

# **North Tyneside Council**

## **Report to Director of Regeneration and Economic Development**

### **Date: 7 November 2022**

#### **Title: Former Swan Hunter Shipyard Local Development Order**

Portfolio(s): Deputy Mayor		Cabinet Member(s): Cllr Carl Johnson
Report by:	Planning and Strategic Transport	
Responsible Officer:	John Sparkes, Director of Regeneration and Economic Development	Tel: (0191) 643 6091
Wards affected:	Wallsend	

#### **PART 1**

##### **1.1 Executive Summary:**

The report has been prepared for the Director of Regeneration and Economic Development following the public consultation exercise on the revised draft Local Development Order (LDO) for the site of the former Swan Hunter Shipyard, Wallsend.

An LDO is a planning mechanism that grants planning permission for certain types of development, enabling developers to progress plans for investment without the need to apply for planning permission. This provides landowners and developers with certainty about the types of development allowed and also saves costs (including planning fees) and time in negotiating and securing planning permission.

Cabinet on 27 June 2022 resolved that:

(2) the Director of Regeneration and Economic Development, in consultation with the Deputy Mayor and the Director of Resources (and subject to the consultation responses), be authorised to adopt the Local Development Order and submit a copy of the Order and any ancillary documentation, to the Secretary of State within the requisite period of time

No issues were identified via the subsequent public consultation exercise that required modification of the LDO, a single response was received which was simply “No comment”.

Adoption of the LDO will allow it to continue to be effective at the Former Swan Hunter Shipyard site in supporting investment and job creation. The current LDO for the site was adopted for a ten year period in 2012 and is due to expire in November 2022.

The revised LDO will enable the benefits provided by the current LDO to be extended for a further ten years, until 2032.

The LDO complements the Authority's achievements in safeguarding the site for offshore energy related development and loadouts, developing the Swans CFI and providing the site infrastructure that enabled the site to be sold in December 2020. The site may also be included in a potential Investment Zone, which the government have made a call for sites to be submitted via an expression of interest exercise, as part of the government's Growth Plan. The site is also referenced in the draft masterplan for Wallsend, which will be subject to a separate Cabinet report scheduled for the 28<sup>th</sup> November 2022.

## **1.2 Recommendation(s):**

It is recommended that:

- (1) The Director of Regeneration and Economic Development in consultation with the Deputy Mayor and the Director of Resources (and subject to the consultation responses) adopts the revised Local Development Order and submits a copy of the Order and any ancillary documentation, to the Secretary of State within the requisite period of time.

## **1.3 Forward Plan:**

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 7 October 2022.

## **1.4 Council Plan and Policy Framework**

This report relates to the following priority in the 2021-2025 Our North Tyneside Plan:

A thriving North Tyneside

We will bring more good quality jobs to North Tyneside – by helping local businesses to grow and making it attractive for new businesses to set up or relocate in the borough

## **1.5 Information:**

### **1.5.1 Background**

- 1.5.2 The former Swan Hunter shipyard has been an important part of the North Tyneside economy since Charles Sheridan Swan opened it in 1842. The company and the people who worked there left a lasting global legacy in shipbuilding which shaped the local community.
- 1.5.3 Once it became apparent the contemporary iteration of the company was in difficulty in 2006/7 discussions in the Authority focussed on ensuring the site was secured for strategic economic purposes. These broadened into discussions with central government and the Regional Development Agency, as well as a broad range of potential partners. The Authority acquired the site in 2009 and has sought to achieve four key outcomes:

- ensuring the site was not broken up or moved to purposes that would not support the local economy;
- contributing to the skills and capabilities of the world class offshore and subsea businesses along the Tyne;
- enabling existing business and attracting new investment; and
- creating jobs and having a positive impact on the communities around Wallsend.

1.5.4 During the period since 2006/07 the Authority has operated in three significant partnerships in order to secure those outcomes. The first was work with One North East, the then Regional Development Agency. This partnership secured central government funding and support to acquire the site in 2009 and its designation as an Enterprise Zone (EZ) and LDO in 2012. The EZ initially brought business rate discounts and, via the LDO, a continuing simplified planning regime for development in the offshore energy and subsea sector. The second followed a procurement process and led to the Authority working with Kier Property to act as the private sector developer. The third was work with the NELEP.

#### 1.5.5 **What has been delivered to date?**

1.5.6 Significant improvement and investment work has been completed at the site. Since 2009/10 the following was delivered by the Authority:

Project
Site Acquisition
Site Redevelopment
Site Utilities
New Roads
Acquisition and demolition of the Ship In The Hole
Quay works
Riverbed dredging
Centre for Innovation – Phase 1
Centre for Innovation – Phase 2

1.5.7 That investment has allowed significant operational delivery in three areas

- **Swans Centre for Innovation;** open since 2016 over two floors and since 2020 over five floors.
- **Quay Operations;** following the dredging of the river berths in 2015 the Quay has been used for almost 40 load outs of offshore energy structures and machinery for local businesses; and
- **WD Close;** leased 3 hectares of the site in 2011 and developed fabrication units allowing the business to diversify and expand into the offshore sector, acquired the East Quay in 2020 and currently provides around 120 jobs at their Wallsend site.

