



The Planning Inspectorate

Report to South Tyneside Council and Sunderland City Council

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an Inspector appointed by the Secretary of State for Communities and Local Government

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Planning and Compulsory Purchase Act 2004

(as amended)

Section 20

Report on the Examination of the International Advanced Manufacturing Park (IAMP) Area Action Plan

The Plan was submitted for examination on 6 February 2017

The examination hearings were held between 3 and 6 April 2017

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Abbreviations used in this report

AA	Appropriate Assessment
AAP	Area Action Plan
DEFRA	Department for Environment, Food and Rural Affairs
Doc	Document
DtC	Duty to Co-operate
ha	hectare
HRA	Habitats Regulations Assessment
IAMP	International Advanced Manufacturing Park
LDS	Local Development Scheme
MM	Main Modification
MoU	Memorandum of Understanding
NPPF	National Planning Policy Framework
SA	Sustainability Appraisal
SCI	Statement of Community Involvement
sqm	square metre

Non-Technical Summary

This report concludes that the *International Advanced Manufacturing Park (IAMP) Area Action Plan (AAP)* provides an appropriate basis for the planning of the relevant parts of South Tyneside and Sunderland City provided that a number of main modifications [MMs] are made to it. South Tyneside and Sunderland City Councils have specifically requested me to recommend any MMs necessary to enable the plan to be adopted.

All the MMs were proposed by the Councils, and were subject to Sustainability Appraisal and public consultation over a six-week period. I have recommended their inclusion in the plan after considering all the representations made in response to the consultation on them and, in some cases, have amended their detailed wording accordingly.

The Main Modifications can be summarised as follows:

- Allocation of 150ha (instead of 100ha) of employment land and deletion of proposed safeguarded land;
- Rewording of policies to provide for development being permitted other than by Development Consent Order;
- Including reference to the North East Land, Sea and Air Museums;
- Providing clarity about land designated for ecological and landscape mitigation;
- Amending the plan's provisions in relation to the Hub and ancillary uses;
- Deleting the Infrastructure Delivery Plan from the AAP;
- Updating the Monitoring Framework; and
- A number of other modifications to ensure that the plan is effective, justified and consistent with national policy.

Introduction

1. This report contains my assessment of the *International Advanced Manufacturing Park (IAMP) Area Action Plan (AAP)* in terms of Section 20(5) of the Planning & Compulsory Purchase Act 2004 (as amended). It considers first whether the plan's preparation has complied with the duty to co-operate. It then considers whether the plan is sound and whether it is compliant with the legal requirements. Paragraph 182 of the *National Planning Policy Framework (NPPF)* makes it clear that, in order to be sound, a Local Plan should be positively prepared, justified, effective and consistent with national policy.
2. The starting point for the examination is the assumption that the local planning authorities have submitted what they consider to be a sound plan. The *International Advanced Manufacturing Park Area Action Plan (Doc PSD1)*, submitted in February 2017 is the basis for my examination. It is the same document as was published for consultation in August 2016. The Councils also submitted to the Examination a number of proposed amendments to the plan set out in Docs PSD6 and PSD7. As part of the Examination I have considered whether or not any of these amendments are necessary for the plan to be sound.

Main Modifications

3. In accordance with section 20(7C) of the 2004 Act the Councils requested that I should recommend any main modifications [MMs] necessary to rectify matters that make the plan unsound and thus incapable of being adopted. My report explains why the recommended MMs, all of which relate to matters that were discussed at the examination hearing(s), are necessary. The MMs are referenced in bold in the report in the form **MM1**, **MM2**, **MM3** etc, and are set out in full in the Appendix.
4. Following the Examination hearings, the Councils prepared a schedule of proposed MMs and carried out sustainability appraisal of them. The MM schedule was subject to public consultation for six weeks. I have taken account of the consultation responses in coming to my conclusions in this report and in this light I have made some amendments to the detailed wording of the main modifications. None of the amendments significantly alters the content of the modifications as published for consultation or undermines the participatory processes and sustainability appraisal that has been undertaken.

Policies Map

5. The Councils must each maintain an adopted policies map which illustrates geographically the application of the policies in the adopted development plan. When submitting a local plan for examination, a Council is required to provide a submission policies map showing the changes to the adopted policies map that would result from the proposals in the submitted local plan. In this case, the submission policies map comprises the plan at Appendix A of the *IAMP Area Action Plan (Doc PSD1)*.
6. The policies map is not defined in statute as a development plan document and so I do not have the power to recommend main modifications to it. However, there are some instances where the geographic illustration of policies on the submission policies map is not justified and changes to the

policies map are needed to ensure that the relevant policies are effective. Moreover, a number of the recommended MMs require corresponding changes to be made to the policies map. These further changes to the policies map were published for consultation alongside the MMs (Appendix A of the *IAMP AAP Publication Draft: Schedule of Proposed Main Modifications and Proposed Changes to the Policies Map*, September 2017).

7. When the plan is adopted, in order to comply with the legislation and give effect to the plan's policies, the Councils will need to update their adopted policies maps to include all the changes proposed in Appendix A of the *IAMP Area Action Plan* (Doc PSD1) and the further changes published alongside the MMs.

Consultation

8. Concern has been raised by a small number of people that consultation on the plan was confusing and inadequate. I recognise that planning jargon may not be understood by everyone although, in some cases and noting that a development plan has to comply with statutory requirements, its use is unavoidable. However, I understand that during consultation on the plan the Councils' officers were available to explain any aspects of it which people did not understand. Overall, there is no convincing evidence to indicate that consultation on the plan did not accord with the Councils' Statements of Community Involvement or the requirements of the 2004 Act and relevant regulations.

