

APPLICATION ON BEHALF of SEGRO

For a direction from the Secretary of State
under S.35 (1) of the Planning Act 2008 relating to East
Midlands Freeport - East Midlands Gateway Phase 2

APPLICATION FOR A DIRECTION UNDER S.35 PLANNING ACT 2008 – EAST MIDLANDS GATEWAY PHASE 2

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1. INTRODUCTION

- 1.1 This is an application on behalf of SEGRO Properties Ltd (SEGRO) for a direction under s.35 of the Planning Act 2008 in respect of proposals for a commercial/business development on land to the south of East Midlands Airport and south-east of M1 Junction 23A as identified indicatively on the plan at Appendix 1.
- 1.2 The land concerned is a second phase of East Midlands Gateway, which is a nationally significant infrastructure development (rail freight terminal and warehousing) which was authorised by a Development Consent Order (DCO) in 2016. Phase 1 is under construction and in operation on land to the north of East Midlands Airport (EMG1).¹
- 1.3 The site concerned lies to the south of East Midlands Airport. It is one of the sites designated as part of the East Midlands Freeport and is the majority of the land still to be developed within the East Midlands Airport and Gateway Industrial Cluster² (EMAGIC). The East Midlands Freeport was designated in 2022 and those parts of the Freeport within EMG1 are already occupied and benefitting from Freeport status.
- 1.4 SEGRO is seeking to bring forward the Freeport site as the next phase of East Midlands Gateway and wish to ensure as fast a track as possible to the delivery of the site. This is in line with the recent Government emphasis on speeding up delivery of the Freeport sites set out in the Freeports Delivery Roadmap published on 19 December 2023.
- 1.5 In the Ministerial Foreword to the Roadmap the Secretary of State for Levelling Up, Housing and Communities stated that the Roadmap: *“.. is a comprehensive set of measures that government will implement to accelerate Freeport delivery and maximise its benefits for all: we are doubling down on our efforts to promote Freeports to investors; we are making sure those investors have as smooth a journey through the planning system as possible.”*
- 1.6 SEGRO wishes to play its part in realising the benefit of its Freeport sites as soon as possible and believes that key to this will be utilising the consenting process in the Planning Act 2008.
- 1.7 This document explains how the proposed development meets the criteria in s.35 of the Planning Act 2008 and the related guidance and sets out the basis for the request that a s.35 direction be issued so that the proposed development is treated as development for which a development consent order is required.
- 1.8 The document is structured as follows:

¹ The East Midlands Gateway Rail Freight Interchange and Highway Order 2016 SI No. 17

² For Freeport sites within EMAGIC see plan in Appendix 2.

Section 2:	Identification of relevant legal and policy considerations
Section 3:	The National/Regional Economic Imperative and Freeport Context
Section 4:	The Proposed Development
Section 5:	Review of relevant considerations arising from application of the 2013 Policy Statement
Section 6:	Conclusions

2. IDENTIFICATION OF RELEVANT LEGAL AND POLICY CONSIDERATIONS

Sections 35 and 35ZA

- 2.1 Under s.35 of the Planning Act 2008, the Secretary of State has the power to direct that a proposed commercial or business project of a prescribed description be treated as development for which development consent is required³.
- 2.2 An application can only be made in response to a “qualifying request” made by, inter alia, a “*person who proposes to carry out any of the development to which the request relates*”.⁴
- 2.3 This application is submitted by SEGRO who intend to carry out the proposed development.
- 2.4 In order to be a “qualifying request” the request must be in writing, must specify the development to which it relates and must explain why the conditions in section 35(2)(a) and (b) of the Planning Act 2008 are met in the relation to the development.⁵
- 2.5 This document constitutes the qualifying request. It specifies the development to which it relates in Section 2 and, in respect of section 35 (2) (a) it explains in the paragraphs below that the proposed development is “*a business or commercial project of a prescribed description*”. In respect of (2)(b) it is confirmed that the proposed development is in England.
- 2.6 S.35 also requires that the Secretary of State conclude that the project is of national significance either by itself or when considered with one or more business and commercial projects. This is considered in Section 5 of this document by reference to the matters identified in the relevant policy statement.

