

**SUNDERLAND RETAIL NEEDS ASSESSMENT AND SUNDERLAND
EMPLOYMENT LAND REVIEW**

REPORT BY THE DIRECTOR OF DEVELOPMENT AND REGENERATION

1.0 PURPOSE OF REPORT

- 1.1 This report notifies Committee that two important studies have been finalised which respectively address retail need and employment land in the City. These reports – the Sunderland Retail Needs Study and the Sunderland Employment Land Review – will form part of the evidence base of the emerging Local Development Framework (LDF) Core Strategy.

2.0 BACKGROUND

- 2.1 Government Guidance on the preparation of LDF's (Planning Policy Statement 12; Local Spatial Planning) places significant emphasis on local planning authorities to prepare robust evidence to understand the local area and help inform proactive plan-making and decision-making.
- 2.2 The two reports have been prepared by a leading national planning consultancy and will provide the Council with a detailed and focused assessment of two major elements of the local economy. The reports comply with established Government guidance and procedures regarding the technical aspects of their subject.

3.0 EMPLOYMENT LAND REVIEW

- 3.1 Regional planning and economic policy aims to improve the competitive position of the North East's economy. The Regional Spatial Strategy (RSS) was published in July 2008 and highlights that Tyne and Wear may have a shortfall of employment sites to 2021. The RSS highlights a significant role for Sunderland at the heart of the Tyne and Wear City Region, as a priority area for business development opportunities. Sites in Central Sunderland and the City Centre are noted as offering key opportunities for the wider economic development of the City Region.
- 3.2 The LDF will play a major role in establishing a "fit for purpose" employment land portfolio which will enable the City to play a significant role in regenerating the regional economy. The Council's previous review of employment land allocations was undertaken in 2001 and informed the basis of revised Unitary Development Plan policies for the Central Sunderland area, subsequently taken forward in UDP Alteration No. 2. As this study is now some eight years old, there was a need to undertake a new review of employment land in the City in the light of more recent regional policy and the ongoing changes in the structure of the local

economy. This would form the evidence base for the economic policy element of the LDF.

- 3.3 Roger Tym & Partners and Knight Frank were commissioned by Sunderland City Council to prepare an Economic Development and Employment Land Review covering the period to 2021. The Review aims to inform future policy development and specifically aspects relating to employment land supply and related provisions in the LDF.
- 3.4 The Review examines a number of key areas, including:-
- A comprehensive quantitative and qualitative assessment of employment sites and premises in the City;
 - An assessment of the needs/demands and anticipated requirements arising from economic restructuring and projected labour market changes at national, regional and local levels;
 - Projected employment land and premises requirements by scale and nature in Sunderland to 2021;
 - The level of intervention expected to successfully deliver new, or improve existing lower quality and the extent and location of existing sites (if any) that should be considered for alternative forms of development.
- 3.5 The Review has now been completed. It highlights positive features of the City's economy and policy should seek to maintain and enhance these. For example, the City:-
- Has a higher proportion of employment in high value banking, finance and insurance sectors than the regional economy;
 - Has a strong manufacturing sector and high proportions of residents working in skilled occupations;
 - Is in a good position to attract higher value manufacturing and engineering sectors in the future;
 - Has a fairly balanced labour market, where numbers of working residents and workplace jobs are almost the same, so any out-commuting is effectively balanced by in-commuting. However, regional policy and local aspirations aim to increase the role of Sunderland as an employment centre.
- 3.6 The Review also highlights disadvantages which employment land policy could help to correct or improve. For example:-
- Unemployment is higher than the national average and economic activity rates and self-employment rates are low.
 - There remains a concentration of jobs in manufacturing which nationally and locally has been in decline.

- 3.7 The key findings and recommendations of the Study are:-
- 3.8 **Industry and Warehousing:** The City has a relatively large number of older industrial estates where the buildings are in excess of 40 years old and require significant investment either in refurbishment or redevelopment (for their current use). A number of those properties may be attractive to the property market for redevelopment; however many others may struggle to be viable and as a result there is a danger that they may fall into dereliction, particularly in the current economic climate. Some of those sites would be appropriate for re-allocation (either as a whole or in part) to alternative uses; these include Springwell, Toward Road, Millfield, Philadelphia Workshops (part), Hendon (part) and Hetton Lyons (part).
- 3.8 It is important that the strategically important employment sites are not compromised and in that regard the estates at Pallion, North Hylton and Southwick in particular may require specific policy protection.
- 3.9 There is generally perceived to be a shortage of strategic employment land in Washington which can probably only be satisfied by the release of a new employment site. The Study suggests a site of around 30-40 hectares. A potential site is recommended to the north of the existing Nissan site.
- 3.10 In contrast, the older estates within the Coalfield areas of Houghton-le-Spring and Hetton-le-Hole may see a continued decline in both their physical condition and the level of demand for premises and sites in those locations. The study highlights that the proposed new Central Route will have a positive impact on existing employment sites in this area and that it needs to be brought forward.
- 3.11 **Offices:** Sunderland has relatively large stocks of out-of-town B1 office space but very little new or modern City Centre space. The mixed use regeneration sites in the City Centre identified in UDP Alteration No. 2 are the priority location for office development in policy terms. These sites will need to be brought forward for development as a priority if the City Centre regeneration is not to be compromised through out-of-town office development.

