



South Tyneside Position Statement and Development Plan Topic Paper

- Economic Growth and Employment –

(July 2012 – revised December 2015)

- 1.1 The South Tyneside Vision 2011-2031 is that **“South Tyneside will be an outstanding place to live, invest and bring up families”**. Central to shaping the future of South Tyneside and our new statutory development plan will be ensuring that we provide for and allocate sufficient land to meet the employment requirements of our future population. The vision includes a strategic priority objective for a regenerated South Tyneside with increased business and jobs, seeking to ensure that the borough is an attractive, prosperous, well-connected and business-friendly location at the heart of the low carbon economy where people choose to live, work and visit. One of the key measures of success is to increase the borough’s employment rate.
- 1.2 With the revocation of the Regional Strategy in April 2013, the National Planning Policy Framework (NPPF, March 2012) requires that future employment land requirements in the borough will now need to be determined locally, based on an objective assessment of the local area’s jobs growth needs and requirements and informed by considerations of deliverability, viability and realistic achievability.
- 1.3 If we do not fully provide sufficient land for the identified needs for employment land required for the borough’s forecast economically-active working age population growth, our new local development plan may be at risk of being declared unsound by the Planning Inspectorate at independent examination. **Without a ‘sound’, fit-for-purpose and up-to-date development plan, development proposals would then be open to be determined against the National Planning Policy Framework’s (NPPF) presumption in favour of sustainable development.** Only where there would be significant and demonstrable adverse effects which outweigh the benefits when assessed against the NPPF as a whole should a development need not be met (NPPF para.14 and footnote considerations), and this would need to be robustly justified.
- 1.4 Furthermore, the **duty to co-operate**, introduced through the Localism Act 2011 and NPPF, also requires local authorities to proactively liaise with each other over providing for strategic development and infrastructure needs, including whether there might be practical scope for neighbouring authorities to sustainably provide for some of South Tyneside’s future development needs if necessary, and vice versa.
- 1.5 In terms of employment land provision South Tyneside forms part of the wider Tyne & Wear city region functional economic area and travel-to-work area where the majority of the borough’s residents work and the workforce lives. The borough also forms part of the wider North East Local Enterprise Partnership (NELEP) area (Tyne & Wear plus Northumberland and County Durham, mirroring the North East Combined Authority area) and the designated sub-regional Low Carbon Economic Area (South Tyneside plus Sunderland and the north-easterly part of County Durham) for the manufacturing of ultra-low carbon vehicles based around Sunderland’s Nissan car manufacturing plant and related supply-chain industries.
- 1.6 The joint **Sunderland and South Tyneside City Deal (2014)** seeks to further build upon the area’s particular strengths in the automotive, advanced manufacturing, distribution and offshore technology sectors, and integral proposals for a cross-boundary International Advanced Manufacturing Park (IAMP) are further supported through the **NELEP’s regional Strategic Economic Plan (SEP, 2014)**. The SEP includes an

aspirational vision for 1 million jobs in the region by 2024 (ie. 100,000 new jobs, with 60% of those created via policy interventions over-and-above the baseline 40,000 employment growth forecasts), albeit the corresponding 10-year average annual jobs growth of 10,000 (1.1%) per annum 2014-2024 is more than double the combined figures being planned for in the constituent authorities' current and emerging local plans over the next 15-20 years.

- 1.7 This topic paper focuses on the predominant employment land requirements necessary to support the 'B' Use Class sector (B1 offices, B2 industrial and B8 storage and distribution warehousing), together with associated analysis of the borough's working-age and economically-active population, employment rates and commuting patterns. The needs for other employment –generating sectors, such as retailing, tourism and leisure, are assessed in separate evidence base reports and topic papers.

Population Growth, Economic Activity and Employment

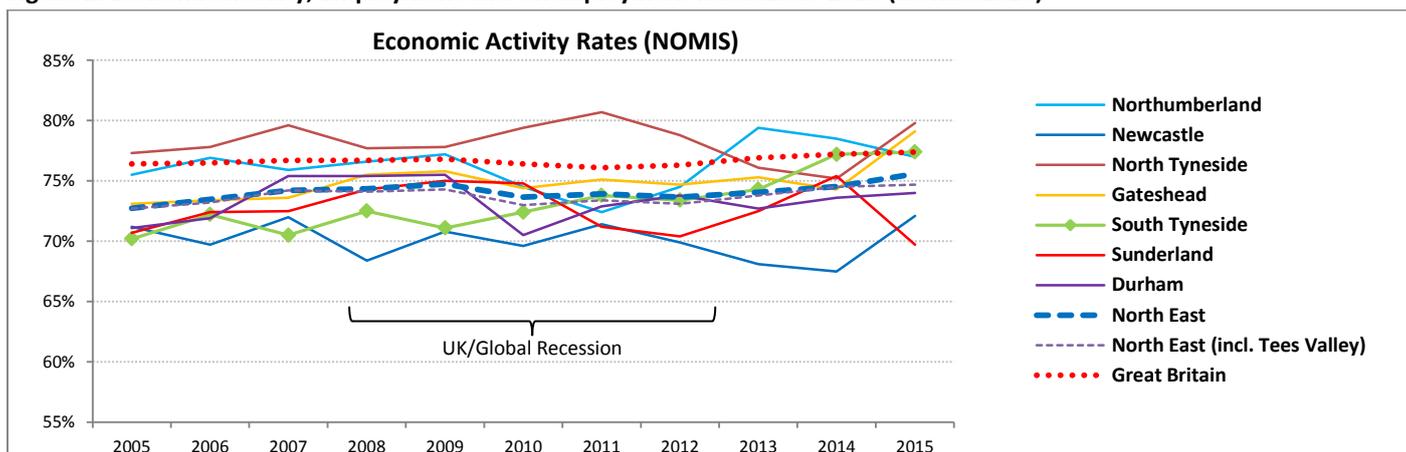
- 2.1 South Tyneside's population growth projections are analysed in the separate Population, Demographics and Housing topic paper. In summary, however, while the borough's population is projected to increase over the next 20-25 years, analysis suggests this would seem to be somewhat dependent on enabling major job creation to help stem the flow of out-migration of younger people and families while attracting significant in-migration of working-age people and young families. The composition of that population is nevertheless forecast to change significantly due primarily to the projected increase in the proportion of elderly population. Hence **the borough's future working-age population (ages 16-64) is forecast to decrease slightly from 95,369 people at the time of the Census 2011, down from 64% of the total 148,127 population to around 58% by 2036** (and compared to 62% back in 2001– 94,533 people). Taking account of the Government's gradual changes in school leaving age and state pension age (ie. a consequent 18-67 working age population), the latest **Office of National Statistics 2012-based projections (released 2014) suggest that South Tyneside's working-age population is likely to fall to around 90,477 people by 2036**, with more locally-informed projections commissioned from **TWRI Policy & Research suggesting a not too dissimilar decrease to around 89,495 working-age people** (preferred Option 4 scenario) – see Figure 1.

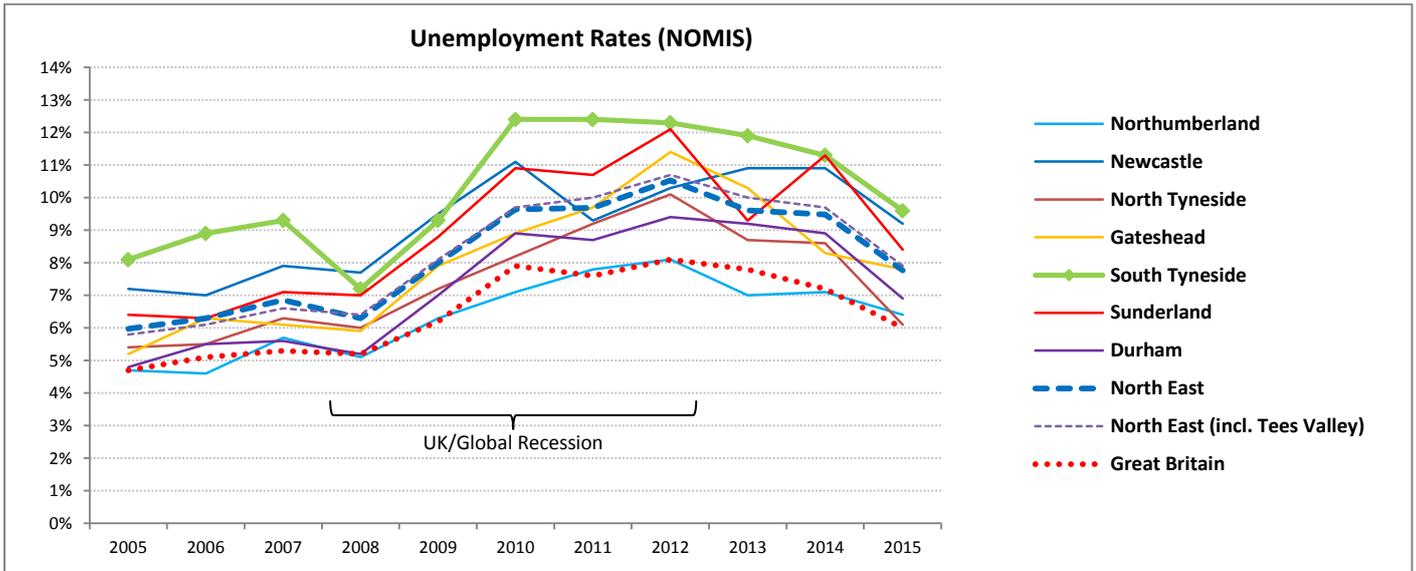
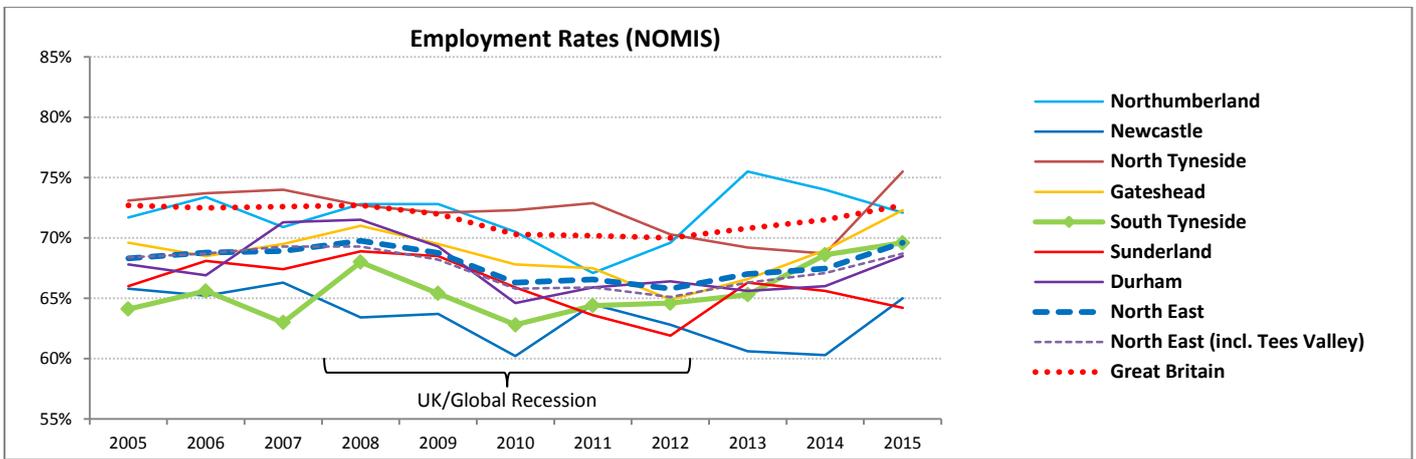
Figure 1: ONS and TWRI Population Projections by Children, Working Age and Elderly Age Groupings (2013/14)



- 2.2 In terms of economic activity, the **Census 2011 recorded 72,645 economically-active people in South Tyneside (67% of those aged 16-74), of which 64,867 were in employment** (60% of those aged 16-74 or 89% of the economically-active population) with 3,234 students and 7,145 unemployed (9.8% of the economically-active population, down from 10.3% in 2001). NOMIS, however, calculates these rates slightly differently from the ONS Census, basing them purely on the 16-64 working age group and thus giving higher percentage rates – as at March 2011, it records South Tyneside as having a 74% economic activity rate, with 68% in employment and 12.4% (8,800 residents) unemployed.
- 2.3 The latest 2015 ONS/NOMIS estimates suggests there are **currently around 94,579 working-age people (aged 16-64) in South Tyneside, with circa 72,300 economically-active (66% of those aged 16-74, or 77% of working-age people aged 16-64)**. NOMIS estimates employment levels to be around 64,500 people (59% of those aged 16-74, or 70% of those aged 16-64), having recovered somewhat since the recent recession, albeit remaining at about 89% of those economically-active.
- 2.4 However, despite the improvements in employment levels, **South Tyneside continues to suffer the highest unemployment rates in the region**. Unemployment in the borough has nevertheless begun to reduce from the recessionary high of over 12%, down to circa 10% according to the latest NOMIS figures. Unemployment levels are currently estimated at around 7,600 people (10.5% of the economically-active population).
- 2.5 Figure 2 compares NOMIS annual economic activity and employment rates trends across the North East, illustrating how the situation in South Tyneside has generally improved over the past decade. The borough's economic activity levels are now consistent with national rates at about 77% (albeit slightly below those for North Tyneside and Gateshead), having averaged about 73% over the past decade. Employment rates are now up on a par with North East average levels at about 70% (but below North Tyneside, Northumberland and Gateshead, and the national average level), having averaged about 66% over the past decade. In both cases, South Tyneside's situation appears to be relatively good compared to the North East's other local authorities. However, unemployment rates are still higher than pre-recessionary levels.
- 2.6 With the future working-age population projected to reduce to around 90,000 people by 2036, **if current economic activity rates were to continue then South Tyneside would probably be looking at an economically-active population of around 67,660 people by 2036**. However, if the borough was to seek to maintain its current levels of working age and economically-active population, this rate would either need to increase to around 80% (similar to North Tyneside's level of economic activity) or the borough's total population would need to increase significantly beyond the projected levels in order to maintain the current numbers of working-age residents