Assessment of Duty to Co-operate

9. Section 20(5)(c) of the 2004 Act requires that I consider whether the Council complied with any duty imposed on it by section 33A in respect of the plan's preparation.
10. Preparation of the plan has taken place in line with a June 2014 *Duty to Co-operate Memorandum of Understanding* (MoU) between South Tyneside and Sunderland Councils and Durham, Gateshead, Newcastle, North Tyneside and Northumberland Councils and Northumberland National Park Authority. The MoU is supported by a *Position Statement* detailing the strategic issues of relevance to the authorities and the area covered including, amongst others, population and housing, economic growth and transport and infrastructure.
11. Appendix M of Doc PSD10/b sets out a summary log of the specific joint working arrangements (including meetings) between South Tyneside and Sunderland Councils and the neighbouring authorities and a range of other organisations, including the North East Local Enterprise Partnership, Highways England, the Environment Agency and Natural England. Against ten strategic issues, related to those covered by the *Position Statement* but of specific relevance to the IAMP AAP, the log evidences the joint working which has taken place in preparing the plan, the outcome and the likely impact on neighbouring authorities. The identified strategic issues include delivering sustainable economic growth, delivering sustainable housing provision and the Tyne and Wear Green Belt. There are no outstanding arguments from any organisation falling within the ambit of the duty to co-operate that the duty has not been met in the preparation of the plan.

12. In the light of this I am satisfied that, where necessary, the Councils have engaged constructively, actively and on an on-going basis in the preparation of the plan and that the duty to co-operate has therefore been met.

Assessment of Soundness

Main Issues

13. Taking account of all the representations, the written evidence and the discussions that took place at the Examination hearings, I have identified five main issues upon which the soundness of the plan depends. Under these headings my report deals with the main matters of soundness, rather than responding to every point raised by representors.

Issue 1 – Whether or not the form and overall scope of the plan is soundly-based, having regard to the extant and emerging development plan documents in South Tyneside and Sunderland

14. The plan concerns the development of a defined area of land to the west of the A19 and to the north of the A1290 (which straddles the boundary between South Tyneside and Sunderland) for employment development in the form of the International Advanced Manufacturing Park (IAMP). It also provides for associated ancillary development, infrastructure and environmental mitigation. On adoption the plan would form part of the development plan for both South Tyneside and Sunderland, which in both cases is to consist of a suite of development plan documents. Given the limited focus of the development concerned and that it affects a relatively small area of land in two local planning authority areas, the plan's form, a joint Area Action Plan, is justified.
15. The submitted plan is consistent with saved policy EC1 of the *Sunderland Unitary Development Plan 1998* which encourages proposals which will develop the city's role as a major manufacturing centre, particularly in relation to advanced or high technology processes. It is also consistent with the statement in the *South Tyneside Core Strategy Development Plan Document 2007* that opportunities along the A19 economic growth corridor should be promoted. However, to ensure accordance of the plan with Regulation 8(5) of the 2012 Regulations, and for the plan to be justified and effective, **MM169** is necessary to identify the extant policies which are to be superseded, in part or in full, by the AAP.
16. Whilst inevitably implementation of the plan over time would have implications for other land uses in South Tyneside and Sunderland, and also potentially neighbouring authorities, there is no convincing evidence to suggest that these cannot be appropriately managed through other emerging development plan documents and, if necessary, reviews of already adopted plans. The implications for housing of the significant amount of employment land allocated in this plan have been raised as a particular concern. In this regard a *Topic Impact Paper* (Doc SD7) has been prepared which considers several possible housing implication scenarios. The most likely scenario would require a total of around 525 additional dwellings, across a number of local authority areas, to accommodate the IAMP employees although, considered on a pro-rata basis, the increased amount of employment land to be allocated through the plan as proposed to be modified (see Issue 3) would have the potential to increase this by around 50%.

17. Nonetheless, with the likely need for additional housing being less than a 1,000 dwellings, over a 15 year period across a number of local authority areas, it is appropriate for this to be provided for through those emerging and reviewed development plans which seek to address wider housing requirements. Consequently, there is not a need for the IAMP AAP to allocate land for housing for it to be sound. Moreover, I see no reason why the plan should prejudice decisions on the use of land outside of the plan boundary, which will be appropriately taken in the preparation/review of other documents forming part of the two authorities' development plans. I reach this conclusion noting that Sunderland City Council has recently undertaken a consultation on its *Draft Core Strategy and Development Plan*.
18. As detailed elsewhere in this report the plan area incorporates only land which evidence indicates is likely to be necessary to achieve the envisaged scale of the IAMP, together with the necessary ancillary development, infrastructure and environmental mitigation. The boundary of the plan area is therefore soundly-based. Paragraph 4 of the plan, as submitted for Examination, indicates that the AAP is a plan for the next 15 years. However, in the interests of clarity and, thus, effectiveness, **MM1 and MM10** are necessary to explicitly state that the plan period is 2017 – 2032.
19. The IAMP has been designated as a Nationally Significant Infrastructure Project and it is therefore likely that its authorisation would be by a Development Consent Order. However, within the overall lifetime of the plan, this is not an absolute certainty and it is a possibility that the plan's proposals would be implemented through planning permissions granted by the local planning authorities. In the light of this, modifications to each policy of the plan (**parts of MM72, MM82, MM89, MM99, MM108, MM110, MM113, MM120, MM123, MM126, MM128, MM131, MM136, MM140, MM148, MM150, MM155 and MM160**) are necessary, in the interests of effectiveness, to make clear that its policies apply to IAMP-related development, whether progressed via Development Consent Order or planning application. These modifications also provide for appropriate consistency in the wording of policy requirements. Whilst I have noted the comments made on these modifications, I conclude that they are adequate to ensure that the plan can be used to appraise development proposals progressed by whatever consent regime may be used. However, the consent regime by which the IAMP can be implemented is a legal matter and is not fundamentally relevant to the plan's soundness. Consequently, in the interests of the plan's effectiveness, I have altered consequential modification **MM63** as consulted upon.
20. In conclusion, subject to the above-listed **MMs**, the overall form and scope of the plan is soundly-based having regard to the extant and emerging development plan documents in South Tyneside and Sunderland.

