



**OCEAN GATEWAY
DECADE OF DELIVERY
50 | 50 | 50**

**THE PEEL GROUP
2019**

POSITIVELY IMPACTING PEOPLE'S LIVES

OCEAN GATEWAY – DECADE OF DELIVERY
50 | 50 | 50

THE PEEL GROUP
2019



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FOREWORD

In 2008, we set out our vision for Ocean Gateway, a pioneering programme to drive the renaissance of the strategic corridor encompassing the City Regions of Liverpool and Manchester and adjacent areas within Cheshire and Warrington through a £50 billion programme, involving 50 projects over 50 years.

Ten years on we have reviewed how Ocean Gateway has progressed, its relevance today and what needs to be done to adapt and deliver the vision over the next 40 years.

We are pleased to report that by working collaboratively with the public and private sectors, Ocean Gateway has enabled significant investment, despite the challenging economic backdrop over the last 10 years. It has supported the creation of employment, learning and business opportunities, in turn stimulating further investment in the economy, and enriching lives in many communities. As well as jobs, it has delivered significant employment space and housing, as well as infrastructure and environmental improvements.

A key element of Ocean Gateway has comprised investment targeted at the development of key growth sectors which underpin the North West's economy including media, digital, logistics, tourism, retail and leisure, as well as supporting vital infrastructure in sectors such as low carbon energy, transport, education and housing.

It has not been without its challenges and whilst a number of projects have had to evolve, the concept, principles and objectives remain relevant. This is particularly the case in the context of the introduction of the Northern Powerhouse, Devolution, Mayoral Combined Authorities, and a rapidly evolving economic and political landscape.

Looking ahead, for the Ocean Gateway and other strategic initiatives to succeed in raising regional and overall UK productivity, we believe a rebalancing framework is necessary based around:

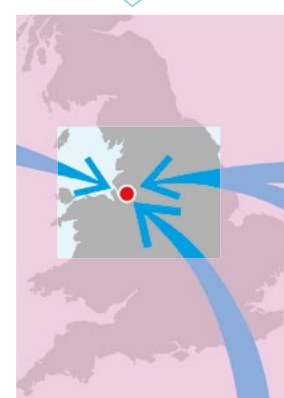
- ambitious place-based economic and spatial policies,
- realigned and reinvigorated policies to support sustainable development,
- a new approach to public funding that tackles underinvestment in skills and infrastructure, and promotes private-sector investment and trade, particularly in left behind places,
- place-based marketing leading to the attraction and retention of talented people and organisations to build on and execute partnership-led initiatives such as Ocean Gateway.

This needs to be driven by an explicit Government commitment to rebalancing that recognises the opportunities and challenges presented by disparities across the UK.

The Peel Group Board



Global Reach



Driver of the UK and Regional Economy

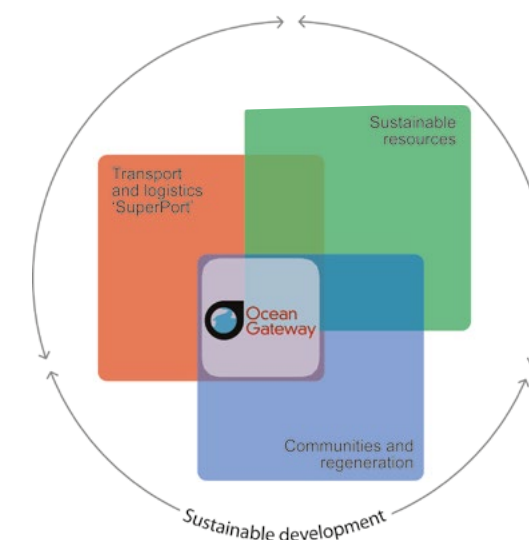
Bringing together Liverpool and Manchester City Regions



PEEL'S VISION FOR THE OCEAN GATEWAY:

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

Ocean Gateway Prospectus,
The Peel Group, 2008¹





Liverpool2 official opening, 2016

INTRODUCTION

THE PEEL GROUP

The Peel Group is one of the leading infrastructure, transport and real estate investors in the UK. It is a family owned concern and we pride ourselves on our family values. Our vision "Creating the future from our proud past to positively impact people's lives" extends across our investments and projects.

The Peel Group has grown through an ethos of recycling capital and long-term commitment, gaining a reputation for visionary projects, particularly in the North of England.

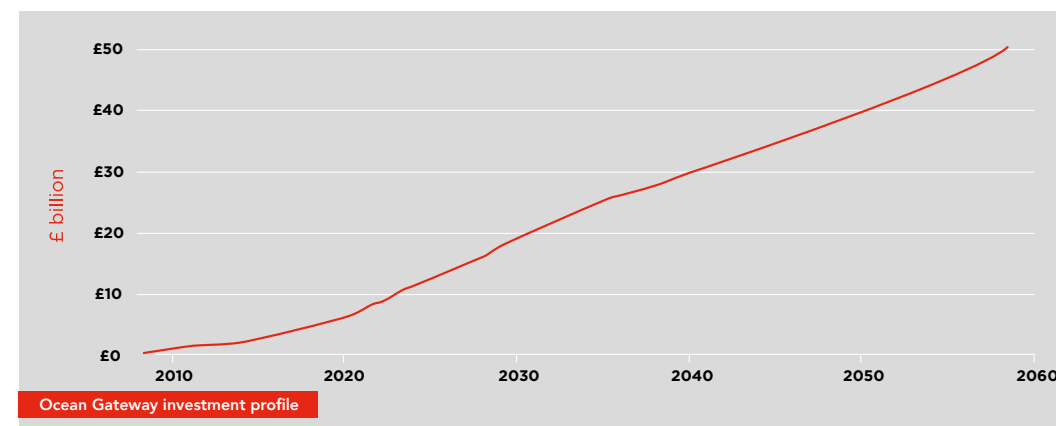
Our diverse network of businesses ranges from ports to airports; land to leisure; media to hotels; windfarms to biomass in a portfolio of investments both in listed and unlisted companies. We are seeking to invest across the UK from the Shetland Isles to Kent, and Cornwall to Norfolk.

For almost 50 years under the stewardship of our Chairman, John Whittaker, we have been making strategic business acquisitions

and supporting their growth – promoting economic investment and securing employment, both directly and indirectly. We have acted as a partner and facilitator working with stakeholders in business, the professions, government agencies, local and combined authorities and education providers.

FIRST 10 YEARS

In 2008 the Peel Group launched the Ocean Gateway concept and programme, promoting 50 projects across the Liverpool to Manchester corridor to deliver an unprecedented scale of co-ordinated private sector investment. Working with public and private sector partners, many of the projects have made significant progress over the last decade. Amion Consulting have undertaken an assessment of progress and prepared an Economic Impact Assessment for the first 10 years². In total £5 billion of capital has been invested in that time delivering more than 8 million sq ft of employment space, 21,000 permanent jobs, 4,800 new homes, 307 MW of electrical generating capacity (including



MediaCityUK official opening, 2012



TRAFFORD CITY

enough renewable electricity to meet the needs of 120,000 homes), 6 educational and pre-school facilities and more than 300 acres of managed green space. The personal stories captured in The Peel Group's publication 'Our Story'³ illustrates the range of positive impacts the projects have made on the people of the region. Many other examples of social impact in the Ocean Gateway area can be found in the Peel Group's Corporate Social Responsibility Report 'Living our Values'⁴.

"As the nation sets out its course to tackle the issues of productivity and prosperity in a sustainable way, it is incumbent that leadership is shown in delivering positive policies which rebalance the UK economy and seize all the opportunities that exist in the regions to increase prosperity."

