

Sunderland City Council and South Tyneside Council

## International Advanced Manufacturing Park Area Action Plan

Exceptional Circumstances for Releasing Land from the Green Belt  
Technical Background Report

February 2017



South Tyneside Council

Sunderland  
City Council

ARUP

Sunderland City Council and South  
Tyneside Council

**International Advanced  
Manufacturing Park Area Action  
Plan**

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Releasing Land from the Green Belt  
Technical Background Report

February 2017

This report takes into account the particular  
instructions and requirements of our client.

It is not intended for and should not be relied  
upon by any third party and no responsibility  
is undertaken to any third party.

Job number 242745-00

**Ove Arup & Partners Ltd**  
Central Square Forth Street  
Newcastle upon Tyne  
NE1 3PL  
United Kingdom  
[www.arup.com](http://www.arup.com)

**ARUP**

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# 1 Introduction

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## 1.1 Overview

1. This Technical Background Report provides the exceptional circumstances case for releasing land from the Green Belt for the International Advanced Manufacturing Park (IAMP) Area Action Plan (AAP).
2. This is one of a suite of Technical Background Reports which form part of the evidence base for the IAMP AAP. The evidence can be accessed using the following links:  
  
[www.sunderland.gov.uk/iamp](http://www.sunderland.gov.uk/iamp)  
  
[www.southtyneside.gov.uk/localplan](http://www.southtyneside.gov.uk/localplan)
3. This Technical Background Report has been informed by the expert view of RPJ Consulting Ltd. None of the views expressed about Nissan (NMUK) or its suppliers represent their official positions, but are independent, informed estimates based on expert research and analysis.

## 1.2 Introduction to the IAMP

4. The International Advanced Manufacturing Park (IAMP) represents a unique opportunity for the automotive sector in the UK. Located next to Nissan UK's Sunderland Plant, the UK's largest and most productive car manufacturing plant, the IAMP will provide a bespoke, world class environment for the automotive supply chain and related advanced manufacturers to innovate and thrive, contributing significantly to the long-term economic success of the North East of England and the national automotive sector.
5. The proposal is for a 260,000 sq m Gross Internal Area (GIA) development aimed primarily at the automotive, advanced manufacturing and related distribution sectors. The IAMP will be located on land to the north of the existing Nissan car manufacturing plant, to the west of the A19 and to the south of the A184. This location benefits from its close proximity to Nissan and excellent transport links with opportunities for integrated connectivity provided by the surrounding Strategic Road Network, rail and port infrastructure.
6. Present since 1985, Nissan is a major employer in the North East and the Sunderland Plant is a good example of a national and regional success in manufacturing. Nissan has been the largest car plant in the UK for 14 years and the largest exporter for 12 years. Overall production surpassed 500,000 vehicles in 2013 and is set to expand further with the plant producing one third of UK car output and over one third of exports. Nissan currently employs over 7,000 people in the Sunderland Plant underpinning over 20,000 supplier jobs in the wider North East region.

7. Development of the IAMP will therefore underpin the continued success of the automotive and advanced manufacturing sectors in the United Kingdom and North East of England.

### 1.3 Exceptional Circumstances Case for IAMP

8. The IAMP project is of national and international significance given its importance to growing the automotive and advanced manufacturing sectors in the UK.
9. The viability of the UK automotive sector supply base depends upon Nissan and Jaguar Land Rover above all. These companies depend upon late material sequencing to build complex products, with unique build combination varieties in the millions. This is only possible with key suppliers located very close to the final assembly plants, which places a premium on the availability of development land nearby, as remote sites do not offer the same advantages.
10. Nissan UK (NMUK) is critical to the UK automotive industry nationally and regionally. NMUK is the largest vehicle manufacturer in the UK and is gradually consolidating its position within Nissan worldwide, being the European centre for electric car production, including battery packs, and for the premium Infiniti brand.
11. NMUK is likely to be part of a fundamental change in the manufacturing system at Nissan worldwide, designed to accommodate the prolific increase in buildable variety within the manufacturing system rather than add-ons in the dealerships.
12. This will transform the supply chain, shortening supply lines and simplifying logistic chains, with a consequent increase in local value-added in the supply base. Close proximity is crucial in yielding the optimal benefits.
13. Failure to provide practical support for this shift, and the land it requires, will make it increasingly difficult for NMUK to continue to win competition from overseas plants for programs, considered essential to the livelihood of any plant.
14. It is therefore imperative to the future of automotive manufacturing in the UK that the land at IAMP is made available to support these clear trends and secure the long term growth prospects for NMUK and the wider industry.
15. There is currently no employment land immediately available and of sufficient scale in close proximity to Nissan to provide an International Advanced Manufacturing Park. Therefore land immediately north of the Nissan UK plant in the Tyne and Wear Green Belt has been identified to realise this critically important opportunity to ensure the security, growth and innovation around this longstanding employer and contributor to the regional and national economy.

## 2 National and Local Planning Policy

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### 2.1 National Planning Policy Framework

16. The National Planning Policy Framework<sup>1</sup> (NPPF, 2012) states that the purpose of the planning system is to contribute to the achievement of sustainable development (Paragraph 6) and at the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan making and decision-taking (Paragraph 14).
17. The NPPF sets out the role and purpose of the Green Belt in England as follows:
18. “The fundamental aim of Green Belt policy is to prevent urban sprawl by keeping land permanently open; the essential characteristics of Green Belts are their openness and permanence.” (Paragraph 79).
19. The five purposes of the Green Belt are listed at paragraph 80 of the NPPF as follows:
  - to check the unrestricted sprawl of large built-up areas;
  - to prevent neighbouring towns merging into one another;
  - to assist in safeguarding the countryside from encroachment;
  - to preserve the setting and special character of historic towns; and
  - to assist in urban regeneration, by encouraging the recycling of derelict and other urban land.
20. The permanence of Green Belt is considered an essential characteristic and the NPPF states that:
  21. *“once established, Green Belt boundaries should only be altered in exceptional circumstances, through the preparation or review of the Local Plan”* (Paragraph 83).
22. The NPPF makes it clear that in revising Green Belt boundaries, Local Planning Authorities should seek to ensure that the boundaries defined will endure over the longer term and that there may be a need to consider whether land should be safeguarded for development beyond the plan period (Paragraph 83).
23. Paragraph 84 states that:

*“when drawing up or reviewing Green Belt Boundaries local planning authorities should take account of the need to promote sustainable patterns of development. They should consider the consequences for sustainable development of channelling development towards urban areas inside the Green Belt Boundary, towards towns and villages*

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<sup>1</sup> <http://planningguidance.planningportal.gov.uk/>

*inset within the Green Belt Boundary or towards locations beyond the outer Green Belt boundary”.*

24. When applying Green Belt boundary changes NPPF paragraph 85 recommends Local Planning Authorities apply the following criteria:
- ensure consistency with the Local Plan strategy for meeting identified requirements for sustainable development;
  - not include land which it is unnecessary to keep permanently open;
  - where necessary, identify in their plans areas of ‘safeguarded land’ between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period;
  - make clear that the safeguarded land is not allocated for development at the present time; planning permission for the permanent development of safeguarded land should only be granted following a Local Plan review which proposes the development;
  - satisfy themselves that Green Belt boundaries will not need to be altered at the end of the development plan period; and
  - define boundaries clearly, using physical features that are readily recognisable and likely to be permanent.

## 2.2 Planning Practice Guidance

25. The Planning Practice Guidance (PPG) states that local planning authorities should meet objectively assessed needs unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF or specific policies indicate development should be restricted. Such policies include land designated as Green Belt.
26. The PPG makes clear that, once established, Green Belt boundaries should only be altered in exceptional circumstances, through the preparation or review of the Local Plan.

## 2.3 Local Planning Policy

27. The South Tyneside LDF Core Strategy (SD22) (2007) and Sunderland City Council UDP (SD16) (1998) both designate the land to the north of Nissan as Green Belt.

### 2.3.1 South Tyneside Council

28. Policy EA1 of the South Tyneside Core Strategy (SD22) (2007) seeks to ‘protect and enhance the openness of the Green Belt’ and ‘preserve the special and separate characters of urban fringe villages of Boldon Colliery, West Boldon, East Boldon, Cleadon and Whitburn’.



29. South Tyneside are in the process of preparing a composite Local Plan and consulted on “strategic growth options” over summer 2016, which included a review of the Green Belt.

### 2.3.2 Sunderland City Council

30. Saved Policy CN1 of the Sunderland UDP (1998) (SD16) states that a Green Belt will be maintained that will check the unrestricted sprawl of the built up area of Sunderland, assist in safeguarding the city’s countryside from further encroachment, assist in the regeneration of the urban area of the city, preserve the setting and special character of Springwell village and prevent the merging of Sunderland with Tyneside, Washington, Houghton-le-Spring and Seaham, and the merging of Shiney Row with Washington, Chester-le-Street and Bournmoor.
31. The Sunderland Core Strategy and Development Management Policies Draft Revised Preferred Options (SD17) identifies a strategic site north of Nissan. Potential uses for the site include the low carbon technologies and advanced manufacturing sectors. The Sunderland Core Strategy and Development Management Policies Draft Revised Preferred Options (SD17) document states at section 3.18 that a master plan will be prepared and piecemeal development will not be accepted due to the site’s critical economic importance to the area. The Sunderland Core Strategy and Development Management Policies Draft Revised Preferred Options recognises at section 3.10 that the area north of Nissan represents one of the two main opportunities to ‘provide the step change in the local economy’.
32. Sunderland Core Strategy and Development Management Policies Draft Revised Preferred Options Policy CS3.4 states that subject to sufficient evidence to demonstrate demand for employment land which cannot be met within the existing employment land area, the Councils will work together and seek to deliver this through the production of a Development Plan Document at the earliest opportunity.
33. Sunderland are in the process of preparing their Core Strategy and Development Plan and will be consulting on a Draft Plan in Spring 2017.

## 2.4 Summary

- At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan making and decision-taking. (Paragraph 14);
- The fundamental aim of Green Belt policy is to prevent urban sprawl by keeping land permanently open; the essential characteristics of Green Belts are their openness and permanence. (NPPF paragraph 79);
- Once established, Green Belt boundaries should only be altered in exceptional circumstances, through the preparation or review of the Local Plan. (NPPF Paragraph 83);

- When drawing up or reviewing Green Belt Boundaries local planning authorities should take account of the need to promote sustainable patterns of development. (NPPF Paragraph 84);
- South Tyneside Core Strategy (SD22) seeks to protect and enhance the openness of the Green Belt preserve the special and separate characters of urban fringe villages of Boldon Colliery, West Boldon, East Boldon, Cleadon and Whitburn.
- Saved Policies of the Sunderland UDP (SD16) seek to check the unrestricted sprawl of the built up area of Sunderland, assist in safeguarding the city's countryside from further encroachment, assist in the regeneration of the urban area of the city, preserve the setting and special character of Springwell village and prevent the merging of Sunderland with Tyneside, Washington, Houghton-le-Spring and Seaham, and the merging of Shiney Row with Washington, Chester-le-Street and Bournmoor.

## 3 Supporting Growth in Automotive and Advanced Manufacturing Sectors

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### 3.1 Overview

34. This section provides the information to explain the opportunity to grow the automotive and advanced manufacturing sectors, especially in proximity to existing manufacturers. It sets out why the IAMP proposition is needed and important to the North East and nationally.

### 3.2 National Automotive Strategy

35. The UK automotive industry is growing, especially in the production of premium and low carbon vehicles. The UK is the second largest producer of premium cars in the world after Germany. Output, productivity and employment are rising and it is expected by 2017 that the UK will be producing two million vehicles per year<sup>2</sup>.
36. The National Automotive Strategy<sup>3</sup> recognises that the North East makes a significant contribution to the UK Automotive Industry, describing the Enterprise Zone (EZ) adjacent to the Nissan UK Plant as “*the UK’s first designated Low Carbon Economic Area, pioneering the adoption of electric vehicles and low carbon vehicle technologies.*” It notes that Vantec, part of the Hitachi group, was the first company to locate on the EZ and since early 2013 its 39,000 sq m logistics plant has been serving growth at the Nissan car plant.”
37. The automotive industry considers that future growth requires flexible manufacturing with increasing interconnectedness (clustering of suppliers) and the ability to customise the vehicles produced to individual customer need<sup>4</sup>. Clustering of suppliers with the lead manufacturer can improve productivity and therefore provide a competitive advantage. The Automotive Council UK was formed in 2009 and has focused on identifying opportunities to grow the UK share of supply chain activities in the UK. The immediate supply chain can account for just over half of total automotive industry employment<sup>5</sup> and therefore makes a significant contribution to the industry.
38. ‘Proximity’ was identified as the key competitive advantage of UK suppliers as it allows for lower logistics cost, a better support for UK-built vehicles, the responsive configuration of parts, as well as for more flexibility to adjust to volume and product mix fluctuations. Proximity also

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<sup>2</sup> Growing the Automotive Supply Chain, Assessing the Upstream Potential (2014), The Automotive Council UK ([SD23](#))

<sup>3</sup> Driving Success – a Strategy for the Growth and Sustainability in the UK Automotive Sector (2013), The Automotive Council UK ([SD26](#))

<sup>4</sup> UK Automotive International Competitiveness Report (2015), Department for Business, Innovation and Skills (BIS)/Automotive Council UK ([SD24](#))

<sup>5</sup> Driving Success – a Strategy for the Growth and Sustainability in the UK Automotive Sector (2013), The Automotive Council UK ([SD26](#))

reduces risk in the supply chain as parts being made and available for use locally cannot be delayed by transportation issues.

39. In addition, customers want to have more choice in how their car look and what features they include. This requires leaner and more flexible supply chains, close to the vehicle/engine manufacturing plant to ensure an efficient response. This is becoming more important for all manufacturers and particularly for premium manufacturers in the UK<sup>6</sup>.

