

An AI (artificial intelligence) * analysis of the transcript created at the session:
Matter 2 – Amount of Development Needed in the Plan Area (Issue 3: Employment Land)
Hearing session: Tuesday 8 July 2025

1. Attendees and Roles

- Inspector (Chair) – Examination Inspector leading questioning on employment land needs to 2040.
- Paul Shederevian KC – Acting for South Tyneside Council.
- Matt Clifford – Senior Planning Policy Officer, South Tyneside Council.
- Ross Leco (Lichfields) – Economics Director; author of the Employment Land Review (ELR, EMP1).
- Kate Nichols (LUC) – Director of Planning; led on the Sustainability Appraisal (SA).
- Richard Fishwick – Business Investment Team, South Tyneside Council.
- Cllr David Herbert – South Tyneside Green Party, representing another councillor's representations (Cllr Ford).

2. Purpose and Scope of Session

- The session addressed the **amount of employment land required to 2040**, focusing on Policy SP2, particularly the **49.41 ha** employment land figure and whether it is soundly based.
- Key questions:
 - Is the quantum of employment land sufficient and reasonable to support the borough's economic potential and jobs growth over the plan period?
 - Does provision align with housing numbers and wider strategies (local, regional, jobs and skills)?
 - Is the approach to the International Advanced Manufacturing Park (IAMP) versus general employment land justified?

3. Key Statements and Points of Agreement

3.1 Economic Sectors and Market Profile

- **Growth sectors** in South Tyneside were identified as:
 - Advanced manufacturing related to the automotive sector.
 - Offshore and green energy sectors linked to the Port of Tyne and wider "Tyne" area.
- The IAMP is intended for **very large investments**, while South Tyneside's remaining employment land caters more to **tier 2 and tier 3 suppliers** and existing businesses looking to grow.
- Logistics is present and significant as part of supply chains (example: DHL 100,000 sq ft unit), but **manufacturing generally delivers higher job densities** and is therefore prioritised in economic development terms.

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3.2 Treatment of Port of Tyne and Port/River-related Land

- The ELR considers the economy “in the round”, but Lambert Smith Hampton’s supply-side work distinguishes **general employment land** from **port and river-related uses** for information and context.
- Port-related land is under Port of Tyne control and may accommodate both **port/river-related uses and general employment uses**, with a degree of flexibility-built in.

3.3 Employment Land Requirement and Scenarios

- The ELR tested **five scenarios** combining labour demand, labour supply and past take-up, as required by Planning Practice Guidance.
- The ELR identified an **indicative gross requirement range of 9.65 ha to 33.59 ha (EMP1)**.
- Lichfields recommended planning for **25–35 ha**, aligning the lower end with past take-up / labour supply and the upper end with the **policy-on labour demand scenario** linked to IAMP-related jobs growth.
- The Council’s preferred range reflects the need to **plan positively and proactively** for economic growth in accordance with the NPPF.

3.4 Buffers, Safety Margins and Loss Replacement

- All ELR figures **already include a two-year safety margin** to:
 - Allow for delays in development.
 - Address uncertainty in forecasting.
 - Provide reasonable developer/occupier choice.
- For the Local Plan, the Council then added a **25% loss replacement allowance** (policy decision) to guard against erosion of employment land, recognising:
 - Historic losses have often been to **residential windfalls** rather than complementary uses on estates.
 - Past losses involved obsolete buildings (older industrial complexes, 1960s offices) that no longer meet modern business needs.
 - Agents advise that **fewer such obsolete sites remain**, so full replacement is not justified.

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3.5 Spatial and Qualitative Issues

- The Council acknowledges a **spatial imbalance**:
 - Existing employment land is concentrated in the **north of the borough** near the river.
 - **Stronger demand** exists in the **south-west**, close to the strategic road network (A19).
- Evidence points to a **qualitative need** for a new business park in the south-west, with a **20–25 ha “critical mass” threshold** identified from business development advice and stakeholder workshops.
- Nonetheless, the Council concluded that **exceptional circumstances do not exist** to justify the significant Green Belt release required for such a park, citing:
 - Green Belt value.
 - Likely National Highways concerns near the strategic road network.
 - Land availability constraints.
- The Council also notes:
 - Ongoing market interest in **northern sites**, particularly around the Port of Tyne.
 - Clusters of advanced manufacturing and offshore wind supply chain businesses exist both in the south (Monkton, Boldon) and elsewhere (Hebburn, Jarrow), indicating **northern sites are not wholly unattractive**.
- Policy 23 provides **flexibility** for unallocated employment sites to come forward in the main urban area (not Green Belt).

3.6 Employment vs Housing Growth and Out-Commuting

- Under the **policy-on labour demand scenario**, the gross land requirement is **33.59 ha**, compared with **26.20 ha** if planning based solely on past net take-up.
- Under the **labour supply scenario** aligned with housing growth (standard method), the requirement is **25.78 ha**.
- Planning for 33.59 ha implies **jobs created locally will exceed** those strictly needed to match local population/housing growth.
- Two main anticipated impacts:
 - **Reduced out-commuting**: currently there is a **net daily outflow of over 13,000 residents** commuting elsewhere for work. Reducing this is seen as positive.
 - **Reduced unemployment**: model-based unemployment (Jan–Dec 2024) is **5.7%** in South Tyneside versus **4.5%** in the North East and **3.8%** in Great Britain.
- The policy-on scenario supports the Council’s **“connected to jobs, skills and learning”** ambition and is viewed as consistent with wider strategies.