Figure 2: Economic Activity, Employment and Unemployment Rates 2005-2015 (NOMIS 2015)



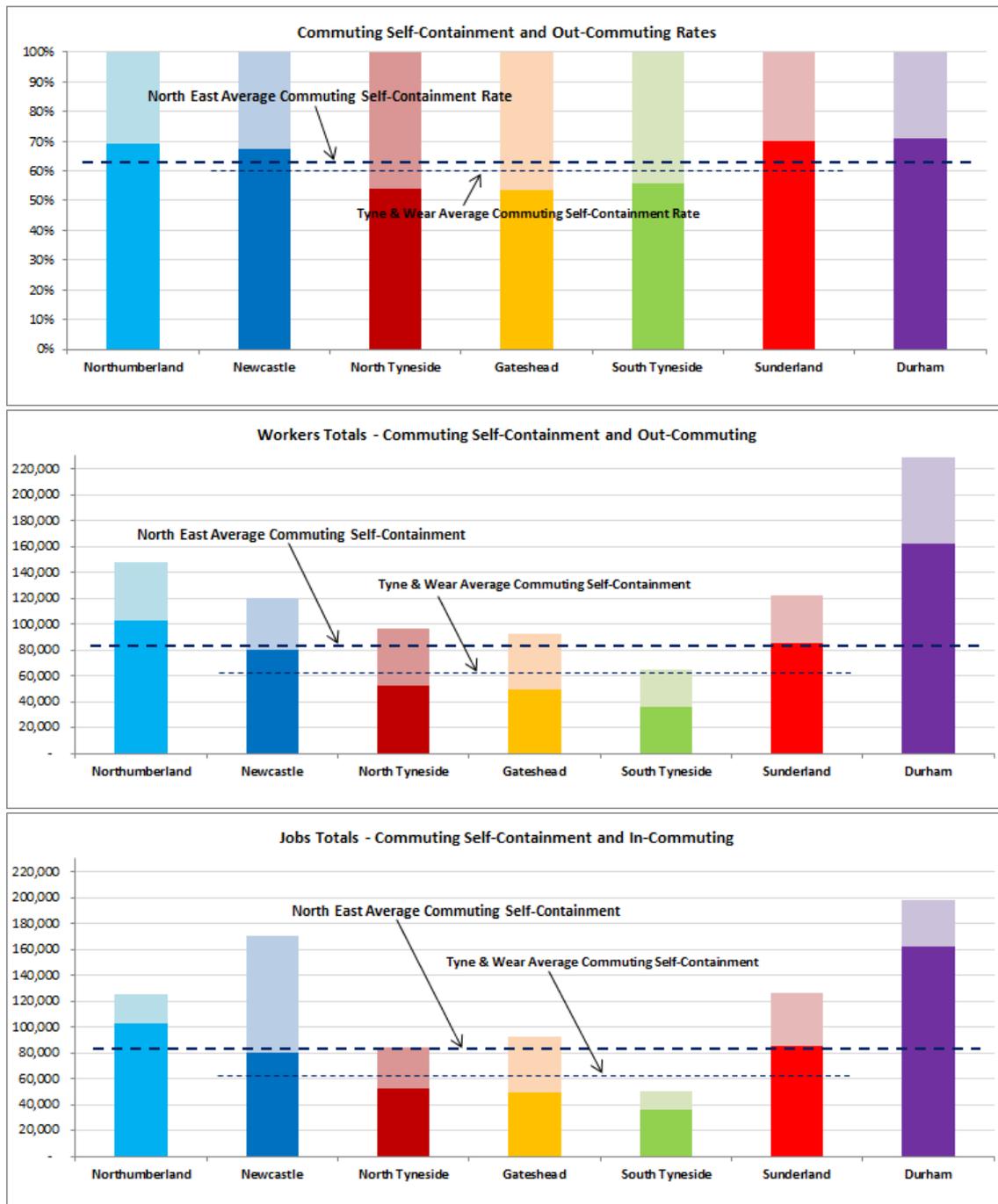


Commuting Rates

2.7 **Commuting rates for South Tyneside have been relatively static since 2001.** The Census 2011 recorded the borough as having a 56% containment rate with 36,160 residents working within South Tyneside (including some 3,927 home workers and 4,331 with no fixed place of work). 28,707 residents (44%) out-commuted to work elsewhere beyond the borough, including 191 beyond the UK and 1,089 working offshore (~28,300 in ELR Update 2014) – ie. a total 64,867 working residents. This self-containment rate is comparatively marginally higher than North Tyneside and Gateshead, but understandably somewhat lower than the cities of Newcastle and Sunderland and the much larger counties of Northumberland and Durham (Figure 3a). In-commuting of non-residents coming from elsewhere to work in the borough stood at 14,407 workers (~14,500 in ELR Update 2014), around half the number out-commuters (ie. a net out-commuting ratio of about 1.99, exceeded only by Northumberland, and compared to the regional average ratio of 1.09 with Newcastle and Sunderland the only net in-commuters and Gateshead in balance – Figure 3b/c).

2.8 Circa 71.5% of the total 50,567 people working in jobs in South Tyneside are therefore borough residents (NOMIS records the borough’s Census 2011 workplace population at 50,317 people, with ~48,000 jobs), with 28.5% in-commuting from beyond the borough, representing a workers-to-jobs ratio of 1.28 which is the highest of the North East districts and compared to the regional average of 1.03. Experian baseline data for the Employment Land Review (ELR) Update 2014 suggested a total of 49,400 jobs in South Tyneside, while the latest ONS/NOMIS data for 2014 records there being circa 51,000 jobs in S.Tyneside in all sectors at a 0.54 density (ie. 54% of those of working age), of which about 44,400 were full-time and part-time employees (ie. excluding those who are self-employed, Government trainees or involved in the HM Forces).

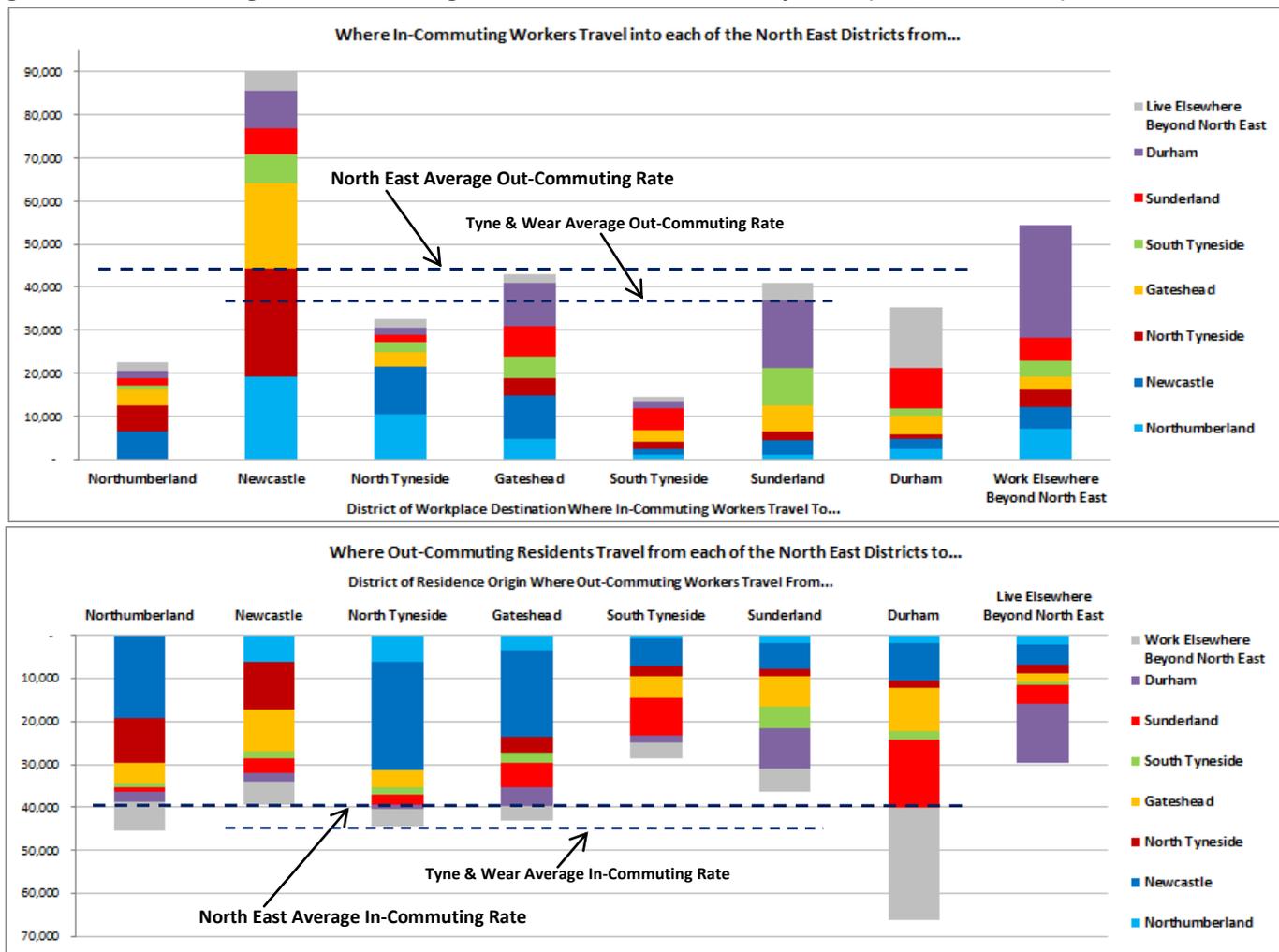
Figure 3: Commuting Self-Containment Rates, Out-Commuting and In-Commuting for the North East (Census 2011)



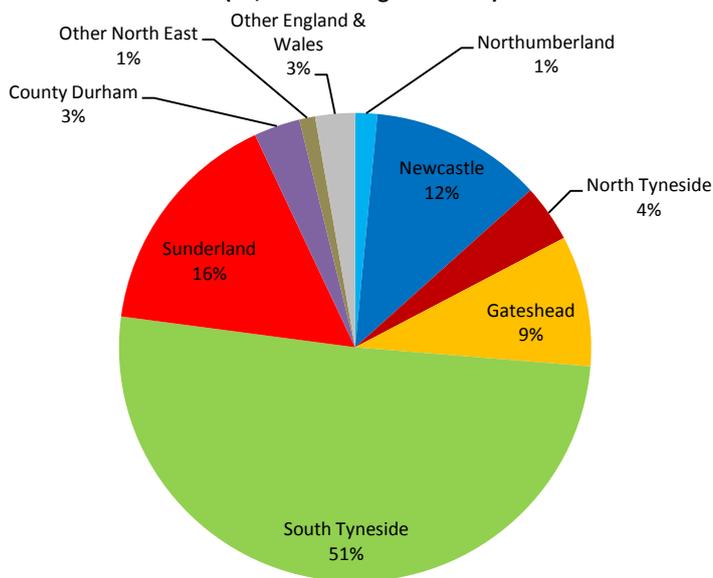
2.9 Figure 4 illustrates the balance of in-commuting and out-commuting for the North East, clearly showing how South Tyneside is a net out-commuting district. NOMIS analysis of the Census 2011 data for England & Wales (Figure 4c/d, and thus excluding interactions with Scotland, international or offshore working) suggests 27,902 (51%) of South Tyneside’s 54,924 working residents work in the borough, representing two-thirds of a total 42,271 employee jobs in South Tyneside, with 27,022 working residents out-commuting and 14,369 workers in-commuting from beyond the borough.

2.10 Commuting interrelationships between South Tyneside and its predominant Tyne & Wear travel-to-work area have also remained fairly static over the past decade, with the majority of out-commuting residents travelling to work in Sunderland and Newcastle as well as Gateshead, and a smaller proportion to North Tyneside and County Durham. About 8.5% of South Tyneside residents commute to jobs beyond the immediate neighbouring Tyne & Wear districts, primarily to County Durham and Northumberland, with an equal proportion (but numerically over 1,000 fewer) commuting into the borough. The majority of in-commuters travel from Sunderland.

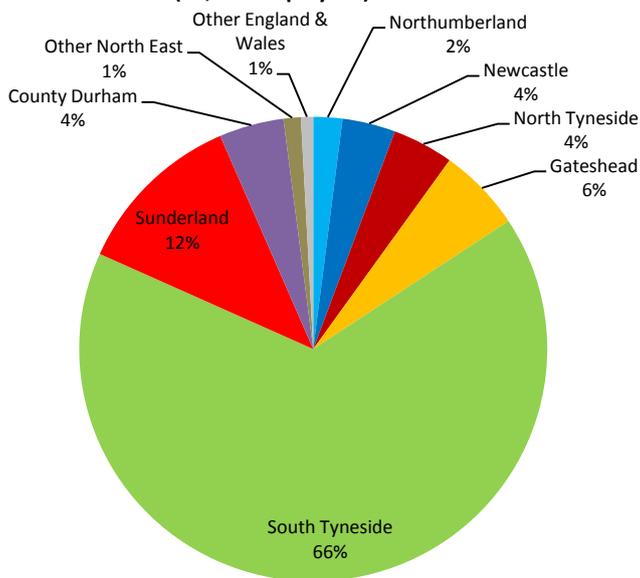
Figure 4: Out-Commuting and In-Commuting for the North East and South Tyneside (ONS/NOMIS 2011)



Place of Work of South Tyneside Residents (54,924 Working Residents)



Place of Residence of South Tyneside Workers (42,271 Employees)



2.11 It is nevertheless noted that the joint Newcastle-Gateshead Core Strategy (adopted 2015) actively seeks to change employment patterns over time, from the current circa 45% of workers commuting in from outside those districts, by increasing their resident workforce through more economically-active households. However, a slight increase in in-commuting is anticipated to support their proposed 22,000 growth in employment, although the proportion of jobs filled by in-commuters is expected to decrease.