³ S.35 (1) and (2)

⁴ S.35ZA (2)

⁵ S.35ZA (11)

2013 Regulations

- 2.7 The Infrastructure Planning (Business or Commercial Projects) Regulations 2013 set out the prescribed description for the purpose of the application of S.35(2)(a)(ii).
- 2.8 The relevant part of the regulations state that a project is a prescribed project if it consists “*wholly or mainly of the construction of buildings or facilities for use for the purposes of one or more of the matters in the Schedule to these Regulations*”.⁶
- 2.9 The proposed development will be constructed and used wholly or mainly for the purposes of storage and distribution of goods, industrial processes and offices, all of which are included in the Schedule to the Regulations.

DCLG Policy Statement 2013

- 2.10 The 2013 policy statement was produced at the same time as the draft regulations but is understood to be still considered relevant.
- 2.11 The guidance sets out matters which are to be considered relevant to the judgement as to whether or not the project is of national significance. These are:
- *whether a project is likely to have a significant economic impact, or is important for driving growth in the economy;*
 - *whether a project has an impact across an area wider than a single local authority area;*
 - *whether a project is of a substantial physical size – further details are set out below; or*
 - *whether a project is important to the delivery of a nationally significant infrastructure project or other significant development.*
- 2.12 The text referred to in the third bullet point states that projects should be of a substantial size with an example given in respect of construction projects of a minimum of gross internal floorspace of 40,000m².
- 2.13 These matters are considered in Section 5 of this document.
- 2.14 The Policy Statement goes on to say the Secretary of State will also consider:
- *whether a project is likely to require multiple consents or authorisations, and which, in consequence, would benefit from the single authorisation process offered by the nationally significant infrastructure regime;*

⁶ Reg 2(a)

- *whether the project is related to a nationally significant infrastructure project being brought forward at the same time and therefore would benefit from the scheme being considered as a single application through the 2008 Act regime*

2.15 These matters are also considered in Section 5.

3. THE NATIONAL/REGIONAL ECONOMIC IMPERATIVE AND FREEPORT CONTEXT

3.1 On 1st March 2022, the Government announced the designation of Freeport status to the areas around, and linked to, East Midlands Airport. East Midlands Freeport is the only inland Freeport in England and will create a globally connected, world-leading advanced manufacturing and logistics hub at the heart of the UK. The spatial extent of the East Midlands Freeport covers three complementary locations, East Midlands Airport and Gateway Industrial Cluster (EMAGIC), Uniper’s Ratcliffe-on-Soar site, and the East Midlands Intermodal Park (EMIP). The EMG2 site falls within the EMAGIC area, which can be seen on the plan in Appendix 2.

3.2 Freeport designations are economic designations for special areas within the UK where different economic regulations apply. Freeports in England are centred around one or more air, rail, or seaport and are aimed at leveraging the UK’s world-class port infrastructure and a special customs procedure to attract trade-orientated investments. The EMAGIC freeport sites have the benefit of accessibility from road, rail and air.

3.3 With Freeport status comes a comprehensive package of measures, comprising tax reliefs, customs, business rates retention, planning, regeneration, innovation and trade and investment support and incentives. The Government’s Freeport programme aims to play a role in the UK’s post-Covid economic recovery and contribute to realising the levelling up agenda. At a Freeport, imports can enter with simplified customs documentation and without paying tariffs. Businesses operating inside designated areas in and around the port can manufacture goods using the imports and add value before exporting again without ever facing the full tariffs or procedures. Freeports are similar to enterprise zones, but are designed to specifically encourage businesses that import, process and then re-export goods.

3.4 The East Midlands Freeport is forecast to create 60,000 jobs in the region over the next 30 years and deliver £8.4 billion net additional gross added value to the UK economy⁷.

