

Matter 7

Sunderland Core Strategy and Development Management Plan Examination in Public Response to the Inspector's Matters, Issues and Questions Made on Behalf of Persimmon Homes (Durham) – ID 1129305

Matter 7 – The Strategy and Growth Area for South Sunderland

Preamble

- 7.1 This Hearing Statement is made on behalf of Persimmon Homes (Durham) (our 'Client'), in advance of making verbal representations to the Examination in Public of the Sunderland Core Strategy and Development Management Plan (CSDMP). Our Client has made comments throughout the Core Strategy consultation process, including at the Publication Draft stage.
- 7.2 Our Client has multiple land interests in land within Sunderland City Council's Authority Boundary. This Hearing Statement is specifically in reference to our Client's land at the former Hendon Paper Mill and its proposed retention as an employment allocation within the proposed Key Employment Area designation KEA1.
- 7.3 A planning application has been submitted for residential development on the former Hendon Paper Mill (Planning Ref: 18/01820/FUL), which includes associated access, landscaping and infrastructure, and discussions are ongoing with the Council.
- 7.4 Our response to the relevant questions in Matter 7 (South Sunderland) are found below. We have had specific regard to the tests of soundness outlined in the National Planning Policy Framework (the 'Framework'); namely that the policies in the CSDMP are must be justified, effective, positively planned and consistent with national policy in order to be found sound. As the CSDMP was submitted to the Secretary of State by Sunderland City Council (the 'Council') prior to the transition deadline set in Annex 1 of the February 2019 Framework, we have referred back to the March 2012 Framework where appropriate within this Hearing Statement, as per the stated transitional arrangement.

Issue 1: Strategic Policies

Question 1.2 (sic) *Is Policy SP5 justified and effective?*

7.5 Part 1 of Policy SP5 states that economic growth will be focused in identified employment areas, including those covered in policy EG2.

- 7.6 Referring back to our considerations in Matter 6, the Council propose to allocate land within EG2 which is not suitable or available for employment purposes. This then serves to undermine the objective set out in Part 3 of Policy SP5 which aims to secure regeneration and renewal in Hendon.
- 7.7 The Council are therefore proposing to constrain themselves in the CSDMP by continuing to allocate the former Hendon Paper Mill for employment under policy EG2, which will actively stop the site from contributing to Part 3 of Policy SP5 and the regeneration of Hendon. The former Hendon Paper Mill was granted planning permission in 2011 for redevelopment, in part to help regenerate Hendon. It has been made quite clear in our Hearing Statement for Matter 6 that the site is not available for employment use. So, to allocate a site located within an identified regeneration area for a use which is not deliverable will only weaken the objectives of Policy SP5 Part 3 and ensure that it is not actually achievable.
- 7.8 The Council are therefore failing to prepare the plan in a positive manner. In order to ensure that regeneration within Hendon can take place, we further propose that the former Hendon Paper Mill is deallocated for employment use and left as white land. This should enable the residential redevelopment of the land and, if necessary, the allocation for residential purposes in the forthcoming Allocations and Designations Plan.
- 7.9 Our Client has submitted a planning application for residential development of the former Hendon Paper Mill, to provide 227 residential units and wider economic, environmental and social benefits. This includes ecological mitigation to the immediate north, on site affordable housing and the redevelopment of brownfield land. Discussions are ongoing with the Council and consultees to facilitate a successful outcome.

Issue 2: Port of Sunderland

Question 2.1 Is Policy SS5 positively prepared, particularly in addressing issues of transport links and flood risk?

7.10 Our Client does not wish to make written representations on this part of the question as part of this Hearing Statement.

Issue 3: Identification of Sites and Protected Areas

Question 3.1 Does the SHLAA support the SSGA?

7.11 Our Client does not wish to make written representations on this part of the question as part of this Hearing Statement.

Question 3.2 Is the configuration and scale of the SSGA sites justified taking into account development needs and the SHLAA and other assessments?

7.12 Our Client does not wish to make written representations on this part of the question as part of this Hearing Statement.