Northumberland's draft Local Plan Core Strategy also seeks to reduce the scale of net commuting outflow, both through more residents living and working in the county (with reduced unemployment) as well as more people commuting into the county. Conversely, while County Durham's emerging Local Plan strategy seeks to increase their employment rate back up closer to the 73% national average in line with the NELEP's Strategic Economic Plan vision to 2024, they are not assuming any significant changes in their commuting rates which have seen little change between the 2001 and 2011 censuses.

Economic Growth Projections

- 3.1 Independent consultants Nathaniel Lichfield & Partners (NLP) with Storeys SSP were commissioned to undertake an **Employment Land Review (ELR) study in 2011** and project a range of economic growth scenarios for South Tyneside based on demographic, econometric and historic take-up forecasts. These projected employment growth in the borough on a policy-neutral basis for the 15-year period 2011-2026, with the numbers of potential future jobs then determining the amount of general employment land (excluding land specifically for port-related uses) that would be required to accommodate future growth in the 'B' Use Class sector (B1 offices, B2 industrial and B8 storage and distribution warehousing). The five ELR 2011 growth scenarios were:
- NERIP¹ Baseline
 - NERIP Public Sector Austerity
 - Experian² Baseline (1.8% GVA growth)
 - Aspirational Labour Supply³
 - Historic Take-up Rates trends
- 3.2 The key findings of the initial ELR 2011 scenarios (projected forward to 2036) are summarised in the table at Appendix A of this paper, together with the then-recommended growth scenario which was based on the Experian baseline projection with a top-up local growth element to reflect local employment growth aspirations and consideration of higher past employment land take-up rates. This **ELR 2011 recommended growth scenario suggested a requirement for about 42ha of general employment land up to 2026, equating to around 70ha over the 25 years period 2011-2036**, at an average annual take-up of 2.8ha per annum, providing for some 5,500 B-Class jobs and an overall growth of around 7,300 jobs.
- 3.3 NLP/Storeys Edward Symmons then produced an **ELR Update in 2014** to take the 2011 study forward for supporting preparation of the new Local Plan – this study projected up to 2029, but the figures have been extrapolated to 2036 on an annual pro-rata basis. The ELR 2014 analysis is summarised in the table at Appendix B, together with their respective pros and cons, and was based on the following four growth scenarios:
- Labour Demand – Experian Baseline Jobs Growth
 - Labour Supply – Experian Sectoral Change with TWRI Population Change
 - Labour Supply – TWRI Population Change with Experian Sectoral Distribution
 - Past Take-up Development Rates

¹ North East Research & Information Partnership (NERIP)

² Experian Business Strategies

³ Based on pre-2011 Census NOMIS projections and former South Tyneside objective for increasing the borough's employment rate to 76%.

Econometric Projection – Labour Demand

- 3.4 The **Experian Baseline Labour Demand scenario** is a policy-neutral projection based on national-level econometric forecasts. This **projected an increase of around +530 net additional B-Class jobs (average +35 jobs pa), equating to a requirement for about +12,730sqm of net additional B-Class floorspace⁴**, comprising an increased requirement for B1 office and B8 distribution floorspace, but still with a large net reduction of B1c/B2 manufacturing floorspace. This would result in an overall increase from 15,755 up to 16,285 B-Class jobs out of a total 54,750 jobs in all sectors in the borough – ie. an overall net additional +5,130 jobs growth up to 2029 on top of the current 49,440, which would equate to about +7,524 net additional jobs by 2036 on a pro rata basis, thus not dissimilar with the previously recommended ELR 2011 figures. The bulk of jobs growth would therefore be anticipated in non-B-Class sectors such as tourism, retailing, health and construction. This would also see the B-Class sector proportionately contracting slightly from 32% of all current jobs in the borough (of which 35% B1 office-based, 43% B2 manufacturing and 22% B8 distribution) down to about 30% (of which 41% B1 office, 36% B2 manufacturing and 23% B8 distribution).
- 3.5 These B-Class job estimates are, however, acknowledged to be higher than historic trends, although the resulting land requirement is still less than past take-up rates, primarily due to a continuing trend for high levels of reductions in manufacturing jobs that has been seen over the past 15 years. This scale of jobs growth is nevertheless broadly comparable to national ONS/NOMIS data, which indicates that South Tyneside gained some 6,000 jobs between 2003-2013, suggesting a strong growth in employment in the borough over the past decade, as is reflected in the increased economic activity and employment rates over this period. Hence this Experian Baseline scenario is considered to be broadly compatible with national ONS population and migration projections.
- 3.6 NLP nevertheless noted that, while providing a useful baseline, this policy neutral Experian projection does not reflect any local interventions or growth in emerging business markets that might not be well represented in South Tyneside at present (eg. the automotive, advanced manufacturing and offshore renewables sectors identified through the City Deal evidence base – see below).

Econometric Projections – Labour Supply

- 3.7 The two **Labour Supply scenarios** were based on the then TWRI population projections (preferred Option 4, 2013) which were slightly lower than their most recent 2012-based projections (2014/15). The **Sectoral Change scenario** was based on the change in labour supply associated with estimated population growth, disaggregated on the basis of the sectoral change implied by Experian. The **Sectoral Distribution scenario**, on the other hand, takes the projected population's labour supply change forecast by the Sectoral Change scenario and then disaggregated that change in jobs numbers on the basis of the 2029 proportionate shares implied by Experian's econometric modelling from the sectoral change scenario – ie. 30% of jobs in B-Class businesses, of which 41% office (B1a/b), 36% manufacturing (B1c/B2) and 23% distribution (B8).
- 3.8 Both Labour Supply scenarios assumed that the borough's current unemployment and commuting rates would remain fairly static, with each of them translating into an **overall decline of some 960 jobs in all sectors in South Tyneside 2014-2029, including between -285-1,125 fewer B-Class jobs for the Sectoral Distribution and Sectoral Change scenarios respectively**, down to a total of around 40,400 jobs in the borough (including 12,054-12,895 B-Class jobs). The Sectoral Change scenario suggested some 1,400 job losses in the manufacturing sector, with only the office sector seeing any growth, whereas the Sectoral Distribution scenario spread the projected losses more evenly. These **equated to a reduced need for**

⁴ Jobs:Floorspace Average Density Ratios: B1 Offices @ 1 job/12.5sqm / B2 Industrial @ 1 job/43sqm / B8 Distribution @ 1 job/65-74sqm (80% general small-scale @ 1/65sqm + 20% large-scale @ 1/74sqm)

between -5,117sqm (Sectoral Distribution) and -29,271sqm (Sectoral Change) less net floorspace for B-Class businesses⁵, with B1 offices being the only projected growth sector requiring just under 5,000sqm under the latter scenario.

- 3.9 Again, these scenarios do not factor in the potential for local growth opportunities or changes in commuting and unemployment patterns, while the resultant floorspace requirements are significantly lower than past take-up rates. NLP therefore considered these conservative Labour Supply scenarios based on the older TWRI projections data to be unduly pessimistic and thus **inappropriate and inconsistent with the borough's growth vision**, not reflecting trends for rationalisation of space and workforce through increased automation and production output, as well as being influenced by a combination of the lower working-age population projected by TWRI, high unemployment and significant out-commuting. The Sectoral Change scenario's average -66 job losses per annum is nevertheless considered to be broadly comparable to the rate of job losses in South Tyneside during the 1999-2013 period (-53 job losses per annum).
- 3.10 However, **if the latest NOMIS data were applied instead of the then TWRI figures**, with the projected circa -200 job losses, these scenarios would equate to around 44,000 jobs overall (equivalent to about 49% of the working-age population), with a job change of around +2,642 overall and a net growth of between +20-793 B-Class jobs for the Sectoral Change and Sectoral Distribution scenarios respectively. **This would instead suggest a need for between +2,391sqm (Sectoral Change) and 28,476sqm (Sectoral Distribution) net additional floorspace for B-Class uses**, thus sitting either side of the Experian Baseline scenario.

Past Take-up Development Rates Projection

- 3.11 The **Past Take-up Development Rates scenario** was underpinned by an assumed continuation of historic trends in the take-up of B-Class employment space across the borough. It should nevertheless be recognised that (similar to housebuilding rate trends) past take-up rate trends do not represent objectively-assessed needs, although they can help inform the scale of potential realistic deliverability. B-Class take-up during the 2000-2014 period (which covers both recessionary and economic buoyancy phases) totalled 54.48ha, at an average 3.89ha per annum, although there were also 30.84ha of losses of employment land to non-B Class uses during that period (at an average -2.20ha pa), predominantly in the manufacturing sector. This 57% net increase in provision results in an **average annual net take-up rate of 1.69ha per annum over this 15-year period** (Figure 5). Past average annual take-up completion rates were comparably recorded as:
- past 5yrs = 0.31ha pa
 - past 10yrs = 2.51ha pa
 - past 15yrs = 3.22ha pa
 - past 25yrs = 3.63ha pa

Figure 5: Past Development Take-up Rates in South Tyneside 2000-2014

B-Class Sector	Gross Take-up Average		Gross Losses Average hectares per annum	Net Take-up Average hectares per annum	Net Floorspace Take-up Average sqm per annum*
	hectares per annum	%			
Offices (B1a)	+1.19	31%	-0.02	+1.17	+4,680
Manufacturing (B1b/c/B2)	+1.55	40%	-1.95	-0.41	-1,640
Distribution (B8)	+1.16	30%	-0.23	+0.93	+3,720
Total	+3.89ha pa		-2.20ha pa	+1.69ha pa	+6,760sqm pa

* Floorspace take-up assumes an average plot ratio of 4,000sqm/ha development density.

⁵ Jobs:Floorspace Average Density Ratios: B1 Offices @ 1 job/12.5sqm / B2 Industrial @ 1 job/43sqm / B8 Distribution @ 1 job/65-74sqm (80% general small-scale @ 1/65sqm + 20% large-scale @ 1/74sqm). NB. Standard practice applies a notional 50% calculation to negative net floorspace figures, effectively considering them to be unduly pessimistic.

- 3.12 However, for the purposes of calculating future take-up, NLP recommended applying the gross take-up rate for B1c/B2 Manufacturing (+1.55ha pa equating to about 6,200sqm floorspace pa) instead of the negative net take-up figure in order to help ensure a choice of land and reflect more positive local circumstances. Together with the net completion rates for B1a Offices and B8 Distribution, this gave a **forecast future average annual take-up rate of 3.65ha per annum** (equating to about +18,344sqm floorspace per annum), which compares favourably with longer-term past gross take-up rates.
- 3.13 Applying the adjusted annual average completion rates projected a 15-year space requirement for 2014-2029 of 54.75ha (equating to around 275,160sqm floorspace), which on a pro rata basis would equate to about 80.30ha over the plan period to 2036 (Figure 6). Comparatively, if the trend-based average annual net take-up rate of 1.69ha per annum was used, then this would effectively more than halve the borough's space requirement.

Figure 6: Past Development Take-up Rates – Forecast B-Class Take-up Space Requirement 2014-2029 Baseline Scenario

B-Class Sector	Take-up Average hectares per annum	Floorspace Take-up Average sqm per annum	Net Space Requirement 2014-29		Net Space Requirement pro rata 2014-36 (hectares)
			hectares	sqm	
Offices (B1a)	+1.17	+4,680	17.55	70,200	25.74
Manufacturing (B1b/c/B2)	+1.55	+6,200	23.25	93,000	34.10
Distribution (B8)	+0.93	+3,720	13.95	55,800	20.46
Total	+3.65ha pa	+14,520sqm pa	54.75ha	219,000sqm	80.30ha

Projecting Future Employment Land Requirements

- 3.14 NLP advise that simply projecting forward past trends *may* under-estimate future demand (eg. if the IAMP development leads to significant demand for new manufacturing and supply chain businesses). Additionally, these space requirement calculations do not take account of the need to replace some future losses of B-Class employment land, and do not include any margin of choice (at least for B1 and B8 uses, given that choice and losses in the B2 sector are effectively built in by virtue of applying the gross take-up rate assumption, otherwise that would lead to double-counting).
- 3.15 Following standard practice, NLP therefore factored in an additional safety margin allowance for two years' worth of land/floorspace on top of each of the growth scenarios (Figure 7) to provide for developer choice of sites, delays in sites coming forward and decanting while older premises are redeveloped, as well as allowing for any forecasting errors. The two years safety margin was considered to be appropriate for South Tyneside.

Figure 7: Safety Margin of Choice Allowances (2 years)

B-Class Sector	Take-up Average		2 Years Safety Margin Added	
	hectares per annum	sqm per annum	hectares	sqm
Offices (B1a)	+1.17	+4,680	+2.34	+9,360
Manufacturing (B1b/c/B2)	+1.55	+6,200	+3.10	+12,400
Distribution (B8)	+0.93	+3,720	+1.86	+7,440
Total	+3.65ha pa	+14,520sqm pa	+7.26ha	+29,200sqm

* Floorspace figures assume an average plot ratio of 4,000sqm/ha development density.

