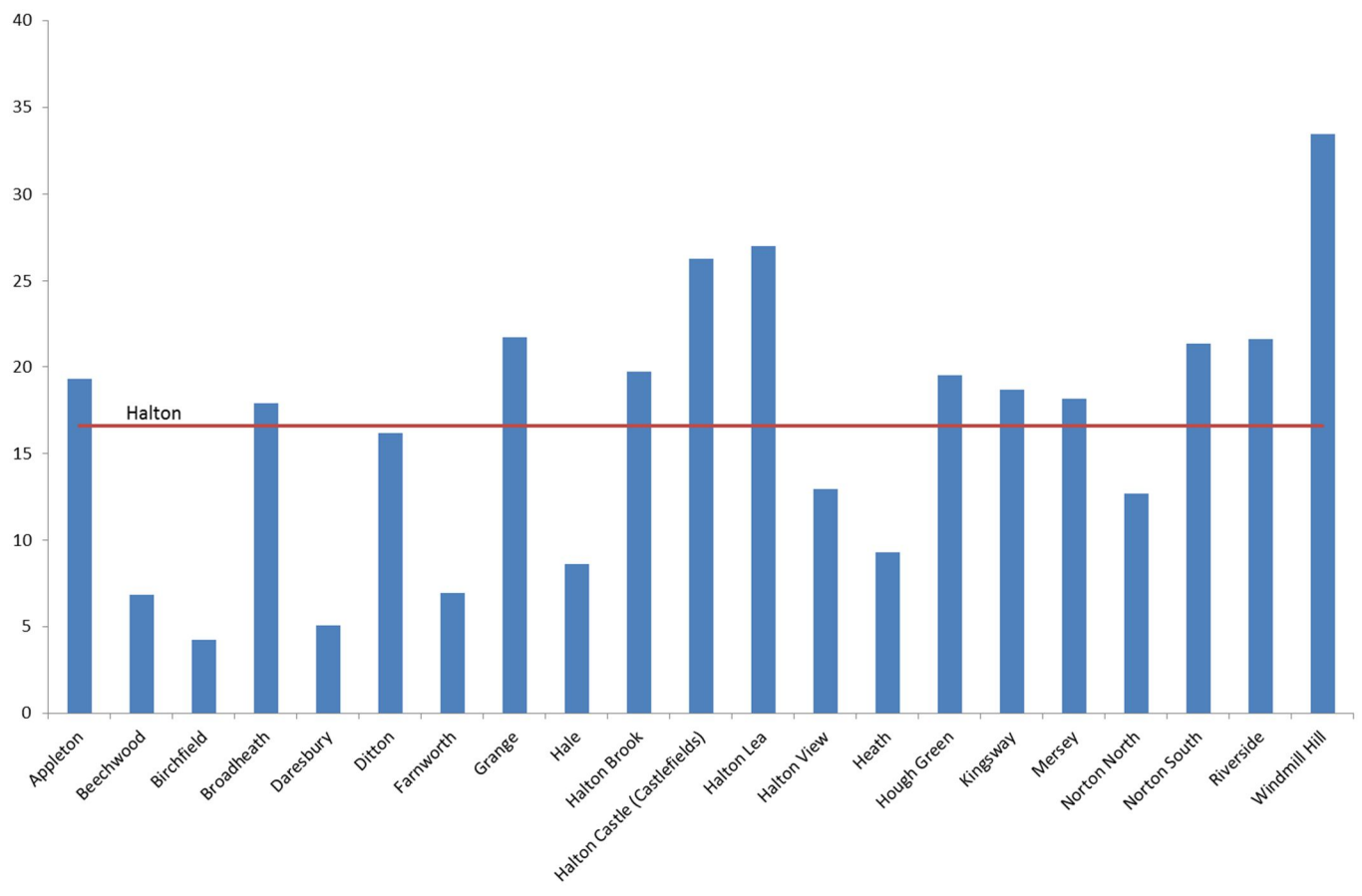
In line with the City Region rate, Halton's JSA rate is around 5%. This is higher than the national rate.

29% of JSA claimants have been claiming for over 12 months

At 11%, Halton's youth (18-24 year olds) unemployment rate is above regional (8%) and national (6%) rates.



Out of work benefits (ward level)



6: Land and Property markets

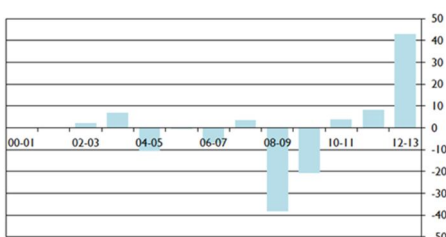
This section seeks to quantify the demand for, and the supply of, commercial property (development land and industrial, office and retail space) in Halton from 2000 to 2011.

The analysis is based upon information held by (and collected by) Halton Borough Council's Business Improvement and Growth (BIG) Team, it is, therefore, based upon an incomplete picture of both the total number of investment projects completed in the Borough each year and the supply of commercial property and should be read accordingly.

The Demand for Commercial Property 2000-2011

The number of enquiries for commercial property received by the BIG Team fell between 2008-09 and 2009-10 mirroring the global economic slowdown. The largest fall in Investment enquiries was 38%, occurring between 2007-08 and 2008-09. However, in 2010-11, investment enquires increased for the first time since 2007-08.

Total enquiries - % change



Following the global recession, enquiries for industrial and office units have started to increase in 2010-11, while retail and site

enquiries appeared to recover in 2009-10 but then fell again in 2011-12. Preliminary figures for 2012-13 show industrial enquiries still increasing, an increase in retail, but a slowing of enquiries for offices and sites.

Over the period of the review there has been no change with respect to the split of overall enquiries between Runcorn and Widnes.

Since 2007-08 there has been a decrease in enquiries for freehold properties together with an increase in 'no preference' of lease type.

Significantly, since 2008-09, there has been a decrease in inward investment enquiries but a marked increase in local businesses requiring commercial property to satisfy their expansion plans together with new start-up companies seeking commercial property.

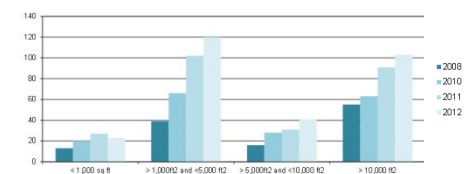
The Supply of Commercial Property 2000-2011

The supply of commercial property in Halton has increased dramatically since 2008. For example, there is now three times the amount of 1000-5000 sq ft industrial space recorded on the BIG Team database compared with 2008.

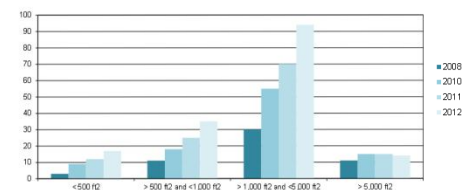
However, there have been a number of notable exceptions to the general trend of increasing

property supply. For example the supply of small industrial premises, large sites (20 acres +) have decreased over the last year, while large retail units and offices have remained largely the same.

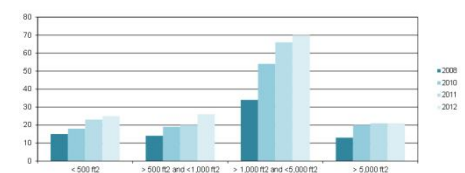
Industrial availability (units)



Retail availability (units)



Office availability (units)



Site availability (units)