3.5 In the Autumn Statement 2023, the Chancellor announced four new ‘Investment Zones’ in England, one of which will be in the East Midlands. This further demonstrates the Government’s commitment to, and acknowledgment of, the strategic importance of the East Midlands to the UK’s economic growth strategy. Whilst the boundaries of the East

⁷ Department for Levelling Up, Housing and Communities (2021). Freeport Detailed Guide. Available at <https://www.gov.uk/guidance/freeports>

Midlands investment zone have not yet been confirmed, it is clear that it will at least in part overlap with the East Midlands Freeport designated area. The Investment Zones are aimed at being highly complementary to the UK Freeport programme and where there is already a Freeport linked to an Investment Zone it is envisaged it will offer accelerated and expanded cluster development.

- 3.6 The Freeport designation reflects the importance of the East Midlands to the UK economy and follows through from the Midlands Engine Strategy published in 2017. That Strategy recognised the strategic importance of the area and indeed specifically acknowledged the importance of East Midlands Airport to the UK economy as the UK's second largest freight handling airport. The Strategy sets out a collective ambition for economic growth to enable the region to capitalise on its locational advantage, and to make it a powerful engine for national growth. It noted that the Midlands Engine is the largest regional economy in the UK outside London and covers an area which homes 11 million people. The Strategy aligns with the National Industrial Strategy, highlighting how the region can build upon existing business sectors and areas of opportunity. It highlights that some 92% of the UK population can be reached from the Midlands within 4 hours, including 10 million people residing in the Midlands itself⁸. The area, and especially the area covering Leicestershire, Nottinghamshire, South Derbyshire and to Birmingham, is considered the 'Golden Triangle' for logistics operators given its highly sustainable and well-connected location.
- 3.7 To support regional growth, the East Midlands Development Company (EM DevCo) has been established. Supported by the Midlands Engine, it is focused on driving forward the transformation of four sites, one of which is the East Midlands Airport Area. The EM DevCo recognises East Midlands Airport as a nationally important asset for freight and logistics, noting it is Britain's busiest dedicated air-freight hub. It handles 1,000 tonnes a day and facilitates approximately £40bn of trade to and from the UK and £11bn of non-EU imports and exports each year. It has already witnessed significant growth with DHL Express and UPS investing, between them, over £200m in recent years⁹. The airport provides a stimulus for wider regional growth and a key example of this is EMG1 with occupiers such as Amazon and Kuehne and Nagel using both the rail freight facility at EMG 1 and air freight from the airport.
- 3.8 The rail terminal at EMG1 has itself also proved very successful in proving a focus for the growth of the use of rail freight. All occupiers of the warehousing on EMG1 utilise the rail terminal. The rail freight interchange provides a central distribution hub with connectivity to destinations across the national rail network including to other Freeports, such as Thames Freeport, Solent Freeport, Liverpool Freeport and Freeport East.

⁸ UKTI (2016). Midlands Engine Regeneration Opportunities Pitchbook- pg. 4

⁹ East Midlands Development Company. Growth Centre – East Midlands Airport Area. Available at:
[REDACTED]