John Whittaker, Chairman, The Peel Group

DELIVERING OUR AMBITION

The period from 2008 – 2018 was adversely impacted by the 2008 financial crisis, ensuing credit crunch and more recently Brexit uncertainty. Nevertheless, the desire to deliver £50 billion of

investment over the 50 year period remains undiminished. A number of key planning consents and partnerships are in place and there is the potential to see a further £10 billion of capital investment in the Ocean Gateway in the coming decade. Given the right economic conditions and

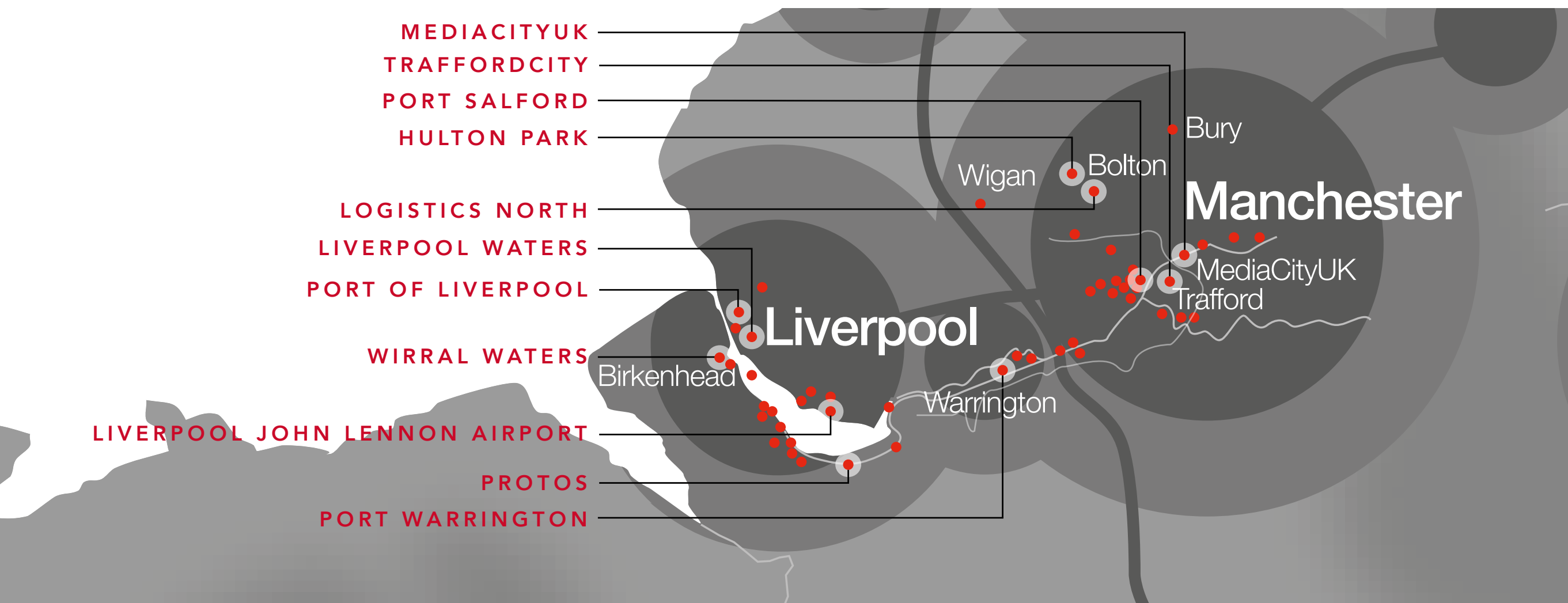
with supportive government policies, we believe our original ambition of facilitating £50 billion of investment in the Ocean Gateway remains achievable and

indeed new projects will emerge in future years given the undoubted opportunities that exist within the area. What is clear is that Ocean Gateway has made, and will continue to make, a significant contribution to job creation and the GVA growth goals of the Northern Powerhouse.



OCEAN GATEWAY - THE FIRST 10 YEARS

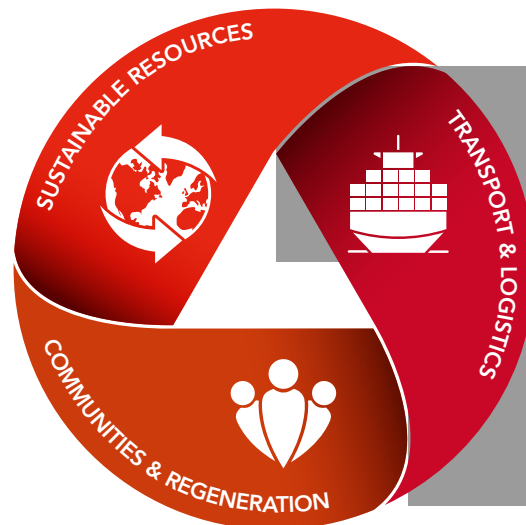
Aerial View of MediaCityUK and surrounding area



INVESTMENT IN OCEAN GATEWAY THEMES

"In the 10 years since the launch of Ocean Gateway over £5 billion has been invested through partnership with the public and private sectors on Ocean Gateway projects. There has been significant progress with projects in all three Ocean Gateway themes."

Neil Lees, Deputy Chairman,
The Peel Group



£5BN
CAPITAL INVESTMENT

£1.23 BILLION
GVA PER ANNUM

160 MW
FLEXIBLE ELECTRICITY GENERATION

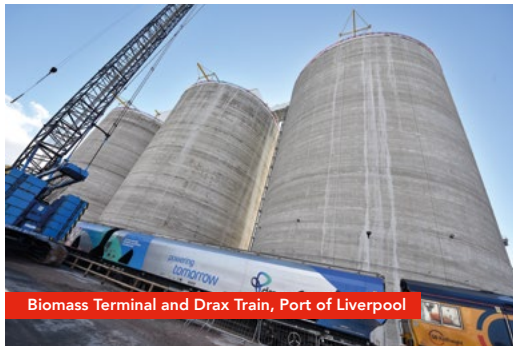
21,000 JOBS

8 MILLION SQ FT
EMPLOYMENT SPACE

146.9 MW
LOW CARBON ELECTRICITY GENERATION

4,800 HOMES

300 ACRES
MANAGED GREEN SPACE



Biomass Terminal and Drax Train, Port of Liverpool



L175, Liverpool International Business Park



Liverpool2, Peel Ports



WGIS Bridge, Barton



Great Bear Consolidation Centre, Port Salford

TRANSPORT AND LOGISTICS

Major investment has been made in the Liverpool port cluster with over £750 million of capital investment in Liverpool2 (the deep-water container terminal), a biomass terminal supporting Europe's largest decarbonisation project at Drax Power Station, and modernisation of other cargo handling facilities at the Port of Liverpool and along the Manchester Ship Canal.

Peel has undertaken a variety of roles in an estimated £400 million of investments in manufacturing facilities or associated supply chains through projects such as Saica's Paper Mill in Partington, Prowell's corrugated

sheet board plant in Ellesmere Port, as well as Komatsu's and MBDA's facilities at Harworth Group's Logistics North. In addition, investment in efficient freight and logistics operations were facilitated including for Culina Group's Great Bear operations and Rhenus Logistics at Port Salford, as well as new facilities for Aldi, Lidl, and whistl at Logistics North. Further investment has also occurred at Liverpool International Business Park providing improved facilities for B&M, Gefco and Soak.com. All of these investments have regenerated former industrial or brownfield land.

As part of its City Gateway and TraffordCity plans and to enable the development of Port Salford, Peel has delivered a £50 million investment, part funded by the Government's Regional Growth Fund and Salford City Council, in the Western Gateway Infrastructure Scheme bridge. It provides a new low-level crossing over the Manchester Ship Canal which has improved connectivity from Irlam to Trafford Park, bypassing the M60 Barton Bridge and the local community of Peel Green.



Liverpool2, Peel Ports



Biomass Plant, Protos



Scout Moor Wind Farm



Frodsham Wind Farm

SUSTAINABLE RESOURCES

Low carbon electricity generating capacity of 147 MW has been delivered principally through the Scout Moor Wind Farm, Frodsham Wind Farm and the Protos biomass plant. This capacity has the potential to provide power for up to 120,000 homes. In addition, 160 MW of flexible generating capacity has also been delivered by partners on Peel's Ocean Gateway portfolio of sites.

COMMUNITIES AND REGENERATION

Since Ocean Gateway's launch in 2008, Peel and its partners have delivered:

- More than 8 million sq ft of commercial floorspace developed across the wider Ocean Gateway portfolio.
- Around 4,800 new homes - more than half of these have been developed on urban brownfield land such as at MediaCityUK (1,500), Eastbank in Manchester (700) and Rossfield Park in Ellesmere Port (346).

To date, the growth of MediaCityUK into one of the foremost media, digital and creative hubs in Europe has attracted more than £1.4 billion of investment. Alongside the studio complex, this has involved major investments in infrastructure, business premises, residential accommodation, educational facilities and public realm.

This long term place-making model is a critical strategic theme for our investments, applied as much to transport and energy infrastructure as to commercial and residential development.



