

**INTERNATIONAL ADVANCED MANUFACTURING PARK
AREA ACTION PLAN**

EXAMINATION IN PUBLIC

**Response to Inspector's Matters, Issues and Questions
Made on Behalf of the Church Commissioners for England**

Matter 2: Overarching Issues

Preamble

- 2.1 On behalf of our client, the Church Commissioners for England ("the Commissioners"), we write to provide comments in response to the Submitted International Advanced Manufacturing Park ("IAMP") Area Action Plan ("AAP") following our previous representations to the Publication Draft of the AAP in September 2016. The AAP is being prepared jointly by South Tyneside Metropolitan Borough Council ("STMBC") and Sunderland City Council ("SCC") ("the Councils").
- 2.2 The Commissioners own land within the AAP boundary, some of which is identified as development land, whilst other elements have been identified as safeguarded land and ecological and landscape mitigation land. A plan outlining the extent of the Commissioners' land ownership is found in **Appendix A** along with the ownership boundary being superimposed on the current draft of the AAP Policies Map. In total the Commissioners' land makes up around 72 ha or around 25% of the total AAP area.
- 2.3 As a result of their land ownership, the Commissioners have a strong interest in the emerging IAMP and are therefore keen to engage in this examination and assist in preparing a sound plan which is positively prepared, justified, effective and consistent with national policy.
- 2.4 It is recognised that the emergence of the IAMP is important for the economies of South Tyneside and Sunderland and that this has been acknowledged by Central Government as the IAMP is classified as a Nationally Significant Infrastructure Project ("NSIP"). In this respect the Commissioners fully support the IAMP concept given its potential to boost jobs and growth in the area and its ability to assist existing businesses such as Nissan.

- 2.5 Nevertheless, as the AAP will play a pivotal role in providing the planning framework which will support the delivery of the IAMP, it is imperative that the document is robust and is supported by up to date and comprehensive evidence.
- 2.6 Our statements should be read alongside our previous written representations. We trust our input will contribute towards the adoption of a 'sound' Plan.
- 2.7 Matter 2, which covers overarching issues with the AAP is considered below. This Matter specifically explores the general approach and soundness to the Plan.

Implementation, Delivery and the Policies Map

1. Is the boundary of the AAP soundly based? And in particular:

Does it include land which is not necessary to be included within the plan area, notably the triangle of land broadly between the northern and southern areas of proposed safeguarded land, which would remain as Green Belt?

- 2.8 The Commissioners note that the land which is to form the IAMP is currently located within the Green Belt. In paragraph 80, the NPPF sets out the five purposes of the Green Belt, these are:
- 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.
- 2.9 Paragraph 83 provides further details and notes that once established, Green Belt boundaries should only be altered in exceptional circumstances through the preparation or review of the Local Plan and that any changes should be capable of enduring beyond the plan period. Given the relatively early stages that both STMBC and SCC are with the preparation of their respective Local Plans, this notion of Green Belt release through exceptional circumstances becomes ever more important.
- 2.10 In acknowledgement of this the Councils have produced a technical note *Exceptional Circumstances for releasing land from the Green Belt Technical Background Report (PSD12)*. Amongst the issues discussed within this paper is the need for the IAMP to be in close proximity to the Nissan Car Manufacturing Plant in order to enhance the functional linkages

between it and the businesses that are envisaged to be located at the IAMP (effectively those within Nissan's supply chain).

