

**International Advanced Manufacturing Park**

**Area Action Plan**

**Employment Land Position Statement Addendum**

**March 2025**

## **Introduction**

In July 2024, Sunderland City Council and South Tyneside Council (hereafter referred to as 'the Councils') jointly undertook consultation on the draft IAMP AAP, at Regulation 18 stage. This would form a replacement to the original IAMP AAP which was adopted in November 2017. Amongst other matters, the draft IAMP AAP proposed an extension to the AAP boundary to accommodate the allocation of additional employment land, including an area identified as Additional Area One (referred to in this document as AA1). The inclusion of AA1 was justified through the Regulation 18 evidence base, particular the IAMP Employment Land Position Statement (2024).

AA1 is currently designated as safeguarded land through Policy SS3 of the Sunderland Core Strategy and Development Plan (CSDP) as a future development area to meet longer term development needs. The result of AA1's allocation within the draft IAMP AAP would be for its effective removal from its safeguarded status and for it to be allocated as a site for principal employment uses.

## **Purpose of This Document**

As a result of material changes since the draft IAMP AAP consultation took place in Summer 2024; the intention is to no longer expand the coverage of the AAP nor to allocate AA1 within the revised draft IAMP AAP. AA1 would therefore be retained as safeguarded land within the CSDP, with consideration to the most appropriate future use of the safeguarded land to be determined through the preparation of the new Sunderland Local Plan.

The purpose of this document is to provide justification for the Councils decision to no longer allocate AA1.

This document will be included as a supporting evidence document to the draft IAMP AAP.

## Land Supply Based on Take Up Rate

As outlined earlier, the original IAMP AAP was adopted in November 2017. There have therefore been seven full financial years, since the adoption of the AAP. Over that period, there has been 153,342 square metres<sup>1</sup> of floorspace completed. This is outlined in Table 1 below. This equates to an average of 21,906 square metres of employment floorspace completed on the IAMP on an annual basis.

Table 1: Completions Since Adoption of Original IAMP AAP

Planning Application	Site	Square Metres	Status
18/00092/HE4	SNOP	21,856	Completion
19/00245/REM	Faltec	11,400	Completion
19/00280/REM	Previously NHS, Now JATCO UK Ltd	11,471	Completion
21/01764/HE4	AESC UK Gigafactory (Plant 2)	108,615	Due to open 2025
		<b>153,342</b>	<b>Total Completions</b>

The Councils have a current stock of 446,307 square metres of consented development on the IAMP site for which development has not yet commenced. This is outlined in Table 2 below. Based on current rates of development since the AAP was adopted, this would equate to over 20 years' worth of supply.

Table 2: Approvals Portfolio Within the IAMP.

Planning Application	Sites	Square Metres	Status
21/02807/HE4 ST/1172/21/FUL	Northern Employment Area	168,000	Approval
19/00245/REM	Future Phase of Faltec	12,154	Approval
24/01521/FUL	SNOP Extension	6,528	Approval
24/00723/FU4	AESC UK (Plant 3)	178,615	Approval
24/01705/HE4	Southern Employment Area <sup>2</sup>	81,010	Approval
		<b>446,307</b>	<b>Total Approvals</b>

<sup>1</sup> Including the AESC UK gigafactory (phase 2) which is due to become operational later in 2025.

<sup>2</sup> Also referred to as Town End Farm at Table 3.

## Floor Space Needs Relative to Residual Needs

### Regulation 18 Evidence Base

The Councils prepared a range of evidence documents to support the Regulation 18 draft IAMP AAP. The IAMP Employment Land Position Statement (2024) (referred to as the IAMP Position Statement) was the principal evidence base document which set out the justification for the allocation of AA1. Amongst other matters, the document outlined a case for additional employment land. The level of potential floorspace need was outlined by the Position Statement and is set out in Table 3 below.

Table 3: Indicative Estimate of Residual Need (IAMP Position Statement<sup>3</sup>)

a	Forecast Job Growth	7,850 headcount jobs	
b	Employment Density	77 sqm per job	88 sq m per job
c	Total Floorspace Need (a*b)	604,450 sqm	690,800 sqm
d	Space Delivered / Consented	333,496 sqm	
e	Pending Applications	178,615 sqm	
f	Total Floorspace Pipeline (d+e)	512,111 sqm	
g	Residual Floorspace Need (c-f)	92,339 sqm	178,689 sqm
h	Potential Floorspace at Town End Farm	54,600 sqm	
		90,000 sqm	
i	Residual Floorspace Need Allowing for Town End Farm	37,739 sqm	124,089 sqm
		2,339 sqm	88,689 sqm

The residual need outlined above resulted in the following land requirements as set out within the IAMP Position Statement (see Table 4).