Question 3.3. Is the configuration of the settlement breaks justified?

7.13 Our Client does not wish to make written representations on this part of the question as part of this Hearing Statement.

Issue 4: SSGA

Question 4.1 Is the Council satisfied that the landscape, heritage, biodiversity, access, transport, drainage and other constraints are capable of being mitigated so that development of the sites would be acceptable?

7.14 Our Client does not wish to make written representations on this part of the question as part of this Hearing Statement.

Question 4.2 Are all the policy requirements within Policy SS6 necessary and clear to the decision maker?

7.15 Our Client does not wish to make written representations on this part of the question as part of this Hearing Statement.

Question 4.3 Is the requirement for 10% of homes to be affordable justified?

7.16 Our Client does not wish to make written representations on this part of the question as part of this Hearing Statement.

Question 4.4 How does the South Sunderland Supplementary Planning Document (SPD) relate to Policy SS6?

7.17 Our Client does not wish to make written representations on this part of the question as part of this Hearing Statement.

Question 4.5 What is the up-to-date position in relation to planning permissions for the sites in the SSGA?

7.18 Our Client does not wish to make written representations on this part of the question as part of this Hearing Statement.

Question 4.6 Are the sites deliverable?

7.19 Our Client does not wish to make written representations on this part of the question as part of this Hearing Statement.