School Art Project, Partington



Eastbank Development, Manchester



CGI, Belong Village, Wirral Waters



Building homes at Rossfield Park, Ellesmere Port



DELIVERING ON OCEAN GATEWAY OBJECTIVES

In 2008, The Peel Group set out an integrated and shared approach to achieve a number of key objectives shared by a wide range of public and private bodies, both across the North West and nationally. We are pleased to report that significant progress has been made on these objectives:

BOOSTING THE ECONOMIC STRENGTH OF THE NORTH WEST

It is estimated that the economic activity resulting from the Ocean Gateway projects delivered to date generates a gross annual GVA of £1,230 million. Combined, this equates to approximately 1% of total GVA across Greater Manchester, the Liverpool City Region and Cheshire and Warrington.

CREATING JOBS FOR LOCAL PEOPLE

Overall, investment in the Ocean Gateway projects is estimated to have resulted in more than 21,000 gross jobs. Capital investment associated with the delivery and fit-out of projects within the Ocean Gateway area has supported 27,700 person years of temporary construction phase employment.

In addition, investment in maintaining and upgrading existing real estate – including offices and retail parks – as occupiers move on has ensured that employment opportunities remain in local communities and Councils retain the benefit of business rates from vibrant local economic centres.



“There has been significant social impact from Ocean Gateway projects including new space to accommodate 21,000 jobs and 2,700 student places that improve opportunities, employments, wealth and wellbeing in local communities.”

Steven Underwood, Chief Executive, The Peel Group



CREATING NEW COMMUNITIES

Peel's Ocean Gateway projects have delivered on its objective of creating new communities and integrated sustainable urban extensions with notable projects at MediaCityUK, Princes Dock, Speke, Walkden, Astley, Bury and Ellesmere Port, and emerging communities at Liverpool Waters, Wirral Waters and Manchester Waters.

When Peel launched the Ocean Gateway, it set out to "raise awareness of the potential benefits that can arise by taking an integrated approach to housing growth and sustainable communities, multimodal transport and environmental infrastructure." This approach has continued through a focus on creating well connected sustainable environments where people want to live and work.



Outdoor Yoga, MediaCityUK

IMPROVING CULTURE, LEISURE & TOURISM

During the 10 year period, Peel has invested in social, recreational, leisure and tourism infrastructure to add to previous legacies such as its donation of the land for The Imperial War Museum in Trafford.

Key Ocean Gateway projects progressed include:

- The new 12,000 seat AJ Bell stadium delivered in 2012 in partnership with Salford City Council.
- Improved terminal facilities and new hotels at Liverpool John Lennon Airport to support inbound and outbound tourism.
- TraffordCity and MediaCityUK have been developed into key destinations with world class experiential entertainment and culture at their heart which attract millions of visitors and tourists to the North West every year.
- Investment in Trafford Golf Centre and a new DinoFalls Adventure Golf course transforming the facility into the busiest driving range in the country with over 12 million golf balls hit on the range in a 12 month period.
- A new showcase garden, RHS Garden Bridgewater, which is due to open to the public in 2020. Peel has collaborated with Salford City Council and the Royal Horticultural Society to facilitate this development on Peel's former Worsley New Hall site.
- A new Cruise Liner Terminal, new Isle of Man ferry terminal and new stadium for Everton Football Club at Liverpool Waters, supporting the City Council's, Isle of Man Government's and the Football Club's ambitions for new state-of-the-art facilities.
- An international tour standard golf course and leisure resort, being developed as part of plans to restore the historic Hulton Park estate in Bolton.

"Liverpool John Lennon Airport handles around 5 million passengers a year delivering convenient direct access to a range of destinations for both business and leisure travel. It has seen significant growth in inbound tourism in recent years."

John Irving, Chief Executive, Liverpool John Lennon Airport





Wirral Met College, Wirral Waters



UTC, MediaCityUK



University of Salford, MediaCityUK

ENHANCING QUALITY OF LIFE & WELLBEING/ INTEGRATING AND SHARING WITH ESTABLISHED COMMUNITIES

Peel recognises that nurturing, attracting and retaining talented people is core to regional prosperity and growth. As well as the new jobs created, investment to date has catalysed the delivery of new educational infrastructure, linking communities to enhanced opportunity, including new further and higher education facilities at:

- The RIBA award winning Wirral Metropolitan College – with capacity to provide places for up to 500 students, including apprentices, focusing on construction and the built environment.
- UTC@MediaCityUK – a funded state school meeting educational needs for 14-19 year olds, targeted towards the

creative, technical and digital media sectors, with a relatively even split between GCSE and A-level/technical qualifications. The facility has capacity for 720 students.

- University of Salford at MediaCityUK – forming part of the overall MediaCityUK masterplan, the University delivers 30 courses including undergraduate and post-graduate level qualifications, supporting 1,500 students.

The Peel Group has embraced the drive to improve apprenticeships and linkage with schools and colleges, both during construction and operation including:

- Peel L&P has introduced degree level apprenticeships in areas such as IT and building surveying.



Frodsham Wind Farm Photography Competition Winner



Business on the move, Peel Ports in local schools



Scout Moor Wind Farm Family Open Day



Elton Primary School: beneficiary of the Protos Community Benefit Fund



Helsby High School: beneficiary of the Frodsham Wind Farm Community Benefit Fund

- A partnership programme established with Teach First in 2017 helps partner schools provide opportunities for insights into working life, exposure to different careers and enlightening disadvantaged young people of the possibilities and careers in various sectors.
- At Liverpool Waters, Peel L&P have established an apprenticeships partnership with the City of Liverpool College. The partnership has secured skills development and employment opportunities for young people throughout the 30-year development phase of the Liverpool Waters scheme.
- As well as employing a significant number of apprentices at the Port of Liverpool, Peel Ports' Liverpool staff have been helping young people to understand how logistics and the global supply chain work through an innovative new board game called Business on the Move.

- Peel L&P Energy has hosted numerous visits to operational wind farms at Scout Moor and Frodsham for school children, students and community groups.

Through charitable and community initiatives, Peel has injected time and money into local communities. For example, Peel donated £1 million to the Manchester Children's Hospital Appeal, and over two years raised in excess of £0.5 million for the appeal starting with James Whittaker swimming the length of the Manchester Ship Canal to coincide with the launch of the Ocean Gateway concept.

Peel investment and activity has supported the delivery of a variety of other educational facilities, including pre-school facilities with places for 340 children.

Other community engagement schemes include local forums and benefit funds such as those administered as part of the Protos development and Frodsham Wind Farm.

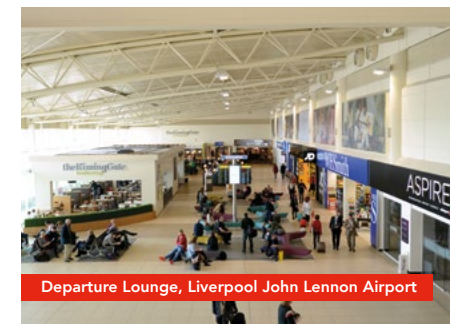


Green Roof, Kids Allowed Nursery, TRAFFORDCITY

PROMOTING LOW CARBON GROWTH/ PROVIDING SUSTAINABLE SOLUTIONS FOR ENERGY, WASTE AND WATER

During the last decade, the Peel Group has been a champion of sustainable development initiatives including:

- MediaCityUK was the first project in the world to receive a BREEAM Communities 'Excellent' certification - an exemplar that embodied BREEAM principles from the outset across its offices, studios, car parks, retail, residential, hotels, education, and health buildings and public realm to achieve a modern low carbon, sustainable urban environment.
- Peel L&P was the first major property company to achieve the energy management standard ISO 50001 and has met its energy reduction targets four years in a row.
- In 2018, Peel L&P created its most sustainable building to date and the first green roof at TRAFFORDCITY, on a purpose-built nursery for the award-winning Kids Allowed.
- Since 2008, Peel L&P Energy has delivered three onshore wind farms in the Ocean Gateway area with the capacity to deliver 125.35MW of renewable electricity including: 65MW at Scout Moor north of Manchester, 10MW at the Port of Liverpool and 50.35MW at Frodsham in Cheshire.
- Peel L&P Environmental and Peel L&P Energy facilitated the development of a 21.5MW biomass power station at Protos that will process up to 157,000 tonne of waste wood per annum.
- In 2009, working in partnership with the North West Development Agency, Peel Energy assembled a team to help identify and design a tidal power scheme in the Mersey estuary. A full feasibility study was completed in 2011 but work was put on hold pending certainty on a financial and regulatory framework for tidal power.