- 3.16 Standard practice similarly informed applying a 66% indicative replacement rate to account for the need to replace future losses of B1 and B8 employment land (ie. based on the levels of losses in provision over the past 15 years – Figure 8). This consideration also takes into account that not all losses will need replacing as a consequence of restructuring of the local economy and the more efficient use of land and premises.

However, no allowance was made for the replacement of losses of manufacturing space under the past take-up rates scenario as the take-up for such uses had been based upon gross rather than net figures, such that adding any further allowance would have contributed to an element of double-counting.

Figure 8: Replacement Rate Allowances (66%)

B-Class Sector	Gross Losses Average			Replacement Space Allowance	
	ha per annum	66% ha pa	66% sqm pa	15 years (sqm)	15 years (ha)
Offices (B1a)	-0.02	-0.013	-52	780	0.198
Manufacturing (B1b/c/B2)	-1.95	-1.287	-5,148	77,220	19.305
Distribution (B8)	-0.23	-0.152	-608	9,120	2.280
Total	-2.20ha pa	-1.452ha pa	-5,808sqm pa	87,120sqm	2.48ha (21.78ha)

* Floorspace figures assume an average plot ratio of 4,000sqm/ha development density.

3.17 This 2-year safety margin and 66% replacement rate were then applied to the net space requirements for the four different scenarios to generate gross space requirements over the 15 year period to 2029 (Figure 9).

Figure 9: South Tyneside ELR Growth Scenarios - Net and Gross Space Requirements 2014-2029, with Jobs Growth

B-Class Sector	Labour Demand Experian Baseline Job Growth		Labour Supply – Population Change				Past Take-up Development Rates	
			Sector Change		Sector Distribution			
	Net sqm	Gross sqm	Net sqm	Gross sqm	Net sqm	Gross sqm	Net ha	Gross ha
Offices (B1a)	15,611	25,852	4,996	15,237	-731	9,508	17.55	20.1
Manufacturing (B1b/c/B2)	-21,422	68,337	-30,105	59,654	-2,215	87,542	23.25	26.4
Distribution (B8)	18,541	34,980	-4,162	12,277	-2,171	14,112	13.95	18.1
Total	12,730	129,169	-29,271 (+2,391)	87,168 (118,711)	-5,117 (+28,476)	111,162 (144,796)	54.75ha	64.6ha

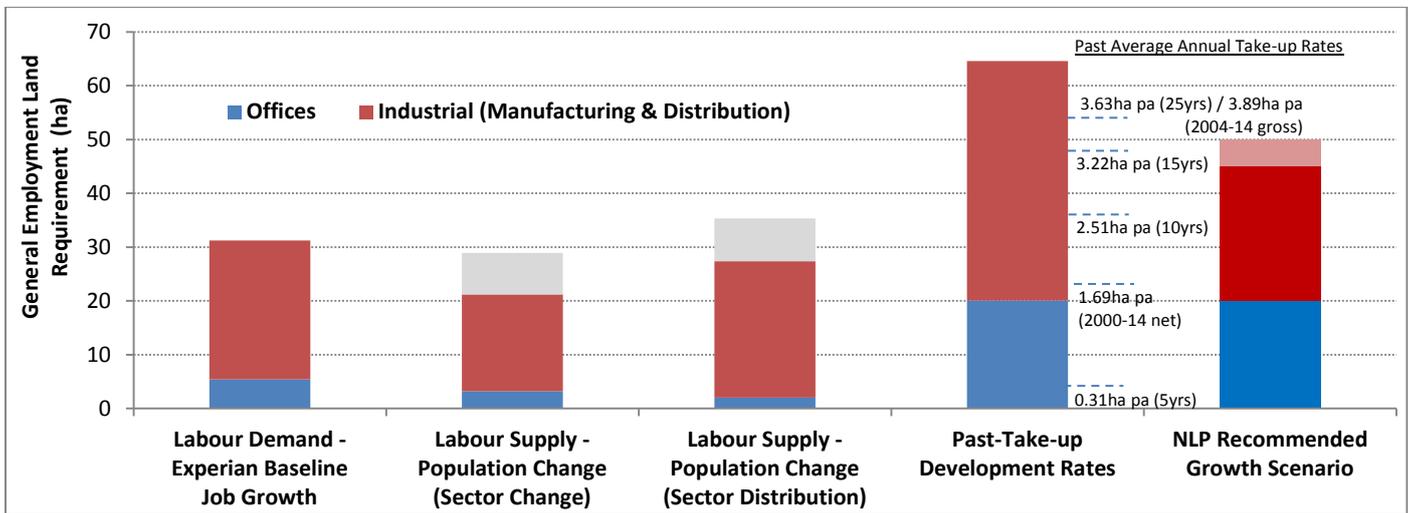
* Labour Supply scenario figures in brackets are indicative of applying the latest ONS/NOMIS population data instead of the then TWRI figures.

3.18 These gross space requirements were then converted to gross general employment land requirements by applying the average plot ratio development densities, including factoring in an indicative 20% proportion for typical higher office densities in central locations (Figure 10). **Applying the same methodology to the recalculated NOMIS-based Labour Supply scenarios would place these scenarios either side of the Labour Demand Experian Baseline scenario, which would then suggest a reasonable degree of consistency and confidence in these alternative econometric projections.** They would nevertheless still be somewhat lower than past take-up rates. [Further testing by applying past net take-up rates for the manufacturing sector instead of the gross take-up rates, and similarly applying those to the two-year safety margin too, would have the effect of slightly reducing the gross floorspace requirements of each of the Labour Supply and Demand scenarios by just over 13,000sqm, and the corresponding gross land requirements only by around 3ha. However, the same approach would reduce the past take-up rates scenario down to nearer 50ha gross land requirement.]

Figure 10: South Tyneside ELR Growth Scenarios – Gross General Employment Land Requirements (hectares) 2014-2029

B-Class Sector	Labour Demand Experian Baseline Job Growth	Labour Supply – Population Change		Past Take-up Development Rates	ELR Recommended Growth Scenario
		Sector Change	Sector Distribution		
Offices (B1a)	5.4	3.2	2.0	20.1	~20
Manufacturing (B1b/c/B2)	17.1	14.9	21.9	26.4	~25-30
Distribution (B8)	8.7	3.1	3.5	18.1	
Total	31.2ha	21.2ha (28.9ha)	27.4ha (35.3ha)	64.6ha	~45-50ha

* Floorspace take-up assumes an average plot ratio of 4,000sqm/ha development density, except for B1a offices for which 80% @ 4,000sqm/ha + 20% @ 20,000sqm/ha to reflect typical higher densities in central locations.



3.19 On balance, NLP considered it appropriate to plan for about 25-30ha of industrial land for manufacturing and distribution businesses (which sits broadly between the highest and lowest projections), together with about 20ha for offices. They considered there to be greater risks associated with planning for a future office land requirement based upon the lower demographic/economic growth scenarios when compared to past take-up, which they consider to better reflect local trends over recent years as well as the sector's more positive prospects to be a greater driver of future growth compared to the B2/B8 sector.

3.20 **The NLP preferred growth scenario suggests a need to plan for around 45-50ha of general employment land over the 15-year plan period to 2029**, which broadly aligns with the previous 2011 ELR requirement for 42ha between 2011-2026. This equates pro rata to around 66-73ha between 2014-2036 (3.0-3.3ha per annum), thus within the realms of average gross rates of take-up over the past 15 years and allowing for future losses. This preferred level of growth effectively again represents an uplift of the Experian Baseline scenario, while taking account of longer-term past take-up rates and losses. It also seeks to provide flexibility for local circumstances in relation to the general quality, location and accessibility of sites for attracting new business investment, plus the borough's relative lack of supply of larger sites to support demands for larger floorplate businesses (see below) and additional 'spin-off' demand generated by the proposed IAMP, thereby ensuring that South Tyneside remains responsive to local opportunities and changes in market circumstances.

3.21 In addition to the IAMP 'policy-on' adjustments, NLP also highlighted the significant role of the Port of Tyne in the economy of South Tyneside. **The Port's development expansion and growth ambitions could require a need to relocate businesses not so reliant on the port for trade from within their estate onto alternative general employment land**, with the need to accommodate such displaced activity potentially pushing up take-up beyond the policy neutral scenarios.

Projecting Future Jobs Growth

3.22 On the basis of the Experian Baseline scenario's average 17.0 B-Class jobs per hectare (530 additional jobs for 31.2ha gross), **this preferred 45-50ha scale of growth would broadly equate to providing for an additional 765-850 B-Class jobs by 2029** – ie. a total 16,520-16,605 B-Class jobs if applying the NLP/Experian figures of 49,440 jobs base currently in the borough with 15,755 B-Class jobs. Applying the predicted 30% of jobs in B-Class businesses (down from the current 32%), this would suggest **an overall 55,067-55,350 jobs provision in South Tyneside by 2029, representing an increase of 5,627-5,910 jobs** in the borough over this 15-year period. Extrapolating this on a pro rata basis would suggest that **the 66-73ha of general employment land by 2036 could provide for in the region of an additional 1,122-1,241 B-Class jobs over**

the full plan period, totalling 16,877-16,996 B-Class jobs. This would correspond to an overall 56,257-56,653 jobs and representing an overall employment growth of 6,817-7,213 jobs in all sectors.

- 3.23 The alternative growth scenarios differ quite significantly in terms of their projected jobs growth in the B-Class sectors up to 2029, ranging from a contraction of nearly -1,000 jobs under the TWRI-based labour supply scenarios (albeit converting to about +2,642 jobs growth if applying the latest NOMIS data) up to a growth of around +5,130 jobs according to the Experian projection and about +6,737 for the past take-up rates scenario (based on the Experian average 17.0 B-Class jobs per gross hectare), with the preferred option equating to around +5,627-5,910 overall jobs growth for this 15-year period. However, as noted previously, NLP consider that the job change figure from TWRI's then-preferred population growth scenario to be adversely influenced by a low working age population, high unemployment and significant out-commuting. NLP nevertheless acknowledged that **out-commuting is a key characteristic of the South Tyneside economy, particularly given the predominance of the neighbouring cities of Newcastle and Sunderland, but one that could be influenced and changed in the future with significant commitment from the Council and acknowledgement that changing the balance in commuting rates would be a long-term aspiration.**

Employment Land Supply and Availability

- 4.1 The Employment Land Review update in 2014 (NLP/Storeys Edward Symmons) included an assessment of the current balance between supply and demand of available general employment land. This totalled about 34.33ha gross area of sites available for general employment uses, together with about 3.7ha of potential employment uses component within mixed-use site allocations. However, it was also noted that three small sites totalling about 0.9ha had recently been sold, while another two sites in Hebburn totalling around 11ha were probably likely to go to alternative housing redevelopments (the former Siemens/Reyrolle British Short Circuit Testing Station and Trench UK site and possibly about two-thirds of the former Hawthorne Leslie shipyard site). Thus the **ELR 2011 considered there to be about 34.18ha of readily available land for general employment uses, equivalent to about 10 years supply (based on past take-up of around 3.5ha per annum)**, albeit only around 22ha implied supply likely to be available and potentially developable once allowing for recent sales and potential alternative housing proposals (equivalent to about 6 years supply).
- 4.2 **Additionally, the study identified about 17.57ha worth of sites predominantly solely available for port-related uses associated with the Port of Tyne**, including the ongoing 5.60ha infill of the former Tyne Dock to expand their developable land space. This port-related employment land supply is not considered to be available to provide for South Tyneside's general employment land requirements.
- 4.3 The situation further updated by the council to 2015 is set out in Figure 11. This includes an allowance for re-use of vacant office and industrial business premises. The council has identified current vacancy levels of approximately 14,000sqm of available office space and 29,000sqm of available industrial space capable of accommodating new jobs. The ELR Update 2014 recommends that a healthy property market should maintain about 5-10% of vacancies to allow for natural 'churn' and turnover in the market for employment space, such that the remaining available floorspace would provide the equivalent of around 1.0ha of employment land. Additionally, the recently announced closure and sale by the Dow Group of the current Rohm & Haas chemicals complex on Jarrow riverside (involving about 50 job losses) will allow for redevelopment of this extensive 9.7ha site for new employment uses – it is understood that the Dow Group have a company policy that, while they decontaminate and remediate disposed-of sites to potential housing use standard, they include a covenant in the sales particulars that restricts the re-use of the land to employment development only in order to allay themselves of any potential liability issues of latent contamination if housing was ultimately built on the site.