### 3.3 Growing the Automotive and Advanced Manufacturing Opportunity in the North East

40. The North East Independent Economic Review (Summary of Evidence)<sup>7</sup> considers that the Innovation opportunities for the North East are related to the Energy, Transportation and Aging and Vitality sectors. In terms of Transportation, the review states:
41. “The North East leads in the automotive sector and the related supply chain as well as in its application of electronic vehicles and other low carbon technologies. The region is also the location of major corporate centres of some of Europe’s leading transport operators and is a leader in the application of light rail”.
42. The Strategic Economic Plan (SEP) for the North East<sup>8</sup> recognises sector strengths in chemicals, petro-chemicals, advanced manufacturing including automotive production, and financial and professional services. The SEP identifies advanced manufacturing and low carbon as particularly important sectors for the NELEP area, and identifies the A19, in “...*providing current and future opportunities, especially through the North East Enterprise Zone to provide the necessary physical economic infrastructure to support the growth of these related sectors.*”
43. The 2016 SEP Progress Review<sup>9</sup> notes that Infrastructure Investment has been agreed to support delivery of Enterprise Zone sites (25ha of the second phase Ultra Low Carbon Vehicle Enterprise Zone will be located on the IAMP site) and that significant foreign inward investments of strategic national importance including Nissan and Hitachi represent opportunities for supply chain innovation (including low carbon vehicle delivery), business growth and inward investment.
44. The North East of England is a nationally recognised centre for the automotive industry and represented 30% of UK vehicle plant output in 2014.<sup>10</sup> Nissan is a major employer in the North East and the Sunderland Plant is a good example of a national and regional success in manufacturing. Since securing the Nissan UK Plant in 1985 Sunderland now hosts the UK’s

<sup>6</sup> Driving Success – a Strategy for the Growth and Sustainability in the UK Automotive Sector (2013), The Automotive Council UK (SD26)

<sup>7</sup> The North East Independent Economic Review, Summary of the Expert Paper and Evidence Base (2012), various (SD40)

<sup>8</sup> Strategic Economic Plan for the North East (2014), North East LEP

<sup>9</sup> North East Strategic Economic Plan Progress Review, March 2014 to March 2016 (SD39)

<sup>10</sup> North East Automotive Alliance, June 2015 (SD25)

largest and most productive car plant along with a thriving cluster of more than 25 tier 1 automotive suppliers. Sunderland has become Nissan's most highly regarded European plant with a reputation for high productivity and adaptability. Nissan currently employs circa 7,000 people on the site with Nissans tier 1 suppliers across the North East employing around 12,000 people.

45. The announcement by Nissan in September 2015 to invest £100 million in the Nissan Sunderland Plant reflects the company's commitment to the North East. Nissan decided to build a new version of the Juke model at the Sunderland Plant with the manufacture of around 200,000 vehicles. The use of common components means up to 2 million cars could be built using the Juke platform increasing plant production and benefitting the wider supply chain<sup>11</sup>. The new investment will secure 6,700 jobs at the plant and more than 27,000 jobs in the supply chain<sup>12</sup>. In addition in autumn 2016, Nissan announced that they would manufacture the replacement Qashqai and the additional X-Trail at the Sunderland Plant.
46. The North East Independent Economic Review (Summary of Evidence) notes that that Nissan's associated supply chain was worth close to £1bn. It also notes that the North East's main opportunities relate to the development of electric vehicles and other low carbon vehicles technology such as hydrogen and the offshore wind turbine market.
47. The North East Independent Economic Review<sup>13</sup> also highlights that Nissan decided to locate in the area to take advantage of the access to markets by locating the plant on a site at the junction of the A19 and A1231 trunk roads which is only five miles from the Port of Tyne, allowing efficient domestic and global supply of materials and distribution of products.

### 3.4 Accommodating Future Growth Opportunities

48. In order to understand future growth opportunities from key sectors in the region, Sunderland City Council (SCC) and South Tyneside Council (STC) commissioned Pricewaterhouse Coopers LLP (PWC)<sup>14</sup> to identify potential market demand for strategic employment sites within the two local authority areas and more widely across the North East. The purpose of the 'Strategic Employment Study' (PWC, August 2013) was to support the Councils in their preparation of a City Deal bid which would build on the success of the North East Enterprise Zone by being attractive to national and international investment.
49. PWC assessed future trends across high growth industries in the North East focusing the study on automotive, advanced manufacturing / engineering, distribution and off-shore renewable sectors. Three alternative growth

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<sup>11</sup> <http://www.sunderlandecho.com/news/business/nissan-juke-decision-a-massive-vote-of-confidence-in-sunderland-1-7443662>

<sup>12</sup> <http://www.bbc.co.uk/news/business-34136541>

<sup>13</sup> The North East Independent Economic Review Report (2013), North East LEP (SD38)

<sup>14</sup> Sunderland and South Tyneside Strategic Employment Study (2013), Pricewaterhouse Coopers LLP (SD28)

scenarios were modelled using production and sales forecasts to identify potential floorspace demand for these sectors up to 2033:

- Very optimistic scenario: a large scale growth scenario requiring an advanced manufacturing park of around 300 hectares (ha);
  - Moderate scenario: scope for significant growth requiring an advanced manufacturing park of around 140 – 150 ha; and
  - Pessimistic scenario: assuming a long period of on-going recession for the North East combined with structural changes to the automotive industry and re-location of production away from the region.
50. The moderate scenario was viewed as the most achievable. It identifies the requirement for an “Advanced Manufacturing Park” as:
- 569,000 sq m Gross Internal Area (GIA) with a total land requirement for approximately 150ha;
  - Comprising of 105.5ha for the automotive sector, 13.4ha for the advanced manufacturing sector; and 23.5ha for the distribution sector;
  - To provide approximately 9,000 jobs with delivery over 20 years from 2013 – 2033.
51. The PWC ‘Strategic Employment Study’ (August 2013) recommended the majority of demand (around 75%) would originate from the automotive sector, supported by demand from advanced manufacturing, distribution and offshore renewables. This is evidenced by forecast growth in the automotive industry through to 2019, coupled with the UK presenting an attractive option for production.
52. This analysis informed the joint City Deal bid for an international advanced manufacturing park. The successful City Deal<sup>15</sup> focuses on the first phases of delivery up to 2027, with the development of 261,250 sq m of B1, B2 and B8 uses over 100ha, creating approximately 5,200 jobs.
53. Sunderland City Council and South Tyneside Council asked RPJ Consulting to provide a more in-depth and up-to-date analysis of the likely demand from the UK Automotive Sector, the outcome of which is reflected within this report.
54. RPJ Consulting concluded :
- Interviews with the author of the 2013 PWC Report to understand the evidence used to generate the demand forecast scenarios;
  - Confidential face-to-face interviews directly with the most senior UK Management of a number of Automotive OEMs and Tier 1 Automotive suppliers; and
  - And married this with an analysis of the broader international and UK automotive trends in demand, technology and policy.

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<sup>15</sup> Sunderland City Deal (2014), Sunderland City Council and South Tyneside Council ([SD41](#))

55. This update highlighted that the growth in automotive manufacturing activity in the North East depends primarily on Nissan and their plans. Their plans indicate that they have a realistic prospect of expanding production in the next five years driven by retaining the Qashqai business, expanding Infiniti production and expanding electric vehicle production. In response to greater demand for customisation of final vehicle build specifications by customers, they are undertaking a major revision to their manufacturing systems which will drive the need for significantly shorter supply chains.
56. The recent decision to invest further in Sunderland by Nissan with the replacement Qashqai and the additional X-Trail model reinforces the growth imperative and without the ability to expand, local suppliers will miss out on growth potential and job creation opportunities, as well as the ability to anchor Nissan even more firmly to the area over the longer term.
57. This will increase Nissan UK's desire to move production sources, especially Tier 1, from overseas to within a very short distance from the Final assembly plant to facilitate "Just in Time" in-sequence deliveries at economic cost. An increase in locally assembled content of 20-30% may be required over a long term period to facilitate this. In addition, Nissan UK is participating in the closer co-operation with Renault as part of the Renault-Nissan Alliance. While this represents a threat to some business, it also represents an opportunity for growth to the incumbent Nissan UK supply base through winning Renault business.
58. Research with local Tier 1 Suppliers indicated that over 50% of companies are planning expansion of their facilities in the region. This is without the companies being explicitly aware of the potential further localisation which could increase in demand yet further. Key drivers for these suppliers include landlocked operations which prevent further increase in capacity, organic growth over 30 years has left some Tier 1 companies in multiple sites which are not optimised for logistics or for lean overheads, and opportunities (as well as threats) presented by the Renault-Nissan Alliance.
59. The 2016 Automotive Sector Demand Study<sup>16</sup> concludes that Nissan UK needs to grow the local supply base within a less than 10 minute drive from the assembly plant and cannot presently do this as there is no available employment land in close proximity. The Tier 1 suppliers are constrained from growing by land availability and this is important to secure further opportunities and improve competitiveness.
60. Finally, RPJ Consulting concluded that in the absence of land to be able to grow, the status quo will not be as sustainable as the automotive sector in the North East and in fact the UK will not be in an optimum position to win future assembly competitions with other automotive plants abroad and over the longer term this will lead to reductions in assembly volume and employment requirements.

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<sup>16</sup> Expert Opinion of RPJ Consulting, 2016

### 3.5 A Skilled and Flexible Workforce

61. A skilled workforce is a significant draw for international investment in advanced manufacturing and the automotive industry. Indeed the ‘Driving Success – a Strategy for the Growth and Sustainability in the UK Automotive Sector’ (2013)<sup>17</sup>, report by the Automotive Council and BIS, highlighted that the UK needs to build up a comprehensive talent pipeline including in the supply chain and that maintaining and enhancing the UK’s flexible labour market is a key UK competitive advantage.
62. This report also highlights the potential for those already working in the automotive sector to be able to enhance their skills as technology changes. Nissan and its associated supply chain have already begun to diversify into the production and delivery of Low Carbon Vehicles and therefore the existing workforce and related supply chain have already begun to develop skills that will be further in demand as we transition into a Low Carbon future.
63. In 2014 the Councils commissioned four “topic papers” (Housing, Skills, Employment Land and Displacement) to undertake some initial research into the potential wider impacts of IAMP on both Sunderland, South Tyneside and adjoining local authority areas. The high level papers have provided contextual information for the AAP and (with the exception of the Employment Topic Paper) were refreshed in autumn 2016.
64. The IAMP Impact Analysis Topic Paper on Skills<sup>18</sup> states that “advanced manufacturing” involves a fundamental change in the processes used to produce a wide variety of goods based on an ability to manipulate materials and achieve process efficiencies through automation and a reduction of waste. The Topic Paper states that advanced manufacturing has a need for more skilled labour, often termed ‘Knowledge workers’. Knowledge workers are expected to be an important element in the IAMP core workforce with an estimated 40% share of the total projected jobs.
65. This Topic Paper shows that the majority of the current core workforce for Nissan and a typical Nissan supply chain company originate in Sunderland, County Durham, South Tyneside and Gateshead and going forward around 83% of the potential future workforce for IAMP (and the sectors it will target) will be drawn from these local authority areas.
66. The 2016 SEP Evidence Base<sup>19</sup> states that the proportion of the population qualified to level 4 (graduate level and above) has risen from 22% in 2005 to 31% in 2015, a faster growth rate than the UK overall, and the proportion with no qualifications is declining. Currently, the population qualified to high level now exceeds demand for workers qualified at that level in the North East. However, the 2016 SEP Evidence Base also examines changing workforce demands between 2012 and 2022<sup>20</sup> and anticipates significant

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<sup>17</sup> [The Automotive Council UK](#)

<sup>18</sup> International Advanced Manufacturing Park – Impact Analyses  
Topic Paper: Skills, Sunderland City Council and South Tyneside Council, May 2015

<sup>19</sup> The North East Strategic Economic Plan, Evidence Base, May 2016

<sup>20</sup> [Working Futures 2012-2022, UK Commission for Skills and Employment](#)



employment growth for higher level occupation including managers, most professional occupations and many associate professional a technical roles. The IAMP will contribute to this growth and provide employment for a range of skills, including highly qualified / knowledge economy workers.

67. The IAMP, its potential ability to retain graduates, up-skill existing workers and attract additional employed into the area will make a contribution in terms of wages spent in the local economy.

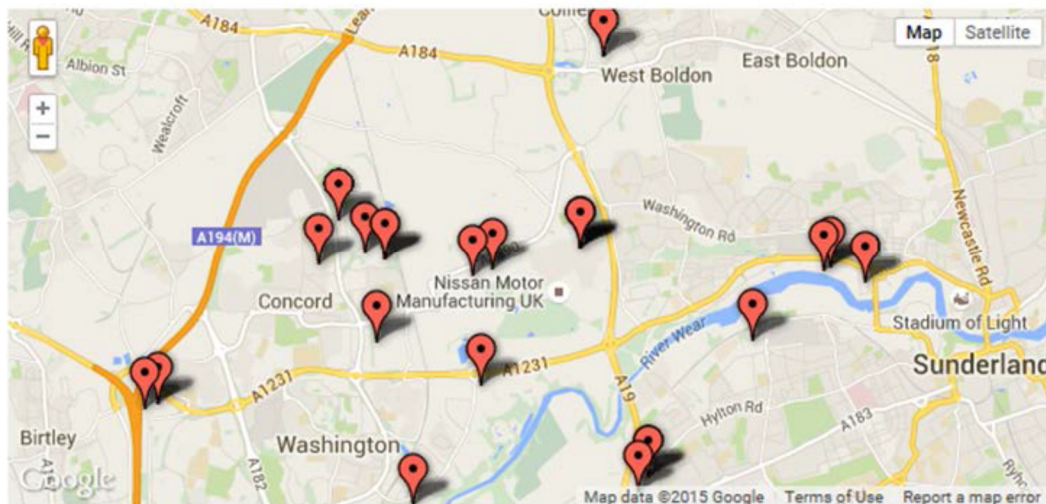
### **3.6 Demand for Premises in South Tyneside and Sunderland**

68. At present the Sunderland Plant is increasing its production with a 25,000sq m increase in floor space and a move to a three shift, 24hr production pattern (increasing from two shifts). The plant is also diversifying into new luxury and electric vehicle production. The plant currently assembles the Qashqai, Juke, Note and the all-electric Leaf models with the luxury Infiniti model being introduced in late 2015, and the updated Juke model planned for 2017.<sup>21</sup>
69. Nissan's supply chain has seen significant growth recently in response to securing the production of new models (particularly the LEAF and the Infiniti). According to information provided by SCC and STC there is the potential for further growth in tier 1 and tier 2 suppliers located in the North East from the relocation of suppliers from outside the region. Currently Nissan sources around £0.67 billion worth of components annually from outside the North East.
70. Figure 1 shows the current location of tier 1 suppliers linked to Nissan with the majority of suppliers being located within 5 miles of the Sunderland Plant. This is demonstrated by the successful take up of the Low Carbon Enterprise Zone with occupiers including Vantec, a Nissan tier 1 supplier.