- 2.11 Whilst the Commissioners agree that there is a case for Green Belt release in this location to assist in the emergence of the IAMP and believe that on the whole this is sound, we do have a number of concerns in relation to the soundness and approach regarding the quantum of land being put forward and how this has been divided up and designated within the AAP boundary.
- 2.12 Paragraph 17 of the latest draft of the *IAMP AAP (Incorporating Proposed Modifications – February 2017) (PSD7)* sets out the locational criteria for the IAMP drawing upon size, linkages (transport and to industry) and land availability. The AAP notes that the current boundary comprises:
- 100 ha of development land (to be removed from the Green Belt);
 - 50 ha of safeguarded land to accommodate future development subject to a future review of the AAP (also to be removed from the Green Belt); and
 - 135 ha of land which would be retained for ecological and landscape mitigation (to remain in the Green Belt).
- 2.13 The 150ha of land to be developed/safeguarded for future development has been informed by *The Sunderland & South Tyneside Strategic Employment Study (2013) (SD28)*. This document runs through a number of scenarios to forecast the quantum of land which may be required for the IAMP. The 150ha is based on what is termed a 'Moderate' scenario which assumes steady growth in the automotive industry and some market entry of other average and small sized advanced manufacturing businesses. This compares to a 'Very Optimistic' scenario which models more growth for the automotive industry and greater take-up from advanced manufacturers which would require an IAMP with a development area of around 300 ha and finally a 'Pessimistic' scenario which assumes a broad shift in automotive production away from the region.
- 2.14 The NPPF is very clear in its outlook that when plan-making, local planning authorities should plan positively for growth; in particular the Core Planning Principles within paragraph 17 outline that local planning authorities should 'respond positively to wider opportunities for growth' and this is further re-enforced in paragraph 21 which states that a clear economic vision and strategy for the area, which positively and proactively encourages sustainable economic growth, should be put into place.

- 2.15 The Commissioners' view is that the moderate scenario proposed to be followed within the AAP is not planning positively and this is compounded by the approach taken by the Councils which is to hold a third (50 ha) of the 150 ha back from immediate development and instead for this to be safeguarded (subject to a further review of the AAP). On this basis, we believe this approach is unsound on the basis of not being positively prepared and is inconsistent with national planning policy. Instead a greater degree of flexibility should be incorporated within the AAP to allow for future growth that may go above the 'moderate' scenario currently envisaged.
- 2.16 Barton Willmore's experience of promoting the Advanced Manufacturing Park in Rotherham reveals that once established as a location for businesses, advanced manufacturing parks tend to grow at a quick pace and quickly attract a premium for businesses owing to synergies between companies, linkages and infrastructure. In the case of the Advanced Manufacturing Park in Rotherham, plans to expand the park have been undertaken through the re-engineering of adjacent land and also to link this to other nearby developments to create a wider Advanced Manufacturing and Innovation District ("AMID"). In the case of Rotherham some of this has been achievable owing to the amount of land not within the Green Belt. For the IAMP however the Green Belt constraints are much more apparent and so there needs to be a more concerted effort to ensure that there are options in place to quickly grow the IAMP as and when it is needed. We currently believe that the AAP does not achieve this.
- 2.17 To make this sound the Commissioners believe the Council should, *as a minimum*, allocate the 150 ha of land as a whole (rather than safeguarding elements of it) and then provide additional safeguarded land in the event that growth levels do indeed exceed the 'moderate' scenario outlined in document SD28.
- 2.18 It is our view that this strongly relates to the ecological and landscape mitigation land which is currently proposed to remain in the Green Belt. Whilst the Commissioners believe that ecological and landscape mitigation land is needed in the case of the AAP, at 135 ha this element of land is substantial and almost equal to the 150 ha identified as development/safeguarded land.
- 2.19 In our view including this land within the AAP boundary but having it remain in the Green Belt will be problematic as any mitigation work that may be required could indeed constitute development and therefore it would be easier to remove this land from the Green Belt too (so all the AAP land is then removed from the Green Belt). Given that Figure 6 of document PSD12 (referenced above) appears to show, with the exception of the land directly abutting the Nissan Car Manufacturing Plant, that the remaining parcels of land score similarly when

assessed against the purposes of the Green Belt, then removing this land from the Green Belt is unlikely to raise additional issues.

