

IAMP Interim Position Statement

Sunderland City Council and South Tyneside Council

January 2022

LICHTFIELDS

22551/39/HE/LN
20380390v2


Sunderland
City Council



South Tyneside Council

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1.0 Introduction

1.1 Sunderland City Council and South Tyneside Council have commissioned Lichfields to prepare this Interim Position Statement (IPS) on the International Advanced Manufacturing Park (IAMP) Area Action Plan (AAP). This IPS has had regard to the objectives of the AAP and its policies, and includes an update on the economic context and demand for floorspace at IAMP. The Councils' IAMP AAP Authority Monitoring Report (AMR, 2020-2021) is also considered, with reference to the effectiveness of the policies within the AAP and how they are being implemented in practice.

1.2 This IPS will be used as a material planning consideration when determining planning applications in the interim until a plan review of the AAP is undertaken, whilst the IAMP AAP continues to form part of the adopted development plan in decision-taking.

1.3 This IPS is structured as follows:

- Chapter 2: IAMP Update;
- Chapter 3: Planning Policy Review;
- Chapter 4: The Economic Context;
- Chapter 5: Demand and Recent Development;
- Chapter 6: The Evolution Plan; and
- Chapter 7: Conclusions and Next Steps.

The International Advanced Manufacturing Park (IAMP)

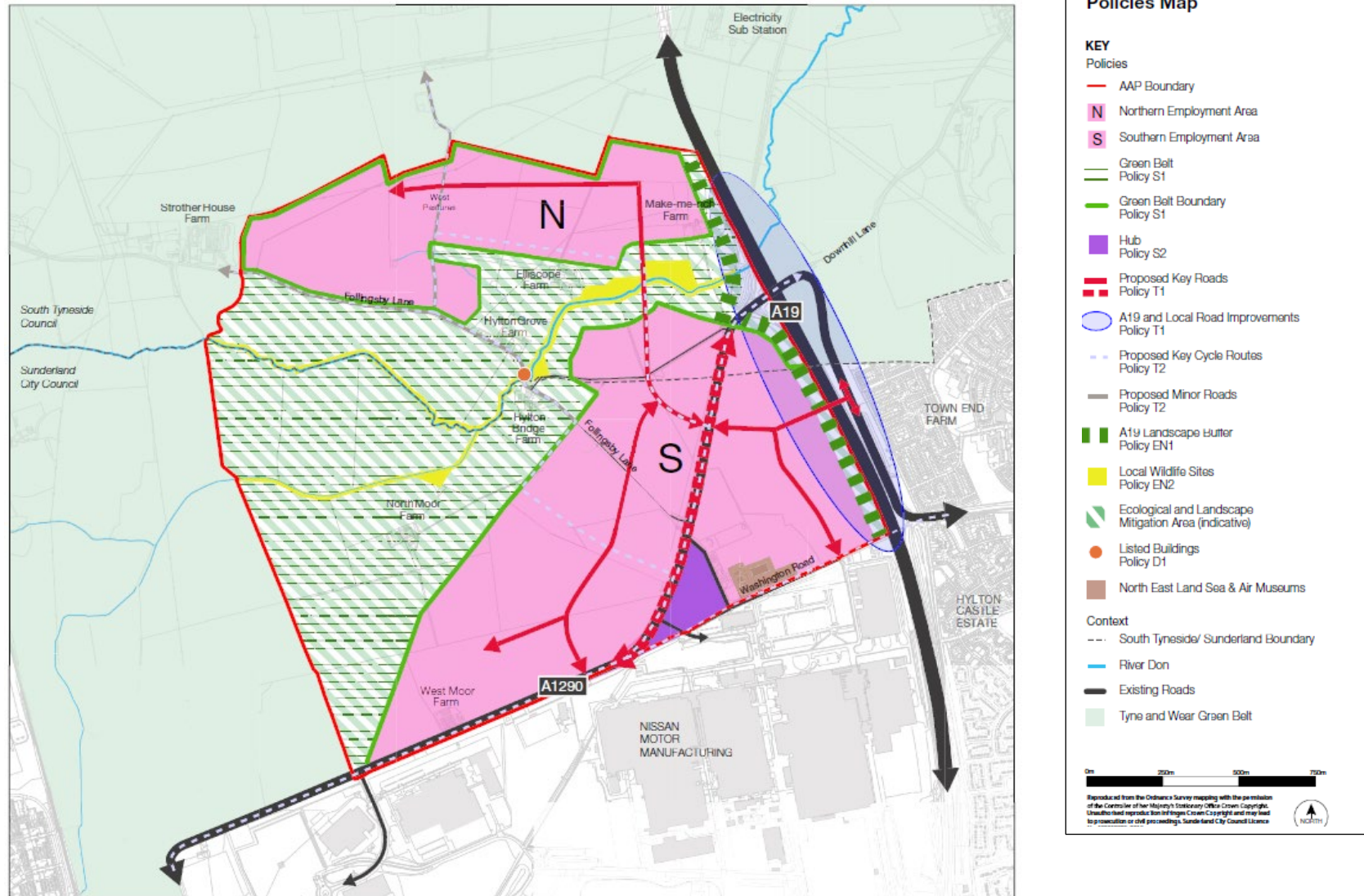
1.4 The IAMP represents a unique opportunity for the automotive and advanced manufacturing sectors in the UK. Located next to the UK's largest and most productive car manufacturing plant at Nissan, the IAMP provides a bespoke and world class environment for the automotive supply chain and related advanced manufacturers. Overall, the IAMP will help Sunderland, South Tyneside, the North East region and the UK continue to thrive as one of the best international locations for automotive and advanced manufacturing, building on Nissan's success as one of Europe's most productive car plants since its establishment more than 30 years ago.

1.5 The IAMP Area Action Plan (AAP) was formally adopted by both South Tyneside and Sunderland Councils in 2017. The plan is due to be reviewed in late 2022.

1.6 The AAP establishes the planning policy framework that is needed to deliver the IAMP. The AAP covers the timescale 2017 to 2032 and forms part of the development plan for both Sunderland City and South Tyneside Councils.

1.7 The AAP provides for the development of approximately 392,000 sqm of floorspace for principal and supporting uses. Principal uses are defined as production, supply chain and distribution activities related to the Automotive and Advanced Manufacturing Sectors. This is to be delivered within a developable area of 150 ha, with adjacent land set aside for an Ecological and Landscape Mitigation Area (ELMA) amounting to an indicative total of 110ha. The IAMP Policies Map is provided at Figure 1.1 overleaf.

Figure 1.1 IAMP AAP Policies Map



Source: IAMP AAP

- 1.8 Since its adoption, significant development has already taken place – both in terms of physical infrastructure as well as construction and occupation of manufacturing units within IAMP ONE, as recognised in the Council’s IAMP AAP AMR (2020-2021). These include: -
- 1 Testo’s Junction (A19) improvement works by Highways England (now National Highways), completed in summer 2021;
 - 2 Downhill Lane improvement works on the A19 (National Highways) estimated completion in summer 2022;
 - 3 A1290 junction works;
 - 4 Implementation of the IAMP ONE ELMA works;
 - 5 Completion of three industrial units, occupied by SNOP, Faltec and temporarily by the Nightingale Hospital, secured by the IAMP ONE planning permission;
 - 6 Delivery of a primary sub-station; and
 - 7 Demolition of 1 to 5 Usworth Cottages and the adjacent chalet; whilst the demolition of West Moor Farm and Elliscope Farm buildings are likely to take place by the end of 2021.
- 1.9 Planning permission was granted by Sunderland Council in October 2021 for Envision AESC UK Ltd’s new Giga plant, producing batteries for electric cars for Nissan in IAMP ONE.
- 1.10 Given the rapid progress to date, this IPS provides a review of the latest available evidence on market demand and the local authorities’ aspirations for the site.
- 1.11 As part of this work, the following have been considered and evaluated:
- The delivery of works on the ground to date;
 - An economic baseline review;
 - A review of the changing market context in and around the IAMP, taking into account the Employment Land Reviews for both authorities;
 - Emerging demands and needs for the area and highlighting the direction of travel for investment and delivering against the Government’s levelling up agenda; and
 - A wider review of the emerging evidence to inform whether there should be an evolution plan that leads to a step change in policy direction for determining applications moving forward within the IAMP.
- 1.12 It is noted that the current IAMP AAP advises that if an application for a development consent order is not submitted and subsequently determined by 2020, both authorities will seek to prepare a joint Supplementary Planning Document which will establish the overall masterplan and design code for the site. This is taken into account in the recommendation arising from this review.

