

**M2-01**



# **Development and Allocations Plan**

## **Matters, Issues and Questions**

### **Matter 2**

June 2019

# Matter 2: Economic Prosperity

## Issue

Whether the policies seeking to support employment and retail provision in Newcastle are justified, effective, and consistent with national policy and in general conformity with the Core Strategy and Urban Core Plan for Gateshead and Newcastle upon Tyne, adopted March 2015 (CSUCP).

## Questions

### Employment Sites (Policy DM1)

The CSUCP identifies a need for a minimum of 80 ha of employment land in Newcastle, inclusive of 410,000m<sup>2</sup> of office space to come forward in Newcastle to 2030. Discussion at this hearing session will, therefore, focus on ensuring that the Plan allocates sufficient land to deliver the employment land requirement as set out in the CSUCP. In responding to the following questions, the Council should seek to identify and address specific concerns raised in representations.

**2.1 *What is the basis for the approach to employment development set out in the Plan? Is it consistent with national policy and the CSUCP? Is the approach positively prepared, justified and effective?***

In developing DAP Policy DM1 the Council has sought to ensure the most sustainable and deliverable options for employment land are allocated and delivered within the plan period. Sites have been identified within a wide range of locations which will support the vitality of the city's existing employment areas and promote new employment development. The approach taken to allocating employment sites for development in the DAP is consistent with national policy and with the strategy set out through the CSUCP.

The Core Strategy and Urban Core Plan (CSUCP) Policies CS5 and CS6 establish the overarching aims and quantum for employment development needed in the city over the plan period. CSUCP Policy CS5 seeks to ensure a range of high-quality economic development locations are available and attractive to the market and the DAP allocation sites seek to help deliver the identified need. The portfolio of economic land provides a range and quantity of sites that is flexible enough to accommodate changing economic circumstances and respond to market demands. CSUCP Policy CS6 (sub-section 1) sets a requirement of 150 ha of net developable employment land (80 ha within Newcastle CSUCP paragraph 9.14) to meet identified needs. 512,000 sqm of office floorspace is required (410,000 sq. m in Newcastle) to be primarily accommodated in the Urban Core (Key Site allocations). DAP Policy DM1 site allocations will complement the allocations in the CSUCP and help deliver both the quantitative and qualitative employment land requirements in the strategic policies of the CSUCP.

DAP Policy DM1 plans to meet objectively assessed needs (NPPF, paragraph 11b) and deliver CS6 (sub section 1), allocating key employment areas and protects a range of new and existing employment sites, to ensure the quantum of employment land is available.

The table below sets out the supply of employment land both within the CSUCP and proposed in the DAP. It showed that the Council had a supply of 89.3 hectares of employment land including sites allocated through the CSUCP and DAP.

Figure 1 sets out the CSUCP employment land requirement of 80ha of net developable employment land. Subtracting the CSCUP employment land allocations of 65.1ha leaves a residual plan requirement of 14.9ha. the DAP DM1 (and DM9) seeks to allocate 24.2ha of net developable employment land which in total provides 89.3ha or a 63% buffer against the CSUCP requirement.

**Figure 1 Employment Land Requirement (Policy CS 6) and Delivery**

	<b>Hectares</b>
Employment Land Requirement	80.0
CSUCP Allocations	65.1
<b>Residual plan requirement</b>	<b>14.9</b>
<b>DAP</b>	
DAP New Employment Sites DM1	24.2
Buffer %	<b>162.6</b>
<b>Total available employment land</b>	<b>89.3</b>

Moreover it is important to consider take up since the beginning of the plan period in 2010. Figure 43 of the ELR 2018 (SD11, 10) identifies a take up of 29.4ha which is updated to 30ha (End March 2018). Although there may be some overlap where some take up has taken place within CSUCP allocations this figure represents a significant take up of employment land and evidences ongoing delivery of employment land in the city. A full table showing take up data broken down by planning application is set out in appendix 4 of this document. Figure 2 below sets out the take up compared to the employment land requirement and indicates an employment land requirement annualised at 4ha.

**Figure 2: Employment Land Delivery**

	<b>Hectares</b>
Employment Land Requirement	80.0
Take up (2010- 19)	30.0
<b>Residual Requirement</b>	<b>50.0</b>
<b>Take up per annum</b>	<b>3.3</b>
<b>Employment land requirement per annum (CS6)</b>	<b>4.0</b>

In order to inform the allocation of sites at DM1 to meet the residual plan requirement considerable evidence has been gathered in updating the Employment Land Review 2018, and then integrated with the HELAA supply sites.

The majority of the sites proposed for allocation in the DAP will meet the need for general employment uses B1, B2, and B8. These sites offer flexibility in terms of the type of sectors and scale of employment activity that will be permitted and are located throughout the various geographical quarters of the city.

The allocation of general employment land for B1, B2, and B8 Use Class uses in the DAP ensure that the city will have enough general employment land to meet a variety of employment needs. This accords with NPPF (paragraph 81) requirement that planning policies should be flexible enough to accommodate needs not anticipated in the plan and allow for new and flexible working practices, and to enable rapid responses to change in economic circumstances. The provision for specific sectors (NPPF paragraph 82) has been met through the strategic allocations in the CSUCP, namely three sites at Newcastle international Airport for general industrial, airport related uses, and to meet the requirements of a large single uses, as well as Walker Riverside, and the Urban Core. The requirement for flexible general employment land in a variety of locations is met through the DAP.

The NPPF requires that strategies should seek to meet as a minimum the area's objectively assessed needs for housing and other uses, and that these should be informed by agreements with other authorities in order to meet unmet need. The DAP has been positively prepared and complies with the NPPF. The objectively assessed employment land needs for Newcastle and Gateshead were identified for the CSUCP and these findings were reviewed within the Newcastle Gateshead Employment Land & Property Demand Assessment Update (SD11, 17), and the ELR 2018 (SD11, 12).

The approach taken to the allocation of employment land in the DAP is to meet the requirements set out in the CSUCP. NPPF makes it clear that in order to be effective the policies must be deliverable over the plan period and based on effective joint working on cross boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground. No cross boundary strategic issues with regards to employment sites have been identified SD6 DtCSocG.

In terms of the deliverability of employment sites, the Council considers its portfolio of employment sites to be deliverable over the plan period (SD11, 12; Para. 8.27). The Council will monitor the development of employment land through its ELRs and AMRs. It should also be noted that the DAP allocates more employment land than is required in the CSUCPs minimum figure. This buffer will ensure that there is a range of choice and capacity to ensure that if any sites do fail to come forward, that the overall employment land portfolio will be able to accommodate the loss without undermining the overall strategy.

Delivery of employment land since 2010 has shown a steady take up through the recessionary period to current day. Major development has come forward in the Walker Riverside Key Employment Area and the surrounding Enterprise Zone and urban Core. The annualised delivery rate in terms of take up averages at 3.3ha (see figure 2).

Applications have been received and development is underway for major schemes, particularly those allocated in the CSUCP, including Newcastle Helix (former Science Central (CSUCP key Site C2)), Stephenson Quarter (CSUCP Key Site D2), East Pilgrim Street (CSUCP Key Site NC2) and site B Newcastle international Airport (CSUCP Key Site KEA1 b).