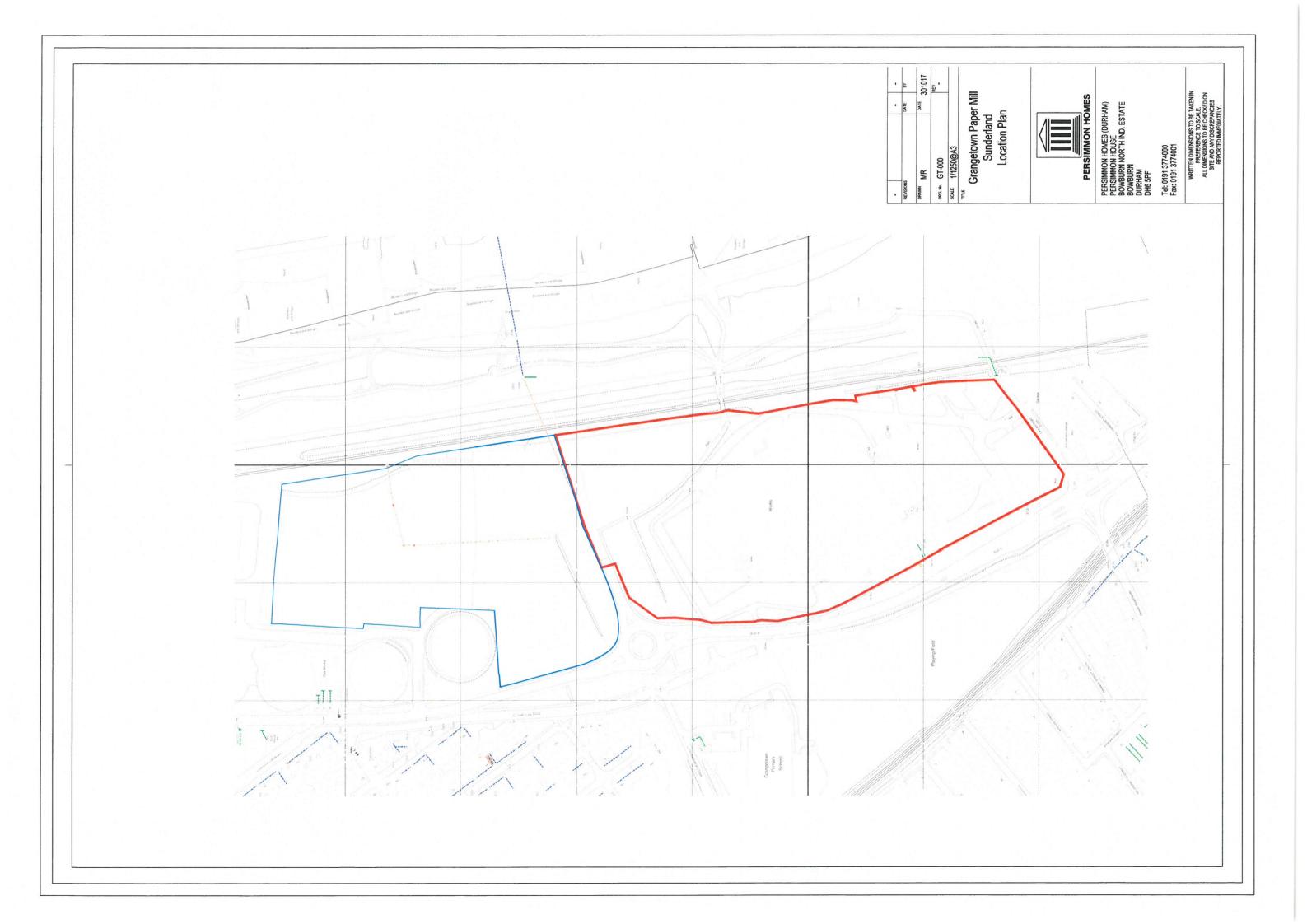
Issue 5: Infrastructure

Question 5.1 Will the infrastructure to support the scale of development proposed in South Sunderland be provided in the right place and at the right time, including that related to transport, the highway network (particularly the Ryhope-Doxford Link Road), health, education and open space? 7.20 Our Client does not wish to make written representations on this part of the question as part of this Hearing Statement.

Issue 6. Delivery

Question 6.1 Are the assumptions about the rate of delivery of houses from sites in South Sunderland realistic (anticipated delivery is shown in Appendices A, F and N of the SHLAA)?

7.21 Our Client does not wish to make written representations on this part of the question as part of this Hearing Statement.





Report

The Need For Employment Land at

Former Hendon Papermill, Ocean Road, Hendon, Sunderland

Prepared on behalf of Persimmon Homes

May 2019

Contact details

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Introduction

Knight Frank has been instructed by Persimmon Homes to provide advice for their planning application on the former Hendon Paper Mill site, specifically in relation to the employment land situation in Sunderland.

Knight Frank has been requested to provide a short commentary dealing principally with the current supply of employment land along with future needs and current and projected take up rates.

The report has been prepared by Simon Haggie the partner in charge of the Logistics & Industrial Department in the Newcastle office of Knight Frank. Simon is a Member of the RICS Commercial & Valuation Faculty, having qualified in June 1985. He has been a Partner in Knight Frank since the 1 September 1998, prior to which he was an Associate Director in the Industrial/Warehouse Department of Chesterton's Newcastle office for 13 years. He also spent 7 years as a development surveyor in the Gateshead of English Industrial Estates (which went on to be the Regional Development Agency One NorthEast) and initially trained in the Newcastle office of Bernard Thorpe & Partners (now Cushman & Wakefield). He has therefore been involved in industrial/warehousing agency and the development sector within the region for over 44 years.

Planning Context

For the purposes of this report we have examined the employment land Reviews prepared by Nathaniel Lichfield in March 2016 and the Post EU Referendum Update issued in February 2017 in relation to emerging policy. We will comment on the relevant documents in chronological order as follows:-

Nathaniel Lichfield ELR March 2016

In 2015 Sunderland City Council commissioned Nathaniel Lichfield & Partners (NLP) to undertake a review of employment land within the City. The report was formally issued in March 2016 and in summary found:-

Land Supply

- At the date of the report Sunderland had 79 sites totalling 146 ha gross which netted to 122.44 ha. In addition to this mixed use sites accounted for a further 8.42 ha (total 130.86 ha). The Port of Sunderland land has been excluded from the figures other than the Hendon sidings.
- No account is taken of any land arising from the IAMP (International Advanced Manufacturing Park) development which totals 150 ha and part of which (thought to be circa 50 ha) falls within South Tyneside District.