2.0 IAMP Update

2.1 This chapter provides a summary and update on the IAMP under the following headings:

- 2015 – Designation of the IAMP as Nationally Significant;
- 2017 – Adoption of the Area Action Plan and Variation to Direction for the Project of National Significance;
- 2018 to Present – Planning Permissions and Completed Buildings;
- Planning Application for Further Industrial and Infrastructure Development; and
- Wider Infrastructure Works Update.

2015 – Designation of the IAMP as Nationally Significant

2.2 In September 2015, the whole of the IAMP was designated as Nationally Significant by the Secretary of State under section 35 of the Planning Act 2008 (as amended) (PA2008). That meant that it could only be delivered by a Development Consent Order (DCO). A DCO allows planning permission and multiple other consents to be obtained for a project and can include powers of compulsory acquisition to secure site assembly.

2017 – Adoption of the Area Action Plan and Variation to Direction for the DCO

2.3 In November 2017, Sunderland City Council and South Tyneside Council jointly adopted an Area Action Plan that has established the statutory planning policy framework and development principles for the IAMP. Through the AAP, 150 hectares of land was removed from the Green Belt and allocated for advanced manufacturing and automotive uses.

2.4 A variation was sought to the existing direction for the Project of National Significance which sought for IAMP ONE to be delivered by way of a planning application under the Town and Country Planning Act 1990, IAMP LLP having secured the land by negotiation.

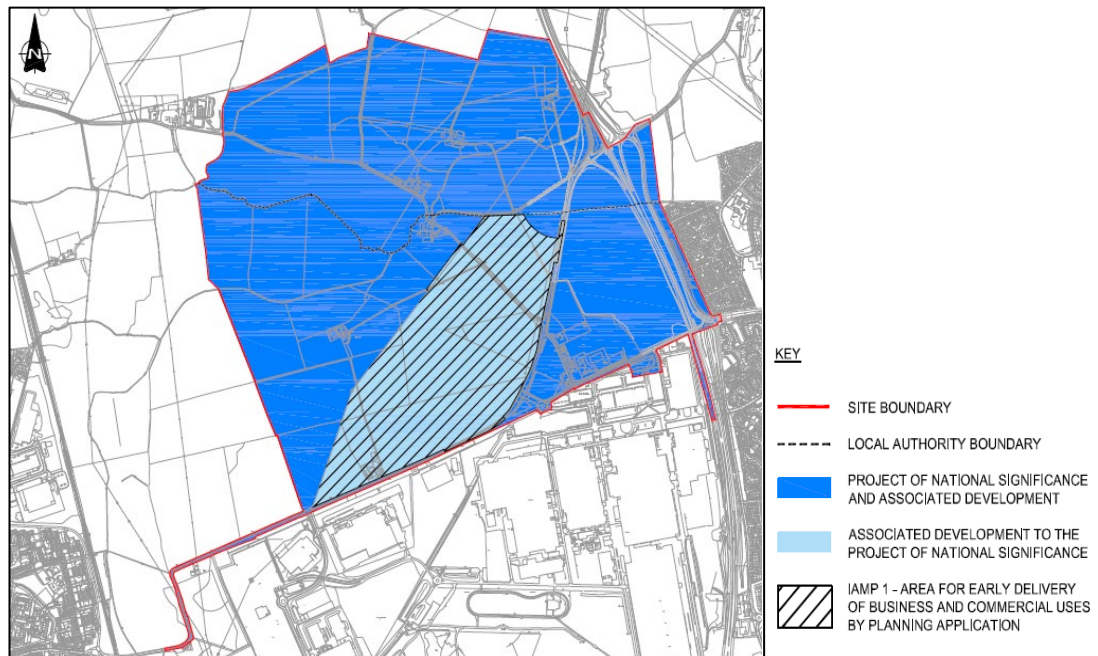
2.5 In December 2017 the Secretary of State varied their existing direction under section 35 of the PA2008, to the effect that IAMP ONE was identified as “*an area for early delivery of business and commercial uses by a planning application*”. Under the varied section 35 direction, IAMP TWO was reconfirmed as a Project of National Significance and accordingly to be delivered by a DCO.

2.6 The varied direction therefore allowed IAMP ONE to be delivered through the normal planning application route ahead of IAMP TWO, in a manner that enabled timely economic development in line with market need and still ensured the comprehensive development of the IAMP as a whole.

2.7 The IAMP AAP contemplates the delivery of comprehensive development at the IAMP through the planning application route as well as through a DCO.

- 2.8 An illustrative location plan for the IAMP ONE Site, the land on which planning permission has since been granted, and the IAMP TWO Site, which is subject to a direction for a Project of National Significance through DCO consenting and delivery, is shown in Figure 2.1.

Figure 2.1 Illustrative Location Plan



Source: Systra

- 2.9 The boundaries on Figure 2.1 differ from those on the IAMP AAP Policies Map, as they cover sections of the A19, Downhill and A1290 junctions which lie beyond the AAP boundary.

2018 to Present – Planning Permissions and Completed Buildings

- 2.10 Up to 156,840 sqm (around 1.7 million square feet) of floorspace for automotive and advanced manufacturing uses has been approved by Sunderland City Council at IAMP ONE through two planning permissions (in May 2018 and in June 2020). Three bespoke manufacturing buildings have been completed, of which two are occupied by Nissan’s suppliers (SNOP (21,856sqm) and Faltec (12,000sqm¹)). The third building (11,470.80sqm) has been fitted out as a Nightingale hospital on a temporary basis in response to Covid-19 but has planning permission for automotive and advanced manufacturing uses. In late January 2021 the hospital opened for use as a mass vaccination centre. The internal spine road (known as International Drive) has also been completed, whilst the IAMP ONE Ecological and Landscape Mitigation Area (ELMA) has been created. The IAMP ONE drainage system has been designed to accommodate drainage from part of the proposed dualled A1290. In addition, a short section of the road leading towards the River Don bridge also drains back into the IAMP ONE system.

¹ The planning permission for Faltec allows the building to be constructed in two phases. Phase 1 has been constructed (approx.. 12,000sqm). The total building which has permission (phase 1 plus phase 2) is 24,576sqm (gross internal area).

Figure 2.2 New Buildings and Access Road at IAMP ONE



Source: HBD

- 2.11 In October 2021, detailed planning permission was granted for a battery plant in the south western corner of IAMP ONE. The manufacturing plant, which is to be brought forward by Envision AESC UK Ltd, will be able to produce batteries for over 100,000 electric vehicles every year. It is anticipated that development will commence in early 2022, with the first batteries being produced from 2024. This permission has increased the total amount of floorspace approved across IAMP ONE to 166,518sqm (Gross Internal Area).
- 2.12 Bringing forward development in this phased way has meant that the first specialist automotive and manufacturing businesses have been able to start to operate at the IAMP. Any delay would have meant that Nissan suppliers would have been forced to consider looking elsewhere for premises, jeopardising the success of the wider IAMP vision and desired concentration of supply chain in the UK and North East region in particular.

Planning Application for Further Industrial and Infrastructure Development

- 2.13 A planning application was submitted to both local planning authorities in November 2021 for a further advanced manufacturing and automotive development within the IAMP. The application is for up to 1.8 million square foot of floorspace, with the majority of the new industrial units being situated within South Tyneside. A new access road is also proposed which would run through the IAMP across the local authority boundaries of both South Tyneside and Sunderland and connect to a widened A1290. The new access road will include a bridge over the River Don.

Wider Infrastructure Works Update

- The A19 / A184 Testo's junction improvements consist of the replacement of the existing at-grade roundabout junction between the A184 and the A19 (Testo's Junction) with a grade-separated junction (now completed);
- The A19 /A1290 Downhill Lane junction improvements consist of works to enhance the capacity of the junction to support the IAMP. The works include the construction of a new bridge to the south of the existing (A1290) bridge across the A19 to create a more traditional roundabout layout above the A19. New slip roads will connect the A19 to the south. This scheme is under construction and due for completion in summer 2022; and

- An application under Section 37 of the Electricity Act 1989 is being considered for the diversion of the existing 275kV ZZA overhead line on land at the IAMP. The consent application will be determined by the Secretary of State for Business, Energy & Industrial Strategy.

2.15 A table which provides a summary of the relevant planning history across the IAMP and the neighbouring land and enabling infrastructure is provided at Appendix 1.

3.0 Planning Policy Review

3.1 This chapter sets out the adopted and emerging development plans for the two local planning authorities of Sunderland City Council and South Tyneside Council, provides a summary of the relevant policies, and identifies the changing circumstances and evolving focus of planning policy moving forward.