Issue 2 – Whether or not there are exceptional circumstances to justify the plan's proposed alteration of the Green Belt boundary and whether or not the proposed new boundary is justified, effective and consistent with national policy

21. As submitted for Examination the plan proposed removal of land from the Green Belt to be allocated, in part, for employment development and ancillary uses/infrastructure, and, in part, as safeguarded land for potential future

employment development looking beyond the 2017 – 2032 plan period. A substantial part of the plan area, identified for environmental mitigation, would remain in the Green Belt. The NPPF makes clear that Green Belt boundaries should only be altered in exceptional circumstances through the preparation or review of a local plan.

Need for the employment development

22. The IAMP would be located immediately to the north of the, established, Nissan car factory. It is envisaged that the development would accommodate production, supply-chain and distribution activities directly related to the automotive and advanced manufacturing sectors. The Councils' analysis of the potential for growth in automotive manufacturing (Docs SD28 and PSD11) indicates an increasing demand from car buyers for customised vehicles, catering for which would be helped and made more efficient by suppliers being located close to Nissan. Currently, many of the factory's supply-chain companies are located elsewhere in the United Kingdom and, indeed, the world. A nearby supply-chain would also help to ensure security of supply. Consequently, the IAMP would have the benefit of creating new high quality employment opportunities in the North East of England whilst strengthening the role of Nissan as an existing major employer.
23. In addition to Nissan supply-chain companies, it is envisaged that the IAMP would provide suitable accommodation for other advanced manufacturing uses (including nano-engineering, green manufacturing and next-generation electronics). Such industry would assist in rebalancing the North East's economy away from traditional heavy engineering and service industries, in line with national objectives for industry and the economy. Whilst the IAMP is primarily predicated on providing for Nissan's supply-chain, the encouragement of other advanced manufacturing companies would beneficially help to ensure that employment in the area is not dependent on the existence and success of Nissan alone.
24. The evidence refers to low (pessimistic), moderate (moderately optimistic) and high (very optimistic) growth forecasts in the demand for floorspace for automotive supply-chain and advanced manufacturing uses. The low growth forecast assumes a decline in car production at Nissan, whilst the high growth forecast is predicated on the unlikely outcome of another car manufacturer locating in the vicinity. The moderate growth forecast, which is based on an increase in Nissan output associated with new car models being built at the plant, aligns with recent announcements by the company. Consequently, this is the most realistic forecast on which to base the requirement for auto/advanced engineering employment floorspace - a requirement in the next 20 years for 392,000 sqm, equating to around 150ha of land.
25. A recent supplier procurement process led by Nissan, in connection with the development/manufacturing of new car models, resulted in inquiries for around 240,000 sqm of floor space for supply-chain businesses in the short-medium term alone. To my mind this suggests that the medium growth forecast for 20 years of a requirement for 392,000 sqm (around 150ha of land) for automotive and advanced manufacturing floorspace is entirely realistic. Concern has been raised about the implications of the UK's impending withdrawal from the European Union for manufacturing in the North

East and for Nissan in particular. There are of course no certainties in this regard. However, providing nearby, attractive accommodation for supply-chain companies, as detailed above, would have the potential to strengthen the case for Nissan remaining at Sunderland. Moreover, in relation to the wider employment benefits of the IAMP, it is very unlikely that the UK's departure from the European Union would lead to there being less of a requirement than currently exists to rebalance the North East's economy towards advanced manufacturing.

Alternative locations for the employment development

26. Given that the undeveloped land surrounding Nissan is designated as Green Belt, which national policy envisages remaining permanently "open" other than in exceptional circumstances, it is appropriate to exhaustively consider the potential to locate the IAMP on land not designated as Green Belt.
27. Doc PSD12 investigated in detail possible sites for the IAMP elsewhere in the North East of England. This demonstrates that there are few sites which are available, suitable for large scale employment development and are of sufficient size. Northumberland Coastal Enterprise Centre, Turstable Business Park and Wynyard Park are potentially available and suitable and not within the Green Belt. However, they are all a good distance from Nissan and, thus, would be unlikely to be able to offer the close-by supply-chain benefits which are fundamental to the justification for the IAMP in the first place. It is the case that there is a significant amount of vacant and underutilised space in many of the existing employment areas in Tyne and Wear, potentially exceeding the 392,000 floorspace requirement of the IAMP. However, once again much of this would be unlikely to offer the locational benefits of the site adjacent to Nissan proposed in the plan and nor would scattered development across the sub-region offer the co-location benefits likely to be accrued from developing the IAMP as a single entity. Consequently, there is strong evidence that there is not a suitable site for the IAMP on land not designated as Green Belt.
28. In terms of land within the Green Belt in the vicinity of Nissan a number of options were considered in Doc PSD12, including land south of Follingsby Park, land to the east of the former Wardley Colliery disposal point and spoil tip and the land to the north of Nissan. Overall, and considering in particular proximity to Nissan and key transport links, the land immediately to the north of Nissan (and immediately to the west of the A19) is demonstrated to perform most strongly.
29. Additionally, three options were appraised for the configuration of the IAMP within this preferred location, informed by the 2015 *IAMP Green Belt and Site Selection Options Paper* which appraised the likely impact on the Green Belt of development on 34 parcels of land within the area north of Nissan. The configuration proposed in the IAMP, as submitted for Examination, resulted from extensive consultation and is a variant of appraised Option 1. It seeks to maximise the efficiency and commercial attractiveness of the development whilst minimising adverse impacts on the Green Belt. The suggestion from one Examination participant, which emerged on the final day of the hearings, that a configuration which locates the IAMP entirely to the south of the River Don (similar to appraised Option 3) would be cheaper and more readily deliverable,

is supported by minimal evidence in this regard. Moreover, it ignores consideration of the minimisation of harm to the Green Belt (it would be likely to result in the coalescence of Sunderland and Washington) which was a key factor in the selection of the configuration proposed in the plan.