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3.7 IAMP vs General Employment Land

- Sunderland and South Tyneside Councils have a **shared, agreed approach** (Statement of Common Ground) to **separate IAMP needs from general employment needs**.
- The methodological approach for South Tyneside's ELR mirrors that underpinning Sunderland's adopted Core Strategy and Development Plan, which has already been tested and found sound.
- IAMP needs are planned via the **IAMP Area Action Plan (AAP)** and its evidence base, not through the Local Plan ELR.
- A 2022 review of the existing AAP concluded that policies **remain effective and up to date**.
- A new IAMP AAP has been taken to **Regulation 19** to align with the **North East Investment Zone** and refine principal uses; the distinction between IAMP and general employment land will continue.

3.8 Evidence of IAMP Delivery and Momentum

- Phase 1 (within Sunderland) is **fully committed: no land remains** for development.
- Work is progressing on road and power infrastructure to open up **Phase 2** (predominantly within South Tyneside), and inquiries continue.
- As of October 2023:
 - 480,000 sq ft of floorspace had been **developed**.
 - Planning consents existed for a further **3.1 million sq ft**.
 - A further anticipated application for an electric vehicle battery manufacturing/packing facility could add **1.9 million sq ft**.
- IAMP is included in the **Strategic International Advanced Manufacturing Area** within the North East Investment Zone and benefits from incentives:
 - Stamp Duty Land Tax relief.
 - National Insurance contributions relief.
 - Enhanced capital allowances.
 - Enhanced structures and buildings allowance.
 - Business rates relief.
- The Council expressed **high confidence** that IAMP will continue to be delivered and remains a key local and regional economic driver.

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4. Key Actions and Responsibilities

Action	Description	Responsible party	Notes / Follow-up
A1	Provide an updated employment land figure for Policy SP2 reflecting the modest reduction (0.9 ha) due to flood risk at Port of Tyne, and draft the necessary modification.	South Tyneside Council (Policy team, via Mr Clifford)	To be supplied to the Inspector via the Programme Officer as a proposed modification to SP2 headline employment figure.
A2	Review and confirm how the Port of Tyne flood risk change tracks through the plan’s employment land tables/figures , ensuring internal consistency.	South Tyneside Council	Linked to A1; Council indicated it would “do the maths” rather than leave this to the Inspector.
A3	Continue preparation and progression of the new IAMP AAP , ensuring alignment with the North East Investment Zone designation and infrastructure delivery planning.	South Tyneside Council & Sunderland City Council	Already at Reg 19; includes updated infrastructure delivery plan and position statement.
A4	Ongoing engagement with infrastructure providers and stakeholders to secure timely delivery of strategic infrastructure for IAMP (roads, power, etc.).	South Tyneside Council & Sunderland City Council	Referenced as an ongoing commitment rather than a new discrete action.

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5. Topics of Disagreement or Conflict

5.1 Amount of Employment Land and Growth Scenario

- The **Council and its consultants** support using the **policy-on labour demand scenario (Scenario 3)** as the basis for planning 25–35 ha (and ultimately 33.59 ha with buffers), arguing that:
 - Baseline labour demand scenarios are **too low**, risk constraining the economy and are policy-neutral.
 - Stakeholders (agents, developers, surrounding authorities, business forums) considered the **less ambitious scenarios inappropriate** and supported a range around 25–35 ha.
- **Green Party (via Cllr Herbert / Cllr Ford’s notes):**
 - Argue that the plan is **not justified** by the evidence base.
 - Point out that at Reg 18 the Council’s **preferred scenario was baseline demand**, explicitly citing Green Belt constraints and community value as reasons.
 - Note that the **Reg 19 plan instead uses the policy-on scenario**, which the SA identifies as having **high growth relative to past trends**.
 - Emphasise that the SA records **negative effects** from the preferred option on:
 - Green Belt (objective 4).
 - Green infrastructure (objective 5).
 - Biodiversity, wildlife corridors and natural resources, due to higher growth and associated land take, including from Green Belt.
- Implicit disagreement: whether the **step-up from baseline to policy-on** is justified given environmental and Green Belt harms versus economic benefit.

5.2 Wardley Colliery Allocation

- The **Inspector** identified that plan provision is broadly close to forecast requirements and that additional **flexibility is effectively provided by Wardley Colliery**.
- Council’s rationale (economic terms):
 - Provides **additional flexibility** mainly in **B2** uses.
 - Well located relative to the **strategic road network**.
 - Responds to identified demand for B2 space.
- Council acknowledged there is **not a particularly strong direct relationship** with IAMP but emphasised its value in general employment terms.
- Green Party’s view (from earlier representations, summarised by Cllr Herbert):
 - Do **not** consider the approach sound, in part because of **Green Belt and environmental impacts** identified in the SA, and question the justification for increasing employment land from the Reg 18 draft.
- The location-specific debate on Wardley Colliery is deferred to later sessions on **spatial strategy and Green Belt**.