The Adopted and Emerging Development Plans

3.2 The adopted and emerging development plans for the two local planning authorities are provided in Table 3.1.

Table 3.1 Adopted and Emerging Development Plans for the Two Local Planning Authorities

Local Planning Authority	Adopted Development Plan	Emerging Development Plan
Both Local Authorities	<ul style="list-style-type: none"> International Advanced Manufacturing Park Area Action Plan (AAP) (November 2017) 	
Sunderland City Council	<ul style="list-style-type: none"> Sunderland Core Strategy and Development Plan 2015-2033 (CSDP) (January 2020) Saved policies of the Sunderland Unitary Development Plan (UDP) (September 1998) and UDP Alteration No.2 (Central Sunderland) (September 2007)* 	<ul style="list-style-type: none"> Sunderland Draft Allocations and Designations Plan (December 2020);
South Tyneside Council	<ul style="list-style-type: none"> South Tyneside Local Development Framework Development Management Policies (December 2011) South Tyneside Local Development Framework Core Strategy (June 2007) South Tyneside Local Development Framework Site-Specific Allocations (April 2012)** 	<ul style="list-style-type: none"> The South Tyneside draft Regulation 18 Local Plan is currently in preparation

* Only certain saved policies of the Sunderland UDP are relevant. A significant number of policies have been deleted as they have been superseded by the CSDP or the IAMP AAP. The UDP Alteration No. 2 relates to central Sunderland and so is not relevant to the IAMP.

** The South Tyneside Site Specific Allocations covers the remaining non-AAP parts of the borough and hence is not relevant to the IAMP.

- 3.3 The Sunderland Core Strategy and Development Plan (adopted January 2020), South Tyneside Draft Local Plan (August 2019) and the Sunderland Draft Allocations and Designations Plan (December 2020) all postdate the adoption of the IAMP AAP.

IAMP Area Action Plan

- 3.4 The IAMP is allocated within the IAMP Area Action Plan (adopted November 2017) for advanced manufacturing and automotive uses. The IAMP is split into two employment areas: a Northern Employment Area and a Southern Employment Area, as defined by the IAMP AAP. These employment areas are separated by a belt of agricultural land which remains within the Green Belt. This land is identified for use as an ELMA. The River Don and its tributary (the Usworth Burn) run through the centre of the ELMA.
- 3.5 The IAMP AAP allocates or requires the provision of the following:
- *Employment uses* - 150 hectares of land is allocated for up to 392,000sqm of advanced manufacturing and automotive uses, which includes up to 36,000sqm for supporting office and light industrial uses.
 - *The ELMA* - 110 hectares of land (indicative) is allocated as an Ecological and Mitigation Area to provide mitigation and / or compensation for the ecological and landscape impacts of the IAMP development.
 - *The Hub* - located in the Southern Employment Area, the Hub will form a key component of the IAMP and will provide essential services for the IAMP, as well as other businesses and institutions. Within the IAMP AAP, appropriate uses are identified as including a small gym, education and training facilities, managed workspace for micro and start-up businesses, nursery and child-care facilities and small retail units (up to 1,500sqm with no single unit being greater in size than 250sqm).
 - *Retail floorspace* – in addition to the retail floorspace proposed for the Hub, small scale retail floorspace is supported in the Northern Employment Area of up to 300sqm, with no single unit being greater in size than 100sqm. An actual parcel of land is not allocated in the Northern Employment Area for this use on the IAMP AAP Policies Map.
 - *Highway improvements* – various highway improvements are identified consisting of:
 - i upgrading of the A1290 to increase capacity;
 - ii a new vehicular bridge over the A19 to connect the IAMP with the local road network to the east;
 - iii a new bridge over the River Don to allow access to the Northern Employment Area; and
 - iv new distributor roads within the IAMP to accommodate the movement of all users.
 - *Infrastructure provision* – the AAP requires the delivery of supporting infrastructure including a new electricity sub-station, as well as new water, gas and electric supplies. New telecommunications and broadband services networks must also be provided, whilst low carbon and renewable energy systems should be explored.
 - *Flood risk and drainage* – drainage and flood risk are to be addressed, including the provision of Sustainable Drainage Systems (SuDs). Sewer upgrades would need to be delivered should there be insufficient capacity in the foul sewer network to support development.

- 3.6 The IAMP Infrastructure Delivery Plan, which supports the delivery of the IAMP AAP, describes the framework for the provision of the main infrastructure, including when it is required, the likely cost and how it will be funded.

Planning Reform, Emerging Legislative and Policy Changes following Adoption of the IAMP AAP

Planning Reform

- 3.7 The Government is introducing a range of planning reforms which include modernising the planning system, supporting economic growth and addressing the challenges of climate change. A summary of some of the recent changes is provided below.

Levelling Up and the Plan for Growth

- 3.8 The Government has ambitious plans to level up every part of the UK. Its agenda includes levelling up opportunity and driving business growth, with a stronger economy for the British people. To spread opportunity across all of the UK, the Government is putting its 'Build Back Better: our plan for growth' into action with significant investment in innovation and skills. The Plan for Growth, which was published in March 2021, sets out the Government's plans to support growth through significant investment in infrastructure, skills and innovation, and to pursue growth that levels up every part of the UK, enables the transition to net zero, and supports their vision for Global Britain.

Planning for the Future, White Paper

- 3.9 The Government issued its 'Planning for the Future, White Paper' for consultation in August 2020. It proposes a package of reforms for the planning system to streamline and modernise the planning process, improve outcomes on design and sustainability and ensure more land is available for development where it is needed. It includes supporting economic growth, improvement of the countryside including net gains for biodiversity and the wider environment, and to actively address the challenges of climate change including achieving its net-zero commitment by 2050. Within the White Paper, the Government is seeking a simpler and faster planning process to speed up the delivery of development.

Net Zero

- 3.10 In 2019 the UK became the first major economy in the world to legislate to a binding target of reaching net zero emissions by 2050. In October 2021, the Government issued the 'Net Zero Strategy: Build Back Greener' which sets out policies and proposals for decarbonising all sectors of the UK economy to meet the net zero target by 2050. In October and November 2021, the UK hosted the 26th United Nations Climate Change Conference of the Parties (COP26) in Glasgow. The COP26 summit brought together parties to accelerate action towards the goals of the Paris Agreement and the United Nations Framework Convention on Climate Change.

Environment Act 2021

- 3.11 The Environment Bill, which received Royal Assent on 9 November 2021, has now become an Act. The Act sets out the UK's post-EU Exit environmental protection rules and includes a strengthening of the existing duty on public authorities to conserve biodiversity. It includes a mandatory requirement for biodiversity net gain. This is to become a condition of all planning permissions in England. The net gain of the development would have to exceed the pre-development value by at least 10%. There will be a two-year transition period. The

environmental targets contained within the Act will be set by regulations, which will specify the date by which it is to be achieved.

- 3.12 The Act requires that 'biodiversity net gain plans' are approved by the Local Planning Authority and that biodiversity gains are secured for a period of at least 30 years.

National Planning Policy Framework

- 3.13 The National Planning Policy Framework (NPPF) sets out the Government's planning policies for England and how these are expected to be applied. The NPPF was first published on 27 March 2012 and has been updated on three occasions following the adoption of the IAMP AAP, namely on 24 July 2018, 19 February 2019 and 20 July 2021.

- 3.14 The key changes of relevance to the IAMP that have taken place between the 2012 and 2021 versions are summarised as follows:

- **Making efficient use of land** – the 2021 NPPF encourages multiple benefits from land, including taking opportunities to achieve net environmental gains such as developments that would enable new habitat creation or improve public access to the countryside. It also recognises that some undeveloped land can perform many functions, including for wildlife, recreation and flood risk mitigation.
- **Design** – the 2021 NPPF seeks the creation of high quality, beautiful and sustainable buildings and places. It introduces the need for design guides and design codes.
- **Trees** – the 2021 NPPF recognises that trees make an important contribution to the character and quality of urban environments and can also help mitigate and adapt to climate change. The 2021 NPPF advises that new streets should be tree-lined and opportunities should be taken to incorporate trees elsewhere in developments.
- **Flood management** – the 2021 NPPF advises that major developments should incorporate sustainable drainage systems unless there is clear evidence that this would be inappropriate. The systems, where possible, should provide multifunctional benefits.
- **Green Belt** – in relation to the exceptional circumstances to amend Green Belt boundaries, the 2021 NPPF now refers to these being 'fully evidenced and justified'. The 2021 NPPF states that where a need for changes to the Green Belt boundaries has been established through strategic policies, detailed amendments to those boundaries may be made through non-strategic policies, including neighbourhood plans. Confirmation is provided that material changes of use of land may not be inappropriate in the Green Belt.
- **Biodiversity** – the 2021 NPPF seeks for the provision of net gains for biodiversity, whereas the 2012 NPPF advised that the planning system should enhance the natural and local environment by various criteria including "*minimising impacts on biodiversity and providing net gains in biodiversity where possible*". The 2018, 2019 and 2021 updates to the NPPF strengthen the need for biodiversity net gain. The Environmental Bill 2021 introduces the future requirement for 10% net gain.