Table 4: Indicative Estimates of Residual Need (IAMP Position Statement)<sup>4</sup>

Residual Floorspace Need	Plot Ratio	
	0.26	0.29
2,339 sqm	0.9 hectares	0.8 hectares
37,739 sqm	14.5 hectares	13.0 hectares
88,689 sqm	34.1 hectares	30.6 hectares
124,089 sqm	47.7 hectares	42.8 hectares

<sup>3</sup> This features as table 6.4 within the IAMP Position Statement, paragraph 6.27.

<sup>4</sup> This features as Table 6.5 within the IAMP Position Statement, paragraph 6.29.

At section 7 of the IAMP Position Statement, the document explored how additional land needs could be accommodated and concluded that the CSDP safeguarded land was the most appropriate location for additional growth.

Updated Residual Need Position - Post IAMP Position Statement

Notwithstanding the outcomes of the IAMP Position Statement, it is considered that considerable change has occurred since the publication of the document, with a number of consented schemes providing additional floorspace.

Since the preparation of the IAMP Position Statement, the following planning applications have been consented:

- Additional AESC UK gigafactory (phase 3) (24/00723/FU4) and packing plant granted consent subject to signing of a Section 106 Agreement. Whilst this was taken into consideration as part of the IAMP Position Statement, its planning status has changed.
- Outline planning consent granted for the development of Southern Employment Area (24/01705/HE4). Whilst this was included within the IAMP Position Statement, there was uncertainty on the quantum of floorspace to be provided. The consented scheme is at the top end of the estimates contained within the IAMP Position Statement.
- An extension to the SNOP building has been granted consent (24/01521/FUL ). This was not accounted for within the IAMP Position Statement.

Table 5 takes into consideration the impact that these additional consented schemes would have upon the residual need identified within the IAMP Position Statement.

Table 5: Updated IAMP Residual Need Position

a	Forecast Job Growth	7,850 headcount jobs	
b	Employment Density	77 sqm per job	88 sq m per job
c	Total Floorspace Need (a*b)	604,450 sq m	690,800 sq m
d	Space Delivered / Consented (see Appendix One)	599,649 sq m	
g	Residual Floorspace Need (c-d)	4,801 sq m	91,151 sq m

As outlined in the updated position above, the residual floorspace required has fallen to between 4,801 square metres and 91,151 square metres in addition to the 599,649 square metres already consented or delivered. It is noted that there is large spread between the two requirements, and this highlights the uncertainty of projecting longer term future development needs at the IAMP at this point in time.

Table 6 below converts the floorspace requirements to land requirements based on the assumptions used within the IAMP Position Statement.

Table 6 Residual Land Requirements

Residual Floorspace Need	Plot Ratio: 0.26 hectares	Plot Ratio: 0.29 hectares
4,801 sq m	1.8 hectares	1.6 hectares
91,151sq m	35 hectares	31.4 hectares

As set out in table 6 above, the land requirements vary between 1.6 hectares and 35 hectares. This is also considered to represent a large spread between the various potential land requirements, given the uncertainty regarding longer term future development needs. Based on the above, consideration has been given to the quantum of floorspace already developed or consented at the IAMP and how this compares to the potential future needs identified through the IAMP Position Statement. This is presented in Table 7 below.

Table 7: Residual Floorspace Requirements Relative to Potential Need<sup>5</sup>

Residual Floorspace Need	Total Floorspace Need	Floorspace Employment Density	Residual Floorspace as Percentage of Total Floorspace Need
4,801 sq m	604,450 sq m	77 sq m per job	Less Than <1 Percent
91,151 sq m	690,800 sq m	88 sq m per job	13 Percent

As demonstrated in Table 7 above, the residual floorspace requirement, based on the potential need set out within the IAMP Position statement, is a very small component of the overall floorspace need in relative terms. At the lower end of the potential range of needs, this would equate to less than one percent and 13 percent at the top end.

It is also noted that the Councils have a large portfolio of approvals which can help meet the majority of the overall IAMP needs. This equates to total of 446,307 square metres. This is outlined in table 2.

### Summary

Given the minor nature of the residual floorspace requirements and the large portfolio of permitted approvals, it is not considered that there is an immediate need to allocate AA1 for the development of additional principal employment land in the short to medium term to meet identified needs.

The delivery of employment floorspace within the IAMP will continue to be monitored on an annual basis through the IAMP AAP Authority Monitoring Report (AMR) to ensure that there is a sufficient supply of available employment land. In addition, in accordance with national policy, the AAP will continue to be reviewed at least every five years, which will provide an appropriate

<sup>5</sup> As set out within the IAMP Position Statement.

mechanism to allocate additional expansion land for the IAMP in the future, should this be required.