Departure Lounge, Liverpool John Lennon Airport

MAKING BEST USE OF TRANSPORT INVESTMENT

- Investment in partnership with the Bridgewater Canal Trust has delivered sustainable transport and recreation improvements on the Bridgewater Canal through the improvement of large stretches of the towpath. Once completed, the Bridgewater Way, will provide a 39 mile inclusive walking and cycling route from Wigan into Manchester City Centre and on to Halton.



Liverpool2

- In 2018, Peel Ports partnered with the UK's largest rail freight company, DB Cargo UK, to introduce a new rail service for containers travelling between Scotland and the Port of Liverpool. The service comprises of up to 30 wagons and can carry over 40 containers per trip, reducing the cost and carbon emissions for cargo owners and improving congestion and air quality on the roads.

"Our investments are opening up trade opportunities for UK firms and helping business to reduce costs, congestion and carbon emissions. The capabilities we have at the Port of Liverpool are creating a new centre of gravity for the logistics sector, providing jobs and training for a new generation of workers in the country's most iconic maritime city."

Mark Whitworth, Chief Executive, Peel Ports

- Peel Ports has been working with businesses to remove 200 million road and rail freight miles from the UK network, reducing costs, carbon and congestion, by encouraging shipping lines to introduce direct deep-sea services at Liverpool2, closer to where their containers begin or end their journeys.
- Peel Ports has been supporting a major de-carbonisation project at the largest power station in the UK. They built a £100 million custom-built biomass import terminal located at Gladstone Dock at the Port of Liverpool that will allow Drax to transport up to 10 train loads of biomass each day.
- Liverpool John Lennon Airport has invested in terminal facilities including a new security hall and airside departure lounge upgrades that have transformed the passenger experience and helped restore the passenger numbers to pre-recession levels of over 5 million passengers per annum. A 2016 study estimated that the airport contributed £250 million per annum in GVA and supported 6,000 jobs across the Liverpool City Region.
- Peel L&P have been supporting Transport for Greater Manchester and Trafford Council in bringing Metrolink services via the Trafford Park extension to popular destinations within TraffordCity, including into Trafford Centre and EventCity.



Marsh Harrier, Frodsham Wind Farm



Bat Detection Dogs at Frodsham Wind

ENHANCING GREEN INFRASTRUCTURE AND BIODIVERSITY

The Peel Group has been demonstrating excellence in land stewardship with the development of environmental schemes and green spaces including:

- Working in partnership with the Cheshire Wildlife Trust, Peel L&P Environmental created a 50 acre nature reserve at Protos in Ellesmere Port which provides new habitats for wildlife as well as accessible green space for the general public to enjoy.
- Peel L&P Energy's Frodsham Wind Farm was the first construction site in the UK to achieve the Wildlife Trust's 'Biodiversity Benchmark: Design for Construction' award, for commitment to protecting and enhancing wildlife. The project also created new 85 acre wetlands to provide feeding areas for wading birds and manages over 100 acres of reed beds to enhance natural habitat for numerous bird species.



Tree planting at Wirral Waters



Ecology Area at Protos



Chat Moss Peat Bog



Bridgewater Way

- Speke Garston Coastal Reserve comprises 70 acres of land set aside between the Mersey Estuary and Liverpool International Business Park which has the potential for expansion as part of the Liverpool John Lennon Airport Master Plan.
- Working in partnership with Mersey Forest, the Forestry Commission and BEIS, Peel L&P's Wirral Waters 'street tree' project, started in 2013, has planted 1,500 trees along the roads into and around the Birkenhead Docks.
- Peel L&P has also been an active member of the Greater Manchester Wetlands Partnership. Following the cessation of peat extraction from Chat Moss, Peel Environmental has undertaken the restoration and rewetting of the peat

bog in consultation with GMWP partners including Salford City Council, Natural England and Lancashire Wildlife Trust.

- Peel L&P has been focussed on tackling the UK housing crisis and ensuring the provision of new family housing in communities across the Ocean Gateway area. As a custodian of the land for the longer term, good design principles and green space have been incorporated into these developments.
- Peel L&P has been collaborating with Defra, Natural England, Environment Agency and the Greater Manchester Combined Authority on ground-breaking work to establish how the property sector can deliver natural capital and biodiversity net gain in new developments.

STIMULATING AND COLLABORATING WITH THE PRIVATE SECTOR

During the last decade, several strong partnerships have been developed or enhanced with private sector organisations including: L&G Capital at MediaCityUK, DWS Investments (Deutsche Bank) at Peel Ports Group, Macquarie Capital and Ivanhoe Cambridge at PLP, Ancala Partners at LEEP Utilities, as well as with a number of housebuilders and residential developers and investors.

The private sector has continued to respond to opportunities as they have arisen, however, the viability of projects in parts of the North West has proved challenging for many investors. The various funding schemes that have been put in place by the Government, such as Regional Growth Fund and Local Growth Fund, have been key to bridge the viability gap. Where third party investors have acquired interests in a project, Peel has often maintained a role as a partner to address matters outside the investor's core interest such as planning, infrastructure and development.

ANCALA

DWS

Ivanhoe Cambridge

Legal & General

MACQUARIE



CGI, Liverpool Cruise Liner Terminal

PARTNERING WITH THE PUBLIC SECTOR AND THE THIRD/VOLUNTARY SECTOR

Several key public sector partnerships have been developed and strengthened, including through greater collaboration with local authorities, for example at MediaCityUK, Liverpool Waters and Wirral Waters.

The innovative approach to our partnership with Wirral Council and Homes England on the Housing Infrastructure Fund has unlocked delivery of new homes on brownfield land that would otherwise not be viable.

Peel continues to work with Liverpool City Council to deliver our joint aspirations for a new state-of-the-art cruise liner terminal that will enable the city to welcome the world's biggest cruise ships to its UNESCO listed World Heritage waterfront. In 2016 the City Council became a shareholding partner in Liverpool John Lennon Airport, a key asset for the city's visitor economy.

Peel Group businesses have also been collaborating on academic projects and facilities with University of Liverpool, Liverpool John Moores University, University of Chester, and University of Salford.



"Northstone's ambition is to create much more than a house; it is striving to create exceptional spaces, stylish environments and communities where families will thrive. It aims to deliver around 500 family homes per year in the coming decade. The homes will be delivered in partnership with local contractors."

Phil Wilson, Chief Executive,
Northstone

CGI, Northstone development

Peel has also established a number of new partnerships and businesses to facilitate and stimulate growth and investment in the Ocean Gateway including:

- dock10 was formed in 2010 to manage the world-class facilities and provide specialist post production services for broadcasters, production companies and creative agencies, including the BBC and ITV. £22 million was initially invested in partnership with SIS and Santander to fit out the studios and galleries; investment has continued to ensure the studios provide the most advanced and innovative technology. dock10 directly employs 160 people and co-ordinates hundreds of freelance professionals to provide the talent needed to make award-winning content.
- Peel Logistics Property was formed in 2015 as a specialist UK logistics and industrial property business in partnership with Macquarie Capital. The joint venture welcomed Ivanhoe Cambridge and a new senior management team to create a business that develops, manages and owns prime-grade logistics real estate. The partnership, now called PLP, has invested £30 million in 500,000 sq ft of logistics space in three Ocean Gateway projects and has more investments in the pipeline.
- Peel L&P partners with national and local housebuilders to maximise the quality and quantity of homes delivered on its land. To increase the rate and diversity of housebuilding and meet the urgent need for quality family homes in the north of England, Peel L&P formed Northstone in 2018 as a new homebuilder with a mission to create exceptional homes for modern, vibrant living.

"Both new and long standing partnerships between the private, public and third sectors, forged over joint visions for ambitious change, are driving the delivery of Ocean Gateway's objectives."

Robert Hough, Chairman,
Peel Airports



OCEAN GATEWAY - NEXT 10 YEARS' AMBITION

CGI, Dock Wall Mews, Clarence Dock, Liverpool Waters

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OCEANGATEWAY.CO.UK

OCEAN GATEWAY – NEXT 10 YEARS AMBITION

Predicting progress on Ocean Gateway projects in the next ten years presents a number of challenges with economic and political uncertainty, particularly around Brexit, and while we await the outcome of public-sector led work on:

- national policies to support the regional growth agenda and UK trade, including proposals for the Shared Prosperity Fund and Infrastructure investment,
- local Industrial Strategies,
- local and sub-regional spatial plans, and
- Transport for the North's Strategic Transport Plan.

Ocean Gateway presents a diverse portfolio of opportunities for investment, job creation and place-making – from commercial facilities, essential homes, transport and energy infrastructure – yet progress will depend on our ability to attract businesses, people, and investors, or other developers, to generate funds and finance projects. Investment cases for individual projects have to be strong enough to secure funding and deliver the desired outputs for all stakeholders.