Effect on the Green Belt

30. Given that permanence is identified in national policy as an essential characteristic of the Green Belt, the removal of land from this designation would, in itself, cause harm. Moreover, in extending the existing built-up area into what is currently predominantly agricultural land, the development of the area would run counter to the Green Belt purposes of checking the unrestricted sprawl of large built-up areas and safeguarding the countryside from encroachment, albeit that the proposed configuration of the IAMP development would seek to minimise the harm in these respects.
31. In terms of the Green Belt's objective of preventing neighbouring towns merging into one another the harm caused would be limited, bearing in mind that a wedge of Green Belt around 0.5km wide would continue to exist between the IAMP and Washington and that to the south of the A1290 the area between Sunderland and Washington is either already developed or proposed for development. I note that Sunderland City Council has recently consulted upon a *Draft Core Strategy and Development Plan* which proposes designating land to the west of the IAMP area as Safeguarded Land (and, thus, no longer Green Belt). However, this has not had a significant bearing on my deliberations given the relatively early stage of preparation of the *Core Strategy and Development Plan*. There are no historic towns in the vicinity which would be affected by the alteration to the boundary of the Green Belt proposed. The evidence detailed above demonstrates that there are also no suitable sites for the IAMP outside of the Green Belt. Consequently, the removal of land from the Green Belt in connection with the IAMP would be unlikely to discourage the recycling of derelict and other urban land.
32. Overall, having regard to all that I have read and heard and seen on my visits to the area, I conclude that the plan's proposed alteration to the Green Belt boundary would cause moderate and predominantly localised harm to the Green Belt.
33. Concern has been raised about the precise new Green Belt boundaries proposed in the plan, in particular near West Moor Farm where the boundary would follow the line of electricity pylons/cables. Whilst the pylons/cables dissect field boundaries, they are, by far, the most prominent feature of the landscape in the area and there is little to indicate that they are not likely to be permanent. Bearing in mind that the plan provides for landscaping to strengthen the new boundaries, I conclude that this particular boundary accords with the guidance in national policy and is sound. Moreover, whilst the remaining Green Belt in parts of the River Don corridor would be very narrow, the river and its banks are permanent and visible physical features and it is notable that the NPPF does not specify a minimum width of Green Belt.

Exceptional circumstances

34. The IAMP would have the potential to strengthen the role of Nissan, an established and significant employer in the North East. In providing for new

employment opportunities in the automotive supply-chain and the advanced manufacturing sectors the development would also help to rebalance the North East economy. These would be very significant benefits. There is convincing evidence to indicate that there are not suitable and available sites outside of the Green Belt which would offer the advantages of the land proposed for the development in the plan. Moreover, the configuration of the IAMP proposed in the plan would maximise the efficiency and overall market attractiveness of the development whilst minimising its adverse Green Belt impacts. The removal of land from the Green Belt to allow for the IAMP would cause moderate, although generally localised, harm to the Green Belt, having particular regard to the objectives of checking urban sprawl and safeguarding the countryside from encroachment. Moreover, there would be some limited harm resulting from the loss of agricultural land.

35. Overall, in the context of there not being a suitable alternative site for the development, I conclude that the very significant economic benefits of the IAMP detailed above would, to a very substantial degree, outweigh the harm it would be likely to cause including to the Green Belt. Consequently, there are exceptional circumstances to justify altering the boundary of the Green Belt through the plan to enable the IAMP to be developed. Furthermore, the proposed new boundary of the Green Belt is justified, effective and consistent with national policy.

Issue 3 – Whether or not the plan's spatial strategy and mix of uses are positively-prepared, justified, and effective

Land for Employment and Environmental Mitigation

36. In Issue 2, above, I conclude that the principle of the IAMP, and the alteration of the boundary of the Green Belt to enable the development, are justified. Consequently, Policy S1 of the plan is, in principle, sound in providing for the release of Green Belt land. As submitted for Examination this policy proposes the release of 100ha of Green Belt for employment development and the release of 50ha of Green Belt to be designated as safeguarded land for potential longer term development. Policy S2, as submitted, then details the circumstances in which, through review of the plan, the safeguarded land might be released for development.
37. However, as discussed at the hearings, the evidence (Docs SD28 and PSD11) indicates that the realistic, moderate growth, forecast is for a requirement for approximately 150ha of employment land over 20 years. There is no specific evidence showing that only 100ha (ie two-thirds of the total requirement) would be needed in the next 15 years (ie three-quarters of the forecast period). Consequently, in providing for only 100ha of employment land for a 15 year plan period, the plan is not positively-prepared. The NPPF (paragraph 182) identifies that to be positively-prepared a plan should seek to meet objectively-assessed development needs. Furthermore, it states (paragraph 85) that safeguarded land should be identified in plans to meet development needs stretching well-beyond the plan period. In this case the evidence suggests that employment development on the 50ha of proposed safeguarded land is likely to be required towards the end of, and very shortly after, the 15 year plan period.

38. In the light of this the Councils have assessed the implications of providing in the plan for 150ha of employment land, to meet in full the likely requirements for the 15 year plan period and also for up to five years thereafter. The evidence, summarised in the *Report for the Inspector on Safeguarded Land*, indicates that in terms of infrastructure (including transport and utilities), flood risk and environmental mitigation requirements the plan's area and provisions would satisfactorily provide for a total of 150ha of employment land development, equating to 392,000 sqm of employment floorspace. I consider specific objections to the plan in terms of transport and utilities in Issue 4 below, but I am satisfied that this is adequate and proportionate evidence on which to base a modification to the plan. Consequently, to ensure a positively-prepared plan, **MM72** and **MM80**, which provide for 150ha of employment land and delete the safeguarded land designation, are necessary and appropriate.
39. Policy S1 requires development to meet the objectives of the AAP and to not prejudice comprehensive development of the IAMP, although **MM72** rewords this requirement having regard to the potential for development to be approved other than by a development consent order. Given that the likely benefits of the IAMP, developed in the comprehensive form envisaged by the plan, are key to the demonstration of exceptional circumstances justifying alteration of the boundary of the Green Belt, it is entirely appropriate for the plan to require that development within the plan area does not compromise the comprehensive development of the IAMP. Of course changed circumstances in the future cannot be ruled out. However, it is appropriate that, should they occur, these are responded to by a review of the plan and it is not necessary for its soundness for the plan to include more flexibility in respect of permitted uses at this stage.
40. Policy S1 also appropriately requires development to contribute towards infrastructure and mitigation, although **MM72**, which makes clear that these contributions should be proportionate and timely, is also necessary for the policy to be justified.
41. As detailed above **MM80** deletes policy S2 in its current form and it is replaced by the modified wording of requirements originally included in policy S3 (**MM82**). The requirement that development of the employment areas must be for, and retained for, production, supply-chain and distribution activities directly related to the automotive and advanced manufacturing sectors is, again, necessary having regard to these uses being central to the justification of the altering of Green Belt boundaries to enable the development. However, in the interests of clarity, and thus effectiveness, **MM82** includes a reference to the definition of 'advanced manufacturing'. On the same basis, and to ensure the comprehensive development of the IAMP in its envisaged form, modified policy S2 is also sound in not permitting residential development and/or retail/leisure uses other than at the Hub and or for modest ancillary uses in the Northern Employment Area.
42. It is intended that the North East Land Sea and Air Museums will be retained as a visitor attraction within the plan area and, thus, the element of **MM82**, which makes this clear and states that proposals for the museums' enhancement will be encouraged, is necessary for the policy to be effective.