1.5.8 After a review of the approach to developing the site on 28 May 2019 Cabinet considered a report which outlined the work that the Authority had done for over ten years with a

range of partners to secure the Swan Hunter site for strategic purposes and bring it back into economic use.

- 1.5.9 The Cabinet report included recognition of the infrastructure investment delivered, creation of the Swans Centre for Innovation providing space for businesses to grow and create jobs and making a large and complex site ready for future investment.
- 1.5.10 On 28 May 2019, after consideration of options to deliver additional jobs and business growth at the site, Cabinet resolved to delegate authority to the Chief Executive in consultation with the Elected Mayor, Deputy Mayor, Cabinet Member for Finance, Head of Resources, Head of Law and Governance, Head of Regeneration and Economic Development and Head of Commissioning and Asset Management to progress and deliver the work necessary to pursue the recommended option which was to approach the market to discuss either freehold sale or long-term lease of the site.
- 1.5.11 Following the decision by Cabinet the site was advertised for sale in September 2019 with particulars identifying the price and quality criteria against which leasehold and freehold offers would be assessed.
- 1.5.12 Two offers to purchase were received by the deadline of 25 October 2019 and in line with the delegated approvals granted by Cabinet the decision was made that:
1. Shepherd Offshore Ltd was selected as the preferred purchaser of the freehold of the site;
  2. Discussions with Shepherd Offshore Ltd be entered into in respect of the terms of the disposal and completion of the sale contract on those negotiated terms;
  3. Approval is sought from the North East Combined Authority and/or the North of Tyne Combined Authority, Ministry of Housing Communities and Local Government and Homes and Communities Agency (trading as Homes England) to dispose of the site to Bidder A having agreed the terms of any contract or undertaking required to secure such approvals; and
  4. Any other approvals or consents are sought that are required in order to achieve the disposal of the site in accordance with the delegations set out in that Report.
- 1.5.13 This culminated in December 2020 in the Authority selling the site to Shepherd Offshore Limited (SOL), which intends to bring forward redevelopment of the site as Swans Energy Park and attract businesses in the offshore, subsea, marine and energy sectors to the site. Since acquisition SOL has cleared additional derelict buildings at the site and has submitted applications for planning permission and a marine licence to upgrade the quay infrastructure.
- 1.5.14 In December 2020, the Authority also sold the East Quay to WD Close & Sons Limited enabling the business to directly manage load outs from this quay.
- 1.5.15 At the same time, the Authority agreed a deed of variation to a grant funding agreement (in relation to European Regional Development Fund grant) with the Ministry of Housing Communities and Local Government (MHCLG) that expanded the type of businesses that could operate on the site. This variation is now reflected in the revised LDO.

#### **1.5.16 The purpose of the LDO**

- 1.5.17 The Authority took up the opportunity to adopt an LDO in 2012. Given the size of the former Swan Hunter site, together with the river frontage access, it presents a unique development opportunity, which would capitalise on its potential and which aligns with the policy objectives listed above.
- 1.5.18 The need to revise the existing LDO is due to it expiring in November 2022 and a continuing need to support partners in securing additional investment and development. The proposed LDO will extend the timeframe until 2032 and allow it to reflect changes to planning legislation and the deed of variation signed with MHCLG in 2020 which extended the range of permissible economic activities which could be carried out in line with the funding agreements.
- 1.5.19 The proposed LDO will continue to support the policy objectives for the site by delivering sustainable economic development that will support investment in sub-sea technologies, energy generation and zero carbon transport in the following sectors:
- Energy industries (included but not limited to oil and gas and renewables);
  - Offshore, technology, marine and sub-sea;
  - Manufacturing, construction and engineering; and/or
  - Research and Development related to any of the above sectors.
- 1.5.20 The proposed LDO will enable development that supports these industries to proceed without the need to apply for planning permission, provided it complies with specified development requirements and conditions. In exempting certain development from the need to apply for planning permission, developers will save on planning application costs and the time required to process applications.
- 1.5.21 Developers will also benefit from receiving a greater degree of certainty that they can proceed, as permission is granted, provided they meet the agreed conditions and development requirements. This will assist in efforts to market and promote the sites for development and investment.