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<sup>21</sup> <http://www.sunderlandecho.com/news/business/nissan-juke-decision-a-massive-vote-of-confidence-in-sunderland-1-7443662>

Figure 1: Tier 1 suppliers linked to Nissan



Source: <http://www.thejournal.co.uk/business/business-news/mapped-nissans-supply-chain-huge-7254559>

71. Those suppliers that locate in the North East are not just dependent on Nissan, evidence shows suppliers, in addition to delivering for Nissan are also securing contracts with other automotive manufacturers from outside the region. Also, demand for large scale employment sites for manufacturing and distribution uses is not limited to growth from Nissan, it relates to other advanced manufacturing and offshore renewables activities.
72. Research with local Tier 1 Suppliers to inform the 2016 Update Study<sup>22</sup> on Automotive Sector Demand indicated that over 50% of them are planning expansion of their facilities in the Sunderland region. Key drivers for these suppliers include landlocked operations preventing further increase in capacity, organic growth over 30 years has left some Tier 1 companies in multiple sites which are not optimised for logistics or for lean overheads, and opportunities (as well as threats) presented by the Renault-Nissan Alliance. This study also highlighted that Nissan UK needs to grow the local supply base within a less than 10 minute drive from the assembly plant.
73. Inward investment inquiries between 2008 and June 2016 to the Councils from businesses whose requirements could be met by IAMP are included in Appendix A and summarised below:
  - 60 investment inquiries were recorded over this eight year time period for automotive and manufacturing related end users, of which;
  - 12 sought a space requirement of greater than 50,000 sq m;
  - 16 sought a space requirement for between 20,000 sq m and 50,000 sq m;
  - 18 sought a space requirement for between 5,000 sq m and 20,000sq m;
  - 10 sought a space requirement of less than 5,000 sq m; and
  - In 4 instances the space requirement was not known.

<sup>22</sup> Expert Opinion of RPJ Consulting, 2016

74. These were considered to be firm inquiries but in terms of the inquiries not released, the main reason for not locating in Sunderland / South Tyneside was the lack of suitable sites / premises. A good example of this is the recent inquiry via BIS Automotive Investment Unit for an alloy wheel plant in the UK. It could have supplied both Nissan and Jaguar Land Rover, but space was not available to build the plant and the opportunity has been missed for now.
75. The 2016 Update Study<sup>23</sup> states that the typical size of a Tier 1 supplier ranges from 15,000 sq. m to over 30,000 sq. m and future expandability potential is also an important factor.

### 3.7 Summary

- Clusters provide companies with a competitive advantage, enabling them to improve productivity. Future growth in the automotive industry requires flexible manufacturing with increasing interconnectedness and the ability to customise to individual customer need.
- ‘Proximity’ is a key competitive advantage of UK automotive supply chain as it allows for lower logistics cost, a better support for UK-built vehicles, the responsive configuration of parts, as well as for more flexibility to adjust to volume and product mix fluctuations.
- Increased customer choice is driving higher product complexity. This requires leaner and more flexible supply chains, close to the vehicle/engine manufacturing plant. This is becoming more important for all manufacturers and particularly for premium manufacturers in the UK.
- The Strategic Economic Plan (SEP) for the North East recognises sector strengths in chemicals, petro-chemicals, advanced manufacturing including automotive production, and financial and professional services. The Innovation opportunities for the North East are related to the Energy, Transportation and Aging and Vitality sectors.
- The North East of England is a nationally recognised centre for the automotive industry and represented 30% of UK vehicle plant output in 2014. Since securing the Sunderland Plant in 1985 Sunderland now hosts the UK’s largest and most productive car plant along with a thriving cluster of more than 25 Tier 1 automotive suppliers. Indeed Nissan continue to invest in the plant with new models planned for production.
- To understand future growth opportunities from key sectors in the region, Sunderland City Council and South Tyneside Council commissioned Pricewaterhouse Coopers LLP (PWC) to identify potential market demand for strategic employment sites within the two local authority areas and more widely across the North East.
- This work informed the development of an ‘advanced manufacturing park’ proposition where the majority of demand (around 75%) would originate from the automotive sector, supported by demand from advanced manufacturing, distribution and offshore renewables. This would require 140 to 150 ha of land

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<sup>23</sup> Expert Opinion of RPJ Consulting, 2016

to 2033. The first phases to 2027, were included in the successful City Deal (2014).

- Advanced manufacturing has a need for more skilled labour, Knowledge workers are expected to be an important element in the IAMP core workforce with an estimated 40% share of the total projected jobs. In addition Sunderland and South Tyneside (together with County Durham and Gateshead) already have a strong share of a workforce engaged in automotive and advanced manufacturing activities, which is an attractor to inward investment decisions.
- In 2016 RPJ Consulting provided their expert opinion on the likely demand from the UK Automotive sector for IAMP<sup>24</sup> and considered that the growth in automotive manufacturing activity in the North East depends primarily on Nissan and their plans. In response to greater demand for customisation of final vehicle build specifications by customers, they are undertaking a major revision to their manufacturing systems which will drive the need for significantly shorter supply chains.
- Nissan UK needs to grow the local supply base within a less than 10 minute drive from the assembly plant and cannot presently do this as there is no available employment land in close proximity. In addition, over 50% of local Tier 1 suppliers are planning expansion of their facilities in the Sunderland region.
- RPJ Consulting consider that the typical size of a Tier 1 supplier ranges from 15,000 sq. m to over 30,000 sq. m and future expandability potential is also an important factor.
- Between 2008 and 2016 there have been sustained inward investment inquiries to both Sunderland and South Tyneside Councils related to automotive and manufacturing businesses. Almost half of these inquiries (28 of 60) sought a space requirement of 20,000 sq m or greater.
- RPJ Consulting advise that in the absence of land to be able to grow, the status quo will not be as sustainable as the automotive sector in the North East and in fact the UK will not be in an optimum position to win future assembly competitions with other automotive plants and over the longer terms this will lead to reductions in assembly volume and employment.

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<sup>24</sup> Expert Opinion of RPJ Consulting, 2016

## 4 Potential Locations

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### 4.1 Locational Criteria for IAMP

76. The Strategic Employment Study<sup>25</sup> identified criteria relating to the future needs of the automotive, manufacturing and distribution sectors seeking to locate in the North East as size, proximity and transport links. This was also summarised in the Sunderland City Deal<sup>26</sup> as follows:
77. “The combination of size, proximity to existing industry, transport links and availability makes these sites the most suitable for investment according to the demand study and needs analysis carried out by the consultant team.” (Sunderland City Deal, March 2014).

#### 4.1.1 Site Size and Comprehensive Development

78. The Strategic Employment Study<sup>27</sup> concluded that the automotive, advanced manufacturing and distribution sectors require accommodation on large scale floor plates ranging from 9,000 to 37,000 sq m, depending on the nature of operations. This can also be demonstrated by considering the size of the existing Sunderland Plant, business located on the low carbon Enterprise zone and the floorplates of business located in comparable business parks such as AMP Sheffield and the proposed Able Humber Energy Park<sup>28</sup> (for offshore renewables). Such sites and indeed the existing Vantec site adjacent to IAMP achieved a plot ratio of 0.35 to 0.4. Therefore the size of site (100ha) is very much linked to the scale of the occupier’s processes.
79. The 2016 Automotive Update Study<sup>29</sup> states that typical size of specific Tier 1 supplier site requirements ranges from 15,000 to over 30,000 sq m, and that further expandability is an important requirement.
80. In addition, the UK Automotive Council research highlights that future growth in the automotive industry requires flexible manufacturing with increasing interconnectedness and the ability to customise to individual customer need.<sup>30</sup>
81. A single comprehensive development as opposed to a dispersed network of sites, would in itself serve as an attractor for further international inward

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<sup>25</sup> Sunderland and South Tyneside Strategic Employment Study (2013), Pricewaterhouse Coopers LLP (SD28)

<sup>26</sup> Sunderland City Deal, March 2014. (SD41)

<sup>27</sup> Sunderland and South Tyneside Strategic Employment Study (2013), Pricewaterhouse Coopers LLP (SD28)

<sup>28</sup> AHEP offers 1,389m of new heavy duty deep water quays and 366.7 hectares (906 acres) of developable land. It is designed specifically for the marine renewables sector providing a multi-user facility for the manufacture, storage, assembly and deployment of next generation offshore wind turbines (OWTs) and their associated supply chain(s). <http://www.ableuk.com/sites/port-sites/humber-port/amep/>

<sup>29</sup> Expert Opinion of RPJ Consulting, 2016

<sup>30</sup> UK Automotive International Competitiveness Report (2015), Department for Business, Innovation and Skills (BIS)/Automotive Council UK

investment as companies from outside the UK will want confidence they can ensure best agglomeration benefits that could be achieved.

#### 4.1.2 Adjacency

82. Adjacency is an important factor when considering the appropriate location of an Advanced Manufacturing Park to meet the needs of the automotive sector. The Strategic Employment Study (2013) (SD28) states: “*The trend towards near-shoring of suppliers close to OEM’s [Original Equipment Manufacturer] will continue.*”
83. In addition, there is a pervasive market trend for increased customer choice driving higher product complexity. This requires leaner and more flexible supply chains, close to the vehicle/engine manufacturing plant. This is becoming more important for all manufacturers, especially those of premium vehicles<sup>31</sup>.
84. The availability of land adjacent to the existing NMUK and Tier 1 supply base is critical to achieve the vision of the prolific model variety integrated into the just-in-time logistics chain. In-line sequenced production requires the exact specification to be broadcast right up the supply chain and components and sub-assemblies scheduled for delivery in the right sequence with no delays or gaps. Global benchmarking suggests that this is best done by having the sub-assemblies adjacent or even inside the final assembly plant. The majority of Tier 1 suppliers are therefore very focussed on achieving as close proximity as possible to the existing Sunderland NMUK plan.

#### 4.1.3 Transport links

85. Businesses locating on the IAMP need to be able to easily access a skilled workforce, have strong links to supply chain and be able to transport goods to national and international markets. The North East offers good transport links from the Port of Tyne, Newcastle Airport and road network including the A1M and A19.
86. The Washington area between the A184 to the north, A19 to the east, A1084 to the south and A1 (M) to the west, is the recognised prime industrial and distribution area in the north east region and the preferred location for many manufacturers and distribution businesses. Any land north of Nissan for the IAMP extends this prime regional employment area.
87. The Strategic Employment Study<sup>32</sup> (SD28) states:
88. “Many of the manufacturing companies which are likely to locate to the site will produce goods mainly for the international market. Consequently they

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<sup>31</sup> Driving Success – a Strategy for the Growth and Sustainability in the UK Automotive Sector (2013), The Automotive Council UK

<sup>32</sup> Sunderland and South Tyneside Strategic Employment Study (2013), Pricewaterhouse Coopers LLP (SD25)

will require good road and rail access in order to distribute their goods. They will also require links to the local port and national rail network.”

89. The North East Independent Review<sup>33</sup> (SD37) stated that in relation to improving access from all parts of the North East, transport has a key role to play in lifting GVA if to deliver the maximum available agglomeration effects in the regional labour market; or in other words, to maximise the pool of talent that can access the priority locations for economic growth.
90. Therefore, good accessibility by road across the whole LEP area, including a fast and reliable journey time to the area’s airport and ports, is required in order to support economic growth.

#### 4.1.4 Site Availability

91. The current use and site availability of existing employment land needs to be considered when assessing potential locations for IAMP.

## 4.2 Supply

### 4.2.1 North East Region

92. The North East Independent Economic Review: Summary of Evidence (2012) (SD39) includes an overview of land and premises in the NE LEP area and notes that South Tyneside does not have a large supply of employment land in comparison to the other local authority areas and there is a concern across the NE LEP area that existing land and premises may not be in the right place or of the right quality to attract higher value added activities. The Review recommends increasing the supply of ‘market friendly’ sites.
93. A summary of the land supply picture for specific authorities in the NE LEP area is provided below.

#### 4.2.1.1 Northumberland

94. The Employment Land and Premises Demand Study<sup>34</sup> (2015) (SD35) includes some general insight in to the North East LEP area market and states that in and around Tyne and Wear, the stock of good quality industrial accommodation has reduced to a level where a supply/demand imbalance can be seen. It also states that historically within the NE LEP area private sector speculative development of industrial premises has been viable only in a few “hot spots” such as Team Valley and Washington. These locations have critical mass, easy access to labour, excellent connectivity to the strategic highway network, and serviced development plots.