43. Evidence indicates, and it is not disputed, that a significant area of land is likely to be necessary to provide for appropriate landscape and ecological mitigation of the IAMP employment development. As indicated in the *Report for the Inspector on Safeguarded Land*, the 150ha of employment development would require between circa 49ha and circa 127ha of mitigation land, based on a DEFRA metric. However, assuming a 'realistic to the site' mix of habitats, the land requirement range is reduced to between 80ha and 100ha. Nonetheless, it is appropriate to adopt a somewhat cautionary approach, and consequently it is sound for the plan to designate approximately 110ha of land, to remain as Green Belt, as an ecological and landscape mitigation area. In principle environmental mitigation is compatible with the Green Belt and, thus, there is not a justification to remove this land from this designation. The policies map clearly identifies the mitigation land, but the plan itself, as submitted for Examination, is not sufficiently clear about its designation. Consequently, to ensure the effectiveness of the plan, **MM72** and **MM82** are necessary to clearly designate approximately 110ha of land for environmental mitigation purposes.
44. The precise amount and location of land which is required for environmental mitigation will be determined through detailed environmental assessment supporting an application for consent for the development. Consequently, for the plan to be justified, **MM79** is necessary to make this point clear in paragraph 84 of the plan and to state that the area required for mitigation will be proportionate. Whilst it is possible that some of the designated 110 ha of land will not ultimately be required for environmental mitigation, there is no convincing evidence that it is required for any other development and, thus, its designation in the plan and retention within the Green Belt is sound.
45. **MM89** renumbers the submitted plan's Policy S4 as Policy S3. This policy specifies the amount and type of employment development floorspace which will be permitted within the plan area. In line with the necessary increase in employment land allocated in the plan (**MM72, MM80 and MM82**) **MM89** is necessary for the plan to be positively-prepared and it details that up to 356,000 sqm of floorspace for classes B1(c), B2 and B8 will be permitted (defined as Principal Employment Uses) and up to 36,000 sqm of floorspace for classes B1(a) and B1(b) will be permitted (defined as Supporting Employment Uses), where this is related to the Principal Uses.

The Hub

46. Policies S5 and S6 of the plan, as submitted for Examination, deal with ancillary uses and the Hub, although in the interests of clarity and, thus effectiveness, the modifications (**MM93, MM97 and MM99**) combine the two policies together as policy S5.
47. The Hub is intended to be the focus of ancillary uses in the IAMP, providing for a multi-modal transport interchange and the day to day shopping and leisure needs of people working at and visiting the site. There is not a perfect location for the Hub: as proposed in the plan it would be relatively distant from the Northern Employment Area; whilst the alternative location which has been suggested would be distant from the existing Nissan factory. However, for a number of reasons I conclude that the location proposed in the plan is the most appropriate one and is, thus, soundly-based. Firstly, it would be close to

an existing pub/hotel which would be likely to reinforce the role of the Hub and vice versa. That the pub is currently for sale does not undermine this benefit. Secondly, proximity to the existing major employer of Nissan would be likely to assist in establishing the Hub more quickly than would be the case if it were to be located elsewhere, where a critical mass of employees is likely to take a number of years to emerge. It is the case that existing working arrangements at Nissan may mean that few of its employees would use the Hub's facilities in the middle of their working day, although it is likely that significant numbers would use them at the start or end of the working day.

48. Thirdly, the alternative Hub location, proposed in representations, is close to the Downhill Lane/A19 junction where it would have the potential to attract drivers to use it as an informal trunk road services. This would be likely to be undesirable in terms of traffic movements at the A19 junction and in terms of the size of the Hub which would be necessary to cater for both the needs arising from the IAMP and from A19 traffic. I do not doubt the attractiveness to commercial operators of locating the Hub close to the A19 junction, but this does not mean that it is necessarily the most appropriate location in planning terms. Moreover, there is little convincing evidence to indicate that the Hub's location as proposed in the plan would not prove attractive to commercial operators, that it would not be large enough to accommodate the uses envisaged for it or that it would cause significant problems of transport conflicts.
49. A small gym (up to 1,000 sqm floorspace) would be an appropriate use at the Hub and, thus, **MM99**'s reference to this in policy S4 is necessary for the plan to be justified. Moreover, as submitted, the plan does not indicate whether or not any other use, which is not specifically mentioned, would be appropriate. Consequently, to ensure that the plan is suitably flexible and, therefore, effective, **MM99**'s reference to other uses being permitted where they are genuinely ancillary to the Principal Uses and would not harm the vitality or viability of other designated retail centres is necessary.
50. Bearing in mind the distance of the Northern Employment Area from the Hub the plan, as submitted, also allows for small scale retail and leisure facilities (up to 1,000 sqm gross floorspace) in this area. There are differing opinions as to (i) whether or not this nature and amount of development would undermine the role of the Hub (which itself is limited to 1,500 sqm of retail uses) and (ii) whether less than 1,000 sqm floorspace at the Northern Area would provide sufficient critical mass to be viable. The matter was discussed at the hearings although there is little firm or technical evidence on these points either way. However, I agree with the Councils', post-hearings, planning judgement that 1,000 sqm gross retail floorspace at the Northern Employment Area would have significant potential to undermine the role of the Hub as the main focus of ancillary uses at the IAMP and that, consequently, a 300 sqm limit (with no single unit more than 100 sqm) would be more appropriate. Moreover, I am not persuaded that retail development at the Northern Employment Area would be rendered unviable by this lower limit. Therefore, the element of **MM99**, which accordingly restricts ancillary uses in the Northern Employment Area, is necessary for the plan to be justified.
51. In conclusion, subject to the above-listed **MMs**, the plan's spatial strategy and mix of uses are positively-prepared, justified, and effective.