Take Up

 Take-up is quoted as 120.5 ha for the 15 year period from 2000 – 2014 (8.04 ha per annum). Based on the stated availability figure of 130.86 ha that shows a supply of a little over 16 years. In contrast the Sunderland South sub area only accounts for 10.95 ha of take-up during the 15 year period i.e. 0.73 ha per annum and when measured against the quoted availability of 52.96 ha (which does not include the Hendon Paper mill site) this reflects a 72¹/₂ year



supply. It is also worth pointing out that some 3.6 ha of that take-up was from Doxford Business Park.

- A further examination of the take-up figures shows that roundly 32 ha of the overall take-up was by what could be considered to be advanced manufacturing uses, the largest of which, Rolls Royce (11.43 hectares) and BAE Systems (6.69 hectares) went to a large site in Washington previously home to a Dunlop Tyres factory. As a rough guide therefore approximately 261/2% of the district take-up between 2000 and 2014 was to advanced manufacturing users which is a little over 2.13 ha per annum.
- The ELR concludes that the Council should plan for between 95 and 115 ha (gross) of employment land in order to accommodate demand over the period 2015 – 2033, this being made up of 15 ha for B1a & B2 office uses, 35 – 45 ha of B1c/ B2 manufacturing uses and 45 – 55 ha land for B8 warehousing uses. These figures do not take into account the need for land at IAMP and is stated to be for general employment land only.
- In terms of demand by market area, the report suggests that of the total estimated demand i.e. 95 115 ha projected to 2033, Sunderland South should account for between 11 and 14 ha of this supply. It then goes on to indicate that based on the current supply in South Sunderland of 52.23 ha, there is an indicative oversupply of between 38.23 and 41.23 ha. It should also be stressed again that the availability at Hendon Paper mill site is not included in these figures.
- The report also recommends various sites within South Sunderland which should be or could be considered for deallocation, the largest of which is the Sea View/Stockton Road site at Ryhope which is quoted as 16.37 ha net or 20.46 ha gross. It also recommends for consideration the deallocation of the two gasometer sites in Hendon which adjoin the Hendon Paper mill site and comprise 4.09 ha net. The Hendon Paper mill site does not form any part of these recommendations because it isn't included in the supply figures.

Observations

- The ELR states that there is no distinction between the Sunderland North and Sunderland South market areas. We do not accept that this proposition is correct. Most, if not all, towns and cities divided by a significant river separate into distinct market areas. Sunderland South in particular is quite a large and diverse geographical area with the Port of Sunderland and the somewhat decaying industrial area of Hendon to the extreme east, Leechmere and Ryhope to the extreme south east, the Doxford International Business Park to the extreme south west and the Pallion and Pennywell areas to the north west.
- It is undoubtedly true that the Pallion and Deptford areas have, and will, benefit significantly from the new Spire Bridge but that would seem to provide little improvement to the Port and Hendon areas which are already reasonably well served by the Wearmouth Bridge for access north and the A1018 link road for access south. The Wearmouth Bridge and the surrounding dual carriageway areas have been in existence for a considerable number of years and the A1018 link road to the south was substantially improved several years ago, largely benefitting the Ryhope and Hendon areas to the south and east of the City Centre.



• Sadly it seems to have had no meaningful effect on employment development in the Hendon and South East Sunderland. Hendon has failed to attract any new private sector investment for B uses in the period between 2000 and 2014 and the only development to have taken place in that area was the Stansfield Business Centre in 2000 comprising 2.56 ha of predominantly office space which was developed by the Local Authority.

