

CABINET MEETING—18 JUNE 2014

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

**INTERNATIONAL ADVANCED MANUFACTURING PARK (IAMP):
INVESTIGATORY STUDIES, POLICY PROPOSALS, PLANNING PERMISSIONS
AND ADVANCE INFRASTRUCTURE**

Author(s):

DEPUTY CHIEF EXECUTIVE

Purpose of Report:

To seek approval to undertake a significant number and variety of required investigations, preparations, design works and applications, and acquisition of land and property to support the development of new commercial space to accommodate predicted demand for employer occupation in the area north of the Sunderland Nissan plant, referred to as the International Advanced Manufacturing Park (IAMP). The proposed work includes site investigations, the preparation of planning policies and planning applications, traffic modelling and road design. It may also involve initial infrastructure works and land acquisitions.

Description of Decision:

Cabinet is recommended to:

Authorise the Deputy Chief Executive in consultation with the Leader and Cabinet Secretary and the Head of Financial Resources to take all necessary actions required for the procurement and delivery of the programme of investigations and preparations and the acquisition of land and property in relation to the delivery of the project.

Is the decision consistent with the Budget/Policy Framework? Yes/No

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

To establish overall costs and constraints for development that will meet future demand. To acquire necessary permissions for both infrastructure and development.

To enable necessary land and property interests to be acquired for the scheme.

Alternative options to be considered and recommended to be rejected:

Sunderland's draft Core Strategy has identified that existing land use allocations are insufficient to meet even a requirement of 20 hectares, therefore alternative locations within the city will not fulfil the larger need now identified. To do nothing would risk a shortage of strategic sites for industrial investment with future opportunities to increase employment consequently foregone.

Impacts analysed:

Equality ☐ Y Privacy ☐ Y Sustainability ☐ Y Crime and Disorder ☐ N/A

Is this a "Key Decision" as defined in the Constitution? Yes/No

Is it included in the 28 day Notice of Decisions? Yes/No

Scrutiny Committee:

INTERNATIONAL ADVANCED MANUFACTURING PARK (IAMP): INVESTIGATORY STUDIES, POLICY PROPOSALS, PLANNING PERMISSIONS AND ADVANCE INFRASTRUCTURE

Report of the Deputy Chief Executive

1. Purpose of the Report

- 1.1 To seek approval to undertake a significant number and variety of required investigations, preparations, design works and applications, and acquisition of land and property to support the development of new commercial space to accommodate predicted demand for employer occupation in the area north of the Sunderland Nissan plant, referred to as the International Advanced Manufacturing Park (IAMP). The proposed work includes site investigations, the preparation of planning policies and planning applications, traffic modelling and road design. It may also involve initial infrastructure works and land acquisitions.

2. Description of Decision (Recommendations)

Cabinet is recommended to:

Authorise the Deputy Chief Executive in consultation with the Leader and Cabinet Secretary and the Head of Financial Resources to take all necessary actions required for the procurement and delivery of the programme of investigations and preparations and the acquisition of land and property in relation to the delivery of the project.

3. Introduction/Background

- 3.1 The UK Government launched City Deals in December 2011 with the aim of achieving greater economic growth. They are agreements between government and a city that aim to give the city control to:
- take charge and responsibility for decisions that affect their area
 - do what they think is best to help businesses grow
 - create economic growth
 - decide how public money should be spent
- 3.2 The first wave of City Deals was with the 8 Core Cities. Wave 2 has involved 20 cities - the next 14 largest cities outside of London and their wider areas and the 6 cities with the highest population growth during 2001 to 2010. Sunderland was invited among Wave 2 cities and has since developed and successfully negotiated with Government its City Deal in partnership with South Tyneside. Wave 2 was developed with a view to focusing on specific projects, rather than programmes of activity, which had been the focus of Wave 1. The proposals within the Sunderland City Deal are extremely significant in terms of the city's future growth and are likely to produce a legacy as significant as Nissan's first investment in Sunderland.

- 3.3 The Sunderland City Deal will enable the city and North East to make a step change in advanced manufacturing centred on the automotive sector, significantly increasing opportunities for enterprise and employment in the North East.
- 3.4 The City Deal will create the new International Advanced Manufacturing Park; a proposed 100 hectare development to the west of Sunderland city centre that will house new automotive, logistics and offshore manufacturing businesses. This development will build on the existing strengths of Sunderland and South Tyneside, supporting the vision for local economic growth as set out by the North East Local Enterprise Partnership and increasing private sector growth and employment.
- 3.5 Alongside this, the City Deal also confirms the local and Government investment to construct the New Wear Bridge, a key component of the Sunderland Strategic Transport Corridor, which will support both the International Advanced Manufacturing Park and the wider economic regeneration of Sunderland. The City Deal recognises the important role that Sunderland City Council is playing in taking forward plans to continue the revitalisation of Sunderland's city centre through the development of a Central Business District on the former Vaux Brewery site. This will re-establish a city centre to match the enterprise and economic success of other parts of the city.
- 3.6 The land in the area under consideration for the IAMP is predominantly in private ownership. It may be necessary to acquire land and property interests in order to secure the delivery of the scheme.