Figure 11: South Tyneside Employment Land Portfolio (2015)

Site	Gross Area (hectares)
South Shields Riverside (estimated employment components within mixed-use sites) <ul style="list-style-type: none"> Harton Staithes (North) – 0.18ha Harton Staithes (South-East) – 0.49ha Holborn Enterprise Zone (Middle Docks/Windmill Hill) – 3.00ha 	3.67
North of One Trinity Green, Rekendyke Lane, South Shields	0.35
Former Jerry’s Drums, Garwood Street, South Shields (<i>*sold</i>)	0.34
Towers Place, Shaftsbury Avenue, Simonside Industrial Estate	1.30
West of Pilgrims Way (east of Mitsumi), Bede Industrial Estate	1.41
West of Pilgrims Way (south of Mitsumi), Bede Industrial Estate	0.49
East of Pilgrims Way, Bede Industrial Estate	0.43
West of Bedesway/Jarrow Rd junction, Bede Industrial Estate	0.17
Rohm & Haas (Dow Group), Jarrow	9.71
Green Energy Park, Blakett Street, Hebburn/Jarrow Staithes	6.00
Former Hawthorne Leslie Shipyard, Ellison Street, Hebburn (<i>*potential part-housing redevelopment?</i>)	*3.70
Open Space (former playing field), Windmill Way, Wagonway Industrial Estate, Hebburn	0.50
Former A&B Cranes, Prince Consort Road, Hebburn Riverside (<i>*part sold ~0.26ha</i>)	0.50
Former British Short Circuit Testing Station and Trench UK, Victoria Road West, Hebburn (<i>*housing?</i>)	*10.26
Blue Sky Way (Phase 2), Monkton Business Park South, Hebburn	0.70
Apollo Court (Phase 2), Monkton Business Park South, Hebburn	0.90
Luke’s Lane, Monkton Fell (South), Hebburn	4.14
North of Brooklands Way, Boldon Business Park	0.60
<i>Vacant Units (estimated land area equivalent):</i> <ul style="list-style-type: none"> Office space ~14,000sqm Industrial space ~29,000sqm 	1.00
TOTAL General Employment Land Supply	46.17ha <i>(*32.3-36.0ha if sites lost to housing)</i>
Port of Tyne – land available predominantly for port-related uses only: <ul style="list-style-type: none"> Tyne Dock infill – 5.60ha Former McNulty Shipyard – 4.89ha Former McNulty car park, Garwood Street – 1.60ha Former JT Dove – 2.33ha Former Tarmac – 1.20ha Former Premier Waste – 1.38ha Former Hill 60 – 0.57ha 	17.57ha

NB. The LDF’s allocated Filtrona Park playing field site within Simonside Industrial Estate has now been brought back into use as the home of South Shields Football Club (and renamed as Mariners’ Park), such that it is no longer considered to be available for alternative economic development uses. Additionally, the allocated land to the rear of the TEDCO Business Centre in South Shields has now been sold to a local company for expansion purposes, so is no longer available.

4.4 Thus, overall and including an appropriate allowance for the re-use of vacant premises, **there is considered to be a current available general employment land supply of about 46ha**, albeit potentially reducing to around 32-36ha if allowing for the likely loss of some sites to alternative housing redevelopments. **A further circa 18ha of available land is also generally restricted to port-related uses**, although the likes of the 1.60ha former McNulty Offshore car park site at Garwood Street would be suitable for general employment uses.

4.5 Harworth Estates have also more recently been granted planning permission to redevelop UK Coal’s former Wardley Colliery disposal point (~12.3ha of previously-developed ‘brownfield’ land within the Green Belt on the south-western edge of the borough, adjacent to their ‘greenfield’ spoil tip which is a designated Local Wildlife Site) for *sui generis* rail-linked distribution uses (ie. non-B-Class uses) opposite the Follingsby Park

storage and distribution business park estate in Gateshead, together with the development by Tamar Energy of a 2.77ha part of the site for an anaerobic digestion energy-from-waste plant.

- 4.6 However, **only a limited stock of about two-thirds of the circa 20ha available/developable supply of general employment land is presently readily available for development, which on the basis of an anticipated average take-up of around 3.5ha per annum there would equate to only about three years supply.** NLP recommend aiming to maintain a 5-year supply reservoir of readily available employment land, through a programmed investment of site preparation and development plan allocations to provide a range of development opportunities by plot size and location, potentially including a review of land within the current Green Belt.
- 4.7 Hence, in comparison to the ELR's recommended growth scenario for the provision of circa 45-50ha of general employment land 2014-2029 and 66-73ha by 2036, this analysis of **the borough's current employment land portfolio would suggest there to be a likely shortfall of around 12ha by 2029 and 34ha by 2036.**
- 4.8 NLP also recommended that the council should **retain viable sites and industrial areas for economic development uses, while allowing the disposal and redevelopment for alternative uses of sites that are considered to have limited potential for continued future job creation.** Alongside that, they recommended **allocating suitable sites for industrial accommodation (ie. manufacturing and distribution businesses) upwards of 1,000sqm/10,000sqft floorspace in areas where market demand is the strongest,** such as close to the south-western periphery of the borough (as with the proposed IAMP).
- 4.9 The ELR Update 2014 additionally incorporated some more detailed assessment of six potential employment sites (including the now-unavailable Filtrona Park site) in terms of their attributes and suitability for future economic development uses and prospects for likely alternative development. Their recommendations are summarised as follows:
- Towers Place, South Shields (1.1ha net) – retain for employment use.
 - Hawthorne Leslie Shipyard, Hebburn (~1.0-3.1ha net) – potential release of majority of site from employment use (subject to development viability), with light industrial or storage premises used as a buffer adjoining the A&P Tyne shipyard.
 - Former BSCTS/Trench UK, Hebburn – release site from employment use.
 - Monkton Fell (South), Hebburn (~3.9ha net) – retain for employment use.
 - Former Wardley Colliery disposal point and spoil tip, Follingsby (~57.6ha within South Tyneside + ~2.4ha bunding alongside the railway line within Gateshead, with potential for up to 33ha net) – allocate part of this Green Belt site for employment, with phased release as appropriate (subject to retention of part of the 43.9ha Local Wildlife Site designation).
- 4.10 Finally, the ELR Update 2014 recommended also planning for the considerable opportunities presented by the proposed joint Sunderland-South Tyneside International Advanced Manufacturing Park (IAMP) project, with a potential additional requirement for circa 45ha within South Tyneside. While this was not explicitly considered within the ELR's demand forecasting, which is policy-neutral, NLP recognised that the opportunity to accommodate and capitalise on future investment through the City Deal clearly needs to be captured in the emerging Local Plan. It is considered that the available employment land is too fragmented or in the 'wrong' locations to meet the needs of occupiers that would seek to be located as part of the IAMP and Nissan supply chain.

International Advanced Manufacturing Park (IAMP)

- 5.1 **The International Advanced Manufacturing Park (IAMP) is a joint venture between Sunderland City Council and South Tyneside Council in support of the Sunderland and South Tyneside City Deal** (approved by Government in March 2014, signed-off June 2014) proposal for a strategic employment site on land to the north of Sunderland’s Nissan car manufacturing plant. Supported by the North East LEP as a key contributor to delivering their Strategic Economic Plan (SEP), it was additionally announced that (subject to being given the go-ahead) an initial 25ha proportion of the IAMP would benefit from forming part of the region’s second Enterprise Zone (November 2015), along with the Holborn site at South Shields riverside.
- 5.2 The City Deal bid was informed by initial analysis by consultants PwC (2013) into the potential scope of economic demand for business growth in the primary employment sectors in this part of the North East region (Figure 12), with an assumption that the IAMP would be unlikely to directly provide for growth in the offshore renewable sector. Ultimately, the City Deal’s proposal for the IAMP envisaged initially planning for a circa 98ha business park creating over 5,200 new jobs through significant private investment over the next 10-15 years, but with the potential to expand to nearer 150ha in the longer-term (providing for up to 10,000 jobs overall) broadly in line with the moderate growth option. The scale of the City Deal bid was partly influenced by a preliminary assessment of employment land availability across the wider North East region as well as the surrounding highways network capacity, including recognition that Newcastle-Gateshead’s recently adopted Local Plan Core Strategy has now released about 37ha of land from the Green Belt immediately to the south of Gateshead’s Follingsby Business Park to provide for some 22ha net developable land for storage and distribution business growth in the area.

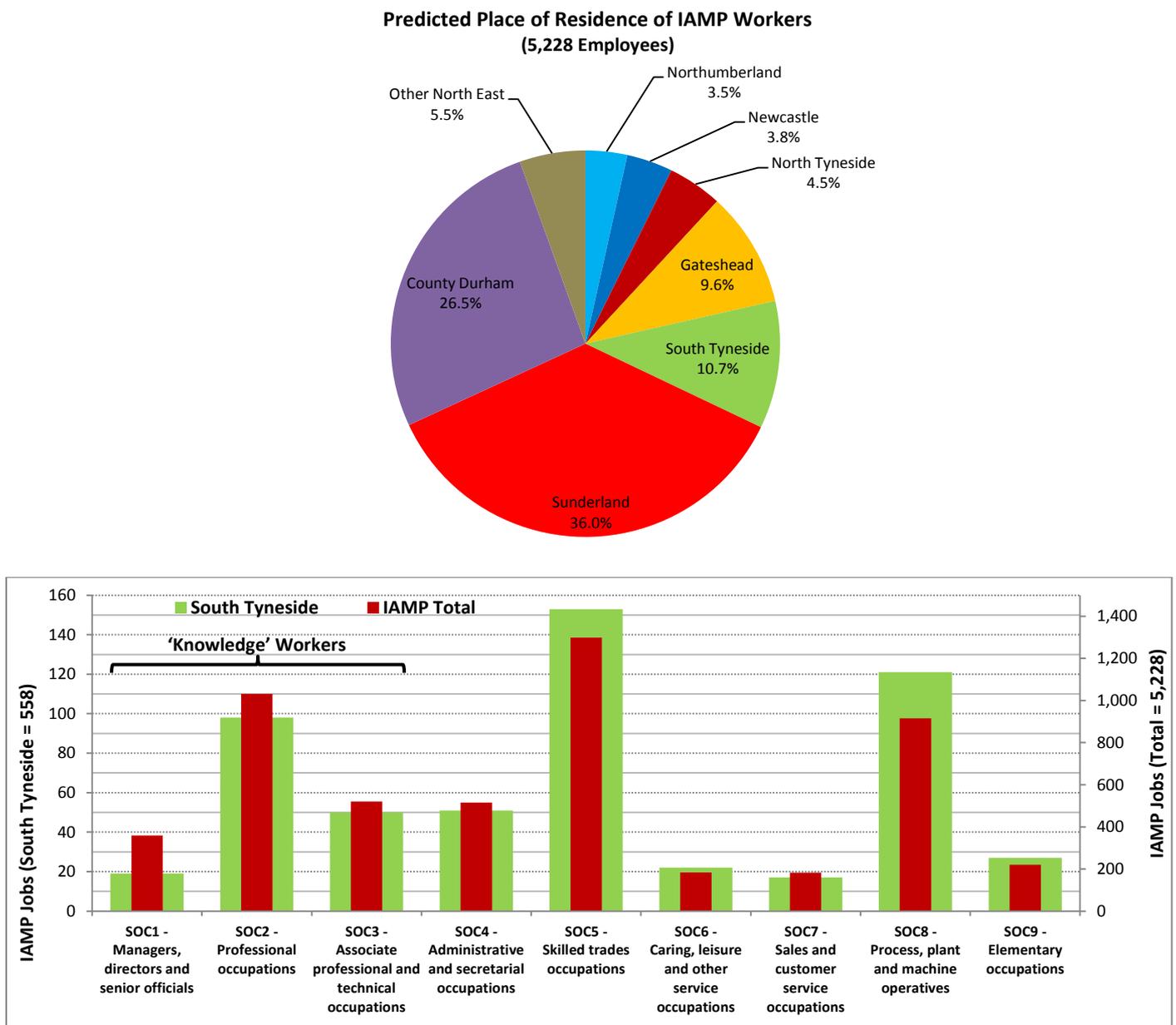
Figure 12: International Advanced Manufacturing Park Economic Demand Assessment (PwC 2013) and City Deal Scenarios

Employment Sector	Pessimistic Growth Scenario		City Deal sqm/ha	Moderate Growth Scenario		Very Optimistic Growth Scenario	
	sqm	ha		sqm	ha	sqm	ha
Automotive	-220,000	-55.0		422,000	105.5	800,000	200.0
Advanced Manufacturing	22,000	5.5		53,600	13.4	92,000	23.0
Distribution & Logistics	0	0.0		94,000	23.5	240,000	60.0
TOTAL	-198,000sqm	-49.5ha	261,250sqm 98.0ha	569,600sqm	142.4ha	1,132,000sqm	283.0ha
Offshore Renewable Energy	19,000	4.75		35,200	8.8	106,000	26.5

- 5.3 For the purposes of analysis and pending a final decision on the preferred location and spatial configuration of the development, it has been assumed that circa 40% of the IAMP (land area, floorspace and jobs) would be within South Tyneside and about 60% in Sunderland. Thus under the City Deal scenario, indicatively about 39-40ha would be within South Tyneside, providing for some 2,100 jobs in the borough, potentially increasing in the longer-term to around 60ha and some 4,000 jobs under the Moderate growth scenario.
- 5.4 Consultants Arup were subsequently jointly commissioned to carry out an Economic Impact Study (2015) to consider the potential Skills, Displacement, Employment Land and Housing impacts of the circa 100ha City Deal-scale IAMP. The study suggests an indicative split of the IAMP’s circa 261,250sqm floorspace for about 90% B2/B8 uses with 10% offices, phased for development between 2018-2027 (in three phases 2018/19-2020/21, 2020/21-2023/24 and 2024/25-2026/27), with about 74% of space being occupied by firms in the automotive sector. It also suggests that about 73% of the estimated 5,228 jobs would be in B2/B8 businesses with about 27% office jobs.

5.5 Based on analysis of the skills levels, places of residence and commuting patterns of employees at Nissan and other supplier businesses in the surrounding area, the Skills topic paper predicted the likely profile (by Standard Occupational Classification (SOC) categories) and distribution of the IAMP workforce. It suggested that about 37% of the IAMP’s estimated 5,228 jobs would be highest grade SOC1-3 category ‘knowledge’ workers. It also predicted that **about 10.7% of the IAMP workforce (ie. ~558 employees) would be likely to live in South Tyneside** (including about 5% of all SOC1 managers and around 9% of the IAMP’s predicted SOC1-3 category ‘knowledge’ workers – Figure 13). Just over half of all IAMP workers are expected to commute in from residences beyond Sunderland and South Tyneside.