- 3.9 In more local policy terms, the Leicester and Leicestershire Strategic Growth Plan (2018) (SGP) recognises Leicestershire’s national locational advantages, specifically in relation to its connectivity. It identifies broad strategic locations where economic growth should take place, with one such key location being at ‘Leicestershire International Gateway’, which is focussed in and around East Midlands Airport and EMG1.
- 3.10 Empirical evidence relating to the need for industrial and logistics land and facilities to support the ambitions and plans for growth in this area is contained in a recent evidence base report commissioned by the Leicestershire Planning Authorities in conjunction with the Leicester and Leicestershire Local Enterprise Partnership entitled ‘Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change’ (GL Hearn 2021)¹⁰.
- 3.11 This evidence base study focusses on the planning of large-scale logistics warehouse facilities and seeks to estimate the demand for such across the Functional Economic Market Area (the FEMA) over a 21-year period from 2020 – 2041. It concludes that there is demonstrable and immediate need for additional logistics space across the FEMA totalling some 861 hectares for the 21-year period. Although it does not apportion this figure between the local authorities, it identifies several broad Key Areas of Opportunity. Of particular note is that most of these Key Areas identified all converge and overlap at and around East Midlands Airport where the EMG2 site is located. This is shown on the plan in Appendix 3.
- 3.12 As a result of the 2021 GL Hearn evidence case report, the emerging Development Plan for the area (The North West Leicestershire Local Plan review) has fully acknowledged the need for additional strategic logistics sites in this area and is shortly to commence a public consultation on the best locations for this to be located. One of the locations included in the proposed consultation is the Freeport land south of East Midlands Airport at EMG2. This demonstrates a recognition by the Local Planning Authority of the potential suitability of the site for the proposed use. However, the Local Plan Review is still at an early stage and the plan is not due to be adopted until the end of 2026 at the very earliest.
- 3.13 SEGRO has nevertheless fully engaged with the Local Plan review process and as part of this SEGRO jointly-commissioned a report on the future Industrial and Logistics Demand to assist the Council and supplement the GL Hearn study. This report, prepared by Savills, was submitted as part of SEGRO’s representations to the earlier ‘Issues and Options’ consultation stage of the plan which was held in January 2022.
- 3.14 The Savills report again demonstrates that there is significant market demand for new industrial and distribution buildings in this locality. The demand was fuelled even

¹⁰ GL Hearn (2021) Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change

further by the pandemic and Brexit as a result of which the market had been growing strongly with demand outstripping supply. The acceleration of a number of growth drivers such as online shopping and the desire for quick deliveries and companies considering bringing part of their operations back to the UK to guard against future supply chain shocks, has resulted in a significant demand for employment space. Demand in the East Midlands in particular was 113% above the long-term average in 2021, the highest on record, with vacancy at an historical low of 1.69% (the lowest rate nationally). Take-up in the East Midlands is driven by the North West Leicestershire area and its wider FEMA clearly cementing it as one of the most important industrial and logistics markets in the Country.

3.15 The above section demonstrates that the Freeport status, other supportive national and regional initiatives, existing successful development and the evidence of need all support the contention that the Freeport site would realise national, regional and local benefits and should be delivered as soon as possible.

3.16 More detail is contained in the following sections.

4. THE PROPOSED DEVELOPMENT

4.1 This section explains the details of the proposal, the synergy with EMG1 and details of the applicant, SEGRO.

The Proposals

4.2 SEGRO proposes to build upon the success of its flagship EMG1 by bringing forward the Freeport land lying to the south of East Midlands Airport which is the majority of the land remaining undeveloped in the UK's only inland Freeport. The proposal is for a logistics and manufacturing hub including a very substantial carbon neutral campus/headquarters required by Maersk.

4.3 The core site extends to some 100 ha (250 acres) (gross) and can be seen, along with its context and the proposals, in the document describing the proposed development contained at Appendix 4.

4.4 Phase 2 of East Midlands Gateway (EMG2) will take advantage of a combination of factors which together represent a unique opportunity for a development to provide a very significant contribution to the local, regional and national economy. These factors being:

- the designation of the site as a Freeport with the attendant benefits of the Freeport status to the development and the region;
- the proximity to East Midlands Airport being the second largest freight airport in the country;

- the proximity to EMG1 and its intermodal rail freight terminal;
- the synergy with the social and physical infrastructure of EMG 1;
- the provision of development within a strategic growth area – Leicestershire International Gateway which is focussed on East Midlands Airport and EMG1 and the wider areas around J23a, 24 and 24a of the M1 motorway;
- the proximity of the site to the East Midland Investment Zone and the potential for cumulative economic benefits;
- the involvement of a leading and experienced owner, funder, manager and developer of modern logistics and industrial parks;
- SEGRO’s commitment to deliver development which is Net Zero in construction, and
- the potential for occupiers to deliver Net Zero facilities in operation.