2.20 More importantly however we have questioned in our previous representations whether this quantum of ecological mitigation land is needed. In this respect the Commissioners have instructed BSG Ecology to examine this element of the AAP and their technical note is attached as **Appendix B** to this Hearing Statement. They conclude that there appears to be little justification for the methodology used to calculate ecological off-setting and the proportionality of the land put forward as mitigation land. This is especially the case given the overall ecological quality of the land at present. Further to this they query robustness of designating specific areas as mitigation land within the AAP boundary based on the evidence which is available. Indeed, it is noted that a specific ecological mitigation strategy is a policy requirement within the AAP (Policy Del1) and therefore to so precisely designate a quantum and location of ecological mitigation land within the document now is prejudicing any future application for the IAMP itself.

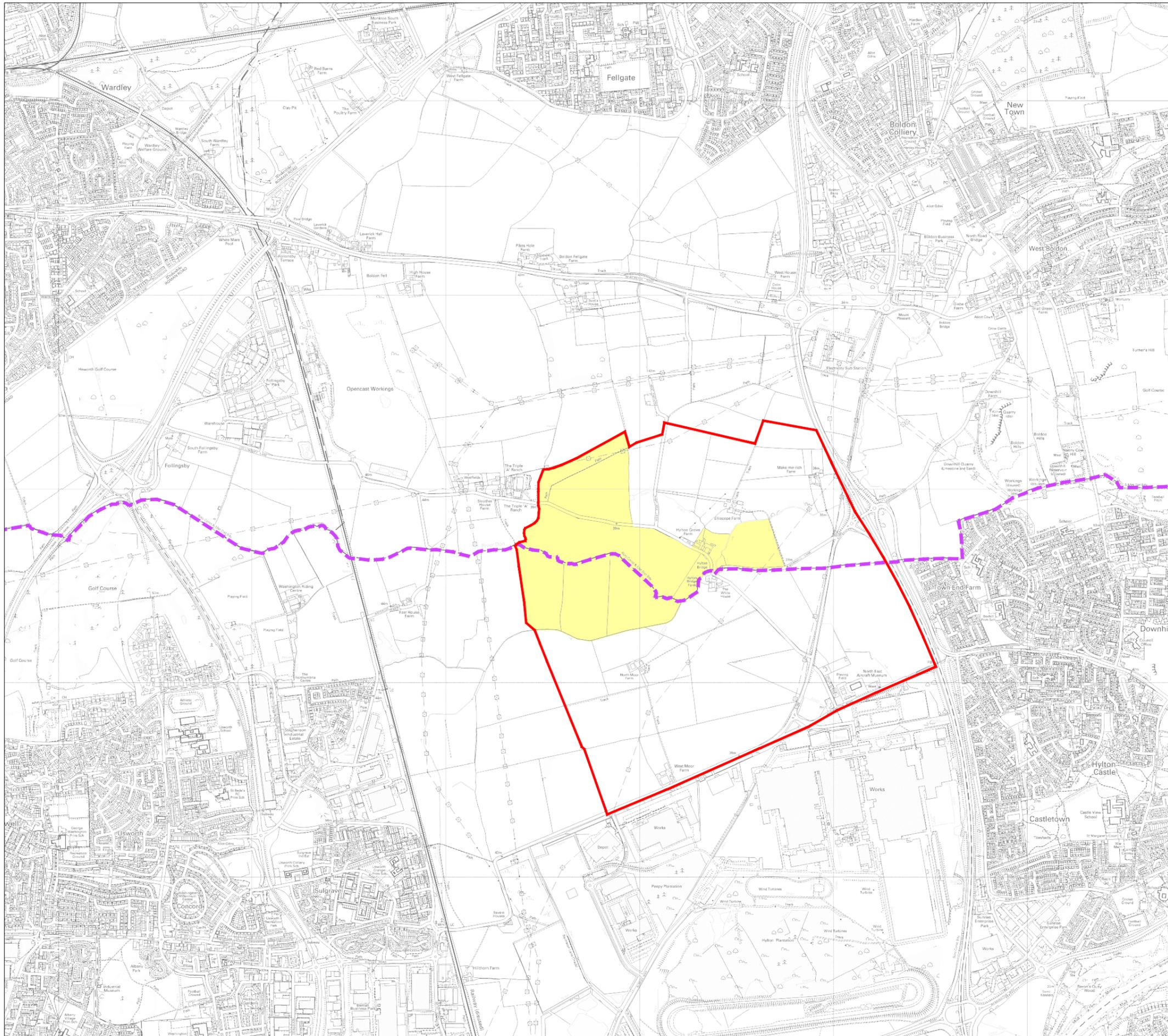
2.21 We therefore believe that in all likelihood the amount of ecological and landscape mitigation land does not need to be as great as that identified in the AAP and that it does not necessarily need to be located within the areas designated within the plan shown in Appendix A of PSD7. As such we believe the plan is unsound on the basis of being unjustified and ineffective. This relates strongly to our points made above that the land which is surplus to requirements as ecological and landscape mitigation land could instead form safeguarded land to allow future expansion to build upon future success of the IAMP. Again, this would point to the need to also remove this land from the Green Belt so that this flexibility can be achieved. Alternatively, further land to the north or west could be identified (expanding the AAP boundary) to incorporate additional land. We look forward to discussing these ideas in more detail at the examination session.