"With the right market conditions and support from local and national government policies, and working in partnership with private and public sector, there is potential to see a further £10 billion of capital investment in the Ocean Gateway in the coming decade."

Peter Nears, Strategic Planning Director, The Peel Group



Key areas of growth in the coming decade include:

MediaCityUK: outline planning permission is already in place to allow MediaCityUK to double in size over the next decade. There continues to be strong demand for business premises both from new business occupiers and organic growth of existing occupiers. A pipeline of apartment buildings will see the residential community grow which will in turn lead to higher demand for retail, recreational and leisure uses on site.

“At MediaCityUK, Peel L&P delivered its initial £650 million investment in Europe’s largest private sector construction project through the last recession in partnership with the BBC and Salford City Council. A similar scale of investment has continued with other businesses and investors including L&G, ITV and BUPA.”

Steve Wild, Managing Director,
MediaCityUK



Strategic Waters:

These schemes are expected to deliver over 5,000 homes, including significant affordable housing, in the next three years. There is the potential to deliver a further 16,000 homes within a decade. Progress on the 3,000 consented homes at Trafford Waters is dependent on investment in and delivery of highway infrastructure in collaboration with public sector partners.

“A number of significant agreements have been completed that will deliver new homes and amenities at key communities in the Ocean Gateway including at Wirral Waters, Liverpool Waters and Manchester Waters.”

James Whittaker,
Group Development Director,
Peel L&P

Peel L&P is delivering Plaza 1821 for Regenda's property agency Redwing Living. Plaza 1821 is the first of three PRS developments being built at Princes Dock as part of the Liverpool Waters masterplan. Other projects are underway in the Central Docks including Romal Capital's Quay Central and Park Central. Together they will deliver over 800 homes by 2020.

Over the Mersey at Wirral Waters, a joint venture between Peel L&P and Urban Splash will also see 347 modular, factory-built homes delivered alongside 500 new homes at Wirral Waters One, and a new, state-of-the-art care village being developed for the not-for-profit, specialist dementia care provider, Belong.



CGI of Four Bridges Neighbourhood, Wirral Waters



Anwyl Homes, Rossfield Park

Employment and family housing:

The delays and lack of ambition seen in development plans has impacted the pipeline of employment and family housing. The supply of new employment workspace and much needed family and affordable homes is uncertain in the coming decade. It is vital that emerging plans are brought forward in a timely and positive manner.

The North West, with its global connections via its west facing ports and international airports, must take advantage of the post-Brexit opportunities and help secure growth particularly in the manufacturing and logistics sectors building on existing strengths in the region.

While the national housing crisis and government objective of delivering 300,000 homes per annum presents a strong impetus to deliver many apartment and family housing schemes, the viability and funding for many projects continues to be challenging in the North West. Funding for infrastructure to unlock projects will be vital, particularly in weaker markets or less established locations.

The Greater Manchester Spatial Framework includes some new housing and employment sites, but questions remain over the level of GMSF ambition and apparent mismatch with Greater Manchester's wider plans.

Growth in Warrington is dependent on the draft local plan being adopted and delivery of the Western Link scheme to facilitate economic and housing development within the decade.

In the Liverpool City Region, there are numerous employment opportunities to seize which build on Peel Ports' investment in Liverpool2 and Halton's investment in the Mersey Gateway Bridge. These investments, coupled with Liverpool John Lennon Airport, are key assets to support trade, inward investment and employment growth. They have capacity to accommodate growth but the shortage of suitable land for modern logistics and manufacturing facilities must be addressed, where necessary with release of land from the Green Belt, to create the jobs in the City Region.



Blundells Wood, Wigan

"As a long-term custodian of land, we aim to meet the current and future needs of business and residential communities by keeping ahead of key trends and delivering more liveable and sustainable places."

Louise Morrissey, Director of Land and Planning, Peel L&P

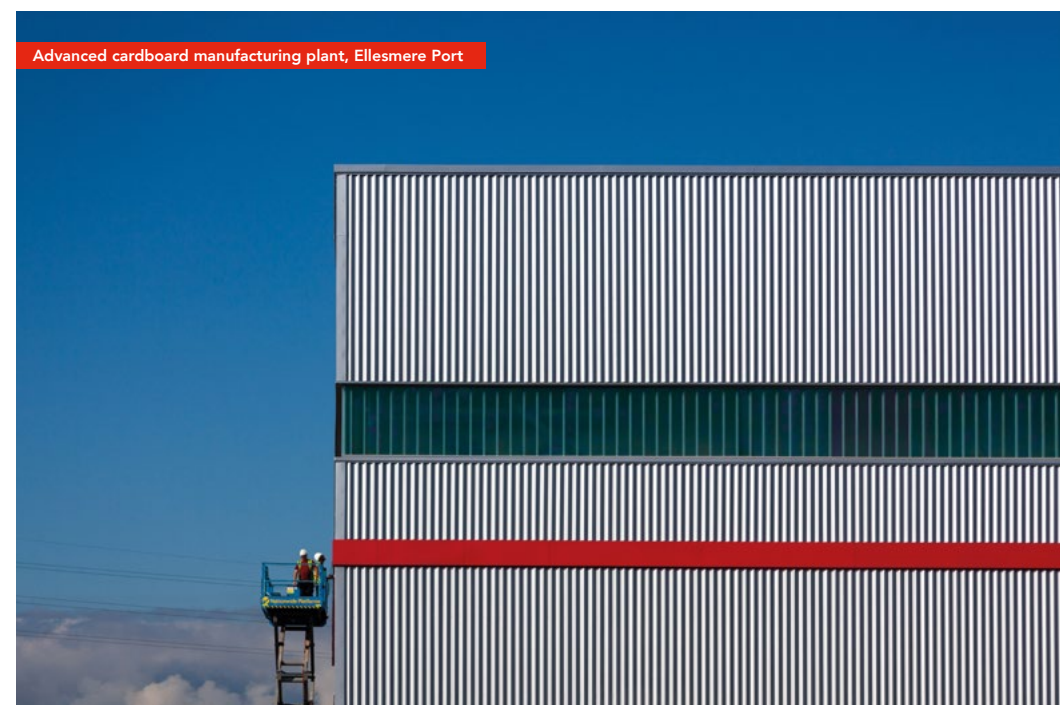
Infrastructure investment: The Peel Group is working to deliver the new rail terminal at Port Salford by 2025. However, further investment in the road network is required to unlock the full potential of the tri-modal port.

The delivery of highway schemes on the A5036 to improve access to the Port of Liverpool and on the A57/M60 to unlock Port Salford are key to delivering improved productivity and growth in the freight and logistics sectors throughout the Ocean Gateway area, and beyond.

These projects are dependent on government funding and stakeholder support through their respective planning processes.

Sustainable Resources: The 24MW Hooton Bio Power facility on the Wirral is under construction and due to be operational by 2022. The first phase of the district heat network at Liverpool Waters is also under construction and will be operational by 2020. Further energy investments are expected to follow shortly afterwards at Protos and other key sites in the Ocean Gateway.

Peel L&P Environmental is also working with the North West Hydrogen Alliance, Cheshire Energy Hub and North West Hydrogen and Energy Industrial Cluster partnerships to deliver significant investment in low carbon energy infrastructure in the coming decade, and expand the regional hydrogen economy to decarbonise industry, heat and transport.



Advanced cardboard manufacturing plant, Ellesmere Port



OCEAN GATEWAY - DELIVERING THE VISION



SECURING A POLICY FRAMEWORK FOR THE OCEAN GATEWAY

The Ocean Gateway Prospectus was prepared in 2008-09 to inform regional policy which was being prepared at the time. It later underpinned the creation of the Atlantic Gateway Partnership. The revocation of the North West Regional Strategy, removed the regional policy framework that could have supported the Ocean Gateway concept. The Atlantic Gateway Partnership survived this and continued to encourage cross-border working between the LEP areas of Liverpool City Region, Cheshire and Warrington and Greater Manchester.