Lichfield Report on Post EU Referendum Position

In 2016 Sunderland City Council commissioned (NLP) to undertake a review of their earlier ELR taking into account the decision to leave the EU. The report was formally issued in February 2017, although the Experian projections of growth were undertaken in September 2016 only a matter of months after the Brexit vote:-

- Lichfield's comment that their report is a point in time assessment based on the latest data available at the time of preparation, but they recognise that considerable uncertainty remains regarding the nature of Britain's long term relationship with the EU and the macro economic consequences.
- The Experian figures forecast an overall growth of 7,200 jobs net in Sunderland over the 18 year study period i.e. 400 jobs per annum, some 2,600 of which are in the transport equipment sector and a further 800 in the machine making equipment sector both of which are manufacturing B2 uses. These additional jobs are then converted into floor space requirements suggesting that some 74,925m² of B floor space (exclusively B2 manufacturing) will be required over the plan period, although the report does say that they anticipate that most of this will be absorbed by the IAMP which has capacity for some 260,000m² of floor space without taking into account the further 50 hectares of land safeguarded for possible future expansion of IAMP.
- The report then seeks to project Experian's figures taking into account employment in IAMP essentially seeking to assess the likely change to floor space and ultimately land take in the surrounding general employment areas of the district. Ultimately it comes to the conclusion that there will be a drop of 4,055m² across all of the classes of floor space required.
- Lichfield's report refers to the fact that some 49.14 ha of employment land was lost to none B use class across Sunderland over the 10 year period from 2005 to 2014 corresponding to an average annual loss of 4.91 ha. Further analysis of that data indicates that 80% of the land lost, 40.32 ha was to residential use with the remainder being largely retail and leisure uses. The report then goes on to say that during a 10 year period gross take-up averaged 8.22 ha and with losses average 4.9 ha per annum, the net delivery of employment land only amounted to 3.31 ha.
- The report recommends that the fall in employment land needs associated with the updated Policy-On scenario serves to drag down the overall range of requirements identified in this exercise relative to the outputs of the 2016 ELR. This downward pressure would suggest that, based upon the data available at the present time, Sunderland City Council may wish to consider planning for a level of demand towards the lower end of the previously derived range of 95ha-115ha.



Observations

Having looked at the take-up figures prepared by Lambert Smith Hampton, we cannot see that any of the 8.22 ha per annum take-up includes non-employment uses and therefore we are at a loss to understand how the report comes to this conclusion. Nonetheless Lichfield's assert that the available employment land allowance should make some provision for replacement of losses to none B use classes.

- However they seem to take no account of the fact that employment land is also recycled through age and obsolescence of buildings. This previously occurred on the former Dunlop Tyres site at Washington where some 18.12 ha of land was recycled/redeveloped and now accommodates a BAE and Rolls Royce factory.
- In the same way older estates such as Pallion, Southwick and North Hylton have yielded development sites through demolition since 2000 and indeed the Rolls Royce factory at Pallion is currently undergoing demolition and that will produce a further 4.26 ha of land.
- Whilst Experian's projections can probably be regarded as optimistic to say the least, the report does largely come to the same conclusion in terms of land requirement excluding the IAMP.

South Sunderland Area

- Analysis of take-up figures since 2000 suggests that there has been no private sector take-up for employment purposes in that area in the last 18 years and the only development of note was that by the Local Authority of the Stansfield Business Centre in Hendon as previously mentioned.
- The Port of Sunderland are also trying to bring forward land adjacent to the Port comprising former railway sidings but this heavily dependent upon grant assistance being obtained through the local enterprise partnership which may or may not be forthcoming. The land itself will of course be targeted at uses requiring accessibility to the Port but it does nonetheless contribute to the overall variety of sites in the district.
- The subject site wasn't included in the figures for the employment land review nor in Lichfield's post referendum review report. Nonetheless the Council wish to reintroduce it into the figures on the basis that there is no other large sites in the South Sunderland area. Presumably their reasoning for wishing to retain the land for employment purposes is that it could accommodate a large footprint factory/warehouse building. Based on the area of the site that would suggest a building in excess of 30,000m².
- We pose the question "what is the likelihood of a major occupier wishing to build in this location, which is remote from the major road network and there are infinitely more attractive sites being offered at the IAMP'.
- In truth there is absolutely nothing to suggest that a large footprint occupier would be drawn to the Hendon area unless they had some requirement for Port facilities in which case they would take land from Port of Sunderland.