2. In broad terms is the list of matters which the AAP seeks to address soundly based? And in particular:

- **Would the plan predetermine decisions to be taken in the preparation of forthcoming plans in respect of land outside the AAP boundary?**
- **Have the implications of the plan for the remainder of Sunderland and South Tyneside, particularly in terms of housing, employment land and agriculture, been robustly assessed? Is the plan soundly based having regard to these implications?**
- **Is modification of the plan to allocate land for aspirational family housing necessary for the plan to be sound?**
- **Is reference within the plan to the potential for development to take place on land between the plan area and Washington necessary for it to be sound?**

- 2.22 The emerging AAP is coming forward ahead of up to date Local Plans for both STMBC and SCC. Whilst it is more usually the case that an AAP will be framed with reference to an up to date plan and its overall strategy for the area, given the circumstances under which this AAP is emerging, this is not the case. This in itself does present a number of challenges in how the AAP can provide effective policies whilst at the same time ensuring that it does not prejudice or predetermine the future strategy of the emerging Local Plans.
- 2.23 In relation to the first two points raised by the Inspector in this question, it is the Commissioners' view that the AAP needs to be as streamlined as possible and resist the temptation to provide broader policy measures which will have a bearing on future Local Plans; leaving aside Borough/City-wide issues relating to housing or wider employment land implications.
- 2.24 It is nevertheless clear that the AAP, once adopted, will have implications for the emerging Local Plans in South Tyneside and Sunderland. These issues should be able to be addressed through the Local Plan process (rather than the other way around). This may mean the current drafts of the Local Plans may need to be amended to take into account:
- Any uplift in housing that may be required in relation to the IAMP. Specifically, to ensure that a balance between jobs and new homes is achieved;
 - Any changes to Borough/City-wide employment land requirements; and
 - Any consequential changes to Borough/City-wide infrastructure requirements (for instance through any future Infrastructure Delivery Plan).
- 2.25 Of these points raised, it is likely that some upward revision in housing provision in South Tyneside and Sunderland will be needed to support the IAMP and help promote sustainable patterns of development in the area. This will help to ensure the balance between new jobs and homes is achieved. This is confirmed through the *Impact Study – International Advanced Manufacturing Park Topic Paper: Housing (SD7) (September 2015)* and *Impact Study – International Advanced Manufacturing Park Topic Paper: Housing Update 2016 (SD10) (October 2016)*. Any such references to the need to allocate such land and any specific reference within the AAP as to where this land may be allocated should not be included within the AAP itself as the Commissioners would deem this to prejudice any future strategy that may emerge through the Local Plans being prepared by STMBC and SCC. Specific debates regarding the overall quantum and location of supporting development for the IAMP beyond the boundaries of the AAP is best debated through the consultation and examination process of the Local Plans. We will detail this position further at the examination.