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<sup>33</sup> The North East Independent Economic Review Report (2013), North East LEP

<sup>34</sup> Employment Land and Premises Demand Study, July 2015, ES Group for Northumberland County Council. (SD37)

95. The Report states that within Northumberland the strongest industrial location is Cramlington, on the edge of the Tyne and Wear conurbation, which is served by a network of dual carriageways linking to the A1 and A19 and which has a supply of serviced plots capable of development without substantial abnormal cost.
96. The Report concludes that overall there are 384 ha of available allocated employment land across the County against an average take-up of 6.22 ha per annum this equates to a 61 year supply. However, within 8 of the 25 settlements no allocated employment land has been developed for B-Class uses over the last 16 years; and in another 7 average take-up has averaged less than 0.10 ha per annum. In some cases this is due to low levels of demand in others it is a result of the low quality of available sites and/or the restricted viability of development.

#### 4.2.1.2 Durham

97. The latest Employment Land Review<sup>35</sup> (SD36) for Country Durham is in progress and this report provides indicative findings. It highlights that demand for land for industrial uses is consistently forecast to account for between 70% and 75% of total demand.

#### 4.2.1.3 Newcastle

98. The Employment Land Review<sup>36</sup> (SD32) highlights that in 2011/12, the City had an estimated 84.25ha gross of available employment land (excluding the Airport). However, some of Newcastle's stock of land contains some older sites less likely to meet future needs and is of a scale that reflects past industrial patterns, rather than the amount of land needed in the future.

#### 4.2.1.4 Gateshead

99. The Employment Land Review (2012)<sup>37</sup> (SD34) highlights that the overwhelming majority of Gateshead's employment space is industrial (89%). The Borough contains a large proportion of older units, with almost three quarters of factory units developed before 1971.

#### 4.2.1.5 North Tyneside

100. The Employment Land Review (2015)<sup>38</sup> (SD32) was an update to reflect the changes in the economy pre- and post-recession, and calculates the demand for jobs over the next 15 years. The Review states that manufacturing and distribution B2 and B8 uses identify North Tyneside, in particular the A19 corridor as a good location because of the ease of getting to and from the

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<sup>35</sup> County Durham Employment Land Review, Assessment of Future Land Requirements, Interim Report 31 May 2016, NLP (SD36)

<sup>36</sup> Employment Land Review, Report for Submission, January 2014 update, Newcastle City Council (SD32)

<sup>37</sup> Gateshead Employment Land Review Update, July 2012, NLP (SD34)

<sup>38</sup> North Tyneside Employment Land Review Update, 2015, Arup (SD32)



area and this has been further improved by the recent opening of the second Tyne Tunnel. However, the Report highlights that currently, the present stock of manufacturing and distribution space is in general reaching the end of its economic life. The provision of B2 and B8 space is limited particularly at the higher space end so growth opportunities cannot be realised.

#### 4.2.1.6 Sunderland

101. The Sunderland Employment Land Review (SD29) was undertaken in March 2016. It includes an analysis of the availability of industrial premises across the whole local authority area. There are 188 premises on the market equating to 270,736 sq m, with 17 units between 2,000 and 5,000 sq m in size and only eight units over 5,000 sq m in size.
102. At March 2016 there were a total 79 general employment sites available with a combined gross site area of 145.96ha in Sunderland. However, only 56 sites totalling 51.73ha were considered to be immediately available. Few of these sites are in Washington - here only 3.5ha is considered to be available.
103. In terms of future recommendations, the ELR report identifies the amount of land Sunderland should allocate to 2033 for general employment uses, not including the IAMP proposition. This is
  - 15ha for B1(a)/ B1(b) (Office) uses;
  - 35 - 45ha of B1c/B2 (manufacturing) uses;
  - 45-55ha for B8 (warehousing and distribution) uses.
104. In considering the current supply of employment land and future demand, the study recommends de-allocating 14 existing sites (totalling 26.39ha) where there is an oversupply or low market demand. These sites are predominantly in Sunderland South and the Former Coalfield. Two sites are proposed to be de-allocated in Washington (one of these sites has planning permission for an alternative use and the other site is heavily wooded) so currently there is only 3.50 ha available, which represents a shortfall in that part of the local planning authority area.

#### 4.2.1.7 South Tyneside

105. The South Tyneside Employment Land Review (ELR) (SD30) was undertaken in 2014. In addition the position was further updated by the Development Plan Topic Paper on Economic Growth and Employment. It states that South Tyneside has a limited stock of readily available employment land. At December 2015, there were 19 general employment sites providing a gross area of 46.17ha of available land. Sixteen of the sites were less than 5ha in size. One site was just over 10ha. Some of this land (13.84ha) may be lost of housing development in the future and only a limited amount of the general employment land is readily available for development. There is likely to be a shortfall of around 34ha by 2036.

106. The ELR strongest industrial locations are on the southern periphery of the conurbation where there is easy access to the strategic highway network.  
*“There is an imbalance between the location of available land and market demand. In the main, deliverable land is too small and in the wrong location; a constraint to economic growth. Sites that meet the market need for the strategic automotive and low carbon sectors need to be on the edge of the accommodation to meet occupier demand and be close to road infrastructure network”*

### 4.3 Region wide Sift of Potential Locations

107. The ‘IAMP Consultation Questionnaire’ (SCC and STC, February 2015) proposed potential locations for IAMP across the region and included locations in Northumberland, Tyneside, Tees Valley and Durham as follows:

<b>Northumberland</b> Northumberland Coastal Enterprise Centre (103ha) West Hartford (55ha)	<b>Tyneside</b> Newcastle Great Park (80ha) Newburn Riverside (92ha) Baltic Business Park (20ha)
<b>Durham</b> Hawthorn Business Park (22ha) Tursdale (120ha) Net Park (25ha) Aycliffe Business Park (was Amazon Park) (52ha) South of Seaham (68ha)	<b>Tees Valley</b> Wynyard (205ha) Faverdale (120ha)

108. Further details of these sites is provided in Figure 5 below. This reflects information in the public domain from local authority Employment Land Reviews, and websites on the employment parks and the understanding of BNP Paribas at July 2016.

Figure 5: Potential Locations for an IAMP in the North East LEP area.

Site	Overall Size	Notes	Available or suitable for an IAMP
<b>Large sites (80ha +)</b>			
Northumberland Coastal Enterprise Centre	103ha	Cleared site. Allocated as employment land in Northumberland's proposed major modifications to Core Strategy (site MAJ/AA/08). No recent activity on this site.	Available, but not in close proximity to the existing automotive sector.
Newcastle Great Park	80ha	Not fully implemented. B1 use only. Some of the commercial land is being re-allocated for residential uses and there are demand and viability issues on this site.	Not suitable for an IAMP as for B1 uses only.

Site	Overall Size	Notes	Available or suitable for an IAMP
Newburn Riverside Industrial Park	92ha	17,000sqft available for all uses, 83% of the GIA for industrial uses now occupied, only 7,000 sq. ft remaining for industrial uses. It is also understood that half of this site has been de-allocated and re-allocated for housing.	Not available for an IAMP as most of the industrial land has been developed out.
Tursdale Business Park	150ha	150ha available (2012 - Durham employment land review, 2016 update not yet complete.) No recent activity.	Available, but not in close proximity to the existing automotive sector.
Wynyard Park	205ha	Planning Permission not fully implemented. (B8 distribution uses). No new development proposals and limited availability of accommodation following the Conocco Phillips letting.	Available, but not in close proximity to the existing automotive sector.
Faverdale Park	120ha	3 development plots available - 0.5 acres to 2.365 acres. No recent activity.	Not available for an IAMP as most of the industrial land has been developed out.
Site to the east of the former Wardley Colliery spoil tip and disposal point sitespoil tip and disposal point site	100 – 150ha	Identified as wildlife site in South Tyneside Core Strategy.	In close proximity to the existing automotive sector, but not allocated for employment uses.
Land to the north of Nissan	100 – 150ha	Not currently allocated for development.	In close proximity to the existing automotive sector, but not allocated for employment uses.
<b>Sites between 20ha and 80ha in size</b>			
West Hartford Business Park	55ha	Site has outline planning for B1, B2 & B8 industrial use. Good road links. No development as of 2016 with exception of fire station. Proposed to be de-allocated for employment uses in the current consultation on the major modification draft of the Northumberland Local Plan.	Potentially no longer available (proposed to be deallocated in proposed major modifications to draft Local Plan) and not in close proximity to the existing automotive sector.

Site	Overall Size	Notes	Available or suitable for an IAMP
Baltic Business Park	20ha	The site has been developed for commercial office and education with buildings ranging from 4,500-16,000 sq m. Allocated for office, hotel, sport and leisure and education uses in the Gateshead and Newcastle Core Strategy and Urban Core Plan. Not fully implemented. Gateshead Council have terminated their current development agreement and considering future options.	Not suitable for an IAMP as for B1 and other uses only.
South of Seaham	68ha	This site has been reserved for a centre of Creative Excellence Outline permission for media park, leisure, education and student housing. Planning permission not implemented. No recent activity on this site.	Not suitable for an IAMP as reserved for a centre of Creative Excellence.
Hawthorn Business Park	22ha	The site has outline planning for B1, B2 & B8 industrial use for up to 66,000 sq m of buildings. Good road links. Planning Permission not implemented	Available but not suitable for an IAMP as at 22ha it is too small to meet the demand profile identified for IAMP.
Net Park Durham	25ha	This site has been identified for R&D and Technology Park with buildings up to circa 1,900 sq m. Good road links Next phase to be delivered 2017 - office development with research & development/technology focus	Not suitable for an IAMP as aimed at a smaller scale of end user.
Merchant / Aycliffe Park Durham	52ha	The site has been identified for B1, B2 & B8 use for large industrial or warehousing use. Good road and freight rail links with connections to air and sea. 3 plots still remain. Possibility of a second phase for Hitachi.	Not available for an IAMP as most of the site has been developed already.
South of Follingsby	22ha	Allocated in the Newcastle Gateshead Core Strategy and Urban Core Plan for logistics uses. No recent activity.	In close proximity to the existing automotive sector.

109. The table above shows that the alternative large-scale development sites in the north East Region have either been taken up, are reserved for a specific use(s) or have existing development commitments. In short, these sites provide for the General Employment Land needs of the NELEP area, whilst IAMP is intended to meet the needs of a specific sector.

110. Consideration of the available land supply in the NELEP area also shows that, whilst there is land available, much of this is not in the right place or of the right quality to attract high value inward investment.
111. Inward investment enquires to the two Councils show a foreign direct investment interest with a number of inquiries coming via UKTI. To be certain of the best opportunity to build the supply chain share, sites in close proximity to Nissan, and the Low Carbon Enterprise Zone are likely to be favourable.
112. Sites in close proximity to Nissan are as follows:
- Land South of Follingsby Park: This site was removed from the Green Belt and allocated for employment use in 2015. It is allocated for predominantly B8 uses as an expansion to the successful Follingsby Park, which is a general employment and distribution location. This site has a clear purpose and future role in the growth of logistics activities and at 22ha is too small to meet the demand profile identified for IAMP;
  - Site A: Site to the east of the former Wardley Colliery spoil tip and disposal point sitespoil tip and disposal point site: This site is located in the Tyne and Wear Green Belt and as it is a restored, it is not considered a previously developed site. This site is also identified as a Local Wildlife Site in the South Tyneside Development Management Policies DPD; and
  - Site B: Site to the immediate north of Nissan: This site is located in the Tyne and Wear Green Belt.
113. Both Site A and Site B are 'North of Nissan' and located within the Tyne and Wear Green Belt and are therefore considered further in section 6.

## 4.4 Summary

- The locational criteria for an International Advanced Manufacturing Park are **Site Size and Comprehensive Development, Adjacency, Strong Strategic Transport Links and availability** - a large site that can accommodate the large floorplates required by automotive, advanced manufacturing and offshore renewables sector companies to maximise the proximity agglomeration benefits which in turn attract International firms and build the 'local / UK based' supply chain.
- Across the North East, whilst there are some large sites, there is a shortage in of sites that fulfil all of the above locational criteria.
- Locally in Sunderland and South Tyneside, there is a shortage of available employment land – only just over 3 ha in 'North Sunderland' and the supply in Washington is insufficient to meet estimated demand in that area (position at Mach 2016) and no available sites in the southern part of South Tyneside.
- This means to accommodate an International Advanced Manufacturing Park additional land would need to be found.
- Two potential sites 'north of Nissan' were identified in the Sunderland and South Tyneside Councils IAMP Green Belt and Site Selection Options Paper,

(November 2015, Arup), both of which are within the Tyne and Wear Green Belt.

## 5 Green Belt in Sunderland and South Tyneside

### 5.1 Overview

114. This section sets out the purpose of the Tyne and Wear Green Belt and describes the Green Belt review assessment work that has been undertaken by South Tyneside and Sunderland Councils.

### 5.2 Tyne and Wear Green Belt

115. The Green Belt around Sunderland, South Tyneside and Gateshead was originally established in the 1960s and forms part of the wider Tyne & Wear Green Belt and later formalised in the Tyne and Wear County Structure Plan 1978. Its specified objective is to help manage the growth of the Tyneside and Wearside conurbations, prevent the merging of South Tyneside and Sunderland and maintain the separate character of the settlements which lie between.



Figure 2: Aerial Photograph of South Tyneside Green Belt

*Source: South Tyneside Green Belt and Landscape Background Paper, September 2012, STC*

116. Figure 2 - the Aerial photo, illustrates how close land in the Green Belt is to centres of population a dense settlement pattern and the transport network. This land is not isolated from people and movement.

117. Its boundaries have seen various adjustments over the past 40 plus years, both to release land needed for major new planned housing and industrial

developments (including Nissan, Follingsby Park and Boldon Business Park, plus Boldon Colliery's Cotswold Lane housing areas and the Leam Lane housing estate in Gateshead). South Tyneside's Green Belt boundaries were last reviewed in the 1990s.<sup>39</sup> Sunderland's Green Belt boundary has been 'largely' unchanged with some changes have been via applications which have successfully demonstrated 'very special circumstances'.