Adopted Sunderland Core Strategy and Development Plan 2015-2033

- 3.15 The Sunderland Core Strategy and Development Plan 2015-2033 ('CSDP') (adopted January 2020) sets out the Council's long-term plan for development across Sunderland up to 2033. It seeks to ensure that the right type of development is focused in the right places to meet the needs of local people and businesses.

3.16 Strategic Priority 5 (Economic Growth) seeks the provision of a wide portfolio of employment sites to support the development of key employment sectors and expand the opportunities for new office development.

3.17 Paragraph 2.55 of the CSDP states that:

“Advanced manufacturing and particularly the automotive sector are a key part of the local economy, centred around the Nissan plant, which is producing more than 500,000 vehicles a year, and a thriving supply chain extending along the A19 and A1 corridors. The sector employs 30,000 people regionally. To support the continued growth of this sector, the IAMP will be delivered on land to the north of the existing Nissan plant. It is anticipated that the IAMP would create approximately 7,850 new jobs and would be a significant driver for the regional economy and the automotive sector within the UK.”

3.18 Strategic Policy SP3 (Washington) states that: *“Washington will continue to thrive as a sustainable mixed community and a driver of economic growth for Sunderland. In order to achieve this, economic growth will be focused in identified Employment Areas (Policies EG1 and EG2) and at the IAMP.”* The supporting text states that the IAMP AAP will drive the comprehensive development of the IAMP (para. 4.43).

3.19 Strategic Policy SP10 (Connectivity and Transport Network) promotes the delivery of various new highway schemes and initiatives including key junctions on the A19, including providing access to the IAMP.

3.20 The CSDP has removed the Washington Meadows site (which lies to the west of IAMP) from the Green Belt and designated it as safeguarded land under Policy SS3 (Safeguarded Land). The supporting text advises that this land could accommodate a new sustainable community in the longer term. It advises that this land could only be released for development through a review of the Plan, in accordance with the NPPF.

Sunderland Draft Allocations and Designations Plan

3.21 The Sunderland Draft Allocations and Designations Plan (‘A&DP’) sets out local policies including site-specific policy designations and allocations for the development, protection and conservation of land in the City in order to deliver the overall strategy as set out within the CSDP. Sunderland City Council consulted on the draft A&DP between 18 December 2020 and 12 February 2021.

3.22 Draft Policy SP12 (Allocations and Designations Development Strategy) proposes to allocate a strategic site at Washington Meadows to create a new sustainable residential community.

3.23 Paragraph 3.7 of the draft A&DP sets out the following:

“North East Washington is an area of the city with significant amount of development potential. IAMP located to the East of North East Washington is the premier location for advanced manufacturing and automotive technology. The Safeguarded Land at East of Washington (referred to hereafter as Washington Meadows) is an opportunity to create a new sustainable community delivering 1,500 homes for the city.”

3.24 Paragraph 3.8 states:

“It is anticipated that Washington Meadows and IAMP will be a catalyst for the regeneration of the wider North East Washington Area.”

- 3.25 As such, the A&DP actively seeks to focus regeneration and new development within North East Washington, with a specific emphasis on delivering advanced manufacturing and automotive technology within the IAMP.

South Tyneside Emerging Local Plan

- 3.26 The South Tyneside Pre-Publication Draft (Regulation 18) Local Plan was issued for consultation in August 2019. However, the Cabinet meeting of 17 March 2021 authorised officers to review the spatial options and progress to a new draft Regulation 18 Local Plan to be informed by that review. The new draft Regulation 18 Local Plan is scheduled to be published for consultation early in 2022.

Draft Sunderland Supplementary Planning Documents

Biodiversity Supplementary Planning Document Scoping Report (February 2020)

- 3.27 Sunderland City Council is preparing a Supplementary Planning Document (SPD) to provide an opportunity to expand on the new requirements for biodiversity net gains as set out in their CSDP Policy NE2 (Biodiversity and Geodiversity). The SPD will provide ecological guidance, best-practice and mitigation strategies to give certainty to applicants about what is required to be submitted as part of a planning application and also to set out the council's approach to delivering biodiversity net gains.
- 3.28 The council had been awaiting the passage of the Environment Bill through Parliament before taking the SPD forward to ensure that it is fully consistent with the requirements of the Bill when enacted. As mentioned earlier the Environment Bill, which received Royal Assent on 9 November 2021, has now become an Act.
- 3.29 A joint overarching biodiversity net gain strategy is being scoped between Gateshead, South Tyneside and Sunderland Councils.

Land East of Washington (Washington Meadows) Supplementary Planning Document Scoping Report (December 2020)

- 3.30 Policy SS9 of the Sunderland Draft A&D Plan proposes to allocate Washington Meadows as a sustainable urban extension to Washington. The site is safeguarded by the CSDP. The Draft A&D Plan is currently a draft plan and hence the allocation is a proposal, whereas the CSDP contains the adopted policies which reflect the existing position.
- 3.31 Sunderland City Council intends to produce and formally adopt an SPD to guide the development of this site. The scoping report acts as an opening consultation paper to discuss the relevant issues, themes and potential format. It forms the initial stage of the process towards developing the SPD.

Planning Policy Summary

- 3.32 The IAMP AAP continues to remain as part of the statutory planning framework for the area.
- 3.33 The review of planning policy as set out in this Chapter has identified that several material changes have taken place since the adoption of the IAMP AAP which need to be considered (below):

Table 3.2 Consideration of the IAMP AAP against recent policy changes

Material Change	Consideration against AAP	Impact on AAP
Achieving net zero emissions by 2050	AAP Policy IN1 states that the provision of low carbon and renewable energy systems should be explored	None
Providing net gains for biodiversity	The AAP was ahead of its time in identifying the ELMA to provide ecological and landscape mitigation (Policy EN2). Its policy is flexible enough to allow for innovation in delivering biodiversity net gain	None
Provision of 10% biodiversity net gain	The Environmental Bill includes a future requirement for 10% biodiversity net gain	There is a 2 year transition period before the 10% becomes mandatory. This could be addressed as part of any future AAP review.
Providing tree-lined streets, with opportunities to be taken to incorporate trees elsewhere	The AAP includes provision for tree-lined streets (Policy NE3)	None
Making an efficient use of land	Density has been taken into account. Policy S4 seeks a higher density on the hub to enable a concentration of permitted uses	None
Taking opportunities to use land for multi-functions such as habitat creation, recreation and flood risk mitigation	The AAP identifies the ELMA for such purposes	None
Incorporating sustainable drainage systems with such systems providing multifunctional benefits where possible	AAP Policy IN2 specifically requires sustainable urban drainage systems to provide multifunctional benefits	None
Proposed draft allocation for a sustainable urban extension at Washington Meadows	The AAP is silent on Washington Meadows; however, the design / mitigation policies are broad enough to deal with it	None

3.34

The above summary shows that the AAP is currently still fit for purpose and flexible enough to respond to changes in the planning policy context. This conclusion is supported by the councils' IAMP AAP AMR (2020-2021) which confirms that the significant majority of the AAP targets have been met or can be in future phases of development. Accordingly, the AAP's policies do not need to be updated at the time of writing this IPS.

4.0 **The Economic Context**

4.1 The North East has an established automotive manufacturing cluster. This is acknowledged by the North East Local Enterprise Partnership (NELEP) in its Strategic Economic Plan (SEP).

4.2 The North East Automotive Alliance (NEAA), established in 2015 to promote the growth and competitiveness of the region's automotive sector, provides a further insight into the composition of the cluster. The NEAA categorises businesses operating in the sector as follows:

- Original Equipment Manufacturers (OEMs); and
- Supply Chain businesses.