4.0 RETAIL NEEDS ASSESSMENT

- 4.1 The Council's last retail study was prepared in 2006 to support the UDP Alteration for Central Sunderland (Alteration No. 2). However this study only looked to the short-term and focussed primarily on the City Centre. To inform the LDF a new study was required which examined retail requirements across the entire City over the fifteen-year period of the plan. Roger Tym & Partners were commissioned by the Council to prepare a new retail assessment specifically to inform the emerging LDF. The key areas examined by the Assessment include:-

- Identify the catchment of the City and provide an analysis of shopping patterns within the catchment area;
- Identify the likely requirement for new retail floorspace in the City in the convenience and comparison sectors up to 2021;
- Undertake a 'health check' of all centres in the City, including an overview of qualitative deficiencies, and provide an indication of the broad need for new town centre uses in these centres;
- Assess the capacity of existing centres to accommodate new retail development, including the scope for extending the City Centre retail core;
- Identify centres in decline where change needs to be managed;
- Consider whether there is a requirement to amend the city centre retail core, as defined in UDP Alteration No. 2 (Central Sunderland), Policy S2A; and set out criteria-based policies, in accordance with PPS6, for assessing and locating new development proposals.

4.2 The new Assessment included a new telephone survey to establish shopping patterns and expenditure. It was also able to utilize recent guidance regarding the effects of the economic slowdown on spending patterns over the long term. The key findings and recommendations of the Assessment are:-

- Retail expenditure is likely to grow in the short to medium term and there will be a need to take this into account in forecasting the requirement for new shopping floorspace in the City over the course of the plan period;
- The shopping patterns identified in the earlier 2006 study remain largely unchanged; the urban parts of Sunderland and Washington retain their own catchment and markets whilst shoppers in the Coalfield travel out of their area for their shopping requirements;
- The retail performance of the City Centre has declined over the past few years and there is a need to secure new retail development to ensure that it maintains its position in the regional hierarchy;
- The retail performance of Houghton Town Centre has also declined, particularly due to the declining durable goods service within the Town.

5.0 NEXT STEPS

5.1 The baseline information from the two reports has been used to inform the preparation of the broad Spatial Alternative Options relating to the Core Strategy. The more detailed site-specific aspects will be taken forward through the forthcoming Allocations Development Plan Document (DPD) work on which will commence early in 2010. There has been close officer working to ensure that both Reports are taken into account to inform the Council's emerging Economic Masterplan.

- 5.2 The reports will also be a material consideration in the assessment of planning applications for associated development proposals.
- 5.3 The reports will be made available on the Planning website. Copies of the full reports have been placed in the member's room.
- 5.4 It should be noted that new national planning policy guidance concerning economic development and retailing is being considered by Department of Communities and Local Government. Consultation on a new "prosperity" PPS took place earlier this year and the City Council's response was considered by this Committee. Whilst in the main the proposed changes are unlikely to affect the approach to employment land in the LDF, the Government's changes to retail policy are more far-reaching and potentially of greater significance. In particular the potential deletion of the requirement for applicants for retail development to prove "need" is a major policy shift. This element of the Retail Study cannot be finalised until the revised PPS is published.

6.0 RECOMMENDATIONS

- 6.1 Committee is recommended to:
Note the contents of the Sunderland Retail Needs Study and Sunderland Employment Land Review so that they can be used:-
- a) as part of the evidence base to inform the emerging Local Development Framework, and
 - b) as a material consideration in determining planning applications for both town centre related and employment related developments.

7.0 BACKGROUND PAPERS

Planning and Highways Committee 21 July 2009: Response to consultation draft PPS4 (Planning for Prosperous Economies): Consultation paper on a new Planning Policy Statement 4: Planning for Prosperous Economies (May 2009)

Planning and Highways Committee 23 September 2008: Response to consultation draft PPS6

Planning and Highways Committee 29 January 2008: Response to consultation draft PPS4

PPS6: Planning for Town Centres (March 2005)

PPG4: Industrial, commercial development and small firms (1992)

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