## **Planning Policy Changes**

Since the Regulation 18 draft of the IAMP AAP was consulted upon between July and September 2024, there have been significant changes to national planning policy and guidance. In particular, with regard to the publication of the National Planning Policy Framework (NPPF) and updates to the Planning Practice Guidance (PPG) in December 2024.

Of particular relevance to the IAMP was the introduction of a requirement within paragraph 86 that planning policies should pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics. This helps to reinforce the need for the AAP.

Also of particular note was the introduction of a new standard housing method and the requirement for local planning authorities to aim to meet these identified needs. Using the new standard method, Sunderland City Council would see an increase of over 40% against the housing requirement currently set out within the adopted CSDP and South Tyneside would also see a significant uplift when compared against the previous standard method.

Sunderland City Council will therefore seek to meet these housing requirements through its new local plan. As the purpose of the safeguarded land is to meet longer term development needs, it is therefore considered appropriate for full consideration to be given to the most appropriate use of the safeguarded land (including AA1) as part of the preparation of the new local plan, which will seek to identify sufficient land to meet both general employment needs and residential needs.



## **Automotive Sector changes – IAMP AAP**

The IAMP Position Statement provides a review of the automotive and advanced manufacturing sectors and how the IAMP is positioned to address opportunities within the sectors. It is noted that since the Position Statement was published there have been some changes to the pace of electrification and within the global manufacturing context that are relevant to planning at the IAMP.

It is well recognised that the pace of adoption of electric vehicles is currently slower than was previously anticipated, particularly in the private sales market. This contributes to some uncertainty which, coupled with the challenges of global competitiveness in the wider automotive and advanced manufacturing sector, make it difficult at this stage to determine the likely requirements for future development land at the IAMP at this point in time.

Within this context, in December 2024 the Government launched a consultation to seek views on proposals to support the UK's transition to zero emission vehicles (ZEVs).

The consultation was comprised of two parts:

Part 1 was about phasing out sales of new petrol and diesel cars from 2030 and supporting the zero emission transition. In particular it sought views on:

- options to end the sale of new cars with internal combustion engines from 2030;
- potential requirements for new non-zero emission vans to be sold from 2030 to 2035;
- consideration of the approach for small volume manufacturers; and
- demand measures to support the uptake of zero emission vehicles.

The second part of the consultation was with regard to the ZEV Mandate, delivered through the vehicle emissions trading schemes (VETS). In particular this sought views on:

- the existing flexibilities within the ZEV mandate, and consideration of further flexibilities
- other technical updates to the ZEV mandate to ensure its efficiency.

The consultation closed in February 2025 and the Government indicated that evidence from part 2 of the consultation will inform potential future amendments to the ZEV Mandate and CO2 emissions regulation.

## Conclusion

The Councils have outlined within this addendum why it is considered that AA1 is no longer required to be allocated for principal employment uses as part of the IAMP AAP at this time. This is based on the following considerations:

- **Delivery and Land Supply** – This document has demonstrated that based on a current delivery rate of 21,906 square metres per year on average, existing consented development would be sufficient to provide 20 years of employment land supply. There is therefore not considered to be an immediate need to release AA1. Land take up will continue to be monitored through the IAMP AAP AMR on an annual basis and an early review of the AAP triggered if land take up increases significantly to ensure a steady supply of employment land to meet identified needs.
- **Residual Need** – This document has updated the latest position with regard to consented development on the IAMP and residual need. It demonstrates that the vast majority of the potential future needs identified through the IAMP Position Statement are already met through either through early development phases or consented development. Given the uncertainties on longer term development needs, it is considered that it would not be appropriate to allocate an extension to the IAMP AAP area at this time.
- **National Planning Policy Changes** - there have considerable planning policy changes since the IAMP Position Statement was prepared, in particular the publication of the revised NPPF and associated PPG in December 2024. Amongst other things, this introduces a significant increase to housing requirements for both authorities based on the new standard method. Taking this into consideration, Sunderland City Council considers that a more holistic and rounded view needs to be taken in relation to the future release of the CSDP safeguarded land taking into account all potential future development needs. It therefore considered it would be more appropriate to consider the most appropriate use through the new local plan.

## Appendix 1: Completions and Permissions Audit

Table 1: Completions, Under Construction and Approvals

Planning Application	Site	Square Metres	Status
18/00092/HE4	Snop	21,856	Completion
19/00245/REM	Faltec	11,400	Completion
19/00280/REM	Previously NHS, Now JATCO UK Ltd	11,471	Completion
21/01764/HE4	AESC UK Gigafactory (Plant 2)	108,615	Due to open 2025
		<b>153,342</b>	<b>Sub Total Completions</b>
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24/01705/HE4	Southern Employment Area	81,010	Approval
		<b>446,307</b>	<b>Sub Total Approvals</b>
	Sub Total Completions	153,342	
	Sub Total Approvals	446,307	
	Total (completions + approvals)	599,649	