4.3 A summary of each is provided below.

Original Equipment Manufacturers

4.4 The North East is home to five leading OEMs in the automotive sector, including Nissan Motor Manufacturing UK, Komatsu, Caterpillar, Erwin Hymer Group and Cummins. Taken together, the NEAA estimates that these OEMs produce more than 500,000 passenger cars and commercial vehicles, 6,400 non-highway vehicles and 325,000 engines each year (2019 data). As a result, the North East accounts for approximately one third of all cars produced in the UK, as well as more than a fifth of all electric vehicles produced in Europe².

4.5 This diversity of OEMs – which includes a volume car manufacturer (with Nissan producing petrol/diesel cars as well as hybrid and electric vehicles), off-highway vehicle manufacturers, engine builders and zero emission commercial electric vehicle manufacturers – is considered by the NEAA to be one of the key strengths of the region's automotive sector.

Supply Chain Businesses

4.6 A large supply chain has developed to serve the region's OEMs (and other automotive manufacturers located beyond the North East). The NEAA estimates that there are more than 240 automotive companies located in the area, including leading global brands such as Elring Klinger, Envision AESC, Faltec, Gestamp, Kasai, Lear, Nifco, Novares, SNOP, Unipres and ZF and, most recently, Magna and Minth.

4.7 This is supplemented by a number of specialist small and medium-sized enterprises (SMEs) and Research and Development (R&D) facilities, which the NEAA estimates account for another 300 companies. This includes niche expertise in electrification with companies such as Hyperdrive Innovation (part of Turntide Technologies), Curtis Instruments, Advanced Electric Machines.

4.8 Alongside recent investment announcements, worth over £3.85bn (December 2020) from Envision AESC, Britishvolt, Turntide Technologies and Peak Resources, and the supporting research and development infrastructure from Driving the Electric Revolution Industrialisation Centres (DER-IC) – North East, the North East automotive sector is well placed to make an important contribution to the UK's electrification agenda.

Robustness and Intensification of Need Case

4.9 The IAMP AAP was adopted in November 2017. The quantum of development proposed within the AAP was predicated on the economic need case established in documents such as the IAMP Impact Study Topic Papers (2015) and the Sunderland & South Tyneside Strategic Employment Study (2013).

² NELEP SEP

- 4.10 The IAMP AAP was adopted after the UK referendum on EU membership, albeit a considerable degree of uncertainty remained regarding the terms of the future trading relationship between the two areas. Similarly, the future growth scenarios which underpinned the IAMP AAP and its evidence base foresaw the shift to electrification in the automotive industry, although the pace of change has arguably been greater than originally envisaged. The context within which the IAMP is being delivered has continued to evolve (particularly given the unanticipated macroeconomic shock precipitated by Covid-19). This section provides an update on the likely future impacts of:
- The electrification of the automotive industry;
 - EU Exit, the EU-UK Trade and Co-operation Agreement and, in particular, the implications of the Rules of Origin clause; and
 - Covid-19.

Electrification

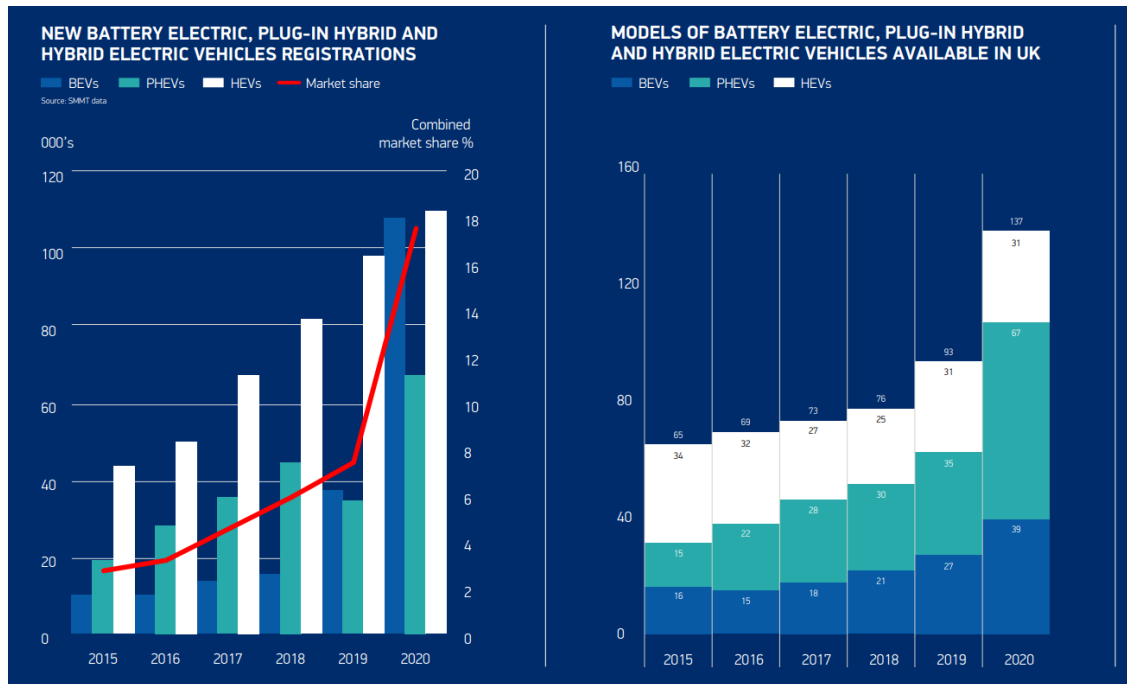
- 4.11 The UK Government is committed to achieving ‘net zero’ by 2050, as set out in the Climate Change Act (as amended in 2019). At a global level, road traffic is estimated to be responsible for 15% of CO₂ emissions.³ This demonstrates the importance of decarbonising transport – by moving away from the Internal Combustion Engine (ICE) towards hybrid and Electric Vehicles (EVs) – to achieving the UK Government’s net zero ambitions. The UK Government has set an ambitious target for phasing out ICE vehicles, announcing in November 2020 that the sale of new petrol and diesel cars will end by 2030⁴. This will put the UK on course to be the fastest G7 country to decarbonise cars and vans. In addition, the Government’s ‘Net Zero Strategy: Build Back Greener’ outlines proposals for a zero-emission vehicle (ZEV) mandate. This would require manufacturers to sell a set proportion of EVs from 2024, with the proportion increasing to 2030.
- 4.12 Analysis published by the Society of Motor Manufacturers and Traders (SMMT)⁵ demonstrates that the availability and consumer acceptance of hybrid and EV vehicles has increased in recent years. Indeed, from 2015 to 2020, the number of hybrid and EV models available on the market increased from 65 to almost 140. During the same period, the share of new registrations accounted for by hybrid and EVs rose from c.8% to c.18% (Figure 4.1). Whilst this is encouraging, it also demonstrates the scale of the challenge facing the industry in moving towards hybrid and EVs accounting for all new car sales by 2030.

³ Full Throttle: Driving UK Automotive Competitiveness, SMMT

⁴ <https://www.gov.uk/government/news/government-takes-historic-step-towards-net-zero-with-end-of-sale-of-new-petrol-and-diesel-cars-by-2030>

⁵ Delivering the Triple Bottom Line: A Blueprint for the Electric Vehicle Revolution, SMMT

Figure 4.1 Growth of Hybrid and EVs over time (2015-2020)



Source: Delivering the Triple Bottom Line: A Blueprint for the Electric Vehicle Revolution, SMMT

4.13 The electrification of the automotive industry, and of advanced manufacturing as a whole, will create opportunities to grow existing businesses and attract new ones to ensure that supply chains develop to meet the needs of the changing technology. The UK must look to leverage its engineering heritage and strengths in digital and emerging technologies to ensure that it benefits from this and secures market share in the face of global competition. The IAMP, with available land located in close proximity to Nissan UK’s Sunderland plant and the wider North East automotive cluster, is well placed to compete for such opportunities.

Scale of Opportunity

4.14 The Advanced Propulsion Centre⁶ indicates that the total global market for batteries, electric machines and power electronics is forecast to reach £97 billion in 2025. The Advanced Propulsion Centre (APC) is a non-profit organisation that administers funding to UK R&D projects focussed on supporting the transition to net-zero emission vehicles on behalf of the UK Government (Department for Business, Energy and Industrial Strategy).