Issue 4 – Whether or not the plan's policies in relation to design/the historic environment, infrastructure, transport and access and the environment and ecology are positively-prepared, justified, effective and consistent with national policy

Design/Historic Environment

52. Policies D1 and D2 are, in principle, positively-prepared approaches to ensure that the IAMP is developed to a high quality overall design which, amongst other things, maximises interface with Nissan, accords with a public realm strategy and seeks to preserve and enhance the significance of heritage assets. However, **MM108** and **MM110** are necessary for clarity, and thus effectiveness, to refer in policy D1 to the Northern Employment Area and the North East Land, Sea and Air Museums and, in policy D2, to the Hub. **MM108** also rewords policy D1 in respect of heritage assets to ensure necessary consistency with national policy. For the same reason modification to the supporting text concerning Masterplan Objectives (**MM106**) is necessary in respect of heritage assets and areas of archaeological significance.

Infrastructure/Transport/Access

53. Policy T1 sets out the four main highway infrastructure improvement schemes which the Councils contend are essential to the successful delivery of the IAMP: upgrading of the A1290 to increase capacity, a new vehicular bridge over the A19 to connect the IAMP with the local road network to the east, a new bridge over the River Don to provide access to the Northern Employment Area and new distributor roads within the IAMP. These works would complement proposed improvements close by, but outside, the plan area at the Downhill Lane and Testos junctions on the A19.
54. Doc PSD19 (*Transport Technical Background Report*) summarises the justification for the highway, and other transport, improvement schemes, which is based on a micro-simulation model of the existing road network in the area and forecasts of future traffic volumes once the IAMP is fully developed. The justification of the schemes is on a number of bases: to minimise congestion, taking account of existing problems in this regard and the likely impact of IAMP-related traffic; to provide essential road access to parts of the plan area currently without such access; and, to enhance connectivity into and out of the IAMP, particularly for people living in the residential areas of Sunderland immediately to the east of the A19. Further transport appraisal work was undertaken in respect of the increase in size of the Employment allocation to 150ha (Appendix 1 of the *Report for the Inspector on Safeguarded Land*) which identifies that the proposed highway improvements would provide the capacity necessary to support this level of development.
55. The Council's transport technical work has been subject to significant and very detailed criticism, particularly in terms of its data collection, base and future years modelling, trip-generation and distribution assumptions and the contention that it contains a number of inconsistencies. It is also argued that the evidence is insufficiently detailed. Following the hearings the Councils submitted additional evidence to respond to a number of the specific concerns raised, the further comments on which I have noted. I have also had regard to the critique of the transport evidence in respect of the 150ha employment

allocation set out in Appendix 1 of the *Report for the Inspector on Safeguarded Land*.

56. It is clear that more detailed transport appraisal work will be required to support the implementation of the IAMP and the phasing strategies which identify the specific highway improvement schemes (or elements thereof) which are necessary to enable various phases of the overall IAMP development to proceed. As part of such work the data collected and the assumptions employed will need to be rigorously tested. The plan's policies provide for this further appraisal work and the plan is in no way unusual in doing so. However, having regard to its intended scope, and noting that Highways England has not raised concerns about it, I conclude that the overall transport evidence base submitted to the Examination at this stage is adequate, sufficiently robust and proportionate to inform local plan preparation in accordance with paragraph 158 of the NPPF.
57. Particular concern has been raised about the proposed new A19 bridge. It is clear that, in providing additional "cross-A19" capacity, this would help to minimise traffic volumes on the A1290 and A19/Downhill Lane junction. Based on the available evidence at this point, it is not possible to determine whether or not this bridge would be necessary as mitigation to avoid the residual cumulative transport impacts of the IAMP development (either in part or in whole) being severe, this being the NPPF's test as to whether or not a development proposal should be refused permission. However, this does not mean that it would be inappropriate or would represent poor planning judgement for the plan to provide for the new bridge, as part of the overall IAMP development, with the aim of seeking to achieve a development at which traffic congestion is minimised as far as is practicable and connectivity to surrounding residential areas, by all modes of transport, is maximised. This is likely to be key to ensuring the success of the IAMP in maximising employment opportunities and in enabling local residents (including non-car users) to access those opportunities. It is, thus, a soundly-based approach. Nonetheless, for the plan to be justified **MM113** is necessary to require development proposals to be accompanied by a transport assessment which, amongst other things, assesses which highway improvements are necessary to ensure the acceptability of the proposals in planning terms and to ensure the comprehensive development of the IAMP.
58. In terms of alternative locations for the new bridge over the A19, the post-hearings evidence submitted by the Councils demonstrates that consideration was given to a site along/close to the alignment of Washington Road and preliminary drawings were prepared. This was discounted for a number of reasons, including the cited requirement for the relocation of a gas governor housing unit, the need for horizontal and vertical realignment of Ferryboat Lane and potential visual intrusion for some local residents. Evidence is very limited as to whether or not such effects could be avoided and whether similar effects would be likely with the bridge in the location proposed in the plan. Moreover, I note the contention that Highways England themselves previously discounted the option of a bridge at the location proposed in the plan although, nonetheless, they have raised no objection to it. I also recognise that other possible locations for the bridge were not specifically considered. However, in terms of enhancing connectivity into/out of the IAMP, the bridge's proposed location approximately mid-way between the Downhill Lane junction

and the existing Washington Road footbridge would logically provide the maximum benefit. There is little to substantiate the argument that the proposed bridge is not deliverable. Moreover, whilst reasonable alternatives to the overall form of the IAMP proposed in the plan have been assessed through Sustainability Appraisal (SA), it is not in my view necessary for alternatives for individual elements of the IAMP proposal, such as the new A19 bridge, to be subject to formal assessment through SA of the plan.