## 5.3 Review of the Tyne and Wear Green Belt

### 5.3.1 Timescales for Review

118. Alongside the IAMP Area Action Plan both Sunderland City Council and South Tyneside Council are progressing the preparation of revised Local Plans which consider the overall development needs of their respective local authority areas. Both Councils are in the process of undertaking Green Belt Reviews as part of the evidence to support their plan making process. They are comprehensive reviews, so have examined all of the Green Belt in their local authority areas, including the part in which IAMP is located.
119. Sunderland City Council published an 'initial draft review of Sunderland's existing Green Belt' in March 2016 to provide a strategic review to inform the emerging Core Strategy and Development Management Plan. This Stage 1 review will be followed by subsequent stage 2 work in 2017. In addition, South Tyneside published a draft Strategic Land Review in May 2016, to inform its new Local Plan which included a Green Belt assessment. However, the initial drafts of both documents informed the IAMP Green Belt and Site Selection Options Paper (November 2015). A summary of timescales supporting the IAMP Green Belt and Site Selection Options Paper is set out at Figure 3.

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<sup>39</sup> <http://www.southtyneside.gov.uk/article/21286/this-part-of-the-borough-is-green-belt-so-isnt-it-protected>



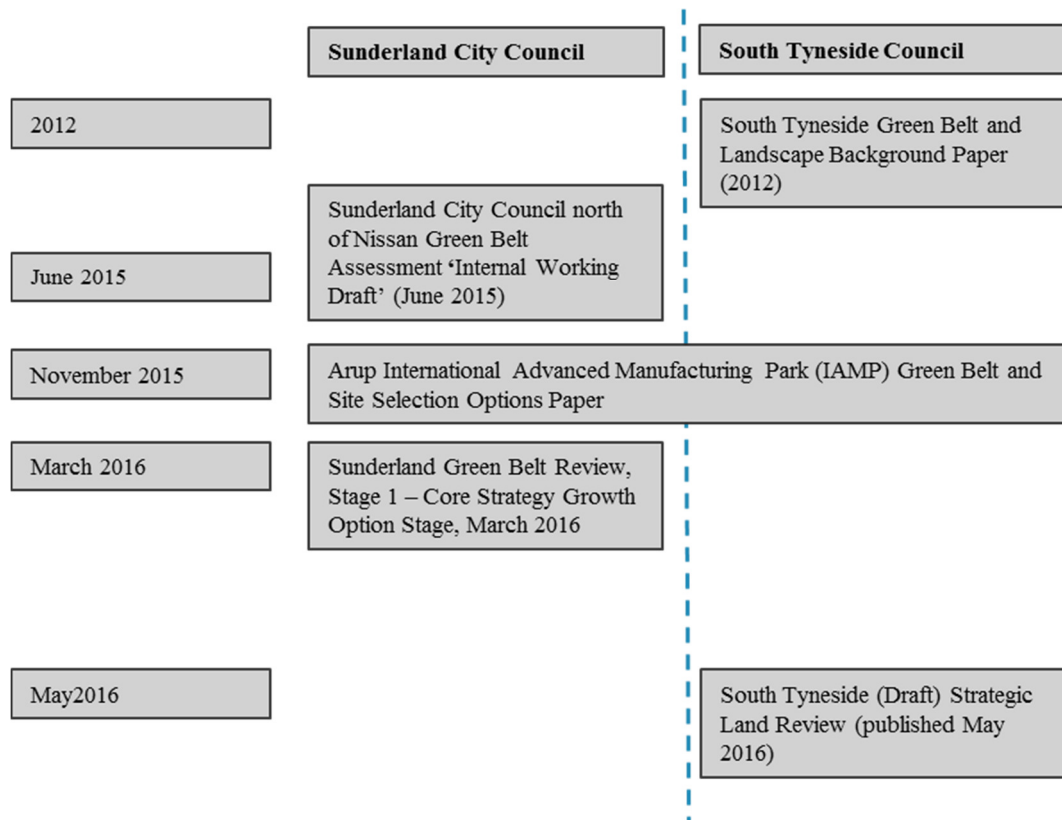


Figure 3: Timescales supporting the IAMP Green Belt and Site Selection Options Paper

120. Sunderland Green Belt Green Belt review, Stage 1 – Core Strategy Growth Options Stage (Published March 2016) ([SD43](#))
121. Sunderland's Green Belt boundary has remained unchanged since 1998. Today, the city's Green Belt extends to 3,500 ha. The Stage 1 study divides the Green Belt into thirteen sub areas – each of which is then divided into parcels of land for assessment against the NPPF defined five purposes of Green Belts.
122. The outcomes of the Stage 1 assessment states that just under two thirds (63% of the Green Belt) should be retained without further examination at Stage 2, as this land is clearly identified as being fundamental to the purposes of the Tyne and Wear Green Belt. The report states that the remaining 37% is being considered in more detail. This land (for the most part) constitutes urban fringe, though in most cases still demonstrates strong support and relevance to Green Belt purpose. Primarily, these fringe areas may demonstrate slightly less impact to open countryside development, portray more potential for settlement rounding-off, and/or have more limited impact on corridors between settlements.
123. The outcomes of the Stage 1 assessment are shown below, with the IAMP AAP boundary shown in blue:-

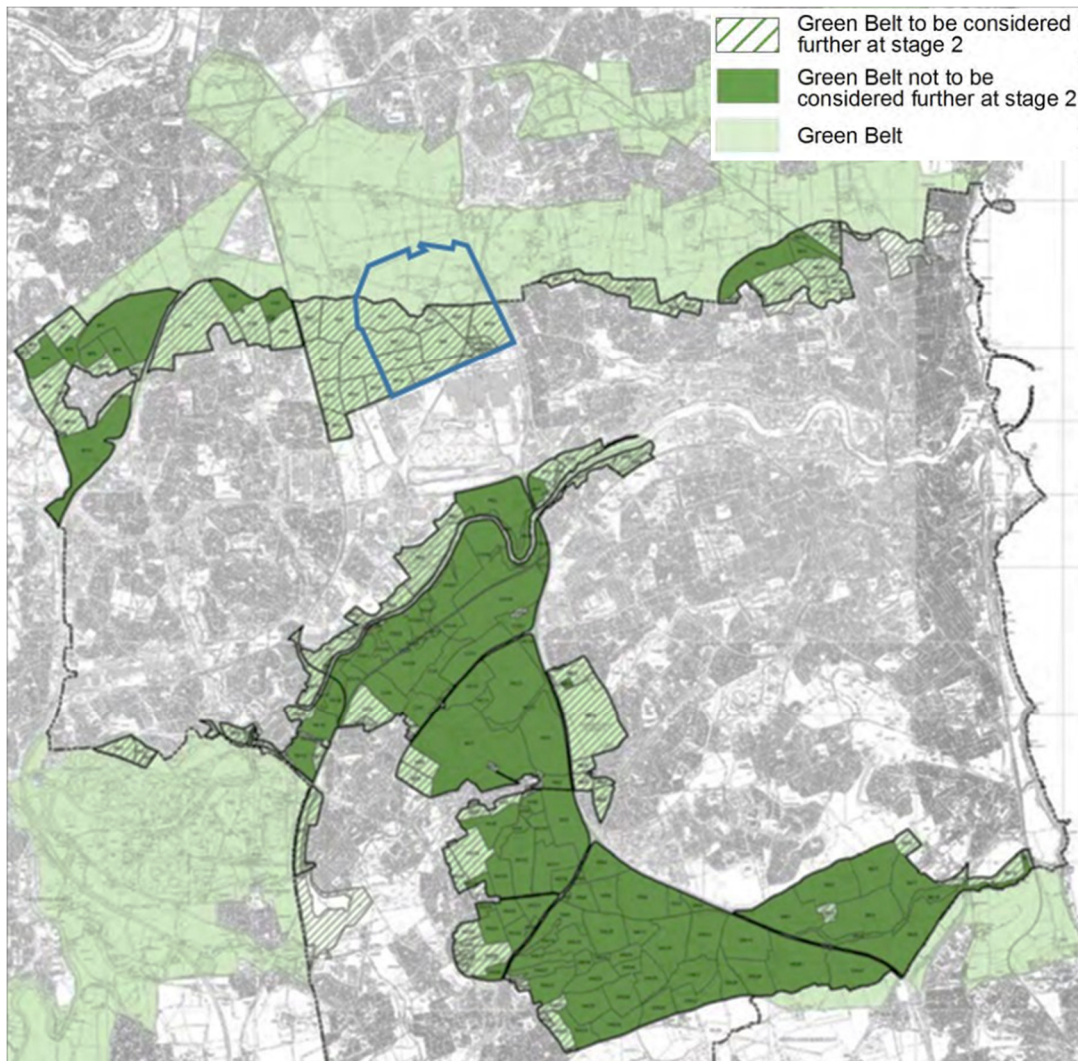


Figure 4: Outcome of Stage 1 Green Belt Review, Sunderland City Council March 2016

124. This report includes a section on the Green Belt in the 'Nissan Area'. It describes this area of Green Belt as a semi-rural lowland landscape, typified by farmland. It states that the Green Belt gap between Sunderland and Washington is approximately 2,750m in width, and northwards between Nissan and South Tyneside it varies from 2km and 4km in width. The Green Belt in this location helps to separate Sunderland from Washington and the city generally from South Tyneside. The study also states that the strategic purpose of separating Sunderland and Washington is already weakened by the existing employment land associated with the Nissan Motor Manufacturing complex, which in effect already bridges the gap between the two urban areas.
125. The Sunderland Green Belt Green Belt review, Stage 1 Report is clear that the assessment of the Green Belt in the 'Nissan Area' included in this report is replicated from the separate 'Green Belt Study for IAMP'.<sup>40</sup>

<sup>40</sup> IAMP Green Belt and Site Selection Options Paper, November 2015 (SD4)

126. South Tyneside (Draft) Strategic Land Review (Published May 2016) (SD42)
127. The Strategic Land Review (SLR) forms part of the key evidence base supporting the Borough's emerging Local Plan. It was prepared in 2015 and published in May 2016. It identifies which sites are considered to be the most suitable and sustainable for possible future allocation. It looks at a number of constraints based criteria. It also includes Green Belt sites and an assessment of how a development would impact upon the five nationally and locally defined purposes of the Tyne & Wear Green Belt, and how much separation that part of the Green Belt currently provides could be eroded.
128. The outcome of this draft assessment is that only about 10% of land in the South Tyneside Green Belt is considered to be 'potentially suitable for development' with the remaining 90% considered not to be suitable.
129. The outcomes of the Strategic Land Review are shown below, with the IAMP AAP boundary shown in blue (the part in South Tyneside).

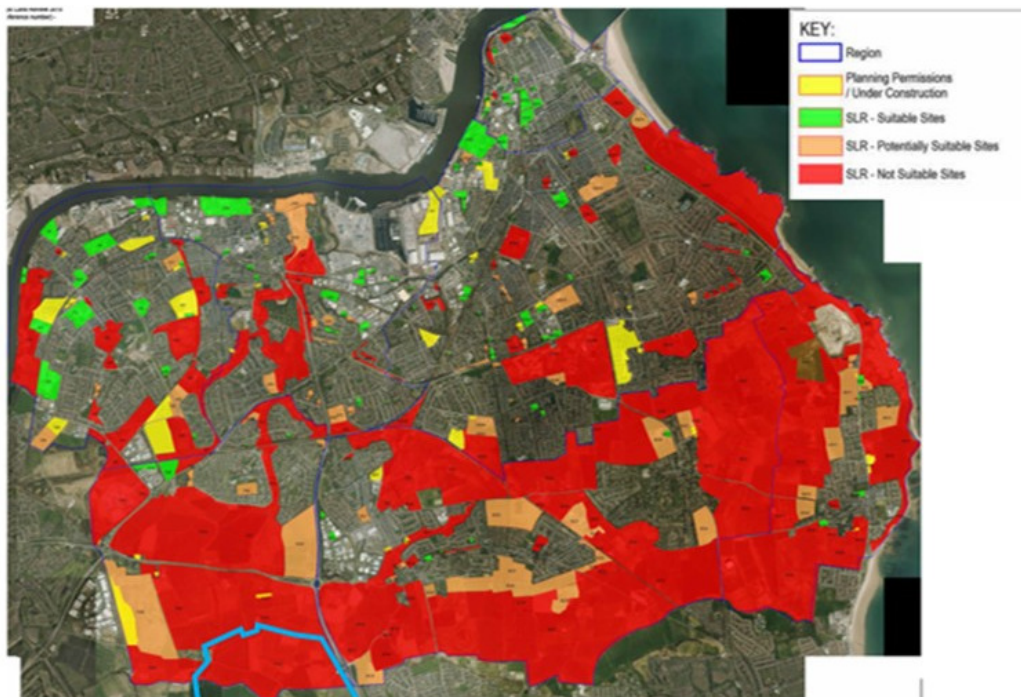


Figure 5: Outcomes of draft South Tyneside Strategic Land Review May 2016

### 5.3.2 Sunderland and South Tyneside Council IAMP Green Belt and Site Selection Options Paper (November 2015, Arup)

130. Although Sunderland and South Tyneside have agreed a broadly common approach, they have used slightly different methodologies to undertake their Green Belt reviews against the five purposes as set out in the NPPF.

131. It is important to assess the purpose of the Green Belt ‘north of Nissan’ consistently so the Council’s jointly commissioned a Green Belt and Site Selection Options Paper (GBSSOP) to examine this. The GBSSOP therefore applied consistent methodological approach to the assessment of all of the land ‘north of Nissan’ across both Councils boundary. This included defining assessment area / parcels to ensure they met the NPPF’s expectations on defensible boundaries. The outcome of this assessment is considered further in Section 6.