Figure 13: Residential Distribution and Employment Profile of IAMP Employees by SOC Group (Arup 2015)



5.6 The Displacement topic paper then considered the potential leakage, displacement and economic multiplier effects of the IAMP. It suggested that, **of the circa 5,228 IAMP jobs, between 15-30% would be likely to come from displacement of existing supply chain businesses relocating onto the IAMP site from elsewhere within the North East** (with 30% displacement modelled as being a worst case scenario), the majority being in the advanced manufacturing and distribution sectors, but with limited displacement in the automotive sector. The Employment topic paper then broke this down by district, estimating that **South Tyneside would**

be likely to see about 25% of the IAMP's overall displacement effects, with an indicative 15-25% range indicating that between 186-311 jobs currently based within the borough would be likely to get displaced from their current locations as a result of those businesses relocating onto the IAMP. The greatest pull is likely to come from advanced manufacturing and distribution sector businesses currently occupying outdated premises, driven by the IAMP's new floorspace offer, connectivity and access to input/output markets. This displacement effectively implies a potential overlap and double-counting of some of the ELR's general employment land requirements in the borough, as the IAMP would therefore provide for a proportion of those general employment land requirements and mean a net reduction in other ELR employment land required. Additionally, the analysis applied a prudent allowance for about 5% of leakage for IAMP workers residing outside the NELEP area.

5.7 However, the study also considered the likely economic multiplier effects of the IAMP associated with potential indirect 'spin-off' effects would be high enough to outweigh the impacts of leakage and displacement, through additional local income, local supplier purchases and development, as well as the 're-shoring' of some of the UK's automotive supply chain. The Arup analysis suggested applying a multiplier of 2.66 to be reasonable, based on the extent of 'Type 1' supply chain and other associated lower tier SMEs currently supported by Nissan indicating a multiplier effect of at least 2.00, together with making an allowance for additional 'Type 2' induced effects (through increased spending of incomes, mainly in sectors other than B-Class businesses).

5.8 The Displacement topic paper's net employment impacts are summarised in Figure 14, although the 5% leakage adjustment has not been applied to the South Tyneside figures as those people would still be occupying jobs in the borough regardless of where they live (albeit if applied it would only see an adjustment of -28 jobs). This suggests that **South Tyneside is effectively predicted to see an overall net gain of between 493-989 jobs as a result of the IAMP**, primarily due to the multiplier effects being predicted to more than outweigh the impacts of displacement. **Hence, under the estimated 25-15% displacement, if this demand comes to fruition it would mean a net additional +101-431 jobs needing to be accommodated in the borough over-and-above the estimated 558 jobs likely to be taken up by South Tyneside residents on the IAMP itself.**

Figure 14: International Advanced Manufacturing Park – Summary of Net Employment Impacts (Arup 2015)

	Factor	NELEP area			South Tyneside (10.7% of IAMP Employees) (25% of overall Displacement)		
		15%	25%	30%	15%	25%	30%
Jobs – Gross Benefits		5,228			558		
- Leakage	5%	-261			- (-28)		
Sub-total after Leakage		4,967			558 (530)		
Displacement		15%	25%	30%	15%	25%	30%
- Displacement (min.-max.)	15% / 25% / 30%	-745	-1,242	-1,490	-186	-310	-372
Sub-total after Displacement		4,222	3,725	3,477	372	248	186
+ Multiplier Effects	2.66 (2.00 B-Class)	+7,008	+6,184	+5,771	+617 (+372)	+411 (+248)	+308 (+186)
TOTAL Jobs – Net Benefits		11,229	9,909	9,248	989 (744)	659 (495)	493 (371)
TOTAL Net Additional Jobs beyond IAMP (net - gross)		+6,001	+4,681	+4,020	+431 (+186)	+101 (-63)	-65 (-187)

5.9 However, if displacement were to reach the maximum 30% worst case scenario then there could be a net loss of -65 jobs needing to be accommodated in the borough regardless of the multiplier effects. Nevertheless, in terms of B-Class jobs growth, the 2.00 'Type 1' multiplier would suggest that the additional net gains needing to be accommodated through general employment land would be more in the region of +186 jobs at 15% displacement, but a net loss of -63-187 jobs at 25-30% displacement.

5.10 This additional number of jobs therefore needs to be added to (or subtracted from) the jobs numbers forecast through the ELR's growth scenarios, with the B-Class benefits converted into a corresponding amount of additional general employment land requirement. On the basis of the ELR scenarios' average 17.0 jobs per hectare ratio, this would suggest that, under the 15% displacement scenario **the additional +186 'spin-off' jobs potentially generated by the IAMP within South Tyneside would equate to an additional requirement for between 10.9ha of general employment land for B-Class businesses in the borough over-and-above each of the objectively-assessed ELR growth scenarios**, albeit the 25-30% displacement scenarios would suggest a reduced requirement of between 3.7-11.0ha. However, Arup advise that these 'spin-off' effects are likely to take place over a longer timeframe than the IAMP's construction itself. Hence, applying this to the NLP recommended growth scenario's extrapolated 66-73ha up to 2036 (rather than pro rata'ing it up from the ELR's 45-50ha up to 2029) would suggest that, **in addition to the IAMP, South Tyneside could therefore require a maximum general employment land supply of between 77-84ha from 2014-2036**, but potentially a slightly reduced requirement of around 55-62ha if the displacement effects turn out to be greater.

IAMP Housing Impacts

5.11 In terms of the related impacts of the IAMP on local housing requirements, the Housing topic paper took the Skills paper's assessment of the distribution of IAMP jobs across the North East districts and their likely SOC categories to forecast the likely scale of housing requirements and breakdown by property types. Four theoretical scenarios were developed consider the scale of additional housing needs generated by the IAMP, which are then applied to South Tyneside's projected circa 558 IAMP jobs in Figure 15.

Figure 15: Distribution of IAMP-Generated Housing Requirements (Arup 2015)

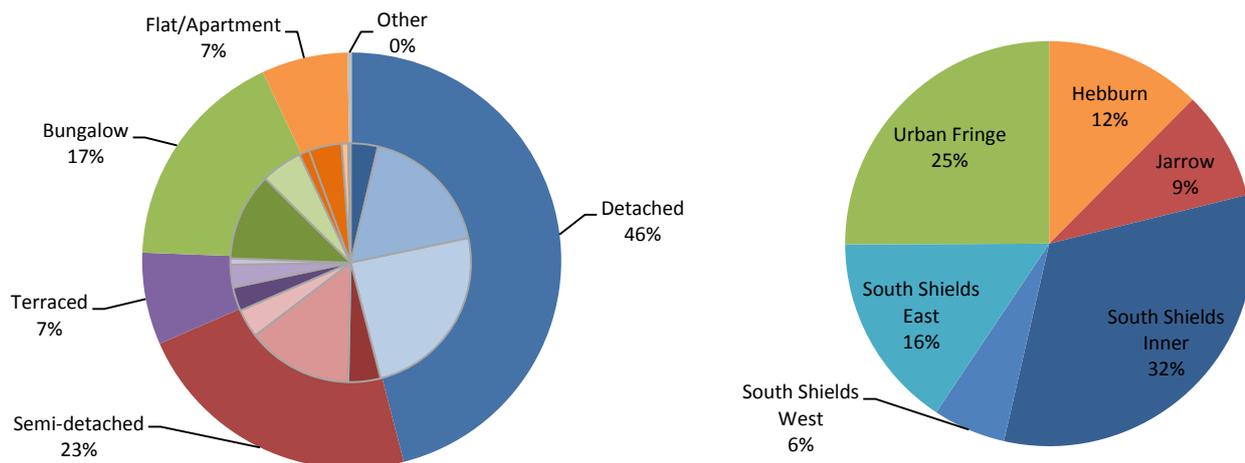
Scenario	IAMP employees migrating into the North East to work	IAMP employees already living in the North East	IAMP (Total = 5,228 Jobs)	South Tyneside (10.7% of IAMP Employees = 558 Jobs)
A	50%	50%	2,614	279
B	25%	75%	1,307	140
C	10%	90%	523	56
D	5%	95%	261	28

5.12 Arup recommend that Scenarios C and D are most likely to reflect the dwelling requirements of the IAMP (ie. at least 90% of potential IAMP workers are already projected to be living in the North East), based on analysis of advanced manufacturing parks elsewhere where the majority of employees originate from the primary area of influence. This reflects the demographic analysis for the Local Plan which suggests that the South Tyneside's projected population growth would be somewhat dependent on major job creation to help attract in-migration of working-age people and young families, such that the IAMP would predominantly provide for the borough's projected population growth rather than generating significant additional population and housing growth over-and-above current projections. Hence, assuming a ratio of one IAMP employee per dwelling (albeit there may be instances of two or more IAMP employees living together), **South Tyneside would only be likely to require up to an additional 56 dwellings to support further in-migration generated by the IAMP over-and-above the borough's core objectively-assessed housing needs**. If, for example, a greater proportion of IAMP workers lived in South Tyneside, 20% living in the borough would generate a need for about 111 homes. The spin-off jobs growth could near double these needs.

5.13 Figure 15a summarises the study's indicative breakdown of likely housing types that would probably be required to house the additional population generated by the IAMP, based upon analysis of the forecast distribution of employees' likely places of residence by SOC groups and current and aspirational housing needs. The predominant needs can be seen to be larger 3 and 4+ bedroom detached houses, 3 bedroom semi-detached houses and 1-2 bedroom bungalows.

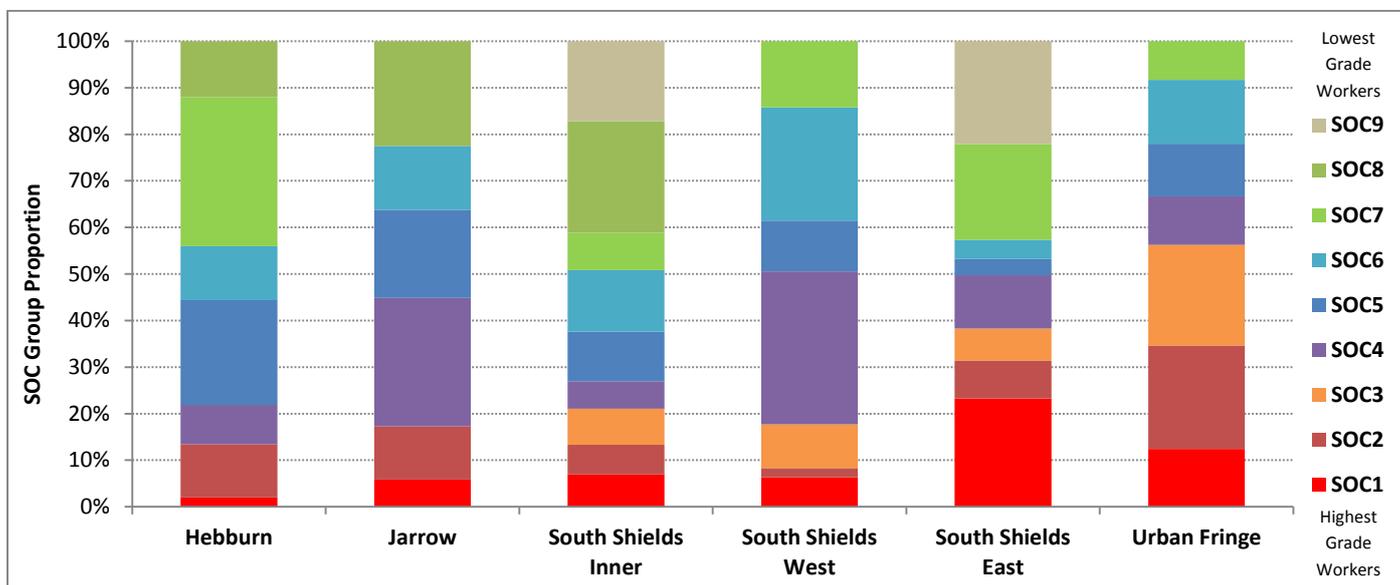
Figure 15: IAMP Housing Requirements by Property Type and Size, and by South Tyneside Housing Market Areas (Arup 2015)

- Outer circle represents Dwelling Type
- Inner circle graded shading breaks down each type by Property Size (Darkest 1-2 bed / 3 bed / 4+ bed Lightest)



5.14 The study also forecasts the likely distribution of the IAMP’s generated additional housing needs according to the Housing Market Areas within the Strategic Housing Market Assessment (SHMA), based upon analysis of the SOC groupings (Figures 15b and 17). This suggests the predominant needs within South Tyneside are likely to be in the South Shields Inner area and Urban Fringe villages, together with South Shields East and Hebburn, with the majority of higher grade SOC1-3 ‘knowledge’ workers being likely to live in the Urban Fringe villages and South Shields East market areas. Within South Tyneside the highest grade ‘knowledge’ workers are considered most likely to wish to live in the South Shields, Cleadon and Jarrow areas of the borough.

