

## CABINET MEETING – 11 JANUARY 2022

### EXECUTIVE SUMMARY SHEET – PART I

**Title of Report:**

International Advanced Manufacturing Park Interim Position Statement

**Author(s):**

Executive Director of City Development

**Purpose of Report:**

The purpose of this report is to seek Cabinet approval for the International Advanced Manufacturing Park (IAMP) Interim Position Statement (IPS)

**Description of Decision:**

It is recommended that Cabinet approves the IAMP IPS.

**Is the decision consistent with the Budget/Policy Framework?** **Yes**

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

**Suggested reason(s) for Decision:**

The IAMP IPS sets out the prevailing changes to planning policy, the economic context and low carbon commitments since the adoption of the IAMP Area Action Plan (AAP).

The decision is required for the Cabinet to approve the IAMP IPS, to ensure that these prevailing changes are taken into account as a material planning consideration in the determination of planning applications within the IAMP AAP boundary.

**Alternative options to be considered and recommended to be rejected:**

The option to not prepare an IPS was considered, however it was considered that this may make it more difficult for the prevailing changes to be taken into consideration in the determination of planning applications within the IAMP area. This was not considered appropriate as it may discourage appropriate inward investment into the IAMP area.

**Impacts analysed;**

**Equality** ☒ **Privacy** ☒ **Sustainability** ☒ **Crime and Disorder** ☒

**Is the Decision consistent with the Council's co-operative values? Yes**

**Is this a "Key Decision" as defined in the Constitution? Yes**

**Is it included in the 28 day Notice of Decisions? Yes**

**INTERNATIONAL ADVANCED MANUFACTURING PARK INTERIM POSITION STATEMENT**

**Report of the Executive Director of City Development**

**1. Purpose of the Report**

- 1.1 The purpose of this report is to seek Cabinet approval for the International Advanced Manufacturing Park (IAMP) Interim Position Statement (IPS).

**2. Description of Decision (Recommendations)**

- 2.1 It is recommended that Cabinet approves the IAMP IPS.

**3. Introduction/Background**

- 3.1 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.
- 3.2 Located within the administrative boundaries of both Sunderland and South Tyneside Council, 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.
- 3.3 The IAMP Area Action Plan (AAP) was formally adopted by both South Tyneside and Sunderland Councils in 2017 and establishes the development plan against which planning applications within the IAMP area are assessed. The plan is due to be reviewed in late 2022.
- 3.4 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 which represents the first phase of development.
- 3.5 Planning permission was granted in October 2021 for Envision AESC UK Ltd's new Giga plant, producing batteries for electric cars for Nissan in IAMP ONE.
- 3.6 A planning application has also been submitted to both Local Planning Authorities in November 2021 for a further phase of development representing up to 1.8 million square feet of employment floorspace and a new access road to the Northern Employment Area.

**4. Current Position**

- 4.1 Since the adoption of the AAP there have been a change in prevailing circumstances in terms of policy, the economic context and low carbon commitments. Therefore, in advance of a review of the scheduled Plan review of the AAP in late 2022 and in light of continuing demand for floorspace within the IAMP, it is considered necessary for these changing circumstances to be taken into consideration by the Council.

- 4.2 In order to fully assess these changes, Sunderland City Council and South Tyneside Council have jointly prepared an IPS which, subject to Cabinet approval, will be used as a material planning consideration alongside the relevant IAMP AAP policies.

#### Policy Changes

- 4.3 The IAMP AAP provides the adopted Development Plan for proposals within the IAMP area and will continue to form the starting point in decision making. However, since the adoption of the AAP there have been a number of material changes which should be considered including:
- Adoption of the Sunderland Core Strategy and Development Plan and emerging proposals within the Draft Allocations and Designations Plan;
  - Regulation 18 consultation on a new Draft South Tyneside Local Plan; and
  - Material changes to national policy through revisions to the National Planning Policy Framework.
- 4.4 It should also be noted that the Environment Bill has also now received Royal Assent, which amongst other things includes the need for biodiversity net gain to be delivered as part of development proposals.

#### Economic Context

- 4.5 The economic context has changed considerably since the IAMP AAP was adopted in 2017 and its supporting evidence base was prepared.
- 4.6 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). However, since this evidence base was prepared, there are a number of significant drivers which have changed the demand for employment floorspace, in particular the move towards electrification in the automotive sector and the terms of the UK exit from the European Union (EU).
- 4.7 There is an increased drive towards electrification within the automotive sector resulting from demand and also changes in Government policy, such as the proposal to phase out the sale of non-electric cars by 2030. The needs of the supply chain are different from those originally envisaged within the IAMP, with a greater emphasis on near shoring and a need for larger floorplate units.
- 4.8 At the time that the AAP was adopted, the terms of the UK's exit from the EU were unknown. The terms of the EU-UK Trade and Co-operation Agreement and in particular the implications of the Rules of Origin clause do represent a significant change.
- 4.9 These changes put an increased focus on bringing the automotive supply chain closer to the assembly plants to ensure that they remain competitive and retain tariff free access to the EU market.

- 4.10 It is recognised that the above factors are driving significant demand for employment floorspace and that the IAMP presents a unique opportunity to capture this demand which will be of great benefit to both the local and regional economy and will continue to support the strong automotive sector that already exists.
- 4.11 It is therefore recommended that the outcomes of the IAMP IPS are acknowledged by the Council and are taken into account as a material consideration in the determination of planning applications alongside the adopted policies of the IAMP AAP on an interim basis until the IAMP AAP is reviewed in late 2022.

## **5. Reasons for the Decision**

- 5.1 The IAMP IPS sets out the prevailing changes to planning policy, the economic context and low carbon commitments since the adoption of the IAMP AAP.
- 5.2 The decision is required for the Cabinet to approve the IAMP IPS, to ensure that these prevailing changes are taken into consideration in the determination of planning applications within the IAMP area boundary.

## **6. Alternative Options**

- 6.1 The option to not prepare an IPS was considered, however it was considered that this may make it more difficult for the prevailing changes to be taken into consideration in the determination of planning applications within the IAMP area. This was not considered appropriate as it may discourage appropriate inward investment into the IAMP area.

## **7. Impact Analysis**

### **(a) Equalities**

The IAMP will provide employment opportunities which will benefit all members of the community. An Equalities Impact Assessment was undertaken as part of the preparation of the IAMP AAP.

### **(b) Privacy Impact Assessment (PIA)**

It is not anticipated that the decision would result in any privacy risks.

### **(c) Sustainability**

The IAMP will provide employment opportunities which will benefit all members of the community. A Sustainability Appraisal and Strategic Environmental Assessment was undertaken as part of the preparation of the IAMP AAP, which will continue to form the starting point in the determination of planning applications within the IAMP AAP area.

**(d) Reduction of Crime and Disorder – Community Cohesion / Social Inclusion**

It is not anticipated that the decision would result in any negative impacts upon community cohesion and social inclusion.

**8. Other Relevant Considerations / Consultations**

**a) Co-operative Values –**

It is not anticipated that the decision would result in any negative impacts upon co-operative values.

**b) Financial Implications –**

There are no direct financial implications for the Council from approving the IAMP IPS.

**c) Legal Implications**

The status of the IAMP IPS is set out in the Policy section below.

**d) Policy Implications –**

Development proposals will continue to be determined in accordance with the IAMP AAP which continues to form the statutory Development Plan for the area, however the IAMP IPS will be a material consideration alongside these policies on an interim basis until the Plan review for the AAP is undertaken in late 2022.

**9. List of Appendices**

Appendix 1 – IAMP IPS

**10. Background Papers**

None