### 5.3.3 Defining the Approach to Assessing the IAMP Green Belt Area

132. Arup reviewed earlier drafts of both the Sunderland and South Tyneside Green Belt Methodologies to inform the IAMP Green Belt and Site Selection Options Paper. As a result of variations in initial methodologies between both of the Local Authorities and the cross-boundary nature of the IAMP site, there was a need to reconcile the approach to ensure that the IAMP area could be consistently reviewed against the five national purposes of the Green Belt (as defined by NPPF Paragraph 80).
133. Whilst both Local Authorities deconstruct the strategic Green Belt designation in their respective jurisdictions into ‘fields’ and test these areas against the five purposes of Green Belt, the local interpretation of each of these Purposes and associated scoring mechanisms was substantially different. Both approaches were appraised against the requirements of the NPPF and the 2015 Green Belt and Site Selection Paper determined that the Sunderland City Council approach was more aligned with Chapter 8 of the National Planning Policy Framework for the following reasons:
- **Boundaries:** Assessment of ‘fields’ within the Sunderland City Council method were considered to be more closely aligned with Paragraph 58 of the NPPF which requires the use of defensible boundaries. Arup determined within the IAMP Green Belt and Site Selection Options Paper to redefine a number of ‘fields’ within the South Tyneside Area of IAMP.
  - **Approach:** The IAMP Green Belt and Site Selection Options Paper considered that as Sunderland City Council’s approach almost mirrored the wording within the National Planning Policy Framework, this was considered to be more aligned and therefore likely to be more robust.
134. In summary, land within the IAMP area is considered to have a role in preventing the unrestricted sprawl of the large built up area of Sunderland, prevent the neighbouring towns of Sunderland, Washington and South Tyneside from merging into one another and safeguarding the countryside from encroachment. The area does not have a role in preserving the setting and special character of historic towns. The area has a mixed role in supporting urban regeneration.

## 5.4 Summary

- The Tyne and Wear Green Belt has been established for over 40 years and its objective is to help manage the growth of the Tyneside and Wearside conurbations, prevent the merging of South Tyneside and Sunderland maintain the separate character of the settlements which lie between.
- Strategic amendments have been made to the general extent of the Green Belt in this time to meet overriding housing and employment needs.
- The land in the Green Belt is close to centres of population, a dense settlement pattern and the transport network. This land is not isolated from people and movement.
- Sunderland City Council has commenced a Green Belt Review process, recently completing a Stage 1 Assessment (SD43) against the NPPF defined five purposes of Green Belt. This recommends undertaking a Stage 2 (constraints based assessment) on one third of the Green Belt in the Local Authority Area.
- South Tyneside Council has undertaken a Green Belt Review as part of a wider Strategic Land Review (SD42), which for GB sites includes an assessment against the NPPF defined five purposes of Green Belt as well as a list of wider constraints for a broader site portfolio. The outcome is that only 10% of land in the South Tyneside Green Belt is considered to be 'potentially suitable for development' with the remaining 90% considered not to be suitable.
- Due to the slight methodological difference in how each of the Council's assessed their part of the Green Belt, The Green Belt and Site Selection Options Paper (2015) applied a consistent methodological approach to the assessment of all of the land 'north of Nissan' across both Councils boundary.

## **6 Assessment of Options ‘North of Nissan’**

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### **6.1 Overview**

135. The following section of the Report summarises the outcomes of the Arup (2015) IAMP Green Belt and Site Selection Options Paper, followed by a review of configuration options for development on the land ‘North of Nissan’.

### **6.2 Stage 1 Assessment of ‘Land North of Nissan’**

136. The ‘land north of Nissan’ is large land area bounded by the A184 to the north, A19 to the east, A1290 to the south and the Leamside rail line to the west. It is all within the Tyne and Wear Green Belt.

137. As described in section 5 above, Sunderland and South Tyneside have slightly different approaches to undertaking their Green Belt Assessments. In order to show a consistent assessment across the land ‘north of Nissan’ Arup on behalf of both Councils’ assessed the Green Belt within this location and produced the Green Belt and Site Selection Options Paper (November 2015). This Paper reviewed the approaches of both Councils and proposed a methodology which was largely based on SCCs methodology. This led to the definition of 34 parcels in the area ‘north of Nissan’ that were assessed using a five point scale ranging from zero impact to major overall adverse impact.

138. The outcomes of the assessment of 34 parcels is shown below:

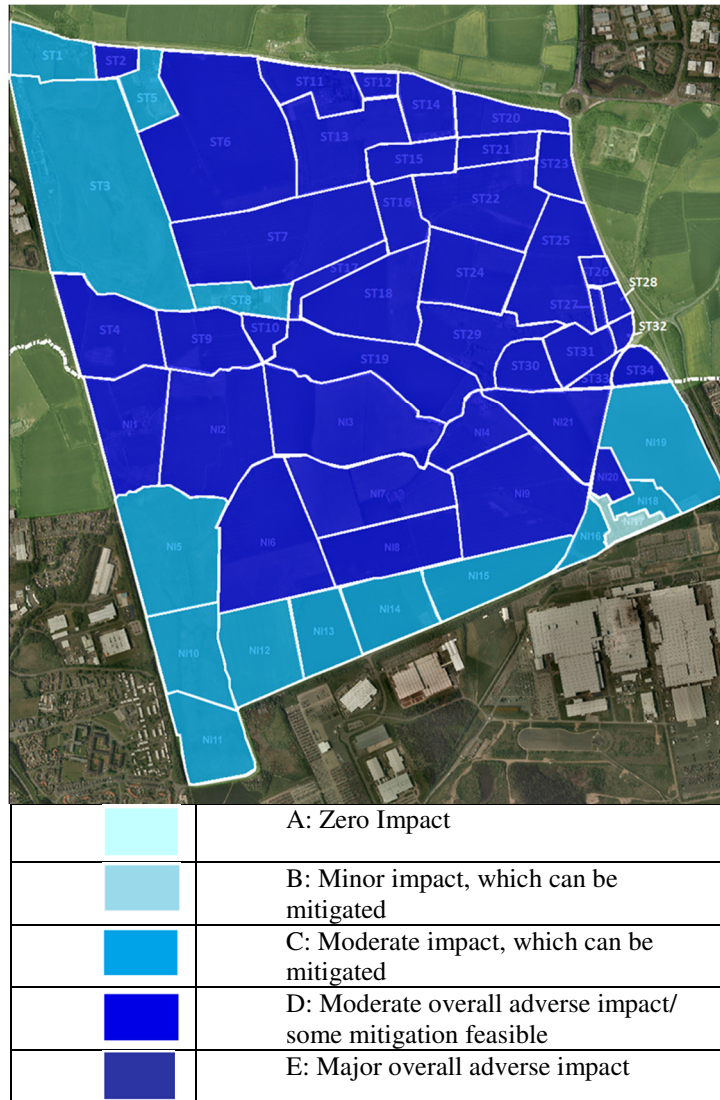


Figure 6: Assessment of the parcels ‘North of Nissan’

139. All of the 34 parcels perform a Green Belt Function. The degree to which they fulfil this function is less for the parcels which are located adjacent to the urban area / some consistent built form and more for the parcels which are in the centre and northern part of the area identified as ‘land north of Nissan’.

140. Two distinct ‘clusters of parcels’ were considered to have a ‘minor impact, which can be mitigated’ these are:

- Land in the north west corner, including and in proximity to The former Wardley Colliery spoil tip and disposal point site(ST1, ST3, ST5 and ST8); and
- Land along the southern boundary of the assessment areas which immediately adjoins existing built development (N5 and N10 to N19).

### 6.3 The former Wardley Colliery spoil tip and disposal point site and Surrounding Land

141. The former Wardley Colliery spoil tip and disposal point site (circa 50 ha in size) and former Wardley Coal Disposal Point (circa 4 ha in size) are located on the boundary of Gateshead and South Tyneside beyond the south eastern edge of the Gateshead urban area. The site is within the Green Belt.
142. The Colliery Spoil Tip is designated in the South Tyneside LDF as a Local Wildlife Site, whilst planning permission was granted in December 2014 for an Anaerobic Digester energy from waste plant on part of the former Coal Disposal Point.
143. Both of these sites are located immediately east of the Follingsby Business Park (in the Gateshead Council administrative area) which is a general modern industrial park. A large extension to Follingsby for distribution and logistics uses was allocated in the Core Strategy and Urban Core Plan for Newcastle and Gateshead, adopted in 2015. This was land in the Tyne and Wear Green Belt and an exceptional circumstances case was made as part of the plan making process, which the appointed Inspector found sound at Examination in February 2015.<sup>41</sup>
144. The adjacent former Wardley Colliery spoil tip and disposal point site was considered as an alternative site to the land south of Follingsby Park, but was dismissed as a candidate given its identification as a local wildlife site and ‘therefore employment development would be inappropriate’<sup>42</sup>. The Inspector for the Core Strategy and Urban Core Plan for Newcastle and Gateshead surmised in paragraph 194 of his report that in considering the proposed extension to Follingsby Business Park ‘*other locations outside the borough were investigated but none was found to meet the identified need*’.
145. The allocated extension of Follingsby Business Park and any potential future consideration of Wardley as a site for development (subject to an exceptional circumstances case demonstrated to remove land from the Green Belt) would be as a complementary business offer to that being proposed for the IAMP as the Follingsby area is targeted at general B2 and B8 uses rather than automotive, advanced manufacturing and off-shore renewables.

### 6.4 Potential ‘Development Options’ for land adjoining Nissan

146. The specific assessment of the 34 parcels of land ‘north of Nissan’ demonstrates that development of IAMP would result in taking land out of the Green Belt which does (to varying degrees of strength) meet the five

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<sup>41</sup><https://www.gateshead.gov.uk/DocumentLibrary/Building/PlanningPolicy/CIL/Evidence/Newcastle-Gateshead-CSUCP-Inspectors-Report-Final.pdf>

<sup>42</sup>Land to the South of Follingsby Lane, Gateshead Development Brief, Indigo Planning & Storeys Edward Symmons, July 2013  
<https://www.gateshead.gov.uk/DocumentLibrary/Building/PlanningPolicy/Evidence/Land-to-the-South-of-Follingsby-Lane,-Development-/Development-Brief---main-report.pdf>

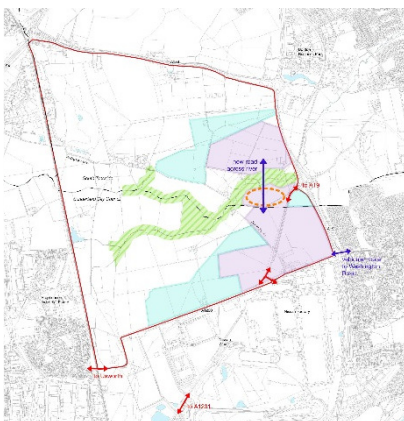


purposes of Green Belt. Therefore, an Exceptional Circumstances Case would need to be made and is the purpose of this Technical Background Report.

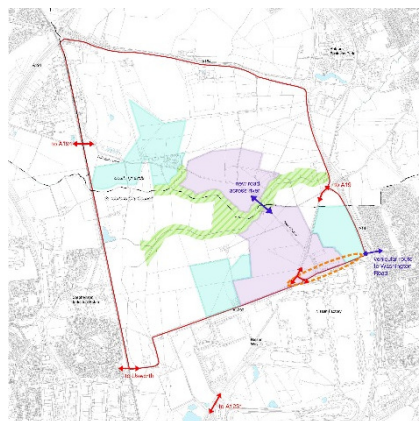
147. In addition, the land 'North of Nissan' is a large area and more than the amount of land needed for IAMP. To inform the selection of options to be considered further and develop the Preferred Option for the IAMP Area Action Plan (AAP), The Green Belt and Site Selection Options Paper (2015) included a technical review of transport, utilities, environment and ecology, flood risk, landscape, geotechnical and planning policy matters together with the Vision and Objectives for IAMP, to develop three alternative 'development options'.

148. Each option included for 170 ha of total land take for development and safeguarded land, a landscape and ecological mitigation corridor, a hub for ancillary uses and avoidance of significant ecological constraints, and development of land outside of flood zones and not within 50m of any watercourses.

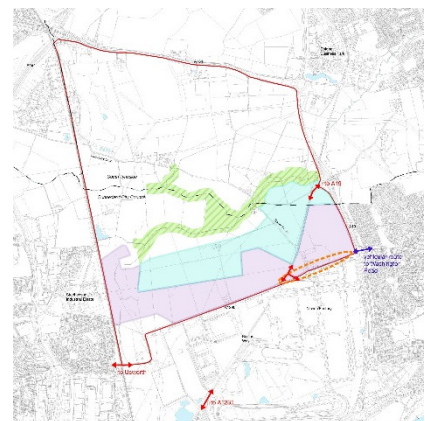
149. The three options are shown below.



**Option 1**



**Option 2**



**Option 3**

150. The purple areas show 100 ha for employment use, the blue areas show 70 ha of safeguarded land and the green areas show 50 ha for ecological mitigation.

151. The three options were consulted upon between December 2015 and February 2016. Selection of the Preferred Option for the IAMP AAP was informed by the following criteria:

- Impact on the Green Belt function of each option;
- technical issues presenting for each option;
- how each option supports the IAMP Vision and Objectives;
- the sustainability appraisal of each of option; and

- public consultation feedback.

## 6.4.1 Impact on the Tyne and Wear Green Belt

152. All of the options would result in the removal of land from the Tyne and Wear Green Belt that was assessed to meet the five purposes of Green Belt to varying degrees. The three options comprised some land parcels in common and some which were different, so overall each had a slightly different overall impact on the Green Belt. The Green Belt Site Selection Options Paper (November 2015) (SD4) described the difference in impact to be as follows.

### 6.4.1.1 Option 1 A19 Corridor

153. In terms of Green Belt purposes, this option would result in a predominantly moderate overall adverse impact on the Green Belt with some feasible mitigation. In terms of cumulative impact on the Green Belt as a whole, this option was considered to have an adverse impact in terms of Green Belt purposes given the level encroachment of predominantly open countryside which is detached from the settlement with an adverse impact in terms of potentially resulting in the merging of Sunderland and West Boldon.