4.15 The key opportunities are set out below and estimated to be worth a potential £24 billion to the UK economy by 2025:⁷

- **Batteries (£12bn opportunity):** the complete process from mining raw materials to manufacturing the finished battery pack involves over 40 distinct manufacturing processes and at least 30 semi-finished product stages. Within this, it is considered that the UK has particular strengths/opportunities related to: cathode materials refining; cathode manufacturing; anode manufacturing; electrolyte manufacturing; cell assembly; and manufacture of battery pack components;
- **Power electronics (£10bn opportunity):** to achieve the optimal performance in terms of power, weight and range, electrified vehicles will require a new breed of high-

⁶ The Advanced Propulsion Centre seeks to accelerate the transition to a net-zero automotive industry

⁷ Strategic UK opportunities in passenger car electrification, Advanced Propulsion Centre UK

performance power electronics (for inverters, converters and charging equipment) based on compound semiconductors. The Advanced Propulsion Centre identifies particular opportunities for the UK focussed on the manufacture of: semiconductors; sensors; and high performance passive components;

- **Electric machines (£2bn opportunity):** all passenger cars (battery or hydrogen powered) are likely to be propelled by electric motors in future. The UK has a large number of highly innovative electric machine developers and producers working on a wide range of technologies, topologies and applications. The main opportunities in the supply chain for the UK relate to: magnet manufacturing; electrical steel manufacturing; and electrical machine assembly and testing.

4.16 The importance of battery production to the continued success of the UK automotive industry is also acknowledged in another SMMT publication, Delivering the Triple Bottom Line.⁸ The document suggests that,

“Manufacturers are likely to want to concentrate electric vehicle production close to where batteries are produced – it provides greater supply reliability, lower logistics costs and allows just-in-time production flexibility. The UK must therefore expand domestic battery production to secure the long-term future of domestic automotive manufacturing.”

4.17 The IAMP is doing exactly what the SMMT points to in the above quote.

4.18 In order to attract investment, therefore, the SMMT concludes that the automotive industry needs a co-ordinated strategy which should focus on the following, which is already creating new inward investment opportunities at the IAMP:

- *“Support and investment in the development of gigafactories for large-scale battery manufacturing, a battery materials supply chain for sourcing of local content and battery recycling facilities to support the circular economy.*
- *Expansion of the fledgling electric supply chain, by increasing support and investment in power electronics, motors, drivetrains and fuel cells”*

Macroeconomic Context

4.19 In considering how EU Exit has influenced the future demand case in relation to the IAMP, it is necessary to have regard to the impact of the EU Exit deal generally and to the introduction of the Rules of Origin clause. Both of these are considered below.

EU Exit Deal and Tariffs

4.20 The UK’s decision to leave the EU (following the 2016 referendum) led to a period of uncertainty for Foreign Direct Investment (FDI) in the UK and the automotive industry was not exempt from this.

4.21 Foreign-owned manufacturing businesses have typically been attracted to the UK by the English language, the flexible labour market and the permissive business environment, as well as– the prospect of frictionless trade with EU. The result of the referendum created a risk that this could be lost thereby removing one of the UK’s main competitive advantages in relation to attracting/retaining automotive FDI.

4.22 Following a lengthy period of negotiation, the terms of the EU Exit deal were set out within the final Trade and Cooperation Agreement (TCA), which was agreed between the UK and the EU in

⁸ Delivering the Triple Bottom Line: A Blueprint for the Electric Vehicle Revolution, SMMT

December 2020. The Economist⁹ suggests that the TCA has resulted in some friction to trade between the two areas due to the introduction of customs checks and fees. These issues, however, are relatively minor in comparison with the potential for the imposition of 10% tariffs on imports and exports under World Trade Organisation rules¹⁰ if no deal had been struck. As a result, the TCA has generally been well received by both:

- **The industry:** the SMMT¹¹ responded to the TCA by stating that “*the tariff-free, quota-free trade industry has called for has been secured in principle*”; and
- **Industry commentators:** an article published in January 2021 by the London School of Economics¹² declared the TCA: “*good news for the manufacturing sector in the UK, as goods (including cars) will be more or less freely traded between the UK and EU without many of the obstacles a hard Brexit would have imposed.*”

Rules of Origin: Overview

- 4.23 The TCA also includes a ‘Rules of Origin’ clause which has significant implications for the future of the UK automotive industry including as it moves towards electrification.
- 4.24 The Rules of Origin (RoO) clause is designed to stop companies from importing goods from a third country, and re-exporting them as if they were domestically produced. For the purpose of determining whether tariffs should be imposed, the TCA treats Britain and the EU as a single bloc. Countries with which both have a trade deal (such as Japan) are not, however, included in calculations of local content for UK exports to the EU.¹³
- 4.25 This presents a risk of creating considerable new barriers to trade for the UK automotive industry. Up until 31st December 2020, any product made in the UK could be sold anywhere in the UK and the EU without incurring import or export tariffs. From 1st January 2021, however, UK car manufacturers must prove that a certain percentage of a component or finished product has been manufactured in either the UK or EU to qualify for zero tariffs.

Rules of Origin: Implications for UK Automotive

- 4.26 Given the UK’s commitment to phase out sales of ICE vehicles by 2030, the future of the UK automotive industry is inextricably linked with its ability to manufacture hybrid and EVs. Within the context of this shift in the industry and the need to comply with the RoO, it is essential that the UK automotive industry develops a more localised electric vehicle supply chain. In particular, there is a need to focus on the development of battery production facilities. This is widely acknowledged, due to specific phased and increasing local content targets in relation to RoO, as being critical to ensuring that tariff-free trade with the EU (the UK automotive industry’s largest export market) can continue and – as a consequence – to the long-term competitiveness of the industry and therefore ultimately its future existence.
- 4.27 Batteries are heavy: a recent article published in the Financial Times estimates that batteries for the Nissan Leaf weigh around 300kg each, whilst those for the Jaguar I-Pace weigh almost a tonne (once packaged for transport).¹⁴ Batteries for EV vehicles are a massive proportion of overall cost/value and most are currently manufactured in the US or Asia. This is the key reason why gigafactories are needed in the UK – to avoid the imposition of tariffs when trading with EU under RoO.

⁹ Britain’s car industry is finding Brexit far less of a problem than expected, The Economist, 10 July 2021

¹⁰ Britain’s car industry is finding Brexit far less of a problem than expected, The Economist, 10 July 2021

¹¹ www.smm.co.uk/industry-topics/europe-and-international-trade/

¹² Brexit, batteries and the fate of the British car industry, London School of Economics, 25 January 2021

¹³ Britain’s car industry is finding Brexit far less of a problem than expected, The Economist, 10 July 2021

¹⁴ UK carmakers after Brexit: a race to attract battery production, Financial Times, 4 February 2021

4.28 As such, manufacturers are expected to look to locate battery plants in close proximity to their operations, reducing the logistical difficulty and cost of getting batteries on-site.

4.29 It is this wider context which makes Envision AESC's investment at the IAMP, which was announced on 1 July 2021, so fundamental to the continued success of Nissan and the wider North East automotive industry. The proposals will see Envision AESC produce 62kWh batteries adjacent to Nissan, Sunderland. The 62kWh batteries – which Nissan uses in the long-range edition of the Leaf (one of the car maker's flagship electric vehicles) – have until recently mostly been produced in the US or Asia. By localising production in the UK, Nissan can shorten its supply chain and reduce the logistical cost and difficulty of getting batteries on-site, as well as meeting the RoO requirement to ensure they remain exempt from tariffs. This is a key reason why gigafactories are needed in the UK.

Covid-19 Impact

4.30 By the end of 2020, UK car production was expected to be approximately one third lower than pre-Covid (2019) levels.

4.31 Over the last few months, a series of datasets have emerged which suggest that the UK automotive industry is beginning to show signs of recovery. Monthly manufacturing data published by the SMMT shows that there were more than 550,000 cars produced in the UK in the period January to July 2021. This represents an 18.3% increase on the same period in 2020. The rebound has been driven by hybrid and EV vehicles, with ICE growth still sluggish.

4.32 It has been recognised that the rebound in production and sales observed since the industry began to 'open up' would be higher still, were it not for significant supply chain difficulties including global semi-conductor issues. There is an urgent need to create greater resilience and flexibility in supply chains moving forward.

The economic role of the IAMP

4.33 Published by the North East Covid-19 Economic Response Group¹⁵, the Recovery and Renewal Deal for the North East aims to position partners across the NELEP area to drive economic recovery and growth in the aftermath of the Covid-19 public health crisis. This highlights the important role that the automotive and advanced manufacturing sectors – and by implication the IAMP – can play in supporting this growth.

4.34 The document's ultimate goal is to *“rapidly create 100,000 jobs and ensure that the jobs that have been lost [during the pandemic] are replaced with good quality and secure jobs”*. To achieve this, the Deal identifies a need to focus on key sectors including low carbon which will allow the area to transition to a stronger, higher productivity and higher wage economy.