4.5 Overall, the proposal would deliver in the region of 279,000 sq.m (3m sq.ft) of floorspace for logistics and industrial uses.

4.6 The development would be anchored by a new centralised UK operation for Maersk, one of the world’s largest integrated shipping and logistics companies, which would broadly make up a third of the total EMG2 site.

4.7 Maersk’s ambition is to bring together its UK operation to create a carbon neutral inland port with access to rail, road and air. At EMG1, Maersk already occupies an existing 65,000 sq.m (700,000 sq.ft) logistics operation within the Freeport area and is in the process of delivering a bespoke rail-freight container handling facility on land adjacent to the rail freight terminal operated by Maritime Transport. The proposed campus at EMG2 would build upon the success of these facilities at EMG1 to create a national centre of operations. The facilities would comprise of both logistics warehousing and co-located head office functions. This strategic project requires a high quality, comprehensively master planned environment, of a calibre and scale commensurate with what has been delivered by SEGRO at EMG1.

4.8 Maersk’s two key visions of integrating logistics and achieving Net Zero by 2040 are closely aligned with the East Midlands Freeport objective of being the UK’s pre-eminent multimodal inland Freeport. The inter-port rail connectivity provides a key enabler for Maersk in integrating both Ocean and domestic supply chains whilst also meeting environmental objectives. Its new logistics facility at EMG1 has been constructed in accordance with the UKGBC Net Zero Carbon Standard and the ambition is for the new connected container yard (adjacent to the Maritime Transport Rail Terminal) to run with net zero emissions. Maersk aim to link this with electric HGVs which will create further opportunities for supply chain decarbonisation by enabling last mile journeys from the Rail Terminal to Maersk’s facilities at EMG1 to be undertaken by electric HGV along with subsequent final mile deliveries.

- 4.9 Across the wider development, SEGRO is committed to delivering EMG2 as net zero in construction, and with the ability for occupiers to run net zero in operation, and the development would be an industry leader in sustainability. SEGRO is committed to achieving net zero and one of its Strategic Priorities is “Championing Low Carbon Growth” which includes reducing operational carbon emissions (including occupier emissions) by 42% by 2030, measured against a 2020 baseline. This commitment to sustainability is led by SEGRO Sustainable Initiatives which covers wide ranging energy efficient initiatives including targeting an Energy Performance Certificate (EPC) rating of Band ‘A’ and a minimum of BREEAM ‘Excellent’ as part of SEGRO base build specification.
- 4.10 The proposed development will be set within a high quality and attractive landscape setting and includes a 28 ha (70 acre) landscaped community park to its western side which will be readily accessible for the local community. A schematic plan and illustrative layout are contained in the document in Appendix 4 to this document.
- 4.11 A key component of the proposals will be a Sustainable Transport Strategy that will mirror the highly successful transport strategy that has been delivered on EMG1. This is recognised nationally as an exemplar scheme which has far exceeded all targets and is currently achieving single use employee car patronage to EMG1 as low as 51%.
- 4.12 A central part of the strategy will be a Gateway Shuttle Bus service. This is a free service for all site employees, and provides a highly sustainable and affordable alternative to single occupancy car travel. It operates by providing a ‘last mile’ service for employees which links their workplaces to existing local bus operator services through a dedicated on-site interchange at the site entrance. Using state of the art fully electric shuttle buses, patronage at EMG1 has far exceeded expectations, with some 4,800 trips per week achieved in 2023. The shuttle service will be co-ordinated through a dedicated Transport Working Group set up as part of EMG1 which ensures that through close cooperation between all parties, bus services operate throughout the day to support the shift patterns of the businesses. Full details of the emerging Sustainable Transport Strategy for EMG2 are provided in Appendix 5.
- 4.13 In light of the success of EMG1 and ongoing clear demand for further space, SEGRO has sought to acquire the necessary interests to secure the site for some time. It has been successful in securing a legal interest in a significant part of the site, but not all, despite extensive efforts.