WGIS Bridge, Barton

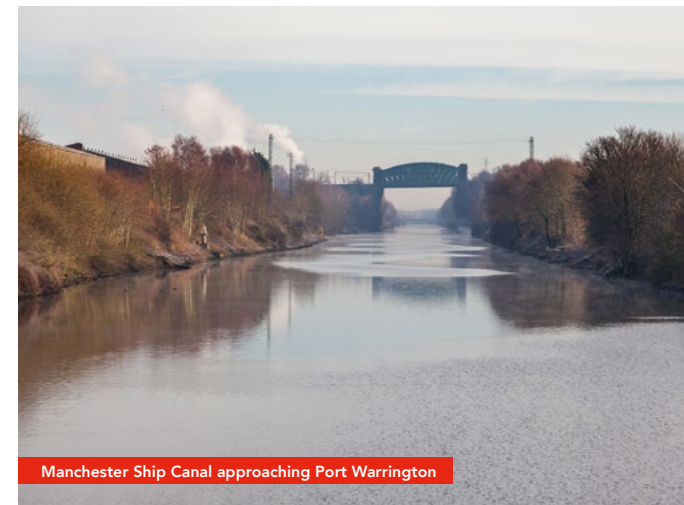
CREATING THE CONDITIONS FOR GROWTH, PRODUCTIVITY & PROSPERITY

When Peel set out its ambitious vision for the Ocean Gateway in 2008, it also set out the priorities and conditions required to achieve the vision. The Ocean Gateway Prospectus set out requirements including:

- partnership and consensus
- a culture of sustainable economic growth
- the planning system, including the "4 c's" of clarity of purpose, consistence of approach, co-ordination on policy and certainty for investment,

- securing a policy framework for the Ocean Gateway
- funding and resourcing.

The financial crisis which took hold after the launch presented some challenges outside of our and our partners' control. Despite this, there has been positive progress. Some schemes have not proceeded, some have been refused planning whilst others have been replaced. However, of the 50 original schemes the vast majority have seen positive progress.



THE PLANNING SYSTEM

To attract long term investment, there is a need for certainty, stable regulation and coordination in the planning system; a plan-led system supports this. Whilst there have been some successes over the first decade of Ocean Gateway, planning has in that time become slower and less certain.

The planning system has undergone significant change over the period. The National Planning Policy Framework, with its presumption in favour of sustainable development, was introduced in 2012 to streamline the system and facilitate the country's development needs. Recent national policy reforms have directly impacted on planned developments in the Ocean Gateway area, including the reduction of housing needs in the north (as a consequence of a national methodology) and the removal of support for on-shore wind.

The reality in the Ocean Gateway area is that very few up-to-date local plans exist. Most plans that are coming forward are imbalanced, for example by seeking ambitious economic growth and infrastructure investment without planning for the requisite homes and workplaces.

Local plans have become increasingly caught up in local politics, resulting in reduced ambitions for growth. Much opposition to development arises from loss of green spaces and historical lack of infrastructure investment. Furthermore, in order to deliver on the Government's aim of "planning for the right homes in the right places", development plans must positively address the wider housing needs of students, families, the elderly, and other groups in all locations.

There have also been calls nationally

for additional taxation on land and development, similar to those which exist in London. The principle that private led development should pay its fair share towards wider public needs is accepted and already occurs; through the Ocean Gateway there are many successful examples, most notably the £50 million Western Gateway Infrastructure Scheme and the delivery of over 500 affordable homes. However, the weak market conditions in the Ocean Gateway area relative to more affluent parts of the country, require careful handling so that planning obligations do not make development unviable or reduce the rate of delivery.

To tackle the housing crisis, rebalance the economy and deliver the Northern Powerhouse, it is essential that positive, integrated plans are urgently put in place.

FUNDING AND RESOURCING

The reduction in UK's share of European structural funds through successive funding periods, and the tactical allocation of Government funds based on short term policy objectives has had an impact on regional development funding over the last decade.

The historical lack of public investment in infrastructure in the regions, particularly on transport, has also led to a backlog of projects that are competing for insufficient money. The Green Book and WebTag methodology have directed available funds to already successful areas, particularly in the south of the country, reinforcing the imbalance across the country.

Meanwhile the reduced local authority funding has put a squeeze on public sector resources to work on joint plans and projects.

While significant progress has been made in the Ocean Gateway area, despite challenging economic conditions, the country has gone through a period of change over the last ten years and there is greater uncertainty on the horizon.

REBALANCING THE ECONOMY

While the UK as a whole has largely recovered from the impact of the global financial crisis, the regional imbalances in the economy and prosperity have widened. During the last decade there has been a growing call for government intervention to rebalance the UK economy; economic, housing, education and population statistics all show a widening of regional disparities, in particular between the north and the south of England, whilst the imbalance in Government infrastructure spending continues.

The political strength of the new Combined Authorities, coupled with the regional voices from the Northern Powerhouse and Midlands Engine have started to have some impact in the form of city and devolution deals. Sub-regional transport bodies, such as Transport for the North, are another positive step. But these organisations and their plans alone, without the power or budget to invest, do not go far enough. Their activities have prioritised some issues and not positively tackled others, particularly those related to planning and housing. The national rebalancing challenge will only be solved by a holistic, integrated approach and a sustained shift in mindset and approach, coupled with concerted and co-ordinated effort across many different Government bodies and policy areas. Ocean Gateway can be a key part of a new approach to inclusive growth and addressing regional imbalances.

PLACE-BASED ECONOMIC CATALYSTS

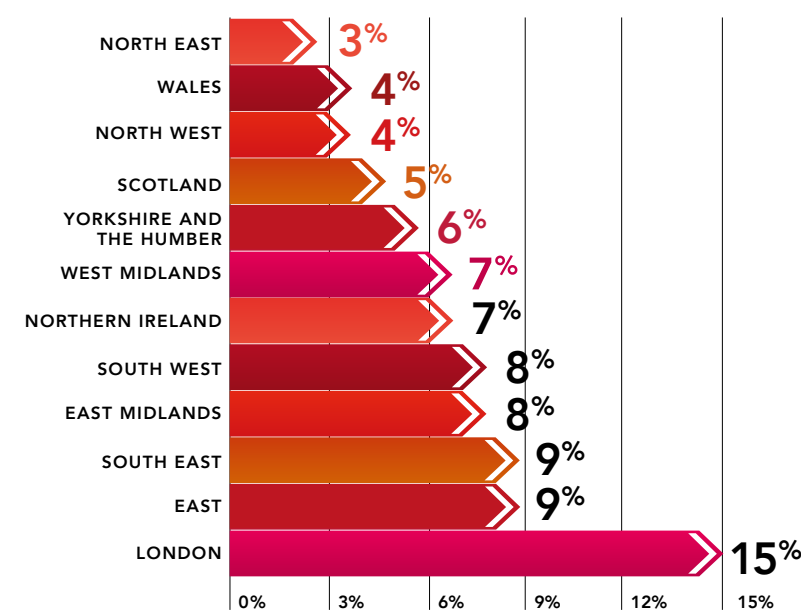
The success of industry clusters such as MediaCityUK in Salford highlights the importance of economic catalysts, place-based thinking and local partnerships. Key sector assets such as The Landing @ MediaCityUK provide the catalysts for collaboration in innovation, research, and skills development. More are needed.

While some policy interventions, such as Enterprise Zones and Sector Deals, have had local impact on specific sites, the ongoing challenge is to implement interventions that achieve a wider scale impact across a sub-region. The Atlantic Gateway which focused upon collaboration between the LEPs of Greater Manchester, Cheshire and Warrington, and the Liverpool City Region was successful in co-ordinating public and private sector activity related to Freight and Logistics, Science and Innovation and Infrastructure, but the lack of tools at its disposal and lack of resources within the LEPs has meant that it has been unable to deliver real impact. However, ideas and evidence generated by Atlantic Gateway have provided input to strategies and policies at local as well as pan-Northern level, such as City Region and Transport for the North freight and transport strategies. The Atlantic Gateway Partnership has now been dissolved.

FIGURE 1. LABOUR PRODUCTIVITY (GVA PER HOUR WORKED) 2016



FIGURE 2. PRORORTIONATE CHANGE IN POPULATION BY REGION (2005-2015)



Office for National Statistics (2017)

PLACE-BASED INFRASTRUCTURE INVESTMENT

Infrastructure is recognised as being a key enabler of economic activity and as having a significant impact on the productivity of businesses in an area. Nevertheless, many studies have highlighted the disparity in transport, utilities and digital services and investment throughout the UK. There is a growing call for a new approach to infrastructure investment to enable the UK to achieve the objectives of the Government's Industrial Strategy. Peel sponsored a report by **Metro Dynamics** entitled 'Investing in the Future'¹⁵ to add to the evidence base and help inform the work of the National Infrastructure Commission. Peel is also providing input and supporting the work of the UK2070 Commission as well as work on a Great North Plan led by the RTPI.