### 6.4.1.2 Option 2 North West to South East Axis

154. In terms of Green Belt purposes, this option would result in a predominantly moderate overall impact on the Green Belt with some feasible mitigation. In terms of cumulative impact on the Green Belt as a whole, this option would have adverse impacts because it could result in the merging of Sunderland and Gateshead, create a more sprawled pattern of development than options 1 or 2 and leads to encroachment of predominantly open countryside which is detached from existing urban areas.

### 6.4.1.3 Option 3 East to West Axis

155. In terms of Green Belt purposes, this option would result in a predominantly moderate impact on the Green Belt with some feasible mitigation. In terms of cumulative impact on the Green Belt as a whole, this option would have an adverse impact as it would result in the coalescence of Sunderland and Washington. This option results in slightly less encroachment into the open countryside given that a larger proportion of the area adjoins the Sunderland Plant.

## 6.4.2 Other Impacts of Each Option

156. Paragraph 84 of the NPPF is clear that in altering Green Belt Boundaries the need to promote sustainable patterns of development should be considered. The technical issues and sustainability appraisal of the three options highlight that they are all similar in terms of their other impacts, as follows:

- All options involve the development of arable fields and potential loss of hedgerows;
- In all options Barn Owl and Bat foraging routes are likely to be present (though this is slightly less of a risk in Option 3);
- All options avoid areas identified at high risk of Flooding in the Strategic Flood Risk Assessment (though option 3 does encroach into flood zone 2 and 3 at its western end); and
- All options can be accessed via the strategic road network (though Option 1 would need require less extensive highway upgrade works than Options 2 and 3).

### 6.4.3 Selection of Preferred Option

157. The preferred option, as presented on the Policies Map of the Area Action Plan is based primarily on Option 1: A19 Corridor, as this option:

- provided land for development immediately north of Nissan, to maximise links with the plant;
- the land is in flood risk zone one;
- it could be accessed from the A19 and A1290; and
- it was the most supported option of the three following public consultation on the GBSSO paper.

158. Option 1 was then enhanced by incorporating some of the positive aspects of Options 2 and 3 to form the Preferred Option. The changes made to move from Option 1 to the Preferred Option are described below:

- The area of safeguarded land was relocated from north of the northern employment area to the west of the northern employment area, to ensure that a sizable strategic gap remained in the Green Belt to prevent coalescence between Sunderland and South Tyneside; and
- The 'Hub' for ancillary uses was re-located in the southern part of the area so it could be used by both existing employees on the adjacent site and new Safeguarded Land.

## 6.5 Safeguarded Land

159. The Strategic Land Study (2013)<sup>43</sup> (SD28) considered three potential scenarios for growth of the automotive, advanced manufacturing and offshore renewables sectors. The moderate growth scenario was taken forward which recommended 140-150 ha of development land to 2033. The City Deal took forward a proposition of 100 ha for the period to 2027.

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<sup>43</sup> Sunderland and South Tyneside Strategic Employment Study (2013), Pricewaterhouse Coopers LLP

160. In addition, RPJ Consulting advise that tier 1 suppliers have requirements for between 15,000 sq. m and 30,000 sq. m and the ability to expand in the future is an important consideration in choosing sites.
161. Safeguarded land is justified to allow the authorities to ensure that Green Belt Boundaries can endure beyond the Plan period and there is not a fundamental need to re-alter the Green Belt boundaries at the end of the plan.
162. Safeguarding 50 ha of land in conjunction with the land recommended for development would ensure that there is an opportunity to consider how to expand the IAMP in the next plan period, without the need to undertake a further review of the Green Belt.

## 6.6 Mitigation

163. It is recommended that releasing land from the Green Belt to progress IAMP should seek to minimise alteration to the Green Belt boundary, by only revising the boundary to accommodate development parcels and safeguarded land. This would result in land immediately north and south of the River Don, which performs an environmental and drainage function remaining within the Green Belt. In addition to retaining land not required for development or safeguarding within the Green Belt, in comparison to the three options considered for release as part of the Green Belt and Site Selection Options Paper consultation (November 2015), the Preferred Option contains the land release immediately to the west of the A19. There remains a green belt gap north-south between Sunderland and South Tyneside and east-west between Sunderland and Washington.

## 6.7 Ensuring a Defensible Green Belt Boundary

164. The NPPF requires Local Plans to define boundaries clearly, using physical features that are readily recognisable and likely to be permanent. There is no further guidance within the Planning Practice Guidance or Planning Advisory Service 'Planning on the Doorstep: The Big Issues Green Belt' (which is considered to represent a material consideration in decision-taking and plan-making) on this matter. Figure 10 below shows what features the proposed boundary follows:
  - The A19 serves as a 'strong defensible boundary' to the east. Existing field boundaries provide a clear boundary to the north, which can be further strengthened with additional planting;
  - There is an existing road running north west to south east which forms a strong boundary to the 'south west' of the northern development plot / safeguarded land;
  - The 'northern edge of the southern development plot / safeguarded land' follows the River Don (a 50m buffer either side of the river which will remain in the Green Belt, i.e. at least a 100m buffer corridor); and
  - A new 'landscape buffer' is proposed along the south west to north west boundary which follows the route of pylons running across this area. National

Grid has confirmed in their response to the Publication Draft AAP (dated 18 August 2016) that *‘because of the scale, bulk and cost of the transmission equipment required to operate at 400kV National Grid only supports proposals for the relocation of existing high voltage overhead lines where such proposals directly facilitate a major development or infrastructure project of national importance which has been identified as such by central government. Therefore we advise developers and planning authorities to take into account the location and nature of existing electricity transmission equipment when planning developments’*. Whilst IAMP is designated as a project of National Significance, it is not proposed to relocate the Pylons to facilitate the IAMP development (as it is not necessary), so they will remain on site for the foreseeable future and will continue to be a permanent feature in the landscape in this location. Given National Grid set out minimum safety standards for development near overhead lines, this existing boundary represents a “physical feature that is readily recognisable and likely to be permanent” (Paragraph 85, NPPF). As the landscape buffer matures, the strength of the feature as a reliable physical boundary that is also on the ground is likely to increase.

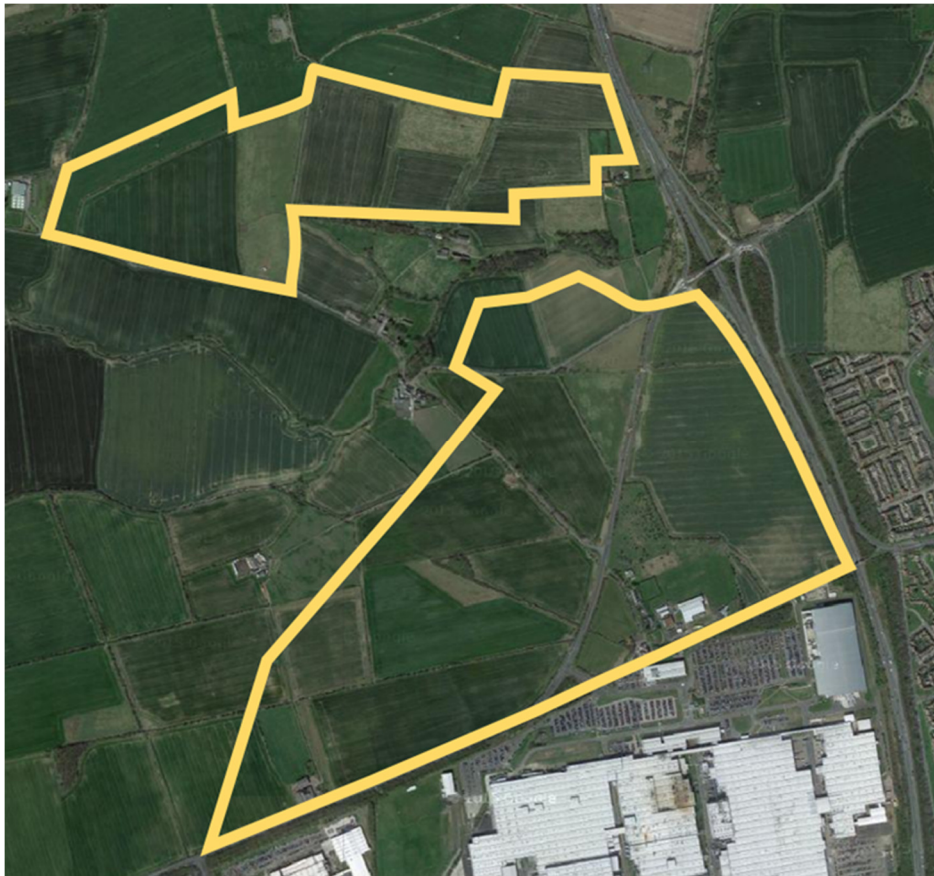


Figure 7: Defensible Green Belt Boundary

## 6.8 Summary

- The Tyne and Wear Green Belt was established over 40 years ago and its objective is to help manage the growth of the Tyneside and Wearside conurbations prevent the merging of South Tyneside and Sunderland maintain the separate character of the settlements which lie between.
- Exceptional circumstances cases have been made to release land for housing and employment development in the intervening period, most recently for the Follingsby Business Park extension (2015).
- Sunderland and South Tyneside are both undertaking Green Belt Reviews as part of their wider plan making process.
- The land 'north of Nissan' falls across both local authority areas so to ensure a consistent methodological approach an independent, single assessment for this area was commissioned as part of a Green Belt and Site Selection Options Paper, published in November 2015.
- This Paper assessed 34 parcels of land 'north of Nissan' which confirmed that all of the 34 parcels fulfil a Green Belt Function. The degree to which they fulfil this function is less for the parcels which are located adjacent to the urban area / in the north-west corner.
- To inform the selection of options to be considered further and develop the Preferred Option for the IAMP AAP, The Green Belt and Site Selection Options Paper (2015) included a technical review of transport, utilities, environment and ecology, flood risk, landscape, geotechnical and planning policy matters together with the Vision and Objectives for IAMP to develop three alternative 'development options' for IAMP.
- All of these options would have an adverse impact on the purposes of the Tyne and Wear Green Belt, as they would all lead to encouragement upon the countryside, risk merger of existing settlements (though to varying degrees) and lead to unrestricted sprawl (again to varying degrees). In terms of their other impacts the options were largely similar.
- The Preferred Option was based on Option 1, A19 Corridor with some modifications informed by Options 2 and 3. In particular, the proposed location of safeguarded land was amended to ensure that a sizable strategic gap remained in the Green Belt to prevent coalescence between Sunderland and South Tyneside, the main purpose of the Tyne and Wear Green Belt.
- Safeguarded land is justified by the demand for space presented in 2013 and endorsed by the 2016 update as suppliers want to have room for expansion. This will ensure the Green Belt Boundary endures beyond the plan period.
- Existing permanent boundaries and the creation of a new landscape buffer boundary will enable the new Green Belt Boundary to endure.

## 7 Exceptional Circumstances

### 7.1 Land Proposed for Removal from the Green Belt

165. The 'Preferred Option' and land proposed for removal from the Tyne and Wear Green Belt, totalling 150 ha located north and south of the River Don, for the International Advanced Manufacturing Park is shown below. This shows land to be developed for employment uses (purple), land to be safeguarded (grey) and land to be retained in the Green Belt (green).

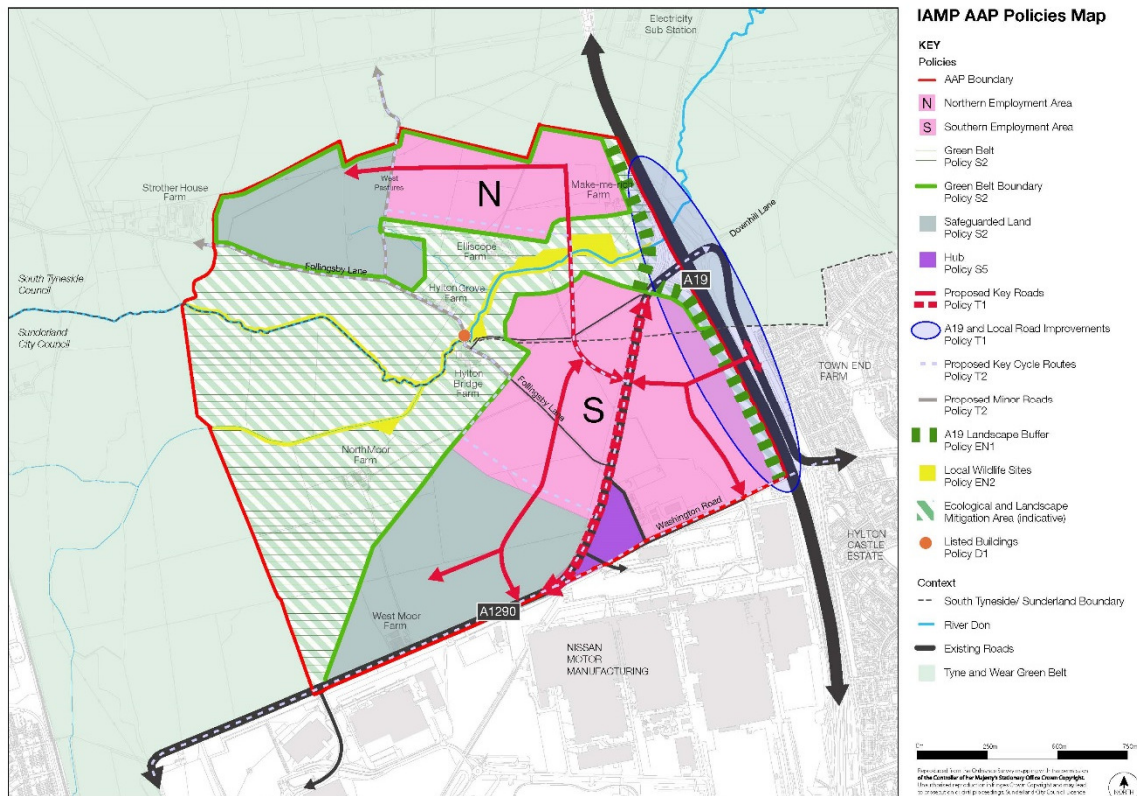


Figure 9: IAMP AAP Publication Draft Policies Map: Incorporating Proposed Changes, February 2017 .