The Council is committed to facilitate economic development in the city and wider region to secure delivery of employment. Within the city the Council plays an active part in unlocking employment sites; particularly those that fall within the Accelerated Development Zones (ADZ) or Enterprise Zones (EZ) (Reference 166, pp.156-162) and facilitating projects in the Urban Core. For instance, Newcastle City Council are currently engaged in the investment of public money into the design and construction of a signalised junction, providing access into the Newcastle Airport Business Park Enterprise Zone. Without the Council's intervention it is likely the pace and scale of development on this site would be much reduced.

In both in marketing its own sites as well as finding sites for prospective investment is that the Council has the freehold ownership of two employment sites known as Siemens North and Siemens South located in Byker.

In terms of the delivery of sites not owned by the Council the private sector and market demand play a significant role in delivery. The Council encourages and facilitates the delivery of employment development in the city through a number of means. Newcastle City Council's Economic Development Team are actively engaged in securing inward investment as a key element of the Council's Working City strategy. They seek opportunities for direct inward investment focused around defining Newcastle's offer for potential investors, including key sectors and key sites. The team manage all enquiries and co-ordinate with the council and key landowners. They also maintain relationships with partners at local, regional and national levels. This includes partners such as the NELEP, DIT, and Invest North East England.

The Economic Development team co-ordinate with property agents on individual properties and development sites and promote available sites where appropriate. The Council used agents to help secure occupiers for The Rocket on the Stephenson Quarter (CSCUP Key Site D2) and are continuing to do so within the new commercial buildings on Newcastle Helix.

## **2.2 *Is there a suitable range and choice of proposed and existing employment site allocations, in terms of location, type, quality and size to meet the requirements of the CSUCP?***

In terms of the range of choice of proposed employment sites, available sites considered were identified through the ELR call for sites 2014. No new employment sites came forward during Housing and Employment Land Availability Assessment (HELAA) call for site exercises between 11 November 2016 and 23 December 2016 (SD11, 10; p.22). The sites identified in the ELR 2014 call for sites were reviewed as part of the preparation of the ELR 2018 and formed the basis of the new employment sites portfolio.

The location of most of the new employment sites are cleared areas within, or near existing employment sites. As such the distribution of sites, particularly in the case of general employment land tends to follow the historical pattern of industrial development across the city. Employment sites are concentrated along the riverside and in proximity to the Urban Core and there are notable sites in the north west towards the A1 and to the east along Shields Road. When considering proposed employment sites from both the CSUCP and DAP, employment land is allocated in all geographic quarters of the City as identified in the CSUCP (SD11,5; CSUCP; p.21).

Appendix 1 of this statement shows a map of the full portfolio of allocated sites across the City.

In terms of type and quality of sites available the ELR acknowledge that the quality of the stock in Newcastle's employment sites varies considerably. Most of the industrial estates include units ranging from large single occupier sites, to modern and refurbished premises and smaller units which are potentially more suitable for SME operators and some estates would benefit from improvement. The allocation of new employment sites provides an opportunity for redevelopment of new modern units within existing employment sites and promotes the sustainable re-use of brownfield land.

Employment sites have been assessed in the HELAA database and through the ELR Appendix 3: Schedule of Potential New Employment Site Assessments (SD11, 15). The sites identified in the DAP will contribute to the overall requirement of 80 ha net set out in CSUCP Policy CS6 and will complement strategic employment sites allocations identified in the CSUCP.

### **2.3 *Was the methodology used to assess and select the proposed employment site allocations appropriate? Were reasonable alternatives considered and tested?***

The methodology used to assess and select the proposed employment site allocations is explained in full in the Approach to Housing, Employment and Mixed-use Allocations evidence paper (SD11, 10; Approach to Housing, Employment and Mixed Allocations; pp. 20-23,) and the methodology for assessing employment sites within the ELR is included in the appendices to the ELR 2018 (Employment Land Review, Appendix: 1) (SD11, 13). These documents detail how sites were assessed in accordance with NPPF and Planning Practice Guidance (PPG), which identifies the advantages of carrying out land assessments for housing and economic development as part of one exercise.

Housing and employment land have been assessed through the Housing and Economic Land Assessment (HELAA) (SD11, 26). The ELR 2018 supports this assessment by evaluating the suitability of sites for employment uses in greater detail once suitable, available and achievable employment sites have been identified through the HELAA database. A brief explanation of the process is set out in Appendix 2.

Sites which were proposed for employment development through the ELR 2014 call for sites were added to the HELAA and assessed as set out in appendix 2 and as explained in the Approach to Housing, Employment and Mixed Allocations paper. These sites were considered as available. Sites which were complete or under development, or which had extant planning applications in place for non-employment uses were discounted as unavailable at this stage. The exception to this was DAP Policy DM1 Site 9 Goldcrest way which is discussed in relation to matter 6. The suitability of sites was then considered through the HELAA. The findings of the ELR site assessments (SD11, 12, Appendix 3) were used to provide relevant information. Site constraints and possible mitigations were also input into the HELAA database to inform the assessment of suitability. Potential employment sites with constraints which could not be overcome were discounted. (Set out that following this assessment process in the HELAA which sites considered suitable, available and achievable through this process were allocated.) The HELAA assessment identified sites which

were suitable, available and developable for either housing and employment uses, or both. In most cases sites which were suitable and available for employment uses were located in close proximity to existing employment sites.

The HELAA assessment of achievability also included a consideration of viability as part of its assessment of achievability. Viability was assessed within the Gateshead and Newcastle Viability and Deliverability Reports (SD11, 164,165, 166, and 167). In assessing the viability of potential employment sites the report uses generic commercial value zones. With the exception of warehousing in low, medium and high value areas the report found that viability of employment sites returned unviable outcomes, suggesting that employment land in the city was not financially viable for development by the private sector without public sector intervention to achieve viability.

The report goes on to explain that despite the value zone based approach giving negative returns, it is not possible to accurately estimate employment site viability given the variety of development that can be accommodated on employment sites. It points out that despite the lack of apparent viability development of employment land continues to take place in Newcastle and the wider region and that the development of employment land is subject to other factors beyond financial viability, a site will be developed to facilitate the aims and function of a given business and while the development may represent a cost to a business, it enables the desired economic activity to take place (SD11, 166, 167; pp.141-142).

The findings of the Viability Report align with market data assessed in the ELR 2018. They show the demand for all forms of employment land and floorspace (office, warehousing, and industrial) increasing despite rental yields not yet being sufficient to justify speculative development on a large scale (SD11, 12; PP.136-147). The Council consider that employment sites which are suitable and available, particularly those already located in close proximity to existing employment locations can be considered achievable over the plan period, particularly considering market data suggesting that demand is increasing.

Several sites with potential for mixed use development have been identified and assessed through the HELAA. These sites are predominantly located within the Urban Core, with the exception of the CAV site (DAP Policy DM9). The DAP does not propose the allocation of sites within the Urban Core as these locations are addressed by dedicated CSUCP Policies.