Appendix A



The scaling of this drawing cannot be assured

Revision	Date	Drn	Ckd

-  Borough Boundary
-  Land Owned by the Church Commissioners
-  AAP Boundary

Project
South Tyneside Estate



Drawing Title
Land Owned by Church Commissioners

Date 13.03.17	Scale 1:20,000@A3	Drawn by M.S.	Check by C.M.
Project No 19200	Drawing No SL-P-05	Revision -	



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IAMP AAP Policies Map

KEY

Policies

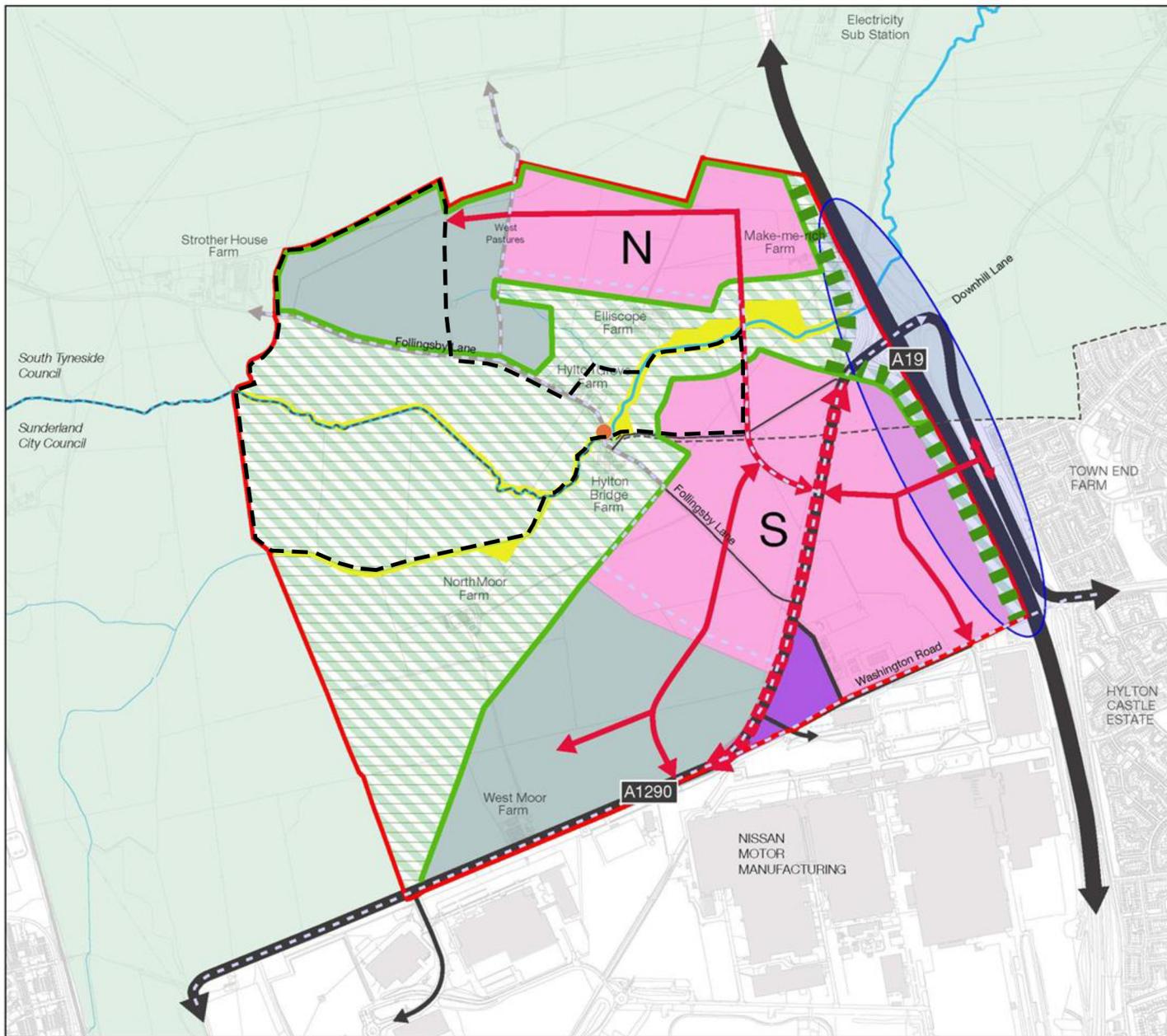
-  AAP Boundary
-  Northern Employment Area
-  Southern Employment Area
-  Green Belt
-  Policy S2
-  Green Belt Boundary Policy S2
-  Safeguarded Land Policy S2
-  Hub Policy S5
-  Proposed Key Roads Policy T1
-  Policy T1
-  A19 and Local Road Improvements Policy T1
-  Proposed Key Cycle Routes Policy T2
-  Proposed Minor Roads Policy T2
-  A19 Landscape Buffer Policy EN1
-  Local Wildlife Sites Policy EN2
-  Ecological and Landscape Mitigation Area (indicative)
-  Listed Buildings Policy D1