Synergy with EMG 1

- 4.14 EMG1 was authorised by a Development Consent Order in 2016 and over the last 5 years has provided over 457,000sq.m (4.92 million sq.ft) of strategic logistics floorspace and a rail terminal operated by Maritime Transport. The site is now providing some 6,500 on site jobs and this is expected to rise to 7,000-7,500 once the most recent occupiers, Maersk and CEVA, become fully operational in 2024.

- 4.15 The locational advantages of this area are clear from the unrivalled success of EMG1. This project originally had an expected build out timeline of 10 years, but in reality after just over 5 years there is now no land remaining which is capable of accommodating a unit in excess of 9,000 sq.m (100,000 sq.ft). Take up at the scheme has been far quicker than envisaged and has averaged approximately 139,355 sq.m (1.5 million sq.ft) per annum since serviced plots became available, with every occupier reportedly utilising the rail freight terminal (as of June 2022) and some also the air freight facility at East Midlands Airport.
- 4.16 In 2022 SEGRO, on behalf of the rail operator Maritime Transport, commenced a £22.3m expansion of the rail terminal ahead of market demand. This includes the construction of two 775m rail tracks, additional container storage and HGV parking and the creation of a divisional head office and training facility. Maritime is also, in partnership with SEGRO, currently seeking Seed Capital for the power upgrade necessary to invest in eHGV and Chargers to enable the “final mile” journeys to be undertaken by electric HGV.
- 4.17 EMG2 occupiers will be able to access the rail freight terminal on EMG1 building on the success of, and helping to support, this existing Nationally Significant Infrastructure Project. This would help achieve the Government’s target of achieving net zero greenhouse gas emissions by 2050, by reducing HGV traffic generation and increasing the volume of freight traffic travelling by rail.
- 4.18 EMG2 will share common social and physical infrastructure with EMG1. Both sites will benefit from, or be served by, a new upgraded substation on EMG1 taking supply from 28MW to 50 MW and also pedestrian and public transport links.
- 4.19 As referenced previously, the other key relationship between EMG1 and the proposed EMG2 development will be the expansion of the EMG Sustainable Travel Strategy. The proposed bus interchange at EMG2 will mirror, and act as the further hub for, the existing EMG1 shuttle services, connecting employees arriving at the EMG1 or EMG2 bus interchanges with local bus routes and the internal bus stops within the sites. Given the significant and anticipated blending of operations between the two sites, not least as set out in respect of Maersk, the service will provide a direct and highly sustainable link between EMG1 and EMG2.

SEGRO

- 4.20 SEGRO is a UK Real Estate Investment Trust (REIT), listed on the London Stock Exchange and Euronext Paris, and is a leading owner, manager and developer of modern warehouses and industrial property. It owns or manages 10.3 million square metres of space (110 million square feet) valued at £21.0 billion serving customers from a wide range of industry sectors. Its properties are located in and around major cities and at key transportation hubs in the UK and in seven other European countries.