4.35 Key opportunities which will support this transition are identified within the document. The following are considered to be of particular relevance to the IAMP:

- Achieving zero carbon emissions targets, building upon expertise in offshore wind and zero carbon transport; and
- Utilising new digital construction and advanced manufacturing techniques.

¹⁵ Comprised of the North East Local Enterprise Partnership, North East Combined Authority, North of Tyne Combined Authority, CBI (on behalf of the business community) and Newcastle University (on behalf of the area's Higher Education sector)

Delivering the IAMP

- 4.36 Since the adoption of the IAMP AAP in late 2017, there has been significant developer interest in the site. As of November 2021, some 166,518sq.m (c.1.8m sq.ft) of floorspace (Gross Internal Area (GIA)) has been granted planning permission (summarised below). This includes:
- Envision AESC: 108,615sq.m;
 - SNOP: 21,856sq.m;
 - Faltec: 24,576sq.m; and
 - Plots 5 and 6: 11,471sq.m.
- 4.37 In total, the IAMP AAP allows for the development of 392,000sq.m of floorspace over the 15-year period 2017 to 2032. Allowing for recent activity (166,158sq.m has gained planning consent during the first four years of the AAP period) an estimated 225,482sq.m of floorspace remains to meet demand at the IAMP over the remaining years of the AAP.

Envision AESC

- 4.38 A planning application has been approved to deliver a 108,615sq.m (GIA) battery plant with the capacity to produce 9GWh of batteries per annum. This will supplement Envision AESC's existing plants in the US, Japan and Sunderland.¹⁶ It is understood that the IAMP has been selected (by Envision AESC) as the preferred location for investment in a new battery plant for the following reasons:
- Proximity to Nissan Motor Manufacturing UK: the site is located less than 1km from Nissan Manufacturing UK, meaning that logistics costs can be optimised;
 - Proximity to current Envision AESC plant: the site is located 1km from the current plant which will help to facilitate the transition of employees and support an optimised launch of the new facility;
 - Access to ports: the site is well located for access to the Ports of Tyne, Sunderland and Tees. This will help to facilitate the easy import/export of goods and materials;
 - Infrastructure ready: the road network in the immediately surrounding area is in the process of being upgraded and the site has access to sufficient electricity to power the 9GWh plant; and
 - Long term growth opportunity: the IAMP has space to accommodate future growth by Envision AESC.
- 4.39 It is envisaged that the new battery plant will, once operational, employ 1,025 people. Proceeding with the project will safeguard the existing workforce (350 jobs) at the current Envision AESC Sunderland plant. The existing workforce will transition to the new, larger battery plant, resulting in a net increase of 675 direct jobs.
- 4.40 Research by the Faraday Institution¹⁷ concludes that 1 direct job in battery manufacturing supports a further 1.8 battery supply chain jobs (with wider indirect supply chain impacts in logistics, mechanical engineering, construction, finance, sales and marketing). This would suggest that the 675 net direct jobs derived above could translate to more than 1,215 additional jobs in the supply chain.

¹⁶ The existing Envision AESC Sunderland plant is located adjacent to Nissan Motor Manufacturing UK and has been producing batteries for the Nissan LEAF for c.9 years

¹⁷ UK electric vehicle and battery production potential to 2040, The Faraday Institution (2020)

4.41 The extent to which these supply chain jobs could be captured at the IAMP or elsewhere in Sunderland, South Tyneside or the wider North East region is currently unclear. However, it is understood that Envision AESC has ambitions to localise as much of the supply chain as possible. This gives increased flexibility for planning and allows a lower inventory of materials to be held. Part of the core project team that will be established will be focussing entirely on progressing these localisation opportunities.

4.42 Based upon discussion held with Envision AESC, it is understood that the key priorities for supply chain localisation are expected to focus on:

- Cathode active material: to comply with RoO and minimise inventory holding (mindful of the high value of the material). Envision AESC has advised that they are aware of at least one potential supplier that is considering the IAMP as an investment location: and
- Pack/module metal parts: to minimise the high logistics costs associated with their movement.

SNOP

4.43 SNOP is a global French component manufacturer, which stamps and assembles large metal components for the automotive sector. SNOP first established a presence in Sunderland (within the Nissan Motor Manufacturing UK plant) in 2010. The company then moved to leased premises on the Stephenson Industrial Estate in 2013, before building a new, fit-for-purpose facility on the IAMP. The new unit is completed and operational and provides 21,856sq.m of (GIA) floorspace.

4.44 It is understood that the site is capable of accommodating up to 8,944sq.m (GIA) of additional floorspace to support future expansion of SNOP. The delivery of this additional space would, however, be subject to a separate planning application and has not been included in the figures presented at Paragraph 4.36.

Faltec

4.45 Faltec Europe Ltd is part of the Faltec Group, which is headquartered in Japan and has a global workforce of more than 3,000 workers. Formed in 1989, the company was previously known as Hashimoto Ltd and is an accredited Tier 1 supplier to the automotive sector, manufacturing a wide range of interior and exterior trim products.

4.46 Faltec Europe Ltd has relocated part of their manufacturing operations from Boldon Business Park to new premises on the IAMP.. The planning permission for the new site allows for the delivery of 25,576sq.m of (GIA) floorspace, to be built in two phases. The first phase has been built out and is now operational. Unlike the SNOP expansion area referred to above, the second phase of Faltec's development has planning permission and could be built out in the future without further permission being required.

Plots 5/6

4.47 A new industrial unit has been constructed on Plots 5 and 6 and is to be used for uses relating to the advanced manufacturing and automotive sectors, in accordance with the AAP. The building is 11,471 sqm (GIA) in size. However, the shell of the building had only just been completed when the Covid-19 pandemic started. In response to the Covid-19 public health crisis, the unit was fitted out as a Nightingale Hospital and has been in use as a mass vaccination centre (on a temporary basis) since January 2021.

Nissan

4.48 In addition to the above, it is understood that Nissan Motor Manufacturing UK is committed to ensuring that, by the early 2030s:

- 100% of all new vehicle offerings in key markets will be electrified; and
- 75% of all sales in Europe will be EVs.

4.49 It is anticipated that a significant programme of investment will be delivered at the company's Sunderland plant to help facilitate this. Investment includes proposals to install and develop a 20MW solar farm comprised of 37,000 panels, with a planning application submitted in October 2021. The development is intended to contribute to Nissan Motor Manufacturing UK's aim of being supplied by 100% green energy.

5.0 Evolution Plan

Consideration of the AAP Policies against the Evolving Market Context

- 5.1 Over recent years, the market context has evolved through a combination of macroeconomic shocks and developments specific to the automotive industry, including the electrification of the automotive industry, EU Exit and Covid-19. As a result, market intelligence indicates that there is a demand for units with a large floorspace at the IAMP, as evidenced through the recent application for Envision AESC UK Ltd's Giga plant at the IAMP. The AAP Policies are flexible and do not restrict the size of units coming forward at the IAMP, subject to masterplanning with appropriate infrastructure and mitigation provision.

Future AAP Review

- 5.2 In accordance with the NPPF's requirement to review local plans at least once every five years, a review of the AAP is due to take place in late 2022. Any future AAP review could focus on:
- Considering whether the AAP policies are achieving their intended aims;
 - The needs of the fast-evolving market that are forecast in the years ahead;
 - Reviewing the Masterplan and Design Code for the site;
 - Aligning the AAP against the future mandatory requirement for 10% biodiversity net gain; and
 - Aligning any emerging sustainability / environmental objectives with Policy.
- 5.3 This will ensure that the AAP remains fit for purpose and facilitates these overarching objectives moving forward.

Is a Supplementary Planning Document still needed?

- 5.4 The Monitoring Framework provided in Appendix B of the AAP states that if the DCO application is not submitted and subsequently determined by 2020, both authorities will seek to prepare a joint Supplementary Planning Document (SPD) which will establish the overall masterplan and design code for the site.
- 5.5 The IAMP is being delivered, as discussed in paragraphs 4.35 to 4.46 of this IPS. A Design Code was submitted to support the IAMP ONE planning applications. The IAMP AAP Annual Monitoring Report (2020-2021) advises that this Design Code covers the whole of the IAMP area and sets out how the design guidelines sought within Policy D1 will be achieved. A further iteration of the Design Code was submitted to support the Early Infrastructure and Northern Employment Area planning application. As such, it is not considered that a Supplementary Planning Document is required.