• We feel sure that had this site been included in the Employment Land Review it would have been recommended for deallocation by Lichfield's given that the two former gasometer sites immediately adjoining to the north of the subject site were recommended for deallocation.

September 2018 Land Supply

- Figures from Sunderland Council produced in September 2018 show the land supply position suggests that there are 92.85 ha available. This figure includes the subject site but overall is significantly less than the February 2017 figure of 130.87 ha. The principal reason for the reduction in availability appears to be the deallocation of various sites recommended by Lichfield's in the 2016 ELR, the most significant of which is the Sea View, Ryhope site at 20.46 ha.
- Indeed much of the deallocation appears to have occurred in the South Sunderland area which is not surprising given that it was identified as having the greatest oversupply of the four areas analysed when measured against past take-up. The council are therefore suggesting that the removal of the subject site will reduce the available employment supply to a little over 85 ha, which is below Lichfield's recommendation of a requirement of 95 – 115 ha.
- We also take issue with the fact that the IAMP is being completely ignored as part of this exercise, which seems to be an absurd position. Even if the Brexit vote hadn't happened and Nissan had not decided to cease production of the Xtrail and Infinity models from the Sunderland plant, it is completely unrealistic to believe that the presence of 150 ha of fully serviced land in a prime location adjacent to the A19 won't have any effect on the occupational market elsewhere in the area.
- Add to that the fact that the initial 25 ha has enterprise zone status, then there is no doubt that the IAMP will attract the majority of B2 and inevitably some B8 uses as Henry Boot's influence (the preferred developer) as a commercially driven developer comes into play.
- Even if you accept the position taken by the ELR in 2016 (Appendix 8 para 1.29) that 83% of the IAMP will be occupied by advanced manufacturing not being displaced from elsewhere in the district, that equates to 124.5 ha of the 150 ha total leaving 25.5 ha to go into the availability figures. Whilst we believe that the assumption is wildly optimistic, if nonetheless Sunderland's proportion (estimated at 66% 13.2 ha net) of that 25.5 ha or 20 ha net is then added to the latest land availability figure of 92.85 ha (which incidentally does not appear to include any of the mixed use allocation previously quoted at 8.42 ha) then in reality there is roundly 114.5 ha available with the addition of the mixed use allocations. This also takes no account of the windfall site becoming available at Pallion where the Rolls Royce complex is being demolished currently, adding 4.27 ha and giving a total of over 118 ha.



Conclusions

- It is clear therefore that the loss of 7.5 ha at Hendon still leaves some 111 ha of availability until 2033, which actually exceeds the ELR's recommendations. This takes no account of the fact that almost 3 years have elapsed since the land requirement was calculated. During that time and based on past rates, there will have notionally been 24 ha of take-up, therefore reducing current requirement to between 75 ha and 95 ha.
- On that basis we conclude that there is a more than adequate supply of employment land without the subject site and moreover for the reasons set out previously, there is no evidence to suggest that retention of the site is likely to attract any major employment development to the South Sunderland area

Paul Mackings Consulting Limited



7th February 2019

Peter Jordan Persimmon Homes (Durham) Persimmon House Bowburn North Industrial Estate Bowburn Durham DH6 5PF

Dear Peter,

I, Paul Mackings, am the agent providing representation in regards to the Former Hendon Paper Mill site in Sunderland on behalf of the landowner Mr Philip Cronin.

The purpose of this letter is to provide information to support Persimmon Homes Planning Policy Response Report pursuant to planning application 18/01820/FUL detailing information important to the consideration of the application in regards to the availability of the site for employment use and the compliance with national policy and both adopted and emerging local policy. This letter should be read in conjunction with Persimmon Homes Planning Policy Response Report.