#### **1.5.22 Consultation on the draft revised LDO**

- 1.5.23 The revised LDO was publicly consulted on from 11 August 2022 until 15 September 2022. A copy of the LDO was available to view on the Authority's website and comments could be submitted to the Authority either online or by post. An advertisement was placed in the Newcastle Journal on 18<sup>th</sup> August 2022 informing people of the consultation, where the document could be viewed and where to submit comments and by when. There was also a press article about the LDO in the Chronicle on 29 June 2022 following Cabinet approval to consult on the LDO that helped raised awareness.
- 1.5.24 The consultation process adhered to the same process as consulting on an application for planning permission, in conformity with the Authority's Statement of Community Involvement and the Town and Country Planning Act 1990 and Article 38 of The Town and Country Planning (Development Management Procedure) (England) Order 2015 made under the 1990 Act.
- 1.5.25 This included consultation with prescribed bodies such as Natural England, Historic England and the Environment Agency and local organisations who have an interest in the area. Surrounding neighbours were notified by letter and notices were put up around the vicinity of the site. A paper copy of the LDO was available for inspection at the Authority's offices at Cobalt and in Wallsend library.

- 1.5.26 At the conclusion of the consultation the Authority had received one response, from Northern Gas Networks, stating that they did not object to the revision of the LDO.
- 1.5.27 The Authority did not consider the revision of the LDO required any modification based on the representation received.
- 1.5.28 Cabinet agreed to delegate authority to the Director of Regeneration and Economic Development in consultation with the Deputy Mayor and the Director of Resources (and subject to the consultation responses) to adopt the revised Local Development Order following the public consultation. The Authority must also submit a copy of the Order, to the Secretary of State no later than 28 days after the adoption of the order.
- 1.5.29 In adopting the LDO the Authority must send a copy of the LDO and other specified documents to the Secretary of State as soon as reasonably practicable, and no later than 28 days after the Authority has adopted the LDO.

## **1.6 Decision options:**

The following decision options are available for consideration:

### Option 1

Approve the recommendations as set out in section 1.2 of this report.

This will allow a LDO to continue to be effective at the Former Swan Hunter site to support investment and job creation.

### Option 2

Not to approve the recommendations as set out in section 1.2.

In this option the existing LDO expires on 19<sup>th</sup> November 2022 at which point normal planning processes will apply to those seeking planning permission on the former Swan Hunter site. The simplified planning scheme permitted under a LDO is an incentive to attract businesses to the former Swan Hunter Site as it reduces the time and risk for delivering their projects and meeting tight contract deadlines. This will have a knock-on effect in reducing the attractiveness of the site and its economic potential.

Option 1 is the recommended option.

## **1.7 Reasons for recommended option:**

Option 1 is recommended for the following reasons:

This would provide transparency of the Director of Regeneration and Economic Development undertaking the duties as recommended by Cabinet on 27 June 2022. Adopting the revised LDO provides a clear commitment from the Authority to take the necessary steps to simplify the planning regime and therefore support the efforts to generate investment, economic growth and job creation at the site in key industries that seek to maximise the advantages the site offers.

## **1.8 Appendices:**

Appendix 1: Former Swan Hunter's Local Development Order (LDO), 2022, no link available.

Appendix 2: Swans LDO 2022 boundary, no link available.

### 1.9 **Contact officers:**

Peter Slegg, Senior Planning Policy Officer, Planning, tel. (0191) 643 6308

Paul Graves, Regeneration Project Manager, Regeneration and Economic Development  
tel. (0191) 643 6013

David Dunford, Senior Business Partner, Finance, tel. (0191) 643 7027

### 1.10 **Background information:**

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (1) North Tyneside Report to Cabinet, Item 6, 27 June 2022 [[North Tyneside Council: Decision making](#)]
- (2) North Tyneside Report to Cabinet, Item 6, Appendix 1 Former Swan Hunter's Local Development Order (LDO) 2022, 27 June 2022 [[North Tyneside Council: Decision making](#)]
- (3) North Tyneside Report to Cabinet, Item 6, Appendix 2 Former Swan Hunter's Local Development Order (LDO) 2022, 27 June 2022 [[North Tyneside Council: Decision making](#)]
- (4) Public Consultation Statement, August 2022 [No hyperlink available]
- (5) North Tyneside Report to Cabinet, Item 6 (d), 12 December 2011 [No hyperlink available]
- (6) Former Swan Hunter's Local Development Order (LDO), 2012,  
<https://my.northtyneside.gov.uk/category/1076/do-you-need-planning-permission>
- (7) Minutes of Cabinet 28 May 2019, Item CAB 12/19 Swan Hunter Site – Next Steps:  
<https://democracy.northtyneside.gov.uk/documents/g162/Printed%20minutes%2028th-May-2019%2018.00%20Cabinet.pdf?T=1>
- (8) Record of Delegated Decision, 25 February 2020 – Swan Hunter Site: selection of preferred developer:  
<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/2020-02-26%20Decision%20Swan%20Hunter%20Preferred%20Purchaser.pdf>
- (9) North Tyneside Council Statement of Community Involvement 2020,  
<https://my.northtyneside.gov.uk/category/1149/planning-policy-timetable-and-consultation-guidance>
- (10) The North East Strategic Economic Plan – Creating more and better jobs, 2022  
<https://www.northeastlep.co.uk/the-plan/>
- (11) The Town and Country Planning Act 1990,  
<https://www.legislation.gov.uk/ukpga/1990/8/contents>