In terms of potential alternative approaches to the allocation of employment sites, DAP Policy DM1 has been considered against potential reasonable alternatives. However, it is considered that no reasonable alternatives were considered to exist given the established requirement in the adopted CSUCP to allocate 80ha of employment (B1, B2, B8) land across the city, over the plan period.

#### **2.4 *Are the reasons for selecting the preferred sites and rejecting alternative sites clear and consistent?***

It is considered that the reasons for selecting and rejecting alternative sites are clear and consistent. In determining a list of preferred sites for inclusion in the DAP Policy DM1 the process is summarised in the Approach to Housing, Employment and Mixed-use Allocations (SD11, 10; Figure 4; p.10). Sites were assessed using the HELAA

database. In accordance with guidance set out in PPG potential employment sites were considered in terms of their suitability and availability for housing development. The majority of the potential employment sites proposed for allocation in the DAP were assessed as being suitable for employment development through the HELAA database and were identified as being unsuitable for housing development as they were located within or in proximity to existing employment sites or were poorly located in relation to infrastructure relevant to housing development including schools and local centres and facilities. An exception to this was site DM14 Site South of Whitehouse Road, Scotswood. The Council considers that employment is the most appropriate use on this site.

Clarification on reasons why specific supply sites were not selected for allocation were identified and included in the evidence base for public consultation at both regulation 18 and 19 stages of plan making (SD11, 10, Appendix 2b).

Most suitable and available potential employment sites assessed through the HELAA and ELR have been allocated for employment uses. The majority of the preferred employment sites are located within existing areas of employment land, or within relatively unsuitable locations for housing.

The decision to discount potential employment sites was based on several reasons including sites not being available or suitable for development. These included sites with highly irregular topography, or which had already been completed. Sites which were below the threshold (less than 0.25 ha) for development were also discounted. Discounted sites are included in the HELAA appendix 4 schedule of discounted sites. Sites which have been completed are removed from the HELAA database.

The assessment of existing employment sites took place through the ELR 2018. The methodology for assessing existing employment sites is set out in ELR appendix 4 Retained Employment Sites Assessment (SD11, 16) the consideration of existing employment sites takes account of factors including, market attractiveness and sustainability indicators. Other qualitative factors were also considered such as the potential to redevelop sites in future.

The decision to deallocate existing employment sites was based on whether or not the employment site was still considered to function effectively and whether or not there was a reasonable prospect of a site coming forward for its allocated use (Reference; NPPF; Paragraph 120). Other factors included sites with several constraints such as exceptionally poor access arrangements.

**2.5 *Are the employment site allocations appropriate and justified in the light of potential constraints, infrastructure requirements and adverse impacts? Is there any risk that any infrastructure requirements, site conditions and/or constraints might prevent or delay development or adversely affect deliverability or viability?***

Site constraints and infrastructure requirements were assessed through the HELAA database and ELR site assessments (SD11, 15). The methodology is set out in Development and Allocations Plan (DAP): Approach to Housing, Employment and Mixed-Use Allocations (SD11, 10; pp.6-14).

A summary of the site assessments for each of the potential employment sites is set out in the ELR (SD11, 12; Table 42). Detailed constraints and infrastructure requirements were included in the HELAA database which includes links to the Council's QGIS mapping and constraints layers. Accessibility data was also input. This included proximity to major trunk roads, the number of economically active people within 30 minutes travel on foot or by public transport from the site, whether or not the potential site was located on serviced industrial estates.

The starting point for this assessment was the ELR 2018 site visits and site assessment proformas (SD11, 15). The findings of these site surveys were fed into the HELAA database where they were relevant to the assessment of availability, suitability, and achievability. Sites have been assessed for constraints, infrastructure requirements and adverse impacts, and have informed by evidence. Suitable mitigation measures have been identified in appendix 3, which includes a summary of data drawn from a number of sources including the HELAA, the SFRA, Transport Assessment, ELR, DAP and CSUCP Infrastructure Delivery Plan, and Sustainability Assessment.

Mitigation options were explored and input into the HELAA database. Infrastructure requirements have been assessed by the Council's Transport team in terms of access requirements to the site and their potential impact on the strategic road network. Sites have also been assessed in terms of their accessibility by public transport. Where constraints were identified mitigation, options were considered and informed consideration of the developable area. These included applying gross to net plot ratios where additional infrastructure such as SuDs, spur roads, and landscaping was required to address an identified constraint.

In terms of the new and existing employment sites proposed for allocation in the DAP, several representations relating to the impact of employment sites on infrastructure were submitted in response to the consultation. Details on how these matters were addressed are included in the DAP: Compliance Statement: A guide to how the Plan has complied with legal, policy and technical requirements SD7: Compliance Statement; pp.43 -47.

The Duty to Cooperate Statement of Common Ground (SD6 DtCSoc) explains how the Council has worked jointly with prescribed bodies to ensure that there are no outstanding issues relating to constraints (SD6 DtCSoc, pp.43-64).

**2.6 *Is Site 9 Site to the West of Goldcrest Way, Newburn Riverside Industry Park deliverable given the 2016 permission for the site for car parking to support the wider employment area?***

Site 9 Site to the West of Goldcrest Way, Newburn Riverside Industry Park is considered to be a potential long-term development site. Planning permission was granted in March 2017 for a public paid car park of 308 spaces to support the surrounding employment uses despite the site being identified as a potential employment site. Development has not commenced to date and it is possible that the permission will lapse. Notwithstanding this the Council consider that the site offers the potential as a longer-term development site for example if the application lapses or if the need for parking in the surrounding employment site decreases over the longer term.

## **2.7 *How has the effect of development on the employment site allocations on heritage assets been considered?***

The impact of the development of employment sites on heritage assets was assessed as part of the HELAA assessment. Several further issues were raised by Historic England at the pre-submission consultation on the DAP. These matters related to how development of potential employment sites might impact heritage assets.

Members of the Council's urban design and conservation team reviewed the concerns raised by Historic England at the Pre-Submission stage. Further evidence detailing how the heritage and archaeological assets have been assessed is included in Appendix 6 to the Employment Land Review (2018) (SD11,18). Historic England have considered this further evidence and agreed the approach. The Duty to Cooperate Statement of Common Ground (SD6, DtCSocG; p.46) sets out the agreement with Historic England that the additional evidence addresses their concerns.

In considering the effect that development of employment site allocations would have on heritage assets the urban design and conservation team set out the specific heritage assets identified as being potentially affected by development. Recommendations were made for each site in terms of what actions would be required to ensure that harm to heritage assets could be addressed. These recommendations also set out the appropriate recording and investigation works required on sites should development take place. DAP policies were stated where they will be relevant to determining an application. Urban design and conservation are consulted on development proposals where there are potential impacts on heritage assets.

## **2.8 *What are the assumptions regarding the site allocations' capacity for development and what are those assumptions based on?***

The CSUCP sets out two requirements in terms of employment. One based on net developable area and the other on gross internal office floorspace (CSUCP, Policy CS6, p.63). The methodology for assessing gross internal floorspace to meet the requirement for office floorspace set out in the CSUCP is based on several assumptions. Where a site's floorspace capacity cannot be anticipated by reviewing previous planning applications of other sources of information, applications of plot ratios assumptions on floorspace are based on a floorspace calculator (SD11, 19; ELR 2014, Appendix J).