4. Current Position

- 4.1 Sunderland's draft Core Strategy identified that anticipated demand for industrial and related buildings in the vicinity of the A19 and the Sunderland Nissan automotive plant would outstrip land supply within a few years unless additional land was identified and allocated for industrial use. Consequently a 20 hectare area currently within the Green Belt was identified for reallocation. Initial analysis undertaken by Sunderland City Council in partnership with South Tyneside Council to support Sunderland City Deal negotiations indicated that the requirement for industrial space, especially for large footplate buildings would be considerably greater than this over a 20 year period (potentially in excess of 100 hectares) and therefore a further expansion of industrial land would be required. It also identified that the development of land in this area would require the provision of initial infrastructure in order to make commercial development viable.
- 4.2 It is therefore important for the costs and constraints for development of that scale in the vicinity to meet future demand to be fully understood and for the necessary permissions for both infrastructure and development to be acquired if development is to progress. All of these factors will be important when future decisions regarding funding of the necessary infrastructure need to be made.
- 4.3 The land in the area under consideration for the IAMP is predominantly in private ownership. As the project progresses into the delivery stage, strategic land acquisitions are likely to be required in order to secure delivery. Where an opportunity to acquire land or property arises prior to this stage, it could be beneficial for the Council to be able to respond in a short period of time to acquire those interests where appropriate. As the value of such acquisitions could be in excess of the current delegated limit of £250,000, this report seeks approval to delegate the authority for any acquisition in relation to the scheme.

5. Reasons for the Decision

- 5.1 This programme of investigations, preparations, design works and permissions to support the development of new commercial space to accommodate predicted demand for employer occupation in the area north of the Sunderland Nissan plant will help to:
- a) establish overall costs and constraints for development that will meet future demand.
 - b) acquire necessary permissions for both infrastructure and development.
 - c) enable necessary land and property interests to be acquired for the scheme.
- 5.2 The ability to acquire property interests in a short period of time where appropriate would help secure the delivery of the scheme and potentially mitigate the need for additional resources and powers in the future to secure the land or property interest.

6. Alternative Options

- 6.1 Sunderland's draft Core Strategy has identified that existing land use allocations are insufficient to meet even a requirement of 20 hectares, therefore alternative locations within the city will not fulfil the larger need now identified. To do nothing would risk a shortage of strategic sites for industrial investment with future opportunities to increase employment consequently foregone.

7. Impact Analysis

Equality

- 7.1 Through the provision of additional accessible jobs at varying levels of pay and skill, the proposal is likely to have a beneficial impact upon equality, particularly for those groups where the incidence of unemployment or low pay is above the norm. Subsequent transport planning and skills training will incorporate equalities aspects in terms of ensuring wide access to the jobs created.

Privacy

- 7.2 The privacy interests of current landowners and occupiers will be taken into account as the proposals are developed.

Sustainability

- 7.3 Issues of sustainability will be addressed through the planning policy work and in the eventual design of the industrial park and supporting infrastructure.

Crime and disorder

- 7.4 The proposals at this stage do not give rise to any specific issues regarding crime and disorder and its impact on communities.

8. Other Relevant Considerations/Consultations

(a) Financial Implications

A Government grant of £5m has been promised as part of the Sunderland City Deal agreement that will be used in the first instance and contribute to the majority of the costs that will be incurred in the detailed surveys, master planning, initial works and land acquisitions. Should additional funding be required, South Tyneside Council has agreed to provide a 50% share of the costs of items within the proposed programme of work to support IAMP development. Sunderland City Council will meet the other 50% contribution, which will be funded through borrowing from the £5m allocation approved within the Council's capital programme for City Deal.

(b) Risk Analysis

A risk register has been established covering all aspects of Sunderland City Deal including the IAMP development. This is regularly updated and mitigating actions identified and undertaken.

(c) Employee Implications

There are no immediate employee implications of the proposed programme of work, which will be undertaken by officers of Sunderland and South Tyneside Councils in their current roles.

(d) Legal Implications

Legal Services have been consulted and their comments incorporated in the report.

(e) Policy Implications

City Deal has been designed to deliver aspects of the Sunderland Economic Masterplan. Work undertaken within the proposed programme will inform that and also be utilised for the finalisation of the Core Strategy (Local Plan)

(f) The Public

The public and other interested parties will be consulted at the appropriate stages through the planning process. Engagement with landowners in the wider area has already begun to ensure that they are aware of the proposals and can if necessary take professional advice.

(g) Project Management Methodology

The City Deal programme and the IAMP development project are being managed using PRINCE2 methodology, which is the appropriate standard.

(h) Procurement

All procurement undertaken by the Council within the programme will be conducted according to Sunderland City Council's standards within this delegation.

11. Background Papers

Sunderland City Council Core strategy

<http://www.sunderland.gov.uk/index.aspx?articleid=1806>