It is understood that the emerging Core Strategy and Development Plan policy EG2 includes a release mechanism for the release of vacant land or premises within Key Employment Areas to uses outside the B Use Classes. This mechanism requires it to be demonstrated that "the site has been unused for employment for at least 24 months, despite being marketed on reasonable terms". This letter will now provide this information;

Vacancy Period

The Hendon Paper Mill ceased to be operational in January 2006. The site has therefore been unused for employment purposes for 13 years.

Marketing

The site has not been marketed for employment within the previous 24 months however the historical circumstances of the site provide reasonable justification as to why this is the case.

Mr Cronin's family have owned the site since 1980 and as a local businessman with knowledge of the commercial market in Sunderland it was his, and his advisors, understanding that residential development of the site was acceptable in principle given the sites planning history. Further research confirmed that there was an excess of employment land (as evidenced within the 2016 Employment Land Review) and an undersupply of residential land in this area and a clear direction of travel in the National Planning Policy Framework about boosting housing supply, particularly on brownfield sites. This position fundamentally underpinned the investment decision at the time.

Mr Cronin chose to invest his own capital in demolition works to tidy up the area. During the demolition works the position set out in the previous paragraph had not changed and therefore marketing of the site for employment use during this period was entirely unjust and unnecessary as the direction of travel remained unchanged.

Persimmon Homes subsequently came forward and took time to contract on the site before being able to submit the planning application. Again nothing in regards to the matters that informed the initial investment decision had changed during this period which remained a logical investment decision based upon national planning guidance and local planning evidence. Due to the above circumstances no marketing of the site for employment use has taken place within the previous 24 months.

Site Availability

I can confirm that in the short term the site is categorically unavailable for employment use as the conditional contract with Persimmon Homes restricts the sale of the land to any other 3rd party for employment use for the duration of the contract period. Further I can confirm that in the medium to long term it is categorically Mr Cronin's intention to dispose of the site for residential development, due to the reasoning set out above within the Marketing response. Conjunctionally, the site should not be considered available for employment use within the plan period.

Regards,



Paul Mackings Site Agent

FORMER HENDON PAPER MILL, ECOLOGY

The proposed brownfield housing site is primarily bare ground following the demolition of commercial buildings between 2015 and 2018. It is located about 240m from the SPA and SAC¹.





Natural England has guidance on SANGS provision for residential development near an SPA or SAC recommending 8ha per 1000 residents². For this site with an occupation rate of 2.16, then 3.9 ha of SANGS would be required.

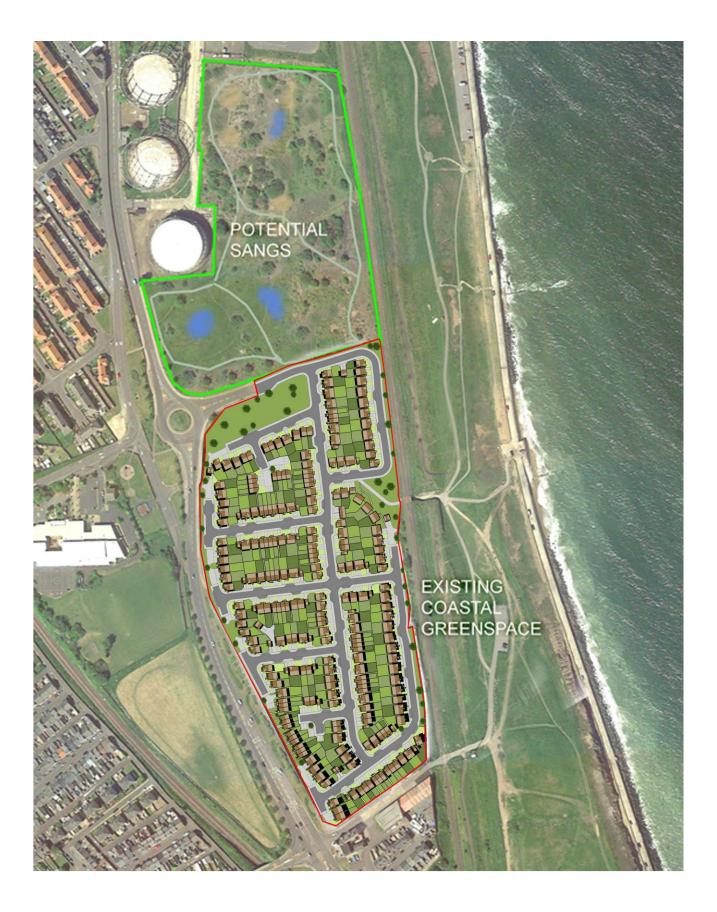
Land to the north extends to 4.1ha and provides a potential area for SANGS that lies within 400m of the proposed properties, in line with guidance³.