The methodology and assumptions for development capacity in terms of net developable site area is set out in the ELR 2018 (SD11, 12 p.106), and the Approach to Housing, Employment and Mixed Allocations (SD11, 10; p11). For some sites, gross to net adjustments were considered appropriate to ensure that constraint mitigation such as SuDS, and suitable site access etc. could be accommodated. These adjustments were based on a review of the plot ratios achieved on developed employment sites in the city and wider region. Once constraints, infrastructure requirements, and other relevant features were identified, plot ratios were applied. We have considered each site and estimated the proportion of land likely to be lost to servicing and landscaping. Ratios range from 100% where a site is in single occupation, to 59% for a site requiring access improvements, landscaping and mitigating of environmental constraints. Existing development on site is also factored into the assessment.

**2.9 *Has the SA adequately assessed the employment site allocations against relevant environmental, social and economic objectives? Can suitable mitigation measures be achieved in order to address any potential adverse effects identified? Are these assumptions realistic?***

The SA has assessed employment sites against environmental, social and economic objectives. The SA of the draft DAP recommended that there was potential for stronger links to CSUCP policy. The Council considered that further cross referencing was unnecessary as the plan should be read as a whole (SD11, 2 H; pp.2-104).

The SA (SD11, 3, 4, Appendix H) found that the allocation of the sites in DM1 would have overall positive impact in terms of social and economic sustainability factors. However, it did identify a negative environmental impact as a result of increases in traffic, transport activity, energy consumption, and waste generation, and fuel consumption/ depletion and CO2 emissions. The SA considered that these impacts could be addressed.

***Protection of Employment Sites (Policy DM2)***

**2.10 *Should a greater mix of uses be accommodated on employment site allocations?***

It is not considered that there needs to be a greater mix of uses accommodated. CSUCP CS6, sets out the requirement for the Council to allocate land for B1, B2, and B8 uses to meet objectively assessed employment land requirements. Allocating a wider mix of uses on site would potentially undermine this approach.

Representations were received in response to the Draft DAP consultation which suggested that sui generis and other non-B Use classes should be included within Policy DM2. The Council's response to these comments is set out in the DAP SD7 Compliance statement (pp.61-64). The Council consider that Policy DM2 is intended to protect the employment land allocated through Policy DM1 which is allocated to meet an objectively assessed requirement as set out in Policy CS6 of the CSCUP. This approach is consistent with the NPPF (paragraph 117). The Council considered that it was not necessary to include an exhaustive list of sui generis and other uses that would be appropriate on site and that the criteria as set out in the policy provide sufficient flexibility to allow appropriate alternative uses when there is no reasonable prospect of a site being occupied by a B1, B2, or B8 class use.

***District and Local Centres (Policy DM3)***

**2.11 *Would Policy DM3 be positively prepared, justified, effective and consistent with national policy and with the CSUCP?***

Policy DM3 is consistent with national policy as set out in the NPPF, Paragraph 85 which states that local planning authorities should define a network and hierarchy of town centres and promote their own long-term vitality and viability, making clear the range of uses permitted in such locations. The policy seeks to protect the role of centres within the retail hierarchy. It has been prepared based on a thorough review of all District and Local Centres in the retail hierarchy. As part of the retail health checks

update, (SD11, 38), the boundary of each centre has been reviewed based on occupiers, local plan evidence on retail needs and development opportunities and an analysis of the vitality and viability indicators as indicated in the planning practice guidance (Paragraph: 003).

DM3 has been positively prepared in accordance with the Core Strategy and Urban Core Plan, Policy CS7 Retail and Centres which defines the retail hierarchy for Newcastle and Gateshead, recognising the role that different centres play (specifically pages 64 and 68) and seeks to promote their vitality and viability.

The justification for this policy is set out in the SD7 Compliance Statement (Page 63), which details the evidence base which underpins the policy approach. The policy will be largely delivered through the development management process, for instance refusing development in and outside of designated centres where it does not accord with the policy.

**2.12 *What is the rationale for the boundary of Kingston Park Retail Centre as defined on the policies map and referred to in Policy DM3? Does it function separately from Kingston Retail Park? What effect would the inclusion of the additional large retail units at Kingston Retail Park have on the Kingston Park District Centre?***

The majority of Centres within Newcastle's Retail Hierarchy as set out in CS7, currently have no formal boundary designated in the Unitary Development Plan (UDP), (which was adopted in 1998), Area Action Plans (AAPs) or CSUCP Policies Map (with the exception of Shields Roads and Gosforth High Street Saved UDP Policy R1.2 and Adelaide Terrace (BSAAP KS3), Armstrong Road BSAAP Policies SS3 and KS1).

The historic boundaries for centres are used in the preparation of the annual retail health checks, which are used to monitor the role and function of the centres. The current boundaries were used in the preparation of the evidence base for the CSUCP and Policy CS7 and they are used when considering planning applications.

To inform the Development and Allocations Plan (DAP), the boundary of each centre has been reviewed as part of a Retail Health Update (SD11, 38). This review was based on occupiers, local plan evidence relating to retail needs and development opportunities as well as discussions with relevant council officers. Following this review, changes were proposed to the boundaries of some District as well as Local Centres.

The council reviewed representations received in relation to Kingston Park District Centre. As a result, the boundary of Kingston Park District Centre has been revised to include Belvedere Retail Park as it is considered that the range of use classes, type of goods, its locations and size of units at Belvedere Retail Park are considered comparable to that of Kingston Park District Centre.

Further comments were made in relation to Kingston Retail Park. This Retail Park however is not considered to form part of the Kingston Park District Centre boundary, as it has a separate access off Brunton Lane and comprises 4 large retailing units, which does not reflect the function and character of a District Centre. The inclusion of Kingston Retail Park would result in the scale and size of the District Centre to be

extremely large, comparable to Newcastle's Primary Shopping Area which may result in competition with the Primary Shopping Area. Kingston Park District Centre, including Belvedere Retail Park is 12.99 hectares, the second largest District Centre in Newcastle. The Primary Shopping Area is 28.14 hectares. Increasing this further would not be considered an appropriate scale for a District Centre, or in accordance with the hierarchy of town centre uses as set out in the NPPF, (Paragraph 85) and CSUCP Policy CS7.

Its enlargement or significant diversification of the centre's offer could harm other District Centres by impacting on the ability for other centres to attract investment or deliver planned investment in other neighbouring centres, such as the Great Park. In addition, this significant growth to the boundary of the centre could potentially increase the attractiveness of the Kingston Park and would limit the ability to control the type of uses within the centre, appropriate town centre uses are detailed in the NPPF (Paragraph 85) and PPG. This may make it difficult to ensure that the retail offer within the centre is appropriate to that of a District Centre.

For the reasons set out, the size of Kingston Park District Centre should not be extended to include Kingston Retail Park in order to maintain the hierarchy of centres and protect the viability and vitality of existing and developing centres.