- (12) The Town and Country Planning (Development Management Procedure) (England) Order 2015, <https://www.legislation.gov.uk/uksi/2015/595/contents/made>
- (13) The Town and Country Planning (Use Classes) Order 1987 (as amended), <https://www.legislation.gov.uk/uksi/1987/764/contents/made>
- (14) The Town and Country Planning (Use Classes)(Amendment)(England) Regulations 2020, <https://www.legislation.gov.uk/uksi/2020/757/contents/made>
- (15) North Tyneside Climate Emergency Action Plan, 2020  
<https://my.northtyneside.gov.uk/category/539/sustainability#:~:text=In%20July%202019%20North%20Tyneside,net%2Dzero%20by%202030.%E2%80%9D>

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

The local authority would not receive a planning fee for works that do not require planning permission as a result of the LDO, this has been the case since 2012 and it is not considered that it will have a significant impact on expected planning fee income, but the revision of the LDO will support economic activity across the Borough.

### **2.2 Legal**

An LDO constitutes a general grant of planning permission for prescribed uses and built development and therefore must follow a formal process set out in the Town and Country Planning Act 1990 and Part 8 of the Town and Country Planning (Development Management Procedure) (England) Order 2015 made under the 1990 Act.

The making of an LDO is a Cabinet function by virtue of the provisions of section 9D of the Local Government Act 2000. There is nothing in the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, the Town and Country Planning Act 1990 or the Town and Country Planning (Development Management Procedure) (England) Order 2015 that prevents Cabinet from determining this matter.

### **2.3 Consultation/community engagement**

#### **2.3.1 Internal Consultation**

The revised LDO has been drafted in cooperation with colleagues in Regeneration and Economic Development as they continue to progress work on the Wallsend Masterplan and work with partners to attract investors to employment sites.

Relevant Cabinet Members and the Senior Leadership Team have also been consulted on the revised LDO.

#### **2.3.2 External Consultation/Engagement**

The LDO has been subject to public consultation in accordance with the Town and Country Planning (Development Management Procedure) (England) Order 2015 Article 38. This includes consultation with neighbouring authorities, statutory and voluntary organisations and the period of consultation was for 35 days. The LDO was available to view on the Authority's website, with advertisements in the local press and site notices.



## 2.4 Human rights

There are no human rights implications directly arising from this report.

## 2.5 Equalities and diversity

There are no implications directly arising from this report that would hinder equality and diversity opportunities, but it is anticipated that future investment in the site would show due regard to the needs of all protected groups thereby creating new economic opportunities for all. While employees in the offshore sector are predominantly male local schools, colleges, universities and businesses are committed to supporting initiatives such as Women in STEM to encourage, support and remove barriers to women pursuing careers in STEM. Newcastle College, which has its Energy Centre in Wallsend, for example has used International Women in Engineering Day to celebrate and promote the contribution of women in the sector.

## 2.6 Risk management

Having been through the period of public consultation there is no perceived risk to the adoption of the revised LDO.

## 2.7 Crime and disorder

The approval of the revised LDO would support the investment in the site and encourage greater activity and surveillance in the area. This would have a positive impact on the area and reduce the potential fear of crime and disorder.

## 2.8 Environment and sustainability

The approval of the recommendations will support the implementation of improvements to the environment and long-term sustainability of the site. The LDO is seeking to support businesses in sectors that would include renewable energy such as offshore wind and therefore contribute to the wider commitment of the Authority to tackle climate change.

Development of the former Swan Hunter site has a high level of sustainability in relation to alternative means of travel. The site is close to Wallsend Metro Station and bus interchange and is also alongside a cycleway. Various shops and services are also within easy walking distance of the site. The use of the site for employment development offers the option of goods being transported to and from the site by river, reducing the number of vehicle movements on the road network.

## PART 3 - SIGN OFF

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|-----------------------------|--|
| • Chief Executive           | <input checked="checked" type="checkbox"/> |
| • Director(s) of Service    | <input checked="checked" type="checkbox"/> |
| • Mayor/Cabinet Member(s)   | <input checked="checked" type="checkbox"/> |
| • Chief Finance Officer     | <input checked="checked" type="checkbox"/> |
| • Monitoring Officer        | <input checked="checked" type="checkbox"/> |
| • Assistant Chief Executive | <input checked="checked" type="checkbox"/> |