59. It is argued that the new A19 bridge would “effectively sterilise a prime parcel of development land”. However, the land concerned is designated as Green Belt and, as such, permission for its development would be highly unlikely in the absence of the plan. As detailed in Issue 2 the exceptional circumstances necessary to remove this land from the Green Belt exist on the basis of the benefits likely to result from the comprehensive development of the IAMP in the form envisaged in the plan, which, as indicated above, includes soundly-based transport improvements to, amongst other things, enhance connectivity to nearby residential areas. There is not the evidence to demonstrate that the development of the plan area in some other form would provide for the exceptional circumstances necessary for the deletion of the land from the Green Belt. Consequently, I conclude that the location proposed for the new bridge indicated on the policies map is justified. Thus, the four highway improvements listed in policy T1 are soundly-based and, in this context, the plan is consistent with paragraph 41 of the NPPF which advises that, based on robust evidence, authorities should identify and protect routes which would be critical in developing infrastructure to widen transport choice.
60. Paragraph 36 of the NPPF states that all development which will generate significant amounts of movement should be required to provide a Travel Plan, although as submitted the plan does not require this. Therefore, for the plan to be justified, effective and consistent with national policy the element of **MM113** which includes in policy T1 a requirement for the submission and implementation of a Travel Plan is necessary.
61. Policies T2, T3 and T4 are, in principle, positively-prepared approaches to ensuring that maximum use is made of non-car modes for trips to/from the IAMP and for ensuring appropriate car and lorry parking provision, in accordance with the NPPF's core planning principle of managing growth to make the fullest possible use of public transport, cycling and walking. However, detailed wording modifications to policies T2 and T4 (**MM120** and **MM126**) are necessary in the interests of clarity, and thus effectiveness. Furthermore, bearing in mind the likely demand for travel to the IAMP from outside South Tyneside and Sunderland, **MM123** is necessary for the plan to be justified. This includes reference in policy T3 to specific locations to/from which enhanced bus services should be provided. It has been argued that this requirement should be less specific to allow for other locations to be so served. However, whilst that might have the benefit of flexibility, it would run the risk of improved bus services to the key locations referred to in the policy not being provided. Furthermore, as worded, the modified policy would not prevent the provision of enhanced bus services to other locations.
62. The intention of policy T2 to curtail unrestricted traffic use of Follingsby Lane is soundly-based, bearing in mind the road's width and alignment restrictions and the potential, otherwise, for the IAMP to result in an undesirable increase

in the volume of traffic using it. The A184 and A19 trunk roads provide a reasonable alternative to Follingsby Lane for through traffic. There are differing views as to whether or not Follingsby Lane is suitable for use by public transport, although there is little technical evidence on the matter either way, particularly bearing in mind the potential for improvements to be made to the road. In the light of this, and for the plan to be justified, it is necessary to delete policy T2's reference to use of Follingsby Lane by public transport (**MM120**), although this would not prevent public transport use of the road if detailed work ultimately shows it to be appropriate.

63. Policy IN1 appropriately provides for the utilities infrastructure which will be necessary for the IAMP development, although **MM128** is necessary, for the plan to be justified and effective, in the light of the technical evidence, to state that a new electricity sub-station may be (rather than is) required and to reflect the fact that connections may need to be made with utilities infrastructure outside of the plan boundary. Appendix 2 of the *Report for the Inspector on Safeguarded Land* considers in detail the utilities implications of the increase in size of the proposed employment area. Based on discussions/correspondence with Northumbria Water Limited, Northern Gas Networks, National Grid and Northern PowerGrid it is concluded that it is likely that existing infrastructure, and that provided for in the plan, would provide sufficient capacity for 150ha of employment development. That there is not absolute certainty in this regard (or as to the precise cost implications) does not undermine the soundness of the plan.
64. In accordance with section 10 of the NPPF, policy IN2 seeks to ensure that the flood risk and drainage implications of the IAMP are acceptable, including in relation to the new bridge proposed over the River Don. Appendix 3 of the *Report for the Inspector on Safeguarded Land* indicates that, with additional outfalls and attenuation, the proposed 150ha employment area can be satisfactorily drained and, with mitigation measures, flooding avoided. This evidence is proportionate to the preparation of a development plan document and there is no substantive evidence that the costs or effects of such work/mitigation would render the IAMP unviable or make its buildings commercially unattractive. However, for policy IN2 to be justified, **MM131** is necessary to require that sustainable urban drainage systems provide for multifunctional benefits to wildlife, landscape and water quality. To ensure consistency with paragraph 130 of the NPPF this modification also requires that, in developing the IAMP, opportunities are taken to reduce the causes and impacts of flooding.

Environment and Ecology

65. Policies EN1, EN2, EN3 and EN4 are, in principle, positively-prepared approaches to the landscape, ecology, green infrastructure and amenity in line with the core planning principles set out in paragraph 17 of the NPPF. However, there is no specific evidence to demonstrate that landscape buffers of the widths defined in policy EN1 are essential to the acceptability of development. Thus, **MM136**, which deletes the minimum width requirements, is necessary for the policy to be justified. However, it is sound for the policy to require the provision of an "appropriate" landscape buffer; otherwise a worthlessly narrow buffer would be potentially policy-compliant. To ensure internal consistency and, thus, effectiveness, this modification also includes

reference in policy EN1 to the designated Ecological and Landscape Mitigation area.