### **2.13 *Is Policy DM3 sufficiently clear to be effective? How do you measure dominance or fragmentation of the centre either individually or cumulatively?***

Newcastle's retail hierarchy is established in CSUCP Policy CS7, which designates Newcastle's Retail Centre, followed by District Centres then Local Centres. Policy DM3 builds on the existing CSUCP Policy CS7 by designating the boundaries of each District and Local Centre within the hierarchy. Each centre performs a role and function which reflects the particular needs and character of their local community. This policy seeks to protect the role of centres within the hierarchy to ensure their vitality and viability and this approach is considered to be suitably flexible to allow for decisions to be made on a case by case basis.

The policy will largely be delivered through the development management process. This policy seeks to protect the role of centres, by only permitting development outside of Use Class A1 which contributes to a centres vitality and viability. It is recognised that non-retail uses can in some cases be significant in helping to support the vitality and viability of centres. This policy approach is considered to align with paragraph 85 of the NPPF. This policy is therefore considered to be flexible as it allows for other uses where they would support the centre's role. However, it is important to ensure that centres are not adversely affected by non-retail uses. For this reason, proposals both individually and cumulatively will be assessed to ensure that they do not dominate or fragment the centre to the detriment of its retail function. Where non-retail uses cluster together they can dominate centres. For example, a centre that already has a high proportion of non-retail uses may be adversely impacted by an individual proposal for a non-retail use by infilling the street, causing a cluster of non-retail uses within a centre. DM3 will also be applied by requiring commercial units to provide an active ground floor frontage in order to maintain a lively and attractive street scene, therefore promoting the vitality and viability of the centre.

The current policy approach is based on the saved UDP Policy R1.2 which restricts non-A1 retail frontages exceeding 30% of properties in Gosforth High Street and

Shields Road. However, the evidence indicates that this policy is used infrequently, and is too restrictive as it does not take into consideration the performance of each centre and their overall 'health'. It is considered that the role and function of centres are changing and there is recognition that non-retail uses can in some cases support centres. The Use Class Order has been amended to allow greater flexibility in the re-occupation of units which may be no longer suitable for operator requirements. For these reasons, the council considers that the policy approach in DM3 is more effective as it provides more flexibility whilst protecting the role and function of centres.

It is important to ensure effective monitoring of centres to help guide planning decisions. The Retail Health Checks will be carried out annually to monitor the number of existing non-A1 uses, the presence of vacant shops and the general retail health of the centre. This will ensure the effectiveness of DM3 will be monitored.

**2.14 *Is Policy DM3 sufficiently flexible to allow centres to grow and diversify in a way that responds to rapid changes in retail and leisure industries?***

Policy DM3 supplements the CSUCP Policy CS7 Retail and Centres which defines the retail hierarchy for Newcastle and Gateshead. This policy seeks to protect the role of centres within the hierarchy, while providing flexibility for other uses where they would support the centre's role and function.

The policy is considered consistent with the NPPF, paragraph. 85 which states that local planning authorities should define a network and hierarchy of town centres and promote their own long-term vitality and viability and make clear the range of uses permitted in such locations. The council considers that this policy is not overly restrictive and allows for flexibility and applications to be assessed on case by case basis, taking account of the 'health' of the centre, the type of application and the particular needs of the centre.

The changes to permitted development rights nationally has already allowed centres to respond to rapid changes in the retail and leisure industries (as set out in para 3.3.4 of the DAP). The aim of this policy is to ensure that the shopping role of centres is not lost and to ensure that the vitality and viability of centres is not adversely affected by non-retail uses.

As set out in the previous question, the current policy approach in the saved UDP Policy R1.2 is based on a percentage, restricting non-A1 retail frontages exceeding 30% of properties. It considered this approach is not flexible as it does not take into consideration the performance of each centre, the changing role of centres and the recognition that non-retail uses can in some cases support centres.

**2.15 *How does Policy DM3 interact with Policies CS7 and CS14 of the CSUCP and the SPD on hot food takeaways? Why is reference only made to the SPD in the supporting text?***

Newcastle's retail hierarchy is established in CSUCP Policy CS7. Policy DM3 builds on CS7 by designating the boundaries of each District and Local Centre within the hierarchy. These centres form the focal point for uses, services and facilities serving the surrounding population. CSUCP Policy CS14 recognises that wellbeing, health and equality are cross cutting themes and this policy seeks to maintain and improve the wellbeing and health of local communities.

To supplement the policy approach, the council prepared a Hot Food Takeaway SPD, which was adopted in October 2016 following extensive public consultation. It sets out the council's approach in relation to planning control of hot food takeaways and is a material consideration in the determination of planning applications for such uses. This SPD was prepared principally to supplement CS14 Wellbeing and Health which specifically states that the wellbeing and health of communities will be maintained and enhanced by controlling the location of, and access to, unhealthy eating outlets.

Policy CS7 separately aims to protect the vitality and viability of centres in the retail hierarchy by encouraging a balance of retail and supporting uses which are appropriate in scale to the relative position of each centre in the hierarchy. The SPD supports the policy approach established in CS7 which recognises that the success of Newcastle's centres is strongly influenced by the variety and choice of shops, services and other uses appropriate within them. The SPD seeks to prevent the clustering of hot food takeaway units as they can have an unacceptably adverse impact on the vitality and viability of existing centres.

The council's approach in relation to Hot Food Takeaways is sufficiently covered in the SPD and it is not considered necessary to repeat adopted and already established policies in the DAP. The SPD does not have development plan policy status, but it directly links with the relevant development plan policy.

**2.16 *Reference is made in the CSUCP at Policy CS7 and in paragraph 9.31 of the supporting text to local community facilities and an approach being set out in more detail in subsequent Local Development Documents. Where will requirements for protection and provision of community facilities be set out?***

As part of the policy development the approach to local community facilities as set out in CSUCP Policy CS7 was reviewed. It is considered that the current policy approach to local community facilities is sufficient and can be adequately dealt with through the existing planning policy framework without the need for a further policy.

The CSUCP Policy CS7 recognises the role of public and community facilities in centres and also specifically references, that local community facilities outside of centres, will be retained where they provide an important service to the local community and remain viable. The supporting text of CS7 also recognises the important contribution of community facilities whether in an allocated centre or not. In addition, Policy CS8 seeks to improve the range and quality of leisure, culture and tourism facilities and recognises that centres in good accessible locations can be appropriate. It is not considered that additional policy protection is required, and no evidence has been presented to conclude otherwise.

***Retail and Leisure Impact Assessment (Policy DM4)***

**2.17 *What is the basis for the proposed local floorspace threshold of 500m<sup>2</sup> for impact assessments for retail and leisure development outside centres?***

National Policy allows the consideration of impacts below the NPPF threshold of 2,500 square metres where development could undermine the vitality and viability of a centre, or existing, committed and planning public and private investment in a centre or centres, (paragraph 89). The CSUCP, Part 1 of the Local Plan states that local

thresholds for impact assessment will be established in Local Development Documents to reflect the scale and nature of centres.