Figure 17: Distribution of IAMP Generated Housing Needs within South Tyneside by SOC Group (Arup 2015)



Planning for Economic Growth – Labour Market Balance Testing

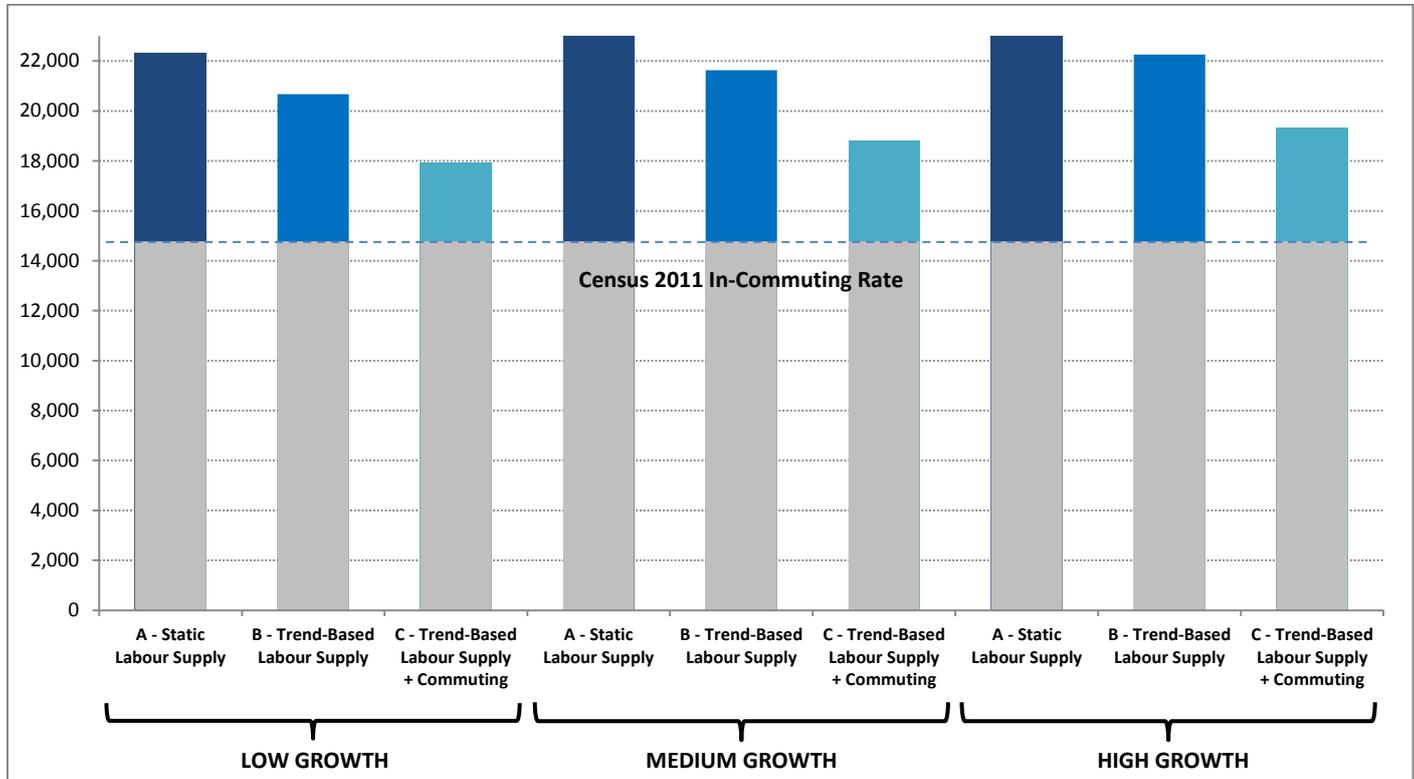
5.15 The Employment Land Review’s assessment of labour supply and demand provides the basis for developing justified employment land requirements for the new Local Plan, comparing the labour market’s balance in the supply of potential jobs forecast in the borough against the borough’s projected demand for those jobs. Consideration of the borough’s projected working-age population, economic activity and employment rates and commuting patterns further informs what may be realistic and achievable levels of employment.

- 5.16 In terms of Labour Demand, the ELR recommended growth scenario together with the IAMP analysis suggests the following three indicative growth options:
- **Low Growth (NLP Preferred Baseline)** – B-Class recommended growth requirement average of about **70ha by 2036** (66-73ha), providing for around **7,000 jobs growth in all sectors** (6,817-7,213 jobs).
 - **Medium Growth (NLP Preferred with IAMP City Deal)** – low growth scenario plus the IAMP (@ circa 40ha and 2,091 jobs within South Tyneside) plus its maximum additional generated 11ha of general employment land demand and net additional average 186 jobs benefit = 99-110ha and 8,900-9,300 jobs depending on displacement effects, or an average **circa 105ha and 9,100 jobs growth in all sectors**.
 - **High Growth (NLP Preferred with IAMP Moderate)** – low growth scenario plus the expanded IAMP (@ circa 60ha and 4,000 jobs within South Tyneside) plus its maximum additional generated 11ha of general employment land demand and net additional average 186 jobs benefit = 119-130ha and 10,800-11,200 jobs depending on displacement effects, or an average **circa 120ha and 11,000 jobs growth in all sectors** .
- 5.17 The **Low Growth baseline option** simply applies the ELR’s recommended requirements for general employment land (~70ha), while assuming that IAMP does not happen or if the majority of the IAMP ended up being located within Sunderland. The **Medium Growth option** then factors in the proposed City Deal-scale IAMP (~100ha), together with its additional spin-off business and employment gains. The **High Growth option** then considers the potential impacts if the IAMP were to expand to the Moderate scale of growth (~150ha) in the longer term, together with the additional spin-off business and employment gains. These are respectively set against low, medium and high housing and population growth options taken from the Local Plan evidence base.
- 5.18 In terms of Labour Supply, the latest national and locally-informed demographic projections now consistently suggest that South Tyneside’s working-age population is forecast to decline to around 90,000 people by 2036 (89,495-90,477 people). Three alternative growth scenarios are therefore modelled:
- **A. Static Labour Supply** – assumes South Tyneside’s 2015 levels of 77% economic activity rate, 70% employment rate and 56% commuting containment rate remain unchanged through to 2036.
 - **B. Trend-based Labour Supply** – assumes South Tyneside’s recent upwards trends in economic performance continue, with economic activity rates increasing beyond the national average up to 79% on a par with North Tyneside and employment rates further improving up to the current Great Britain average rate of 73% in line with the NELEP’s Strategic Economic Plan vision to 2024, while commuting rates remain at the current (and long-term trend-based) 56% self-containment rate.
 - **C. Trend-based Labour Supply with Regional Commuting Containment** – assumes South Tyneside’s recent upwards trends in economic performance continue as per scenario B, with economic activity rates increasing beyond the national average up to 79% on a par with North Tyneside and employment rates further improving up to the current Great Britain average rate of 73% in line with the NELEP’s Strategic Economic Plan vision to 2024, while commuting self-containment rates increase from current (and long-term trend-based) levels up to the current Tyne & Wear sub-regional average rate 60%.
- 5.19 These combined Labour Demand and Supply growth options are assessed in the table at Appendix C, by applying each of the Labour Supply scenarios to each of the Labour Demand projections, to determine how South Tyneside’s population projections and economic growth forecasts interact. The Low Growth Labour Demand option and all of the Static Labour Supply scenarios would suggest fewer South Tyneside residents in employment than at present, although all combinations would contribute to a reduction in unemployment levels. The number of South Tyneside residents working in the borough would also increase under the

Trend-based Labour Supply scenarios for Medium and High growth in Labour Demand, as well as inevitably under scenario C in each case by virtue of the increased self-containment rate.

5.20 This analysis ultimately provides a useful indication of the scale of additional in-commuting to the borough (over-and-above the current circa 14,800 people) that is likely to be necessary in order to support and balance each of the Labour Demand and Supply combinations, as summarised in Figure 18.

Figure 18: Increase in In-Commuting to South Tyneside Required to Support Labour Demand and Supply Balance by 2036



5.21 This clearly shows that the level of additional in-commuting to South Tyneside would be more sustainable if the borough's economic activity and employment rates could be increased up to of in excess of national average trends (Labour Supply scenario B), which is thus considered to be a reasonably realistic aspiration in terms of the current situation and in comparison to neighbouring authorities. The viability and sustainability of the borough's economic growth would become even more sustainable if commuting self-containment could be increased up to Tyne & Wear average levels (Labour Supply Scenario C). While the increased in-commuting rate indicated by the Census 2011 (circa 14,400 people compared to around 12,900 at the Census 2001) would certainly suggest some scope to attract more people to come to work in the borough from beyond, it is nevertheless recognised that South Tyneside's realistic ability to increase its commuting self-containment under scenario C is likely to be compromised, regardless of the proposed IAMP, given the natural predominance of the neighbouring cities of Newcastle and Sunderland as primary employment centres. South Tyneside's commuting self-containment level is already marginally higher than those of Gateshead and North Tyneside. Furthermore, many North East local authorities are planning on the basis of attracting an increase in their levels of in-commuting while decreasing their out-commuting rates through greater self-containment, such that there must be a balance overall, although it is noted that County Durham are planning for their commuting rates to remain static at Census 2011 levels (which are also little changed from the previous Census 2001 levels).

5.22 Thus under the trend-based Labour Supply scenario (B), assuming that commuting levels were to remain broadly at current levels, in the region of an additional +5,900 commuters would need to travel to work in South Tyneside from beyond the borough under the baseline Labour Demand low growth option, with **some**

+6,900-7,500 extra in-commuters required to support the preferred Labour Demand medium or higher growth options which take into account the proposed IAMP and its spin-off impacts. This would effectively mean a significant **46-51% increase in the number of in-commuters to the borough from current levels.** If commuting self-containment could realistically be increased nearer to sub-regional average levels (scenario C) then a 27-31% increase in in-commuting would still be required (+4,000-4,500 extra in-commuters).

- 5.23 The 12% increase in in-commuting rates between the 2001 and 2011 censuses (circa +1,500 people up from 12,900 to 14,400) would nevertheless suggest some realistic scope to increase commuting rates over-and-above current levels. With the IAMP likely to be a significant generator of additional in-commuting to South Tyneside (nearly 90% of the projected 5,228 employees are forecast to come from outside the borough, with nearly half of those likely to work within the South Tyneside proportion), this would suggest indicative **scope for the IAMP to draw in around +1,800-1,900 additional commuters travelling to work within the borough, representing a potential 12-13% increase in in-commuting.** However, **this would still not be sufficient to justify the scale of increase necessary to support the scale of jobs growth being predicted by the growth scenarios.**
- 5.24 Hence, regardless of the opportunities presented by the IAMP in combination with the borough's accessible location within the Tyne & Wear city region (and subject to new economic development site allocations being in strong market locations to ensure their attractiveness to inward investors), **the increased scale of in-commuting necessary to support the economic growth and employment land requirements for the Medium (or Higher) growth option is unlikely to be capable of being fully supported by the future labour supply, and thus is probably unlikely to be within the realms of realistic achievability, particularly if employment self-containment levels cannot reasonably be increased.** Hence, this would suggest that there is arguably unlikely to be a need to plan for the full amount of additional employment land suggested by the combined ELR and IAMP impact analysis set out in this paper, although wider qualitative and locational considerations could still warrant some additional provision.
- 5.25 **To test what might be a realistically deliverable scale of growth, if an additional 2,000-3,000 in-commuters to South Tyneside was considered potentially achievable based on the IAMP's draw and spin-off benefits for general employment demand,** this would suggest a possible 16,780-17,780 in-commuters overall. Working the Appendix C calculations back for the Medium growth option (ie. City Deal-scale IAMP) **this would suggest a potential overall jobs market (demand of labour) for around 53,500-57,330 jobs in the borough** (under growth scenarios B and C respectively). Subtracting the proposed City Deal-scale IAMP's circa 2,091 jobs being in South Tyneside, together with the maximum net additional circa 186 'spin-off' jobs benefit, gives a sub-total circa 51,210-55,050 jobs, representing an overall +210-4,050 jobs growth across all sectors.
- 5.26 Assuming then that 30% of those jobs are in B-Class businesses **would equate to around 15,360-16,520 B-Class jobs, which would mean between a reduction of about -395 B-Class jobs up to an increase of about +765 jobs from the current Experian baseline, implying a need for only between -23ha up to about +45ha of general employment land for B-Class businesses over the next 20-25 years.** This would suggest minimal additional general employment land need over-and-above the borough's current circa 36ha employment land supply, while recognising that there are also qualitative/attractiveness, development viability and locational factors also at play in terms of the current supply of employment land.
- 5.27 Alternatively, for the level of future in-commuting into South Tyneside to be kept within realistic levels, testing shows that the borough's working-age population would need to increase to between 100,000 and 110,000 people by 2036, rather than decreasing from just over 95,000 down to around 90,000 people as is projected. For the projected 58% of the borough's population being of working age (reducing from 64% at

the Census 2011, due to the projected increasing proportion of elderly population), this would imply a need for South Tyneside's total population to increase to between 172,000-190,000 people by 2036, well in excess of the projected objectively-assessed demographic analysis which suggests future population levels at around 154,450-156,337. Additional population growth of this scale would be likely to require an additional 17,000 new homes over-and-above the projected needs for around 7,000-8,000 new homes over the next 20 years, which would also be considered to be unrealistic and undeliverable both in terms of housebuilding delivery rate trends and developable land capacity for housing with significant adverse impacts on the environment and Green Belt.

- 5.28 If South Tyneside were to seek to maintain its current levels of working age population at around 95,000 people, this would require an overall population of around 164,500 people by 2036 at the projected 58% future proportion of working-age people, again well in excess of the projected demographic level of growth and the analysed high growth option with implications for the levels of in-commuting. At around 10,000 people more than the projected population levels, this would be likely to require some 5,000 more homes over-and-above the borough's demographically-projected objectively-assessed needs over the next 20 years, again with significant deliverability and environmental implications. Further analysis of the borough's housing requirements is set out in the Demographics, Population and Housing topic paper.