Context

-  South Tyneside/ Sunderland Boundary
-  River Don
-  Existing Roads
-  Tyne and Wear Green Belt
-  Church Commissioners Land



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Appendix B

International Advanced Manufacturing Park (IAMP)

Ecology

At the present time there is no policy basis for biodiversity offsetting in the UK. Whilst some local authorities have included biodiversity offsetting policies in their Local Plans, no such policies have been adopted or are proposed by Sunderland City Council and South Tyneside Council. Consequently there is no national and local policy basis for implementing a biodiversity offsetting scheme to achieve no net loss of biodiversity on the IAMP site. A more detailed analysis is provided in Annex 1.

The results of a Phase 1 Habitat Survey of the site¹ indicate that it is dominated by arable land with small areas of improved grassland, both of which are habitats of low ecological importance that do not benefit from legal or policy protection and are not identified as a priority habitat in the Durham Biodiversity Action Plan. The Technical Note prepared by Arup² indicates that the small areas of semi-natural habitat within the site will largely be retained.

Taking into account the current ecological interest of the site and the proposed mitigation measures, it is unclear what biodiversity losses warrant such a disproportionately high level of offsetting to achieve a situation of no net loss. It is also unclear how such a high offsetting requirement has been calculated, as the total number of credits that have been calculated seem to be much higher than would be expected if the Defra metric is applied. An offsetting requirement that equates to 40% of the site seems to be at odds with the low ecological importance of the habitats that dominate the site.

An examination of the costs for delivering biodiversity offsetting requirements required by Warwickshire County Council (WCC) and other local authorities indicates that this has typically fallen in the range of £5k-£12k per credit. Whilst WCC for example, has adopted its own metric (which differs from the Defra metric), this does highlight the issue of financial contributions and the potential implications for commercial deliverability for a project of the size and scale of IAMP.

The proposed site layout indicates that most of the habitat creation will take place within the western part of the site. It is not clear how (and if) this delivers the best biodiversity benefit, particularly given the existing habitat fragmentation that has resulted from development to the west, south and east. In its current form the proposed habitat creation areas do not appear to reinforce the wider habitat network as effectively as could be achieved.

¹ Sunderland City Council and South Tyneside Council (2016). International Advanced Manufacturing Park Area Action Plan: Ecology Technical Background Report. Publication Draft | August 2016

² Arup (2016). Technical Note: IAMP No Net Loss Calculation 2b, published 6 September 2016.

Annex 1

Sunderland International Advanced Manufacturing Park (IAMP)

The Policy Basis

At the present time there is no policy basis for biodiversity offsetting in the UK. The Lawton review³ concluded that there is a need for action to provide a wildlife network that is 'more, bigger, better and joined'. The Lawton Review established the principles for biodiversity offsetting to help achieve this, and these principles were subsequently taken forward by Defra in a pilot study.

Whilst there was support for the principles of biodiversity offsetting in the Government's Natural Environment White Paper⁴, to date there is no national policy basis for biodiversity offsetting. Some local authorities have included biodiversity offsetting policies in their Local Plans; however, no such policies have been adopted or are proposed by Sunderland City Council and South Tyneside Council. Consequently there is no national and local policy basis for implementing a biodiversity offsetting scheme to achieve no net loss of biodiversity on the IAMP site.