### 7.2 Need for IAMP

166. The IAMP project is of national and international significance given its importance to growing the automotive and advanced manufacturing sectors in the UK.
167. The viability of the UK automotive sector supply base depends upon Nissan and Jaguar Land Rover above all. These companies depend upon late material sequencing to build complex products, with unique build combination varieties in the millions. This is only possible with key suppliers located very close to the final assembly plants, which puts a premium on the availability of development land nearby, as remote sites do not offer the same advantages.

168. Nissan UK (NMUK) is critical to the UK automotive industry nationally and regionally. NMUK is the largest vehicle manufacturer in the UK is gradually consolidating its position within Nissan worldwide, being the European centre for Electric car production, including battery packs, and for the premium Infiniti brand.
169. NMUK is likely to be part of a fundamental change in the Manufacturing system at Nissan worldwide, designed to accommodate the prolific increase in buildable variety within the manufacturing system rather than add-ons in the dealerships.
170. This will transform the supply chain, shortening supply lines and simplifying logistic chains, with a consequent increase in local value-added in the supply base. Close proximity is crucial in yielding the optimal benefits.
171. Failure to provide practical support for this shift, and the land it requires, will make it increasingly difficult for NMUK to continue to win competition from overseas plants for programs, considered essential to the livelihood of any plant.
172. It is therefore imperative to the future of automotive manufacturing in the UK that the land at IAMP is made available to support these clear trends and secure the long term growth prospects for NMUK and the wider industry.
173. There is currently no employment land immediately available and of sufficient scale in close proximity to Nissan to provide an International Advanced Manufacturing Park. Therefore land immediately north of the Sunderland Plant in the Tyne and Wear Green Belt has been identified to realise this important opportunity to ensure the security, growth and innovation around this longstanding employer and contributor to the regional and national economy.

### **7.3 Location of IAMP**

174. Section 4 of this Report outlines the locational criteria for an IAMP and shows that across the North East LEP area there is a shortage of available sites that meet all these criteria. This means that to accommodate IAMP, additional land needs to be found. Two sites 'north of Nissan' were identified as meeting these criteria, but both are located within the Tyne and Wear Green Belt.

### **7.4 Impact on the Tyne and Wear Green Belt**

175. Section 2 of this report sets out the national policy in relation to Green Belt and local policy in relation to the Tyne and Wear Green Belt in South Tyneside and Sunderland. Section 5 of this Report states that the objective of the Tyne and Wear Green Belt is to manage the growth of the Tyne and Wear conurbations and prevent the merger (principally) of South Tyneside and Sunderland and maintain the separate characteristics of the settlements which lie in between.



176. The land in the Tyne and Wear Green Belt is close to centres of population, a dense settlement pattern and the transport network. This land is not isolated from people and movement.

#### 7.4.1 Impact on the Role and Purpose of the Green Belt

177. Paragraph 79 of the NPPF sets out the role and purpose of the Green Belt in England as follows:

*“The fundamental aim of Green Belt policy is to prevent urban sprawl by keeping land permanently open; the essential characteristics of Green Belts are their openness and permanence.”*

178. The preferred option for the location and development of IAMP is presented in the Publication Draft IAMP AAP and shown in Figure 11. This shows that land remains open to the north of the IAMP development edge up to the A184 and beyond to the built edge of South Tyneside. It also remains open to the west and an area of Green Belt running west to east remains through the IAMP site. The AAP should include policies to protect the function and openness of Green Belt land remaining within the plan’s area, makes provision for safeguarded land to ensure the new Green Belt Boundary can remain permanent in the longer term and requires the re-enforcement of existing and creation of new defensible boundaries.

#### 7.4.2 Impact on the Five Purposes of Green Belt

179. Paragraph 80 of the NPPF sets out the five purposes of the Green Belt. These together with how preferred option for the development of IAMP will impact upon each of them is set out below:

- *To check the unrestricted sprawl of large built-up areas.* The preferred option seeks to focus most development immediately west of the A19 and along the A1290 to limit sprawl. The proposed change to the Green Belt Boundary relates to the land proposed for employment use and safeguarded land only. The AAP proposes that the Southern and Northern Employment Areas are developed. There is no land use prescribed for the safeguarded land by the AAP. This further contains the built up uses to the Southern and Northern Employment Areas in the short to medium term. The safeguarded land can only be considered for potential development via review of the AAP. In addition, a buffer zone around the River Don is retained in the Green Belt and will not be developed, further limiting unrestricted sprawl further north and west of IAMP.
- *To prevent neighbouring towns merging into one another.* The preferred option introduces additional built form immediately west of the A19. East to West it would not result in the merger of Washington and Sunderland as Green Belt is retained to the west of IAMP between IAMP and Washington. North to south, it would not result in the merger of Sunderland with South Tyneside as Green Belt remains north of IAMP to the southern edge of the South Tyneside conurbation. The Green Belt between Sunderland and West Boldon, east of the A19 remains and is not affected by IAMP.

- *To assist in safeguarding the countryside from encroachment.* The preferred option introduces a change to the existing area and would encroach on the countryside. However the development seeks to mitigate the impact by including a buffer zone around the River Don, which is retained in the Green Belt and where possible using existing field boundaries to define the development edge.
- *To preserve the setting and special character of historic towns;* There have been no historic towns identified in the designation of the Tyne and Wear Green Belt or local planning policies which would be impacted by IAMP.
- *To assist in urban regeneration, by encouraging the recycling of derelict and other urban land.* IAMP is a strategic opportunity. It is located on the edge of the conurbation. The City Deal (2014) linked both IAMP and the development of the former Vaux
- Brewery site in the Central Business District of Sunderland as key components to the regeneration of the City.

### 7.4.3 Promoting Sustainable Patterns of Development

180. Paragraph 84 of the NPPF states that local planning authorities should take into account sustainable patterns of development when drawing up or reviewing green belt boundaries.
181. The Tyne and Wear Green Belt is close to centres of population and a dense settlement pattern and the transport network. It is not isolated from people and movement. The Preferred option for IAMP is on the edge of the Sunderland conurbation and accessible to the South Tyneside conurbation. The AAP includes policies which seek to promote different modes of transport to connect to the site, ensure that there are appropriate services and facilities for existing workers nearby and new workers and space is made to ensure existing habitats and species are protected.

### 7.4.4 Meeting Longer Term Development Needs

182. Paragraph 85 of the NPPF advises local planning authorities to identify safeguarded land where necessary and make clear this is not allocated for development at the present time. It also requires permanent boundaries that are recognisable.
183. The AAP should include policies to makes provision for safeguarded land and state that this is not available for development in this plan period.
184. The AAP should also include policies to ensure the new Green Belt Boundary can remain permanent in the longer term and requires the re-enforcement of existing and creation of new defensible boundaries.

## 7.5 Summary

185. There is a clear exceptional circumstances case for the scale and nature of development for an International Advanced Manufacturing Park (IAMP) adjacent to Nissan on land currently in the Tyne and Wear Green Belt.

186. The AAP will include policies which will ensure that the impact of this development on the Green Belt purpose and function is minimised by including safeguarded land, strong defensible boundaries and policies to protect the function of remaining Green Belt within the AAP area.

## Appendix A

Inward Investment Inquires  
2008-2016

## A1 Inward Investment Inquires 2008-2016

Date	Company	Origin	Business activity	Nature of project	Space requirement	Comment
2008	Industrial battery manufacturer		Battery Manufacture	Relocation	18,600m <sup>2</sup>	Company was located in inefficient position in urban area. It wanted to relocate due to the strategic access of the Turbine Park.
2008	BAE Systems		Arms Manufacture	Relocation	31,600m <sup>2</sup>	Relocating from inefficient premises.
2009	Rolls Royce		Car / aero-engine Manufacture	Relocation	30,000m <sup>2</sup>	Relocating from inefficient premises. Chose Radial 64 site due to its capacity to accommodate both Rolls Royce's requirements and a key supplier.
2010-2011	Nissan component supplier		Car Component Manufacture	Consolidation	32,500m <sup>2</sup>	Wanting to consolidate two existing premises onto one site. Leases issues within an existing property prevented the deal completing. Invested in North of Nissan site.

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2012	Nissan component supplier		Car component Manufacture	Relocation	23,200m <sup>2</sup>	Requirement to relocate closer to Nissan. No land available to accommodate its requirement so it has expanded its existing production base in Peterlee.
2012	Fulfilment centre		Packing warehouse	Relocation	23,200m <sup>2</sup>	Favoured Washington due to its strategic location but the only large site available had already been committed.
2012	Advanced engineering company		Engineering	Relocation	37,000m <sup>2</sup>	Specifically wanted to be in the area due to the availability of engineering skills. No suitable land available in the area to accommodate the requirement.
2012	Vantec		Automotive Logistics Centre	Relocation	39,000m <sup>2</sup>	To facilitate its business with Nissan and other OEMS in the region. Vantec paid £330,000 per acre which was driven by severe lack of other viable options.

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2013	Japanese automotive logistics company		Automotive Logistics Centre	Relocation	18,500m <sup>2</sup>	Approached Barmston who are currently working with the City Council to accelerate the release of Enterprise Zone land West of Nissan.
2013	German automotive components supplier		Automotive Components Supplier	Relocation	9,300m <sup>2</sup>	Approached Barmston who are currently working with the City Council to accelerate the release of Enterprise Zone land West of Nissan.
2013	Japanese automotive components supplier		Automotive Components Supplier	Relocation	9,300m <sup>2</sup>	Approached Barmston who are currently working with the City Council to accelerate the release of Enterprise Zone land West of Nissan.
2013-2015	Unknown	North East	Logistics	Expansion	4,600m <sup>2</sup>	Creation of a new warehouse on the company's Washington site to accommodate business currently undertaken in another warehouse in the City.

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2013-2015	Unknown	Tbc	Supplier	New facility	9,300m <sup>2</sup>	New occupier lined-up for a unit in Washington (tied to the above project).
2013-2015	Unknown	North America	Supplier	New facility	8,300m <sup>2</sup>	Depends on terms of contract from Nissan. Potential occupier for Hillthorn Farm Enterprise Zone site.
2013-2015	Nissan	Japan	OEM	Expansion	6,800m <sup>2</sup>	Planning application submitted for a new pressing facility.
2013-2015	Nissan	Japan	OEM	Expansion	Tbc	Requirement for a new paint shop by 2018 to meet EU regulations.
2013-2015	Nissan	Japan	OEM	New facility	Tbc	'Super Supplier' concept, bringing together purchasing from Nissan (Sunderland and Barcelona) and Renault to secure major suppliers. Possibility for IAMP Phase 1 Site.
	Unknown	Japan	Supplier	Relocation	28,000m <sup>2</sup>	



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2013-2015						Potential relocation from a plant located elsewhere in the region to a single 'super site' close to Nissan. Hillthorn Farm EZ site and IAMP (Phase 1) are possibilities.
2013-2015	Unknown	tbc	Supplier	New facility	Tbc	Alloy wheel manufacturer, currently looking at Sunderland (competition from Wales, which has an Objective 1 site).
2013-2015	Connor Solutions	Local	Electronics Manufacture	Expansion	1,850m <sup>2</sup>	Expansion of plant at Rainton Bridge. Planning approval now granted.
2013-2015	Unknown	Local	Packaging	Expansion	2,600m <sup>2</sup>	Rationalisation within the group is likely to favour the Washington site. Looking to occupy adjacent vacant unit.
2013-2015	Unknown	Germany	Advanced Engineering	Expansion	60,000m <sup>2</sup>	Seeking to acquire a vacant site adjacent to its plant in the City.

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2013-2015	Unknown	North East	Steel Fabrication	Relocation	2,200m <sup>2</sup>	Likely relocation from elsewhere in the region to Stephenson Industrial Estate.
2013-2015	Unknown	Tbc	Tbc	New facility	4,000m <sup>2</sup>	Knight Frank has a client that will take the former Coop warehouse at Stephenson if it can have additional yard space.
2013-2015	Unknown	Local	Packaging	Relocation	4,800m <sup>2</sup>	Relocating / expanding (current site on the fringe of the City is going for housing). Looking at former Remploy premises on Pallion.
2013-2015	Unknown	Local	Door Manufacture	Expansion / relocation	4,600m <sup>2</sup>	Requirement for a new, purpose built factory to supply doors to RSLs. Would like to develop on Hillthorn Farm EZ site.
2013-2015	Unknown	UK	Advanced Engineering	Expansion	9,300m <sup>2</sup>	Identified need for a spares / aftermarket facility adjacent to the company's Washington plant.
2014	Unknown	UAE	Oil/Gas pipes and valves	Unknown	7,000m <sup>2</sup>	
2014	Unknown	Germany	Offshore Wind	Unknown	37,000m <sup>2</sup>	

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2014	Unknown	Unknown	Tyre Manufacturer	Unknown	60,000m <sup>2</sup>	
2014	Unknown	Spain	Manufacturing	Unknown	Unknown	Rail access requirement
2014	Unknown	Ireland	Tyre Recycling	Unknown	10,000m <sup>2</sup>	
2014	Unknown	Unknown	Vaccine Manufacture	Unknown	60,000m <sup>2</sup>	
2014	Unknown	Unknown	Solar PV Manufacture	Unknown	55,000m <sup>2</sup>	
2014	Unknown	UK	Automotive Manufacture	Unknown	161,800m <sup>2</sup> – 242,800m <sup>2</sup>	
2014	Unknown	Czech Republic	Automotive Manufacture	Unknown	400,000m <sup>2</sup>	
2014	Unknown	Turkey	Engineering Manufacturer	Unknown	2,500m <sup>2</sup> and 2,000m <sup>2</sup> expansion land	