Transport for the North has made significant progress on its Strategic Transport Plan and associated programme of interventions to boost the Northern economy. It is imperative that this programme is backed by the necessary funding commitment to deliver the transformational changes required to the rail and road infrastructure in the North.

Nationally important schemes that improve connectivity by providing efficient surface access to international gateways such as the A5036 Princes Way - improving access to the Port of Liverpool - and improvements on the A57/M60 near Port Salford must be delivered in the next five

years to improve productivity, enable economic growth and reduce transport emissions in the coming decade.

Government support for schemes such as the Warrington Western Link which will resolve long standing congestion in the town and open up opportunities for growth is welcomed. However, additional funding is urgently needed to deliver major road schemes within towns and city regions; such schemes include the South Liverpool Eastern Access Corridor which will provide capacity for growth of key sectors in South Liverpool and improve access to Liverpool John Lennon Airport.

City Regions also require long term certainty of devolved transport funding to deliver their transformational programmes such as those outlined in Greater Manchester's 2040 Transport Strategy Delivery Plan. Without such funding, the ambitions targets for increased mode share of sustainable transport and reduce emissions will not be met, productivity gaps will not improve, and economic and housing growth will be constrained.

A new approach to digital and utility services is also required to elevate these key infrastructure assets as tools to stimulate productivity improvement and growth. This approach needs to include provisions to allow regulated providers to invest ahead of need and reverse historical underinvestment in 'left-behind' places.



Liverpool John Lennon Airport



A57 and M60 at Port Salford



Work begins on the new Metrolink line at TRAFFORD CITY

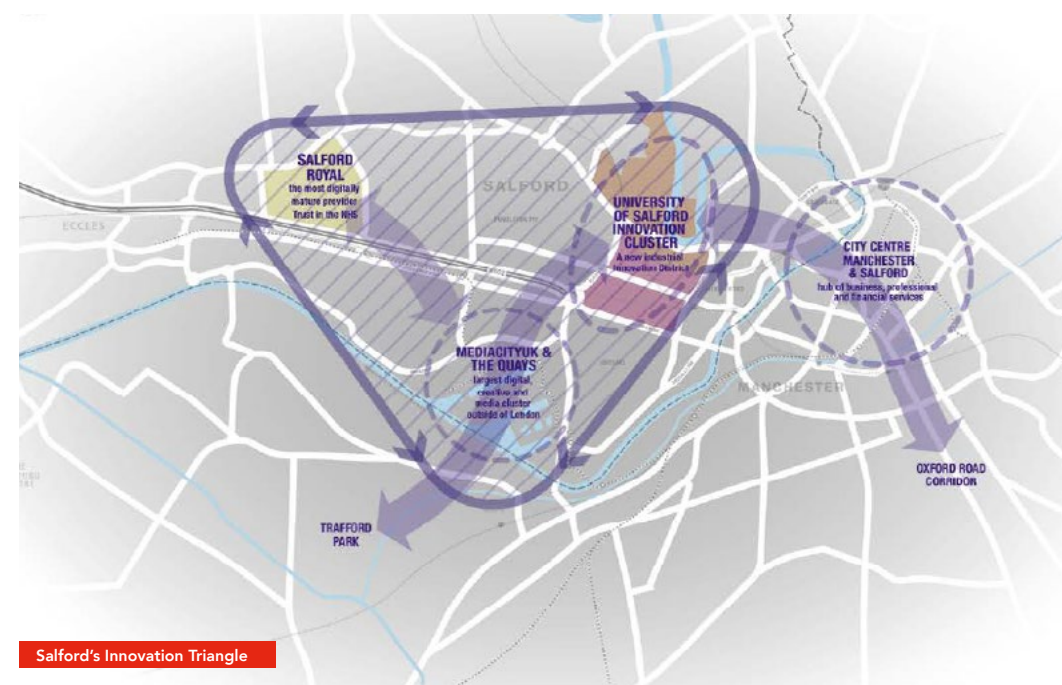
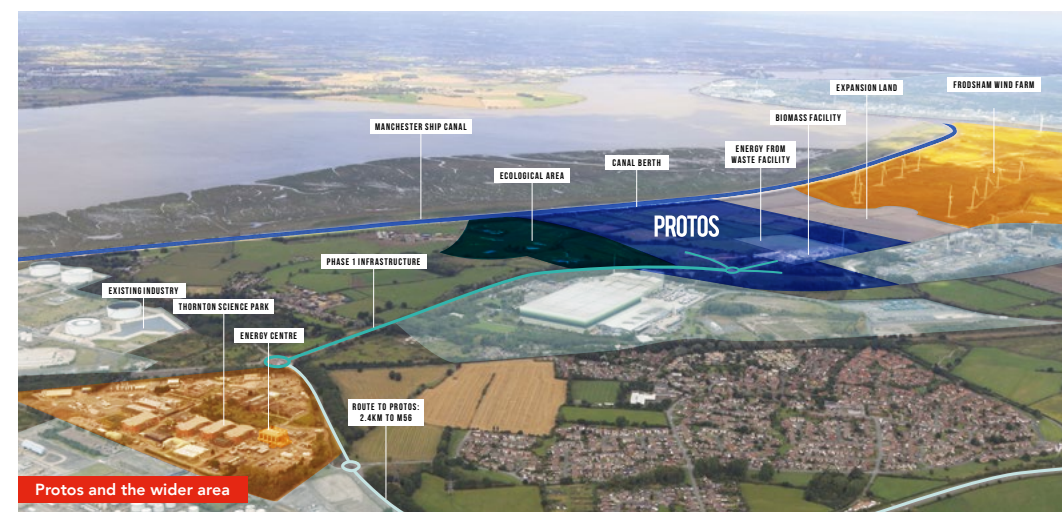
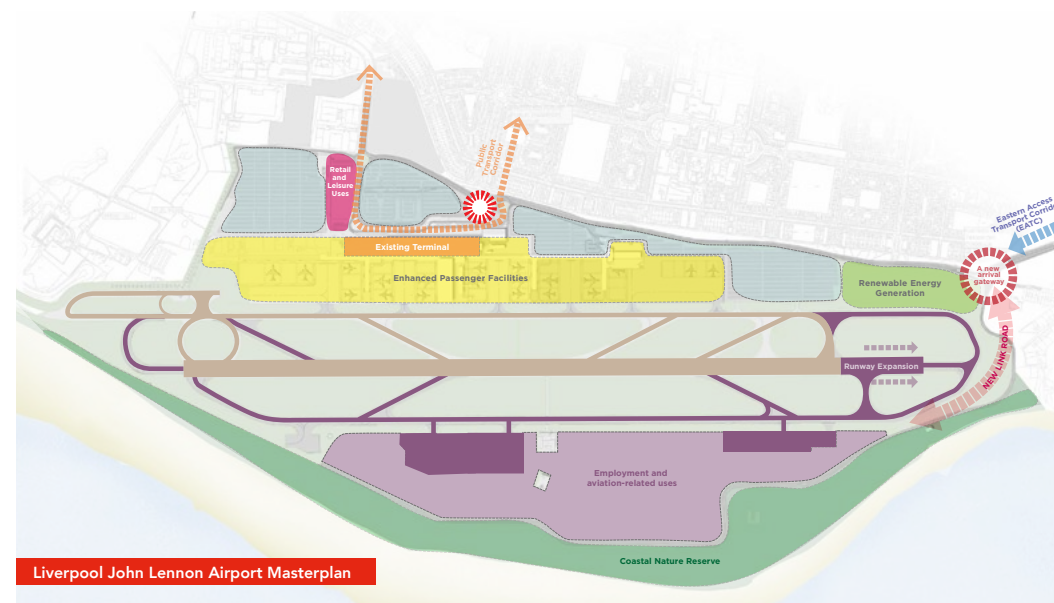
PLACE-BASED SPATIAL STRATEGIES, PLANNING AND INVESTMENT

Policies to tackle the 'national' housing crisis have been dominated by the measure of housing affordability and use of trend-based data to plan for future housing needs⁶. This approach is failing to address the imbalances in local housing markets and is not providing the homes needed to support economic growth. Equally, local plans for economic growth are not being matched by spatial plans to encourage provision of the right quantity and types of housing required to attract and retain talent and businesses.

Delivery of brownfield sites is a priority and Peel is playing a leading role through its Strategic Waters initiative, regenerating and intensifying the use of urban land through a place-based and place-making approach. However, wider housing needs require the release of additional land, a subject few local authorities have successfully addressed, leaving those needs unmet. As a consequence, the housing crisis is worsening across the Ocean Gateway area, whilst commuting distances are increasing; both unsustainable outcomes.