Paragraph 118 of the National Planning Policy Framework (NPPF) establishes the principles of conserving and enhancing biodiversity by applying the mitigation hierarchy, whereby significant harm resulting from a development should be avoided, adequately mitigated, or, as a last resort, compensated for. The Government advises⁵ that 'where appropriate, biodiversity offsetting is an option available to developers to fulfil their obligations under the planning system's mitigation hierarchy'; however, its use is currently on a voluntary basis. Furthermore, the published guidance³ relates to the Defra pilot project and has not subsequently been taken forward and developed into formal guidance.

Proportionality

The results of a Phase 1 Habitat Survey of the site⁶ indicate that it is dominated by arable land with small areas of improved grassland, both of which are habitats of low ecological importance that do not benefit from legal or policy protection and are not identified as a priority habitat in the Durham Biodiversity Action Plan. The limited habitat diversity within the site is also highlighted in the Sunderland City Council UDP, which states 'The Don Valley is extensive intensively managed pastoral/arable farmland to the north of Nissan. It is generally flat and has poor tree cover.'

The Technical Note prepared by Arup⁷ indicates that the small areas of semi-natural habitat within the site will largely be retained. It is therefore unclear what the biodiversity resource is that will be lost and which warrants such a disproportionately high level of offsetting to achieve a situation of no net loss. It is also unclear how such a high offsetting requirement has been calculated: the method involves the use of a simple mathematical formula that includes multipliers for area, distinctiveness

³ Sir John Lawton (2010). Making Space for Nature. Report to Defra.

⁴ June 2011. The Natural Choice: securing the value of nature. Government Natural Environment White Paper Cm8082.

⁵ www.gov.uk/collections/biodiversity-offsetting, accessed 14 March 2017.

⁶ Sunderland City Council and South Tyneside Council (2016). International Advanced Manufacturing Park Area Action Plan: Ecology Technical Background Report. Publication Draft | August 2016

⁷ Arup (2016). Technical Note: IAMP No Net Loss Calculation 2b, published 6 September 2016.

(up to x6), condition (up to x3), re-creation difficulty (up to x1.5) and target time to achieve condition (up to x3). For a site that extends to 285 ha the maximum number of available credits is therefore $285 \times 6 \times 3 \times 1.5 \times 3 = 23,085$.

Paragraph 193 of the NPPF establishes the principle of proportionality, whereby supplied information 'should be proportionate to the nature and scale of development proposals'. This does not appear to be the case with this site where the area of offsetting amounts to 115 ha within a site that extends to 285 ha⁵: this equates to 40% of the site.

An examination of costs for the delivery of biodiversity offsetting requirements required by Warwickshire County Council (WCC) and other local authorities⁸ indicates that this has typically fallen in the range of £5k-£12k per credit. Whilst WCC for example, has adopted its own metric (which does not entirely follow the Defra metric), this does highlight the issue associated with financial contributions to deliver offsetting requirements and the potential implications for commercial deliverability for a project of this size.

The examples given above differ from the IAMP situation as these local authorities are relying on specific policies to justify the biodiversity offsetting requirement. In this case, whilst IAMP is subject to emerging policy support, the requirement for biodiversity offsetting does not.

The Use of Biodiversity Offsetting

The approach that has been adopted for the biodiversity offsetting calculations is not clear or transparent. The evidence base for the calculations appears to be weak (incomplete survey data) and based on a number of assumptions that have the capacity to distort the overall result. A highly precautionary approach appears to have been adopted when assessing habitat distinctiveness and condition, which has resulted in a requirement to deliver considerable biodiversity enhancement compared to the current situation.

Unfortunately there is no clear evidence base that demonstrates how arable land contributes to the functioning of the wider habitat network. If it is assumed that arable habitat does have an important role to play as part this habitat network, further justification is required to explain why the whole of the IAMP site has not been included within the designated wildlife corridor as shown on the Sunderland City Council's Proposals Map (as it is also predominantly arable land).