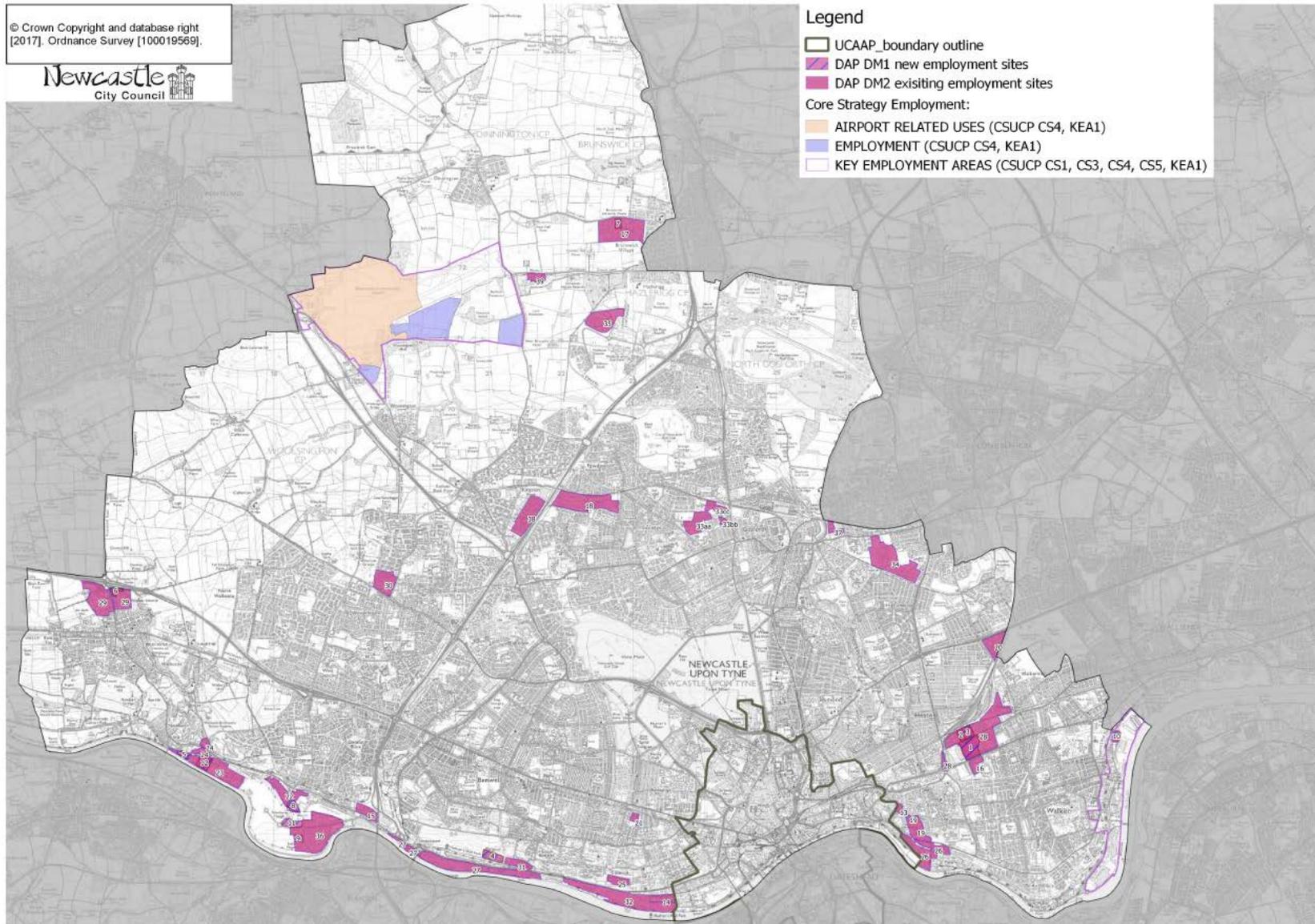
The purpose of requiring a locally set impact assessment is to ensure that the vitality and viability of existing centres is reinforced through new developments coming forward. The CSUCP gives priority and makes provision for retail development in allocated centres and it is important that the retail policies in the DAP support this approach.

The evidence to support the locally set threshold of 500m<sup>2</sup> is detailed in the 2018 Local Floorspace Threshold for the Assessment of Impact update, (SD11, 37). The evidence indicates that in Newcastle there is already a large proportion of out of centre retail and leisure floorspace, and given the evidence of centres in Newcastle which are at risk, (Retail Health Checks), it is deemed necessary to set a lower impact assessment threshold to protect against the effect of cumulative applications. A number of other local authorities, as indicates in the evidence, have adopted their own local thresholds below the default 2,500m<sup>2</sup> outlined in the NPPF. Developments larger than 500m<sup>2</sup> tend to draw trade from outside of their immediate local vicinity. Therefore, developments of this size and above will be required to demonstrate that they do not have an unacceptable impact upon designated centres. The evidence therefore recommends that the council adopts a local floorspace threshold policy of 500m<sup>2</sup> for retail and leisure floorspace.

Since the adoption of the CSUCP, the council has asked for a proportionate assessment of impact to accompany applications for retail proposals which are below 2,500m<sup>2</sup>. These assessments have been very useful in helping to guide planning decisions. This approach has helped to formulate the approach and development of Policy DM4 in the DAP.