66. Reflecting the comments of Natural England and the Environment Agency, and to achieve consistency with national policy and to ensure that the plan is effective, **MM140** is necessary. This rewords requirements in policy EN2 in respect of biodiversity and the River Don. **MM142** is also required to clarify, through the supporting text, that biodiversity includes, amongst other things, priority habitats and species. Thus modified, and bearing in mind the requirement for an Ecological Impact Assessment, the policy provides appropriate protection in respect of biodiversity; for the policy to be sound it is not necessary for it to refer in detail to particular species, including birds. In the interests of clarity, and thus effectiveness, **MM148** (policy EN3) is necessary to make clear that a green infrastructure buffer is required along both sides of the River Don. The specific requirement for a minimum 100m wide buffer is justified given the ecological sensitivity of the River Don corridor in a relatively narrow band of Green Belt.
67. In conclusion, subject to the above-mentioned **MMs**, the plan's policies in relation to design/the historic environment, infrastructure, transport and access and the environment and ecology are positively-prepared, justified, effective and consistent with national policy.

Issue 5 – Whether or not there are provisions in place to ensure the effective implementation and delivery of the plan

68. Policies Del1 and Del2 set out requirements in respect of phasing, mitigation and management strategies to ensure that the IAMP is comprehensively developed as envisaged. However, to ensure the overall effectiveness of the plan, **MM155** and **MM160** are necessary to modify these policies to provide for development within the plan being approved other than by a development consent order and also to require that the phasing strategy demonstrates how the strategic infrastructure for the IAMP, identified in the *Infrastructure Delivery Plan* (IDP), and any necessary mitigation, will be delivered. As previously explained plan policies which ensure the comprehensive development of the IAMP are soundly-based, given that it is the likely benefits of the development as a whole which are key to exceptional circumstances existing to justify alteration of the Green Belt boundary. As submitted for Examination the plan incorporates the IDP. However, recognising that this document is likely to need relatively frequent updating, it is necessary to ensure that the plan remains effective and justified in the long term, to delete the IDP from the plan and for it to exist as a standalone document. This is achieved through **MM164**. However, the soundness of policy Del2's requirements in terms of mitigation is not dependent on there being absolute certainty as to the costs of the necessary mitigation.
69. Concern has been raised about the financial viability of the plan's implementation. The Councils contend that the IAMP would cost in the order of £92m, including land acquisition, highways, utilities and environmental works. A total funding pot of £91m has, to date, been identified, including £42m through the Local Growth Fund, £22m from the Councils' own resources and £22m as advance investment against future business rates. Further details of the costs were submitted by the Councils during the hearings (*Supplementary*

Information for the IAMP Hearing on Outline Infrastructure Costs and Funding Sources). I am satisfied that this is proportionate evidence, appropriate to a local plan, and adequate to demonstrate that there is a realistic prospect of there being the funds available to implement the plan.

70. It has also been suggested that the plan should reference land ownership and detail processes for its assembly. Having regard to the legal powers available in respect of land assembly, the evidence I have read and heard indicates that there is a realistic prospect of implementation of the plan. However, the details of land ownership/assembly do not need to be included in the plan for it to be sound.
71. Appendix B sets out a framework for monitoring the implementation of the plan and performance against its identified objectives. However, whilst comprehensive in terms of targets/outcomes concerning the implementation of the development provided for in the plan, it is less effective in setting targets to assess performance against a number of the plan's objectives, in particular environmental ones. To address this shortcoming, and thus for the plan to be effective, **MM168** is necessary. The modification also appropriately updates/amends the monitoring framework to reflect the other modifications to the plan detailed above.
72. In conclusion, subject to the above-mentioned **MMs**, there are provisions in place to ensure the effective implementation and delivery of the plan.

Other Matters

73. Although a main modification to every policy in the plan is necessary, the overall thrust of the plan remains largely unchanged, the most significant alteration being the increase in the size of the area allocated for employment uses. Nonetheless, in this particular case, for the plan to be internally consistent, and thus effective, the following consequential modifications to the supporting text are also necessary: **MM2–MM9, MM11–MM62, MM64–MM71, MM73–MM78, MM81, MM83–MM88, MM90–MM92, MM94–MM96, MM98, MM100–MM105, MM107, MM109, MM111, MM112, MM114–MM119, MM121, MM122, MM124, MM125, MM127, MM129, MM130, MM132–MM135, MM137–MM139, MM141, MM143–MM147, MM149, MM151–MM154, MM156–MM159, MM161–MM163 and MM165–MM167.**

Assessment of Legal Compliance

74. My examination of the legal compliance of the plan is summarised below.
 - The plan has been prepared in accordance with both Councils' Local Development Schemes.
 - Consultation on the plan and on the MMs was carried out in compliance with the Councils' Statements of Community Involvement.
 - Sustainability Appraisal has been carried out and is adequate.
 - The Habitats Regulations Appropriate Assessment Screening Report (August 2016) and HRA Assessment of Proposed Modifications set out why an Appropriate Assessment is not necessary.

- The plan includes policies (in particular policies T2, T3 and IN2 in respect of public transport, cycling, walking and flood risk) designed to ensure that the development and use of land in the plan area contributes to the mitigation of, and adaptation to, climate change.
- The plan complies with all other relevant legal requirements, including in the 2004 Act (as amended) and the 2012 Regulations.

Overall Conclusion and Recommendation

75. The plan (Doc PSD1) has a number of deficiencies in respect of soundness for the reasons set out above, which mean that I recommend non-adoption of it as submitted, in accordance with Section 20(7A) of the 2004 Act. These deficiencies have been explored in the main issues set out above.
76. The Councils have requested that I recommend MMs to make the plan sound and capable of adoption. I conclude that with the recommended main modifications set out in the Appendix the *International Advanced Manufacturing Park Area Action Plan* satisfies the requirements of Section 20(5) of the 2004 Act and meets the criteria for soundness in the National Planning Policy Framework.

Malcolm Rivett

Inspector

This report is accompanied by an Appendix containing the Main Modifications.