- 4.21 For over 100 years SEGRO has been creating the space that enables extraordinary things to happen. From modern big box warehouses, used primarily for regional, national and international distribution hubs, to urban warehousing and manufacturing facilities located close to major population centres and business districts, it provides high-quality assets that allow its customers to thrive.
- 4.22 A commitment to be a force for societal and environmental good is integral to SEGRO's purpose and strategy. Its Responsible SEGRO framework focuses on three long-term priorities where the company believes it can make the greatest impact: Championing Low-Carbon Growth, Investing in Local Communities and Environments and Nurturing Talent.
- 4.23 In addition to the very successful development of EMG1, SEGRO has a history of working on other large schemes. Amongst those is:
- Northampton Gateway: SEGRO commenced construction of its Northampton Gateway scheme in 2020. The project will deliver 5m sq.ft. of logistics and warehousing and a new strategic rail freight interchange which was also approved via DCO¹¹. It is anticipated that the first units will be occupied from early 2025;
 - Coventry Gateway: A significant warehousing and industrial development south of Coventry with planning approval for 3.7m sq.ft. This is currently being delivered on site with the first 2 units occupied in 2023 by DHL and DP World and a second phase available for occupation during 2024;
 - Smartparc SEGRO Derby: Comprising 2m sq.ft of manufacturing and distribution specifically designed for food manufacturing and associated services with a central energy centre and private electric network. A 435,000sq.ft unit has been delivered for Hello Fresh and a further agreement has just been signed for a significant building for a food manufacturing company;
 - Rugby Gateway: A 1.2m sq.ft logistics park, completed in 2017 at Junction 1 of the M6. It is currently fully let to DHL, Amazon, H&M and Evri.
- 4.24 In May 2023, SEGRO was announced as the strategic partner of the neighbouring West Midlands Combined Authority (WMCA), with a commitment to invest £2 billion over the coming decade to deliver next generation, net zero warehouse facilities in the West Midlands.
- 4.25 As a strategic partner, SEGRO aims to deliver 13.5 million sq.ft of sustainable warehouse space across the West Midlands by the end of 2033, focussed on tech-enabled logistics facilities as well as purpose built space for research and development and light manufacturing.

¹¹ The Northampton Gateway Rail Freight Interchange Order 2019

4.26 The development programme is expected to create up to 14,000 jobs covering a wide range of employment types and industry sectors and will contribute significantly to economic growth and levelling up the region, which are two core aims of the WMCA.

5. REVIEW OF RELEVANT CONSIDERATIONS ARISING FROM APPLICATION OF THE 2013 POLICY STATEMENT

5.1 The matters identified as relevant in the DCLG Policy Statement are considered below in light of the information supplied above:

“whether a project is likely to have a significant economic impact, or is important for driving growth in the economy;”

5.2 The project will make a major contribution to delivering the outcomes of the East Midlands Freeport. It will contribute to the objectives of the Midlands Engine and will be a significant component of the Leicestershire International Gateway. An e mail letter from Midlands Engine emphasises the importance attached to this location and this site. That letter is contained in Appendix 6. It also supports the request for the development to be dealt with through the DCO process.

5.3 The proposed development will provide significant economic benefits to the local and wider economy at both the construction and operational stages. From the Freeport status alone, there will be retained business rates of £298 million.

5.4 At construction stage the project represents a total construction spend in the order of £310 million. This, when combined with the multiplier effects of construction spending across the economy represents a total economic output of the construction stage alone of over £900 million¹².

5.5 Once fully operational it is estimated that EMG2 would contribute £250 million of GVA annually, delivering at least 4,000 direct jobs on-site, and potentially 5,500 jobs indirectly through supply chains across the region.¹³ The plan at Appendix 7 shows the location of the homes of employees attending EMG1 and demonstrates the regional impact of those jobs.

5.6 The latest employment figures in respect of EMG1 demonstrate that it is now providing some 6,500 on site jobs and this is expected to rise to 7,000-7,500 once the most recent occupiers Maersk and CEVA become fully operational in 2024. Therefore, when EMG2 is combined with the EMG1 jobs the combined entity on full occupation will support some 11,000+ direct jobs.

¹² Source - CBI (2020) – ‘Fine Margins: Delivering financial sustainability in UK construction’

¹³ Source – ONS data and HCA Additionality Guide 4th Edition 2014

- 5.7 Furthermore, taking East Midlands Airport into account, whose growth and development has generated some 10,000 jobs, the importance of the area becomes clearly apparent in supporting over 20,000 jobs in this immediate area, creating and representing a nationally significant employment hub.
- 5.8 In summary and as evidenced above, the proposal is located in a nationally important economic growth hub where there is a clear and evidenced need for strategic warehousing development. Further development here as proposed will continue to bolster the national drive for economic growth focussed around the multimodal hub at this Freeport.