This northern area currently supports a mosaic of grassland and brownfield habitats, and could be readily managed to both enhance the biodiversity value and provide an attractive and safe area for dog walkers, with a network of paths and perhaps shallow wetlands, as illustrated in the visualisation below.

¹ The section of SPA and SAC to the south of the housing site now lies partly outwith the cliff area as coastal erosion has pushed the cliff face inland. Sea cliffs outside of the SAC boundaries would be considered to be functionally linked land (Natural England per som).

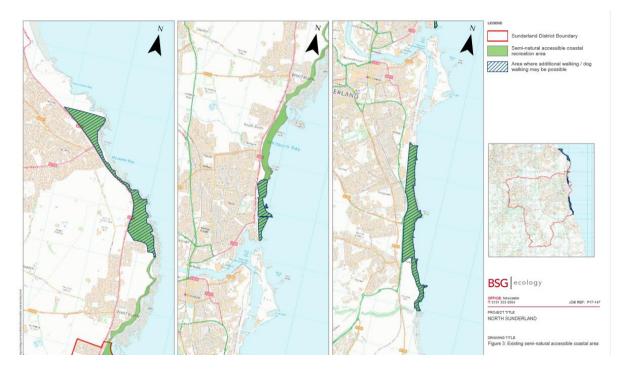
² Para 8.21 of CSPD HRA

³ Royal Borough of Windsor & Maidenhead (2010). Thames Basin Heaths Special Protection Area Supplementary Planning Document (Part 1). Royal Borough of Windsor & Maidenhead.



In addition, the report to inform the Habitat Regulations Assessment of the CSPD identifies the existing coastal greenspace to the east as an area with potential to accommodate additional walkers and dog walkers, figure below. It is accepted that at times dog walkers from the new development will wish to

walk along the sea front, and take longer walks, and the HRA indicates that this adjacent area has capacity⁴.



Looking at the relevant BSG plan in detail the location of the proposed housing site and associated SANGS has been identified below.

⁴ The area identified washes over areas of the SPA and SAC, whereas it would be prudent to only encourage further access in locations that do not include SPA or SAC habitats, and most particularly the promenade, footpaths and areas of amenity grassland. Para 8.16 of the HRA notes that increased recreational use would be undesirable in the intertidal areas and functionally linked land, and it would be sensible for the SAMM to actively discourage dog walking in these areas.



The CSDP Habitat Regulations Assessments address the plan area through several separate HRA reports:

- South Sunderland Growth Area.
- North Sunderland Sites, which addresses housing land in LPA ownership.
- Sunderland City Council Core Strategy and Development Plan which considers sites HGA 7 and HGA8

All three take a consistent approach to potential effects of dog walking on the features of interest, requiring both SANGS and SAMMS, identifying land for SANGS and a financial contribution towards coastal management and monitoring costs.

This site readily allows the same approach, with immediately adjacent land of a suitable size for SANGS, an adjacent area of existing greenspace along the coast with capacity for greater use and good footpath and parking provision, and a proposed financial contribution in line with other Sunderland housing schemes.

Ecological surveys have indicated some use of the coastal grassland by foraging turnstone, and mitigation measures would address potential disturbance to these birds during construction and operation.

Overall, there are no ecological reasons to prevent the approaches that are accepted for the rest of Sunderland, and subject to a Statement of Common Ground with Natural England, being applied to this site, to fully mitigate potential effects on the SPA and SAC.