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5.3 Role and Interpretation of Sustainability Appraisal

- The **SA authors (LUC)** explained:
 - Earlier (2016) SA tested high/medium/low growth; the 2019 SA then appraised the ELR-derived options.
 - Even if some options later proved arguably **not strictly “reasonable”**, they were **assessed precautionarily**.
 - SA is high level, dealing with **quantum** rather than precise site distributions; more growth generally means **more environmental negatives** and **more socio-economic positives**, and vice versa.
 - SA **does not dictate** the chosen strategy but highlights trade-offs and issues.
- **Green Party concerns** focus on SA findings that:
 - The preferred high-growth option has **negative environmental and Green Belt effects** and requires land from Green Belt.
- There is therefore tension between how the Council uses SA as an **informative, non-deterministic tool** versus the Green Party’s view that SA findings undermine the justification for the chosen growth level.

5.4 IAMP Job Densities and Economic Change

- Cllr Herbert pointed out that the **draft 2024 IAMP AAP** acknowledges:
 - A shift in economic context since 2017.
 - New opportunities in **green manufacturing and clean energy**.
 - **Lower job densities** in some newer building types than originally envisaged.
- He argued this undermines the assumption that the IAMP necessarily delivers the employment outcomes assumed in scenario 3.
- The Council and consultants responded that:
 - IAMP remains a **priority** with strong delivery evidence, infrastructure investment and fiscal incentives.
 - The updated AAP aims to **improve flexibility** and align with the Investment Zone, not to step back from delivery.

6. Risks, Concerns and Blockers Raised

6.1 Spatial Imbalance and Qualitative Deficits

- **Risk:** Concentration of employment land in the north near the river could **limit market choice** and fail to fully exploit demand in the south-west near the strategic road network.
- **Concern:** Inability to bring forward a large south-west business park (due to lack of exceptional Green Belt circumstances, highways and land availability issues) may **constrain the ability to reach the upper end** of the preferred requirement range.

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6.2 Green Belt and Environmental Impacts

- **Concern (Green Party / SA findings):**
 - High employment growth and associated land take have **negative effects on Green Belt and green infrastructure**, including potential impacts on wildlife corridors and natural resources.
 - The move from baseline demand to policy-on scenario is seen as **increasing pressure on Green Belt** (e.g. Wardley Colliery).
- This is a core environmental **blocker/tension** for the chosen strategy's acceptability.

6.3 Flood Risk at Port of Tyne

- **Issue:** Flood risk at Port of Tyne requires a **reduction in developable employment land area**, resulting in a **0.9 ha reduction**.
- **Risk:** If not properly reflected in the plan's figures and allocations, this could undermine **accuracy and soundness** of SP2 and related evidence.
- Mitigation: Council to propose a **modification to SP2** to adjust the employment land figure.

6.4 Dependence on IAMP for Economic Assumptions

- **Concern (Inspector / Cllr Herbert):**
 - The policy-on scenario and IAMP-related supply-chain growth rely on **IAMP being delivered as anticipated**.
 - Changes in economic context and **lower job densities** in emerging green energy uses may affect actual job outputs.
- **Council's response:**
 - Strong evidence of delivery to date, infrastructure investment, and fiscal incentives reduce this risk.
 - Both councils remain **committed** to the IAMP and are updating the AAP accordingly.

6.5 Jobs–Homes Balance and Labour Market Dynamics

- **Potential risk explored by the Inspector:**
 - Planning for a **very positive jobs figure** (above that required to match housing growth) could create a **jobs–homes imbalance** or other labour market pressures.
- **Lichfields' and Council's view:**
 - The main likely effects are **reduced out-commuting** and **lower unemployment**, both positive in the local context.
- Residual risk: If job growth significantly outstripped housing/labour capacity without commensurate interventions, there could be **labour shortages or increased in-commuting**, but this was not raised as a major concern by the Council.

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6.6 Market Signals and Quantum of Provision

- **Risk (if baseline scenario used):** Baseline labour demand would generate land needs **below past take-up**, risking under-provision and failure to capture IAMP supply-chain opportunities.
- **Stakeholder input:** Business and agent feedback indicated that **less ambitious scenarios should be discounted**; a 25–35 ha requirement was seen as reasonable.

6.7 Future of Specific Port Uses (Biomass/Wood Pellets)

- Cllr Herbert raised the future of the **Port of Tyne wood pellet import facilities for Drax**, questioning the sustainability of biomass generation and suggesting that land may become available within five years.
- The Inspector considered this **outside the submitted representations** and reframed the issue to general Port of Tyne land, not specifically the Drax contract.
- Implicit concern: Potential **future underuse or change in port-related land**, but no explicit risk was incorporated into the ELR approach beyond general flexibility for port/river-related and general employment uses.

7. Closing

- The Inspector confirmed no further questions on the amount of employment land and adjourned the session, flagging that spatial strategy, Green Belt and specific allocations (including Wardley Colliery) will be explored in subsequent sessions later in the week.

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