Green Belt Implications

- 5.29 It should be noted that **the provision of additional general employment land much beyond the currently identified supply (circa 36ha) will almost inevitably require the release of land for development from the Green Belt (potentially up to 45ha under the Medium growth option), in addition to the proposed IAMP and the supply of port-related employment land.** Furthermore, **any growth in in-commuting into the borough, particularly without a corresponding increase in self-containment, would inevitably have significant implications for the capacity of the strategic road network, requiring significant future investment in both the private and public transport infrastructure in the borough and wider sub-region to help alleviate the impacts.**
- 5.30 In terms of the likely need to release land from the Green Belt for future economic development and growth, **the Medium growth scenario including the IAMP (assuming circa 40ha in South Tyneside based on the City Deal scale of development) would equate to some 85.6ha of South Tyneside's current 2,408ha Green Belt. This would therefore equate to only about 3.6% of the borough's Green Belt land overall,** with any releases being fully assessed for the cumulative compatibility with the key purposes and objectives of the Green Belt (as established through the NPPF and current development plan). In this context, it is noted that just across the borough boundary, Gateshead have recently released about 37ha of land from their Green Belt through their newly adopted Local Plan Core Strategy to provide for the future expansion of Follingsby Business Park (circa 22ha net developable area), while Sunderland's draft Core Strategy already includes the proposed release of a 20ha Green Belt site to the north of Nissan that is likely to form part of the first phase of the IAMP.
- 5.31 Given the uncertainties about the realistic deliverability of economic growth and changes in commuting, and to provide flexibility in the new Local Plan, it may therefore be prudent to make use of the NPPF's provision for releasing some land from the Green Belt but 'safeguarding' it from potential development until such time as it becomes genuinely required which may not be until beyond the new plan period. This safeguarded land could then be brought forward and fully released for development through a future review of the Local Plan.

Appendix A: Employment Land Review 2011 – Economic Growth Scenarios 2011-2026 (extrapolated to 2036)

	Methodology / GVA	Positives	Negatives	Land (B-use)	Job Growth
NERIP Baseline scenario	GVA 1-2% (2009-2015) but held at 2010 levels for the 'Public Sector' to reflect the impact of the 2008/09 recession. GVA continued on pro-rata basis to 2036.	Would not require additional land allocations.	Predominantly trend-based - does not take into account emerging business sectors. Decline in employment and would exacerbate the borough's major constraint of a severe shortage of good sites in market - attractive locations.	12ha (0.5ha/yr)	- 1,320 [B1c/B2] - 120 [B8] + 465 [B1a/b] -975 [Non-B] Total = -1,950
NERIP Public Sector austerity scenario	Baseline scenario plus additional impacts of the spending cuts. GVA continued on pro-rata basis to 2036.			9ha (0.4ha/yr)	- 1,370 [B1c/B2] - 140 [B8] -35 [B1a/b] -1,545 [Non-B] Total = -3,950
Experian Baseline scenario	GVA -8.5% to +1.6% (2010-2015) Average at 1.8% (2010-2036). Factors in a decline in employment to 2012 and then stronger recovery compared with NERIP scenarios.	Strikes more of a balance between aspiration and realism. Provides an opportunity to support population growth and tackle high unemployment and out-commuting rates.	Predominantly trend-based - therefore does not take into account emerging sectors. May require Green Belt deletions in the longer-term.	64ha (2.6ha/yr)	+ 2,150 [B1a/b] +2,495 [B1c/B2] + 320 [B8] + 1,830 [Non-B] Total = 6,800
Aspirational labour supply scenario	Increasing employment rate from 63% (NOMIS ⁴ , Sept 2010) to 76% ⁵ based on the forecast working age population ⁶ .	Aspirational shift to reduce high unemployment and out-commuting rates. Would allow for a more diverse portfolio of sites, particularly in strong market locations, which could capture growth in emerging markets such as the port-related and low-carbon industries.	Assumed zero increases in out-commuting. Would require Green Belt deletions and if not taken up could result in an over-supply of land and depressed values.	92ha (3.7ha/yr)	+5,850 [B class] +7,150 [Non-B] Total = 13,000
Historic Take-Up scenario	Utilised a 15-year average take-up of 3.54 ha/year.		Unsophisticated approach which may be impacted on any slow economic recovery. Would require Green Belt deletions and if not taken up could result in an over-supply of land and depressed values.	96ha (3.8ha/yr)	+4,600 [B1] +5,100 [B1c/B2] +1,500 [B8] +3,000 [Non-B] Total = 14,200
Experian Baseline and Local Growth scenario	Baseline scenario with additional 6ha of land required.	Strikes more of a balance between aspiration and realism. Provides for job creation but also provides land for emerging local growth opportunities.	May require Green Belt deletions in the longer-term	70ha (2.8ha/yr)	+5,500 [B use] ⁷ +1,830 [Non B] Total = 7,300

Source: Employment Land Review 2011 (NLP) and South Tyneside Council analysis.

Appendix B: Employment Land Review 2014 Update – Economic Growth Scenarios 2014-2029 (extrapolated to 2036)

Employment Land Review Scenarios (NLP/Storeys June 2014)	2029 - Total Jobs in S.Tyneside (all sectors)	2029 - B-Class Jobs in S.Tyneside	2014-2029 Net Additional Jobs in S.Tyneside (all sectors)	2014-2029 Net Additional B-Class Jobs in S.Tyneside	2014-2029 Net Additional B-Class Floorspace/Land Requirement	2014-2029 B-Class Gross Space Requirement (* incl. 2yrs Take-up 'Safety Margin' Allowance + 66% Replacement Rate to provide margin for choice)	2014-2036 B-Class Net Additional General Employment Land Requirement
2. Labour Supply – Population Change / Sectoral Change (Experian sectoral change with TWRI Option 4 population projection 2013)	40,393 (44% of working age TWRI projection)	12,054 30% Manufacturing (B2) = 36% Distribution (B8) = 23% Office (B1a/b) = 41%	-965	-1,125	-29,271sqm Manufacturing (B1c/B2) = -30,105sqm Distribution (B8) = -4,162sqm Offices (B1a/b) = +4,996sqm	+87,168sqm / 21.2ha Manufacturing (B1c/B2) = +59,654sqm / 14.9ha Distribution (B8) = +12,277sqm / 3.1ha Offices (B1a/b) = +15,237sqm / 3.2ha	31.1ha (pro rata @ 1.4ha pa)
3. Labour Supply – Population Change / Sectoral Distribution (TWRI Option 4 population projection 2013 with Experian econometric modelling disaggregated by % shares)	40,402 (44% of working age TWRI projection)	12,895 30% Manufacturing (B2) = 36% Distribution (B8) = 23% Office (B1a/b) = 41%	-956	-285 (-290)	-5,117sqm Manufacturing (B1c/B2) = -2,215sqm Distribution (B8) = -2,171sqm Offices (B1a/b) = -731sqm	+111,162sqm / 27.4ha Manufacturing (B1c/B2) = +87,542sqm / 21.9ha Distribution (B8) = +14,112sqm / 3.5ha Offices (B1a/b) = +9,508sqm / 2.0ha	40.2ha (pro rata @ 1.8ha pa)
1. Labour Demand – Experian Baseline Jobs Growth (Experian econometric forecast 2013)	54,750 (59% of working age ONS projection)	16,285 30% Manufacturing (B2) = 36% Distribution (B8) = 23% Office (B1a/b) = 41%	+5,130 [2014-2036 pro rata = +7,524]	+530	+12,730sqm Manufacturing (B1c/B2) = -21,422sqm Distribution (B8) = +18,541sqm Offices (B1a/b) = +15,611sqm	+129,169sqm / 31.2ha Manufacturing (B1c/B2) = +68,337sqm / 17.1ha Distribution (B8) = +34,980sqm / 8.7ha Offices (B1a/b) = +25,852sqm / 5.4ha	45.8ha (pro rata @ 2.1ha pa)
ELR Recommended Growth Scenario (Scenario 1+ with IAMP)	55,067-55,350	16,520-16,605 30%	+5,667-5,950 [2014-36 pro rata = +8,312-8,727]	+765-850 (pro rata of Scenario 1 ha:jobs ratio)		~45-50ha Industrial Use (B1b/c/B2/B8) = 25-30ha Offices (B1a) = ~20ha	~66-73ha (pro rata @ 3.0-3.3ha pa)
4. Past Take-up Development Rates (Based on historic trends in past take-up rates *)	56,177 (62% of working age ONS projection)	16,853 30%	+6,777 [2014-2036 pro rata = +9,940]	+1,098 (pro rata of Scenario 1 ha:jobs ratio)	+219,000sqm / +54.75ha * Manufacturing (B1b/c/B2) = +93,000sqm / +23.25ha Distribution (B8) = +55,800sqm / +13.95ha Offices (B1a) = +70,200sqm / +17.55ha	+256,800sqm / +64.6ha * Manufacturing (B1b/c/B2) = +105,600sqm / +26.4ha Distribution (B8) = +70,800sqm / +18.1ha Offices (B1a) = +80,400sqm / +20.1ha	94.7ha (pro rata @ 4.3ha pa)

* Past Take-up Development Rates growth scenario 4 applies gross Manufacturing take-up rate rather than the negative net figure to ensure a choice of B2 land and reflect positive local circumstances – ie. overall average annual +3.65ha pa completion rate (instead of +1.69ha pa net).

Figures in grey text are worked back on a pro rata basis.

Scenario Pros and Cons (NLP)

	1. Labour Demand – Experian Baseline Job Growth	2. Labour Supply – Population Change (Sector Change)	3. Labour Supply – Population Change (Sector Distribution)	4. Past Take-up Development Rates
Positives	Inputs sourced from a recognised forecasting house. Reflects anticipated sectoral change.	Considers how sectors of the local economy are likely to change in the future. Takes into consideration future population growth.	Takes into consideration future population growth.	Market perspective highlights that there is a shortage in supply of large industrial units – captured by the high requirement for distribution in this scenario. Based on data which covers a long time period – economic buoyancy and recession – gives weight to outcomes.
Negatives	This scenario does not take account of the local growth opportunities in relation to IAMP/City Deal. Strength of manufacturing locally not captured by the shift-share approach of projections taking national trends and applying them to the local level.	Policy neutral – this scenario does not take account of the local growth opportunities in relation to IAMP/City Deal and the Port of Tyne. It does not consider the impact of shifting commuting and unemployment patterns.	This scenario does not consider how the economy might change in the future, including shifting commuting and unemployment patterns. Policy neutral - this scenario does not take account of the local growth opportunities in relation to IAMP/City Deal and the Port of Tyne.	This scenario does not take account of the local growth opportunities in relation to IAMP/City Deal. Reflects historic trends – not emerging economic opportunities.

Appendix C: Economic Growth Labour Demand and Supply Assessments

		CURRENT - 2015 (ONS/NOMIS)	LOW GROWTH OPTION - 2036 (NLP Preferred Baseline) 6,500 Homes + 70ha Employment Land + 7,000 Jobs			MEDIUM GROWTH OPTION - 2036 (NLP Preferred with IAMP City Deal) 7,500 Homes + 105ha Employment Land + 9,100 Jobs			HIGH GROWTH OPTION - 2036 (NLP Preferred with IAMP Moderate) 11,000 Homes + 120ha Employment Land + 11,000 Jobs		
Total Population in South Tyneside		149,000	151,500			156,300			161,700		
Working-age Population – Supply of Labour		93,423	87,870			90,654			93,786		
<i>(% of Total Population)</i>		63%	58%			58%			58%		
South Tyneside Jobs Market – Demand of Labour		51,000	56,400			58,500			60,400		
Labour Supply Change Scenario			A – Static Labour Supply *	B – Trend-Based Labour Supply #	C – Trend-Based Labour Supply + Commuting ^	A – Static Labour Supply *	B – Trend-Based Labour Supply #	C – Trend-Based Labour Supply + Commuting ^	A – Static Labour Supply *	B – Trend-Based Labour Supply #	C – Trend-Based Labour Supply + Commuting ^
South Tyneside Residents	Economically Active	72,309	68,011	69,417	69,417	70,166	71,617	71,617	72,590	74,091	74,091
	<i>(% of Working-age Population)</i>	77%	77%	79%	79%	77%	79%	79%	77%	79%	79%
	Employed	65,022	61,158	64,145	64,145	63,095	66,177	66,177	65,275	68,464	68,464
	<i>(% of Working-age Population)</i>	70%	70%	73%	73%	70%	73%	73%	70%	73%	73%
	Unemployed	8,969	8,436	5,272	5,272	8,703	5,439	5,439	9,003	5,627	5,627
	<i>(% of Working-age Population)</i>	10%	10%	6%	6%	10%	6%	6%	10%	6%	6%
Working in South Tyneside	Working in South Tyneside	36,217	34,065	35,729	38,487	35,144	36,861	39,706	36,358	38,134	41,078
	<i>(% of Employed)</i>	56%	56%	56%	60%	56%	56%	60%	56%	56%	60%
Out-Commuting to Work outside South Tyneside	Out-Commuting to Work outside South Tyneside	28,805	27,093	28,416	25,658	27,951	29,317	26,471	28,917	30,329	27,386
	<i>(% of Employed)</i>	44%	44%	44%	40%	44%	44%	40%	44%	44%	40%
Workers In-Commuting into South Tyneside (Jobs Market - Residents Working in South Tyneside)		14,783	22,335	20,671	17,913	23,356	21,639	18,794	24,042	22,266	19,322
Net Additional Workers Commuting into South Tyneside (Required increase in in-commuters from current levels necessary to support the Jobs Market for the Labour Supply)			+7,553	+5,889	+3,130	+8,573	+6,857	+4,011	+9,259	+7,483	+4,539

* Based on South Tyneside's 2014/ 2015 labour rates (NOMIS, 2015): 77% economic activity rate (18-67), 70% employment rate (18-67), 10% unemployment rate (18-67); and South Tyneside's 56% commuting self-containment rate (Census 2011).

Based on Great Britain's 2014/2015 labour rates (NOMIS, 2015): 79% economic activity rate (18-67), 73% employment rate (18-67), 6% unemployment rate (18-67); and South Tyneside's 56% commuting self-containment rate (Census 2011).

^ Based on Great Britain's 2014/2015 labour rates (NOMIS, 2015): 79% economic activity rate (18-67), 73% employment rate (18-67), 6% unemployment rate (18-67); and the Tyne & Wear Local Authorities average 60% self-commuting rate (Census 2011).