Development Consent Order

- 5.6 The IAMP is a project of national significant, given its large scale and ability to create significant investment and jobs. As such, it is most important that investment and sustainable growth at the IAMP are delivered in a timely manner and in accordance with the Government's levelling up agenda.
- 5.7 To support the timely release of land within IAMP TWO, a planning application has been submitted for up to 1.8 million square feet of floorspace for advanced manufacturing and automotive uses with supporting infrastructure, including A1290 widening works.

- 5.8 However, IAMP TWO is currently the subject of a direction made by the Secretary of State under section 35 of the Planning Act 2008 (as amended) that it is a project of national significance (the Direction). The Direction does not prevent an application for planning permission for commercial development (as opposed to infrastructure) being submitted within IAMP TWO. It is therefore recommended that consistent with past practice that any application should to be referred to the Department for Levelling Up, Housing and Communities Whilst the Direction remains in place it would prevent any resulting planning permission from being implemented. IAMP LLP has confirmed in the planning application for IAMP Two that it intends to apply to the DLUHC for the Direction to be revoked for that reason.

6.0 Conclusions and Next Steps

- 6.1 Having reviewed baseline information and market demand, the IAMP AAP (adopted November 2017) is still relevant today as an overarching policy tool and retains flexibility whilst setting out a comprehensive approach to the development of the IAMP. Its policies remain 'fit for purpose' and are flexible enough in the interim, prior to the AAP review, commencing late 2022, to continue to provide a framework to deliver development. This conclusion is evidenced by the Councils' AAP AMR, which shows that the AAP polices have been effective in generating investment interest and delivering development that accords with the AAP.
- 6.2 In accordance with the NPPF requirement for local plan and spatial development strategy reviews to take place every five years, a review of the IAMP AAP is due to take place in late 2022. This Interim Position Statement has considered potential areas that the review could focus on, to respond to the fast-evolving needs of the market that are forecast in the years ahead. These include a focus on reviewing the Masterplan and Design Code for the site as well as incorporating the environmental and sustainability requirements that both local authorities are seeking to achieve moving forward.
- 6.3 Until the AAP has been reviewed, this IPS will be used as a material planning consideration when determining planning applications on an interim basis alongside the AAP Policies (which form part of the adopted development).

Changing Market Conditions

- 6.4 In recent years, the market context has changed due to a combination of macroeconomic shocks and developments specific to the automotive industry, including the electrification of the automotive industry, EU Exit and Covid-19.
- 6.5 Notably, the UK Government's commitment to achieving 'net zero' by 2050 and the ambitious target for phasing out ICE vehicles by 2030 is driving forward the need to decarbonise cars and vans and to electrify the automotive industry. This will create opportunities to grow existing businesses and attract new ones to meet the needs of the changing technology, including the need to manufacture hybrid vehicles and EVs. In particular, there is a need to focus on the development of battery production facilities. Furthermore, in light of Covid-19, it has been recognised that there is an urgent need to create greater resilience and flexibility in supply chains moving forward.
- 6.6 The IAMP, with available land located in close proximity to Nissan UK's Sunderland plant and the wider North East automotive cluster, is ideally placed to compete for emerging opportunities, as evidenced by Envision AESC's recent investment at the IAMP.

Appendix 1 Planning History

Table 6.1 IAMP and Immediate Area - Planning History

Address	Application Ref. Number	Type of Application	Description of Development	Application Status	Current Situation
Planning Applications					
IAMP, Washington	21/02807/HE4; and ST/1172/21/FUL	Hybrid planning application	Hybrid planning application including demolition works, erection of industrial units (up to 168,000sqm) (Gross Internal Area) for light industrial, general industrial and storage & distribution uses (Class B1(c), B2 and B8) with ancillary office and research & development floorspace (Class B1(a) and B1(b) with internal accesses, parking, service yards and landscaping (Outline, All Matters Reserved); and dualling of the A1290 between the A19/A1290 Downhill Lane Junction and the southern access from International Drive, provision of new access road including a new bridge over the River Don, electricity sub-stations, lighting, drainage, works to the River Don, and associated infrastructure, earthworks, landscaping and all incidental works (Detailed).	Pending consideration	Pending consideration
IAMP ONE Phase One, Washington.	18/00092/HE4	Hybrid planning application	Full planning permission for light industrial, general industrial and storage or distribution (Class B1(c), B2 and B8), with ancillary office and research and development floorspace (Class B1(a) and B1(b)) with associated access, parking, service yards and attenuation basins, as well as the temporary construction route, internal spine road, utility diversions, with two accesses onto the A1290 and associated infrastructure, earth works and landscaping (under construction). Outline planning permission for the erection of industrial units for light industrial, general industrial and storage or distribution (Class B1(c), B2 and B8) with ancillary office and research and development floorspace (Class B1(a) and B1(b)) with internal accesses, parking, service yards, attenuation basins, electricity substations, foul pumping station, realignment of the access road to North Moor Farm and associated infrastructure, earthworks and landscaping (All Matter Reserved).	Approved May 2018.	First unit completed and occupied by SNOP. Main site Infrastructure, including the new access road (known as International Drive) has been completed and is operational. The ecological and landscape mitigation area (ELMA) has been delivered.
	19/00245/REM	Reserved matters application	Reserved matters approval for the access, layout, scale, appearance and landscaping of the development for Plot 4 of hybrid planning application 18/00092/HE4.	Approved May 2019	Unit completed and occupied by Faltec.

Address	Application Ref. Number	Type of Application	Description of Development	Application Status	Current Situation
	19/00280/REM	Reserved matters application	Reserved matters approval for the access, layout, scale, appearance and landscaping of the development for Plots 5 and 6 of hybrid planning application 18/00092/HE4.	Approved April 2019	Unit completed and temporarily been fitted out as a Nightingale Hospital. At the time of writing (October 2020) the unit was being used for the Covid-19 vaccination roll out.
IAMP ONE Phase Two, Washington	20/00556/OU4	Outline planning application	Erection of industrial units (up to 98,937.2sqm) (Gross Internal Area) for light industrial, general industrial and storage & distribution uses (Class B1(c), B2 and B8) with ancillary office and research & development floorspace (Class B1(a) and B1(b) with internal accesses, parking, service yards, electricity sub-stations, attenuation basins and associated infrastructure, earthworks and landscaping, as well as the demolition of the existing buildings at West Moor Farm. (All matters are Reserved)	Approved June 2020	Development not started.
Usworth Cottages and Chalet, IAMP TWO	20/01915/FUL	Full planning application	Demolition of numbers 1 to 5 Usworth Cottages and the Chalet, including associated garages and outbuildings.	Approved November 2020	Buildings demolished.
Elliscope Farm, IAMP TWO	ST/1013/20/FUL	Full planning application	Demolition of the buildings at Elliscope Farm consisting of the main farm house, barns and chicken coop, with associated barn owl and bat mitigation including a wildlife tower.	Approved August 2021	Awaiting Natural England licence.
West Moor Farm, IAMP ONE	21/01330/FUL	Full planning application	Demolition of the buildings at West Moor Farm	Approved August 2021	Awaiting Natural England licence.
Three Horseshoes, Washington Road.	18/01869/FUL 19/02161/VAR	Full planning application and variation of condition.	Proposed three-storey 36 bed hotel with parking on land adjacent to the Three Horseshoes, Washington Road (variation of condition application ref. 19/02161/VAR forms part of this application).	Approved October 2019 (and March 2020)	Development not started.
Development Consent Orders					
A19/A184 Testo's	TR010020	Development Consent Order (DCO)	Project to replace the existing at-grade roundabout junction between the A184 and the A19 (Testo's Junction) with a grade-separated junction.	Authorised September 2018	Under construction. Work commenced in March 2019.

Address	Application Ref. Number	Type of Application	Description of Development	Application Status	Current Situation
Junction Alterations				(correction order May 2019)	Project was 60% complete in July 2021.
A19 Downhill Lane Junction Improvements	TR010024	Development consent order (DCO)	Project to enhance capacity of junction to support the IAMP. Includes construction of new bridge to south of existing (A1290) bridge across the A19 to create a more traditional roundabout layout above the A19. New slip roads will connect the A19 to the south.	Authorised July 2020.	Under construction. Work commenced in September 2020. It is anticipated that the works will be complete in summer 2022.
Other Consents					
Land at International Advanced Manufacturing Park (IAMP)	21/01670/s37	Application under Section 37 of the Electricity Act 1989	National Grid ZZA overhead line diversion	Under consideration	National Grid requires consent under Section 37 of the Electricity Act 1989 to complete undertake a proposed diversion of the existing 275kV ZZA overhead line on land at IAMP. The consent application will be determined by the Secretary of State for Business, Energy & Industrial Strategy.