# Appendices

## Appendix 1: Map showing distribution of employment sites

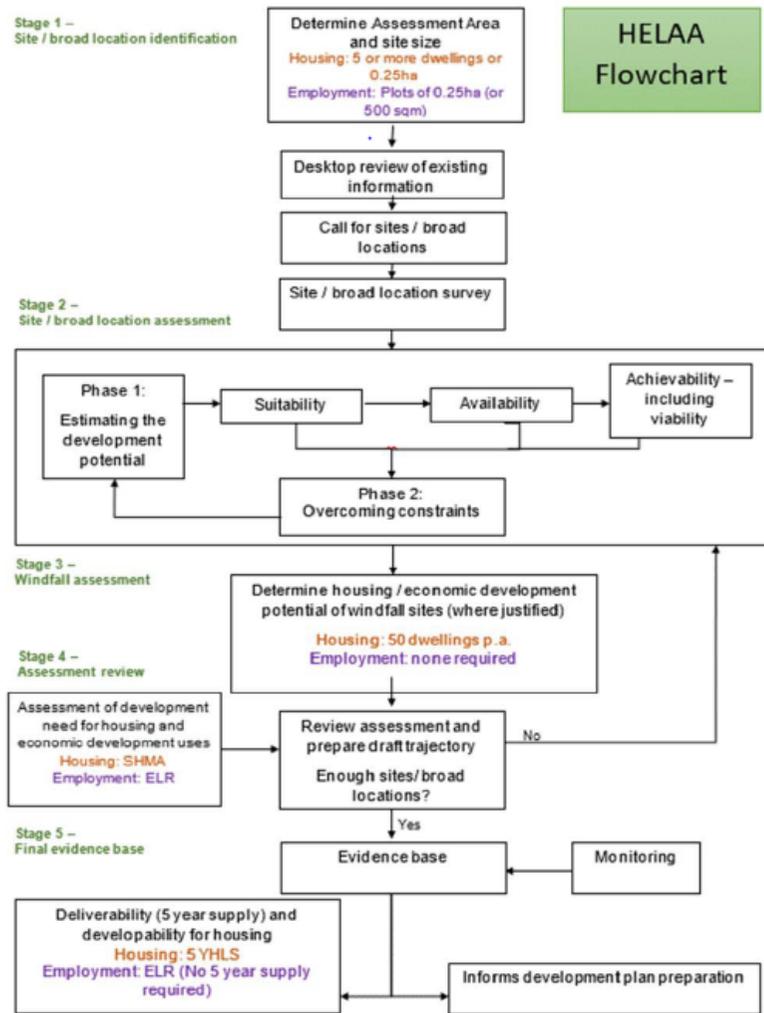


## Appendix: 2 Housing, Employment, Mixed-use Land assessment overview

Stage	Action	Description	HELAA/ ELR
1	Determining Assessment Area and site size. Desktop review of existing information Call for sites & broad locations Site/ broad location survey	Sites identified through the ELR and HELAA call for sites were input into the HELAA database.	HELAA
2	Site assessments: Suitable; available; achievable.  Estimating development potential  Overcoming constraints	Sites were assessed using the HELAA database in terms of their suitability, availability, and achievability for employment, housing or mixed-use development.  This involved identifying constraints, assessing accessibility and the potential to overcome constraints	HELAA + ELR  *Information gathered as part of the ELR surveys was also fed into the HELAA at this point where data sets overlapped
3	Windfall assessment	Not applicable to employment sites	NA
4	Assessment review of the development need for housing and economic development uses.	The CSUCP establishes the requirements for employment land for the city over the plan period. The requirement was reviewed in the Employment Land & Property Demand Assessment Update and the ELR 2018.  Housing requirements are identified and reviewed through the SHMA.  Sufficient sites were identified to meet both the objectively assessed housing need for the city and to accommodate the employment land requirements as set out in the CSUCP.	CSUCP/ SHMA

Stage	Action	Description	HELAA/ ELR
5	Final evidence base, judgment	<p>A final decision was made regarding the proposed allocations as to whether the sites should be allocated.</p> <p>This decision was based on factors including:</p> <ul style="list-style-type: none"> <li>- Site owner aspirations (availability)</li> <li>- Constraints. In the case of employment sites proximity to housing and potential impact on residential amenity were considered, as were the findings of the ELR site assessments (Reference; Evidence Base; ELR 2018 Appendix 3).</li> </ul>	HELAA + ELR

Figure 3 HELAA Site Assessment



Note: SHMA- Strategic Housing Market Assessment (August 2017), ELPDA- Employment Land & Property Demand Assessment update (October 2016)

### Appendix 3 Constraints mitigation

DAP Site No.	HELAA Site Ref.	Gross site Area	Net Site Area	Key Potential Constraints (Suitability)	Infrastructure Requirements	Mitigation Measures	Private/ Public/ FHU site
1	3052	6.41	6.41	<p>Hadrian's Wall Zone (line of wall runs to the south boundary)</p> <p>A water main and public sewer cross site.</p> <p>SFRA identified site is in a 1 in 1000 surface water flood risk area.</p>	<p>Junction improvements required to facilitate development.</p>	<p>An Archaeological Desk Top Assessment will be required if ground disturbance proposed. (See ELR 2018 Appendix 6)</p> <p>NWL have provided guidance on suitable easements for sewer and water main apparatus.</p> <p>A Flood Risk Assessment and Drainage Strategy will be required at planning application stage. This will inform site layout and attenuation.</p>	<p>NCC ownership – Strategic Property are promoting the site</p>
2	3210	1.18	1.18	<p>Metro Reservation</p> <p>A water main and public sewer cross site</p> <p>SFRA identified site is in a 1 in 100-year surface water flood risk area.</p> <p>Near Railway</p> <p>Within Hadrian's Wall Buffer Zone</p>	<p>Junction improvements may be required to facilitate development. Site is proximate to the Coast Road and Central Motorway.</p> <p>Potential to integrate access to DAP sites 1,2 &amp; 3</p>	<p>No concerns raised by NEXUX regarding site. Consider appropriate layout at planning application stage.</p> <p>NWL have provided guidance on suitable easements for sewer and water main apparatus.</p> <p>A Flood Risk Assessment and Drainage Strategy will be required at planning application stage. This will inform site layout and attenuation.</p>	<p>NCC ownership Strategic Property are promoting the site</p>

DAP Site No.	HELAA Site Ref.	Gross site Area	Net Site Area	Key Potential Constraints (Suitability)	Infrastructure Requirements	Mitigation Measures	Private/ Public/ FHU site
						<p>Noise surveys will be required at planning application stage, mitigation measures are unlikely.</p> <p>An Archaeological Desktop Assessment will be required at planning application stage if ground disturbance proposed (See ELR 2018, Appendix 6).</p>	
3	4576	2.05	1.05	<p>Metro Reservation</p> <p>A water main and public sewer crosses the site.</p> <p>SFRA identified site is in a 1 in 100-year surface water flood risk area.</p> <p>Within Hadrian's Wall Buffer Zone</p> <p>Near Railway</p> <p>Wildlife Enhancement Corridor</p>	<p>Accessibility, servicing and circulation would have to be improved as part of the redevelopment. Existing site access from partial development on site.</p>	<p>No concerns raised by NEXUX regarding site. Consider appropriate layout at planning application stage.</p> <p>NWL have provided guidance on suitable easements for sewer and water main apparatus.</p> <p>A Flood Risk Assessment and Drainage Strategy will be required at planning application stage. This will inform site layout and attenuation.</p> <p>An Archaeological Desktop Assessment will be required at planning application stage if ground disturbance proposed (See ELR 2018, Appendix 6).</p> <p>Noise surveys will be required at planning application stage, mitigation measures are unlikely.</p>	NCC ownership

<b>DAP Site No.</b>	<b>HELAA Site Ref.</b>	<b>Gross site Area</b>	<b>Net Site Area</b>	<b>Key Potential Constraints (Suitability)</b>	<b>Infrastructure Requirements</b>	<b>Mitigation Measures</b>	<b>Private/ Public/ FHU site</b>
						An Ecological Assessment at planning application stage will identify ecological mitigation.	
4	4219	3.04	2.3	<p>A public sewer crosses the site and site is also near to a pumping station.</p> <p>SFRA identified site is in a 1 in 100-year surface water flood area</p> <p>Wildlife Enhancement Corridor</p> <p>Proximity to Scotswood Medieval Village (limited archaeological interest)</p>		<p>NWL have provided guidance on suitable easements for sewer and water main apparatus.</p> <p>A Flood Risk Assessment and Drainage Strategy will be required at planning application stage. This will inform site layout and attenuation.</p> <p>An Ecological Assessment at planning application stage will identify ecological mitigation.</p> <p>An Archaeological Desktop Assessment will be required at planning application stage if ground disturbance proposed (See ELR 2018, Appendix 6).</p>	NCC ownership.
5	2794	1.01	1.01	Newburn Medieval Village & Registered Historic Battlefield of Newburn Ford	Site access.	An Archaeological Desktop Assessment will be required at planning application stage if ground disturbance proposed (See ELR 2018, Appendix 6). Visual impact on Battlefield to be considered.	Private