In Section 3.3 'Limitations' Arup⁵ concedes that 'these figures are approximations based on limited information...'. It is also noted that Arup's calculations do not factor in potential enhancement of retained habitats, thereby over-estimating the compensation requirements for habitats. Finally, the Arup report advises that it is based on 'assumptions that have been made with respect to habitat distinctiveness and condition, which need verification through field survey.' These assumptions are key to determining the magnitude of the habitat creation that is proposed and therefore they need to be clearly set out and fully justified.

⁸ BSG Ecology has worked on at least 8 biodiversity offsetting projects where local authorities have applied a metric to calculate compensation requirements. The costs that are presented have been calculated from these projects.

Based on these assumptions, the predicted habitat losses have resulted in a precautionary requirement for an IAMP mitigation area that is between approximately 85 and 140 ha in size⁴, in order to ensure no net loss in biodiversity (using the Defra metric). This wide range (55 ha) highlights the uncertainties that are inherent in the way that the calculations have been made.

Habitat Creation Areas

The Sunderland City Council UDP Proposals Map indicates that part of the IAMP site is a wildlife corridor. However, part of the IAMP is excluded, even though the habitats present are similar in character to areas that have been identified as a wildlife corridor.

The designated corridor broadly agrees with that shown in the Tyne & Wear Nature Conservation Strategy⁹ but this document indicates that there is a potential strategic wildlife corridor link that runs north-south across the site (this pre-dates the construction of the Nissan plant, which has subsequently resulted in the fragmentation of this corridor). A weak local wildlife corridor is shown to the east of the A19 but stops at the trunk road, which is likely to present a significant barrier to the movement of many species.

The Arup report indicates that linking the River Don corridor with the wider green infrastructure corridor to the east and west would also increase its resilience; however, the area to the west of the site is constrained by a railway and an existing urban area to the south of Ursworth Hall; the area to the east is constrained by the A19 (the river flows underneath it in a culvert c.150m long). The existing development in the wider area has resulted in a constrained situation where the strongest habitat links are now through the middle of the Nissan site to the south, and to the north-west, north and north-east.

The proposed mitigation area shown on Figure 3 in the Arup Technical Note⁵ seeks to protect the River Don and tributary and designated wildlife sites. However, the proposals also include a significant area of land on the western side of the site, which appears to be the least connected area due to existing development to the west and south-west. Further explanation is required to justify why the current layout is considered to deliver the best biodiversity gain.

Protecting Species

Survey has identified a number of species that are present within the site, including: otter; water vole; small numbers of bats; breeding, wintering and passage birds. No information was available on the distribution and abundance of the species, and hence it is not possible to determine the scale of mitigation / compensation that is required. Notwithstanding this, it is important to note that the biodiversity offsetting metric is only intended to be applied to habitats: species mitigation / compensation requirements need to be considered separately.

The measures that have been identified to mitigate impacts on species⁵ have not been linked to area requirements for habitat retention and creation. It appears to be the case that the area of proposed habitat retention and creation that has been determined using the Defra metric, far exceeds the area required to mitigate impacts on the species present.

⁹ NCC (1988). Tyne and Wear Nature Conservation Strategy. Nature Conservation Council, Peterborough.

Habitats Regulations Assessment

The closest European designated sites to IAMP are the Northumbria Coast SPA and Ramsar site and the Durham Coast SAC, all of which are approximately 6 km to the east at their closest point. The IAMP Habitat Regulations Assessment¹⁰ concluded that the proposed development is not likely to have a significant effect on any European designated site, either alone or in combination with other plans and projects, and hence there is no need for an 'appropriate assessment'.

¹⁰ Sunderland City Council and South Tyneside Council (2016). International Advanced Manufacturing Park Area Action Plan: Habitat Regulations Assessment Stage 1 Screening - Statement to Inform. Publication Draft, August 2016.