Spatial planning should go hand in hand with housing and economic planning and the development of Local Industrial Strategies. Not all areas can play a role in 'prime capabilities' or 'internationally competitive' sectors, nor will they attract recognised big company names. This does not mean they cannot play a significant role in the UK and regional economies and create vibrant places to attract, retain and grow business in the area.

Housing supply needs to be seen as a catalyst for better quality of life, attracting and retaining talent, and a key part of infrastructure required for both modest and ambitious economic growth plans to succeed, particularly in underperforming, parts of the country. Without attractive homes, businesses will invest elsewhere. Funding should be directed to invest in the transformative infrastructure that creates the platform for both residential and business communities to thrive.



Reflecting on these issues and progress over the last decade, it is clear that a new set of national priorities are needed to deliver significant progress over the coming decades.

Ocean Gateway presents clear opportunities for sustainable development, but to maximise these opportunities central and local government and the private sector must align around common objectives. This requires all parties to come together and renew efforts to embed a co-ordinated, strategic and integrated place-based approach to policies, plans and investments – providing clarity, certainty, and consistency, driven by ambition, that allow all communities and all sectors of the economy to prosper.

This requires concerted actions in three areas:

1. Developing or enhancing place-based economic and spatial strategies and policies spanning all geographies to set ambitious targets and provide support to seize investment opportunities for inclusive growth in the prime and foundation sectors. Such an approach is required to raise the productivity of all parts of the economy throughout the regions, tackle the Grand Challenges of Clean Growth and Future Mobility, and address the challenges of rebalancing the UK economy. Actions and outputs should include:

- A regional impact/rebalancing toolkit that can be used to test all new government policies to ensure they support inclusive growth and productivity improvement, and do not intrinsically favour already successful communities, nor exclude or disadvantage any underperforming communities.
- Integrated planning for economic growth, housing and education provision that is driven by positive and ambitious targets based on opportunity and need, rather than reinforcing previous trends associated with low performance and under-delivery. This should be backed by interventions to achieve the objective of a balanced and inclusive economy to deliver transformation change, promote inclusive growth and address social inequalities.

- National and Local industrial strategies that look beyond existing internationally competitive sectors and focus on place-based strengths, assets and opportunities. They must support and strengthen the backbone of local economies and provide the platform for innovation and entrepreneurship. Changes within the economy cannot always be identified when the strategies are written but a flexible approach can provide a platform for future opportunities to be grasped. They must be joined up and support sectors that operate across LEP boundaries. They must incorporate policies that support growth of place-based clusters and innovation corridors with suitable economic, spatial and infrastructure interventions.
- National Aviation, Maritime and Freight strategies and policy interventions that support regional airports and ports as key gateways for international connectivity, supporting trade and the visitor economy. As well as essential assets for attracting global and domestic investors, and skilled and talented people in the regions they serve, they also act as hubs of economic activity.



Liverpool2, Peel Ports



Wirral Waters

2. Realigning national and local policies to the principles of sustainable development – recognising the various social, environmental and economic values of investment in different places – in the context of emerging policies on carbon neutral cities, natural capital net gain and net zero carbon homes and buildings including:

- Taking a balanced approach to private contributions, to fund much needed public infrastructure including for transport, utilities, schools, health & wellbeing, and affordable housing.
- Reviewing the role of urban, sub-urban and rural land for employment (particularly in prime and enabling sectors and their supply chains), housing, and infrastructure (including green and blue) and revisiting designations such as the green belt.

- Setting ambitious but realistic targets for decarbonising energy supply and usage in transport, heating, and industry, supported by stable fiscal and planning policies that promote energy efficiency and deployment of low carbon technologies.

- Recognising the lifecycle of people, businesses and materials, to identify, plan for and invest in the long-term local need and opportunities for homes, business premises and facilities.

- Recognising greater social and environmental value from public and private investment, particularly in respect of overcoming deprivation and inequalities, improving health and wellbeing, and reducing carbon emissions.

3. Adopting a balanced approach to public investment to seize economic, social and regeneration opportunities throughout the country and provide place-based economic catalysts. The UK government should review what measures could be deployed, either centrally or locally, to achieve a marked increase in economic activity in underperforming areas of the country. Such measures should include:

- A long-term commitment to infrastructure funding at national, regional and local level to reverse decades of underinvestment in infrastructure in many parts of the country, unlock economic and housing opportunities, and stimulate growth in left behind places.
- An overarching national funding allocation policy and re-aligned Treasury Green Book to ensure government investment does not continue to favour already successful and congested areas which do not have capacity for growth and where further investment merely serves to increase the pressures on housing, employment land and other physical and social infrastructure; instead the policy must promote wider economic growth and transformational projects that support rebalancing, productivity improvement and the use of latent capacity throughout the UK.



- Planning and financial measures to support development of and investment in infrastructure which facilitates trade, including by air, sea, and rail. These measures could equally be applied to a series of focused enterprise zones such as newly designated private sector-led 'Trade Zones' which might comprise single large regeneration sites or a series of satellite sites within a broader policy area.
- Fiscal measures that allow investment in economic opportunities as they arise, such as in start-up and growth of emerging companies to create and retain jobs, or the restructuring and transformation of established companies to protect jobs and economic activity, e.g. through investment in facilities, research and development, or plant and machinery.

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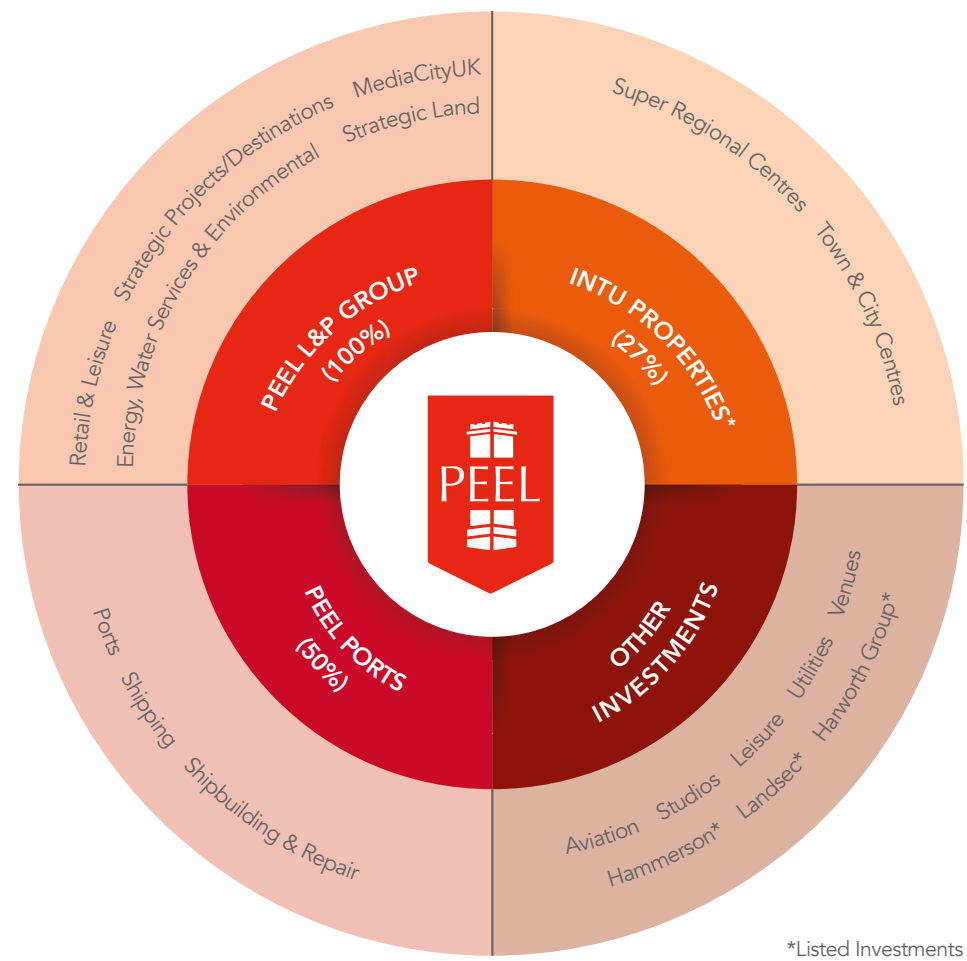
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THE PEEL GROUP

POSITIVELY IMPACTING PEOPLE'S LIVES