<b>DAP Site No.</b>	<b>HELAA Site Ref.</b>	<b>Gross site Area</b>	<b>Net Site Area</b>	<b>Key Potential Constraints (Suitability)</b>	<b>Infrastructure Requirements</b>	<b>Mitigation Measures</b>	<b>Private/ Public/ FHU site</b>
				<p>Flood Risk Area (Zone 3) &amp; Flood Risk Area (Zone 2)</p> <p>Wildlife Enhancement Corridor</p> <p>Adjacent to River Tyne Local Wildlife Site (LWS)</p>		<p>A Flood Risk Assessment and Drainage Strategy will be required at planning application stage. This will inform site layout and attenuation.</p> <p>Consider at planning application stage. Requirement for ecology report.</p> <p>Consult at planning application stage.</p> <p>An Ecological Assessment at planning application stage will identify ecological mitigation. Appropriate buffers and landscaping may be required.</p>	
6	2758	1.12	0.4	<p>SFRA identified site is within a 1 in 100-year surface water flood area.</p> <p>Site near to Throckley and Wallbottle Dene Local Nature Reserve (LNR)</p>	Site access improvements.	<p>A Flood Risk Assessment and Drainage Strategy will be required at planning application stage. This will inform site layout and attenuation.</p> <p>An Ecological Assessment at planning application stage will identify ecological mitigation. Appropriate buffers and landscaping may be required.</p>	Private
7	2703	1.12	1.12	SFRA identified site is within a 1 in 30-year surface water flood zone area.	Minor site access improvements.	A Flood Risk Assessment and Drainage Strategy will be required at planning application stage. This will inform site layout and attenuation.	Private

<b>DAP Site No.</b>	<b>HELAA Site Ref.</b>	<b>Gross site Area</b>	<b>Net Site Area</b>	<b>Key Potential Constraints (Suitability)</b>	<b>Infrastructure Requirements</b>	<b>Mitigation Measures</b>	<b>Private/ Public/ FHU site</b>
8	3360	1.7	1.0	Proximity to Newburn Medieval Village and possible wagonways cross site. Site within 100m of two Grade II Listed Buildings  Near to Newburn Haugh Wetland Site of Local Conservation Interest (SLCI) & Lemington Gut Local Wildlife Site (LWS)	Site access improvements to surrounding serviced industrial estate.	An Archaeological Desktop Assessment will be required at planning application stage if ground disturbance proposed (See ELR 2018, Appendix 6).  Visual impact on Battlefield and setting of Listed Buildings to be considered at planning application stage in accordance with design guides.  An Ecological Assessment at planning application stage will identify any ecological mitigation. Appropriate buffers and landscaping may be required.	NCC owned
9	5320	0.91	0.8	Wildlife Enhancement Corridor  Near to River Tyne Local Wildlife Site (LWS)	Site access arrangements	An Ecological Assessment at planning application stage will identify ecological mitigation. Appropriate buffers and landscaping may be required.	Private
10	5911	0.96	0.96	Hadrian's Wall Buffer Zone	Minimal site access improvements	An Archaeological Desktop Assessment will be required at planning application stage if ground disturbance proposed (See ELR	NCC owned

DAP Site No.	HELAA Site Ref.	Gross site Area	Net Site Area	Key Potential Constraints (Suitability)	Infrastructure Requirements	Mitigation Measures	Private/ Public/ FHU site
						2018, Appendix 6). Visual impact on Battlefield to be considered.	
11	5321	2.5	2.5	<p>SFRA identified site is within 1 in 30-year surface water flood area</p> <p>Wildlife Enhancement Corridor</p> <p>Near to Newburn Haugh Wetland Site of Local Conservation Interest (SLCI) &amp; Lemington Gut Local Wildlife Site (LWS)</p>	Site access arrangements	<p>A Flood Risk Assessment and Drainage Strategy will be required at planning application stage. This will inform site layout and attenuation.</p> <p>An Ecological Assessment at planning application stage will identify ecological mitigation. Appropriate buffers and landscaping may be required.</p>	Private
12	6012	2.97	2.97	Near Historic Battlefield of Newburn Ford and listed buildings near Newburn High Street and site is adjacent to Wylam Wagonway	None	An Archaeological Desktop Assessment will be required at planning application stage if ground disturbance proposed (See ELR 2018, Appendix 6). Visual impact on Battlefield to be considered. Wagonway to be left in situ.	Private

## Appendix 4: Take up

Application	Area (ha)	Floorspace sqm	Use class
<b>2010-2012</b>			
Wellbar House, Gallowgate (2006/1949/01/DET)	0.37	5672	B1
Land at Kingfisher Boulevard (2007/1154/01/DET)	6.83	16317	B2
Land at London General Stores (2009/0031/01/DET)	0.23	759	B2
Neptune Yard (2009/0344/01/DET)	3.42	4293	B2
<b>2012-2013</b>			
Former Scottish Courage Brewing, Tyne Brewery (2008/1116/01/DET)	1.22	13000	B1
Neptune Energy Park, Fisher Street (2011/0190/01/DET)	3.9	7692	B2
Land to rear of Brush Technology (2011/0624/01/DET)	0.16	150/1350	B2/B8
<b>2013-2014</b>			
Market Lane, City Centre, Change of use (2010/1778/01/DET)	0.01	516	B1
Wellstream Ltd, Wincomblee Road (2008/1808/01/DET)	2.95	2400	B1
Land at Rendle Road, Walker (2012/0189/01/DET)	0.26	697	B1
Duco Ltd, Swan Road, Walker (2012/0277/01/DET)	3.94	4100	B2
<b>2014-2015</b>			
Former S & N Brewery, West of St James Boulevard (2011/0110/01/OUT)	1.54	4379	B1
Former Jap Cars & Parts (2012/1101/01/DET)	0.04	258	B1
Shepherds Offshore Ltd/Land on former Neptune Yard (2012/0871/01/DET)	0.56	906/907	B2/B8

Unit 9 Bells Close Industrial Estate (2014/1162/01/DET)	0.74	1815	B2
<b>2015-2016</b>			
Land Bounded By Forth Street And Forth Banks (2011/1777/01/DET)	0.50	4119	B1
Neptune Yard Benton Way (2014/0122/01/DET)	0.38	456/332	B1/B2
The Key Science Central (2015/0211/01/DET)	0.03	219	B1
<b>2016-2017</b>			
Brunswick Industrial Estate (2012/1099/01/DET)	0.52	1550.6	B1, B2, B8
Havannah Colliery (2016/1747/01/DET)	0.17	1090	B8
High Yard (2016/0107/01/DET)	1.50	2280	B1
Elite House, Bells Close (2015/0190/01/DET)	0.17	410	B1, B2, B8
<b>2017-2018</b>			
Brunswick Industrial Estate (2012/1099/01/DET)	0.155	1550	B1, B2, B8
Havannah Colliery (2016/1747/01/DET)	0.172	1722.6	B8
High Yard (2016/0107/01/DET)	0.1484	2280	B1
Elite House, Bells Close (2015/0190/01/DET)	0.05	820 (319, B1),(359, B2),(142 B8)	B1, B2, B8