“whether a project has an impact across an area wider than a single local authority area”

- 5.9 The site is located at the intersection of several local authorities. Being at the northern end of North West Leicestershire, it is close to the boundaries of South Derbyshire, Erewash, Broxtowe, Rushcliffe and Charnwood. From employment data obtained on EMG1, it is also known that the site will have reach to the cities of Derby, Nottingham and Leicester. See the plan in Appendix 7 previously referred to.
- 5.10 This geographical location, along with the site’s excellent proximity to the M1, A42/M42 and A50 corridors, and to the airport, means it has an extremely broad regional reach across the counties of Leicestershire, Nottinghamshire and Derbyshire, and as far as Warwickshire and Staffordshire.

“whether a project is of a substantial physical size”

- 5.11 The core area of the proposed development site extends to approximately 100ha (250 acres) and will deliver in the order of 279,000 sq.m. (3m sq.ft) of floorspace. As per the Policy Statement, although size in itself will not be the determining factor in whether a project is nationally significant or not, the proposal is over 7 times larger than the 40,000sq.m. minimum guideline figure.

“whether a project is important to the delivery of a nationally significant infrastructure project or other significant development”

- 5.12 As explained in the above paragraphs the EMG2 proposals are linked both geographically and through common ownership/management with EMG1, an existing Nationally Significant Infrastructure Project. Whilst EMG1 has largely been developed it is suggested that the mutually supportive nature of EMG 1 and EMG 2 are relevant. This will be through the sharing and use of the intermodal rail facilities, power infrastructure and the integration of public transport facilities such as the Gateway Shuttle bus service and wider public bus service links.

5.13 The proposed development will also expand Maersk's operations in the area, in which they already occupy a 65,000 sq.m (700,000 sq.ft) facility as well as currently developing a dedicated container terminal at EMG1. The proposed development will be home to Maersk's new national operational hub, creating an inland port and will take up approximately a third of the total site. The proposed development would therefore support and encourage the strategic growth plans of a major global logistics and shipping company to strengthen their presence in the regional and further afield. This would not be possible without building on their already significant commitment at EMG1.

“whether a project is likely to require multiple consents or authorisations, and which, in consequence, would benefit from the single authorisation process offered by the nationally significant infrastructure regime”

5.14 The project will require multiple consents which it is anticipated will include:

- Compulsory powers for land assembly;
- Consents for works to the highways in respect of the highway works;
- Permanent and/or temporary powers to powers to divert or close footpaths
- Provisions relating to utilities

5.15 From the experience of SEGRO in seeking to acquire the necessary interests in land it is apparent that the delivery of the Freeport site will be contingent on the availability to SEGRO of compulsory acquisition powers.

“whether the project is related to a nationally significant infrastructure project being brought forward at the same time and therefore would benefit from the scheme being considered as a single application through the 2008 Act regime”

5.16 This is not relevant in this case.

CONCLUSIONS

- 6.1 The Secretary of State is asked to note that:
- 6.1..1 The proposal is mainly for the construction of buildings for storage and distribution of goods, industrial processes and offices and falls within a business or commercial project of a prescribed description for the purposes of section 35 (2) (a) (ii) of the Planning Act 2008 and Regulation 2 of The Infrastructure Planning (Business or Commercial Projects) Regulations 2013.
 - 6.1..2 When assessed against the criteria in the relevant policy statement (of 2013) it can be concluded that, due to its substantial size and the Freeport status of the site, the proposed project would be likely to have a significant economic impact and be important in driving growth in the economy.
 - 6.1..3 It can also be concluded that the proposal would have an impact on an area wider than a single local authority area and it will benefit from the single authorisation process available under the DCO process.
 - 6.1..4 It is clear that to deliver this site powers of compulsory acquisition will be required.
 - 6.1..5 In addition, and importantly, the DCO process will provide a one stop shop to enable development to be coordinated in a comprehensive manner, speeding up implementation and the resultant benefits of the Freeport status and the contribution it will make to the economy.
- 6.2 The Secretary of State is asked to conclude that the proposed development is nationally significant, and the project can be treated as development for which development consent, in the form of a development consent order, is required and make a direction under s.35 accordingly.