



Applications by:

- 1. SEGRO Properties Limited, for an order granting development consent order for a Scheme comprising the East Midlands Gateway Phase 2 (EMG2) Works**
- 2. SEGRO (EMG) Limited, for an order making material changes to the previously approved East Midlands Gateway Rail Freight Interchange and Highways Order 2016**

This response is submitted by East Midlands Freeport Company Ltd (“East Midlands Freeport” or “EMF”) in response to Written Questions Q15.0.5 and Q15.0.6 issued by the Examining Authority.

EMF is the delivery body responsible for implementing the East Midlands Freeport programme following designation and approval by HM Government. EMF is not the applicant for the Development Consent Order and does not exercise planning control over individual developments within the Freeport area.

ExQ1	Question to:	Question:
Q15.0.5	East Midlands Freeport	<p>East Midlands Freeport Designation</p> <p><i>Could East Midlands Freeport please provide the ExP with any documentation about the geographic designation of the East Midlands Freeport. This is not a question about the policy of freeports, rather is to how the extent of the Freeport was arrived at, what, if any, assessment of any environmental factors was undertaken, and whether any other extents were considered and rejected. If so, why were they rejected. Can we please be provided with all documents setting out the decision-making processes (please also see separate Rule 17 letter to HM Treasury and the Ministry of Housing, Communities and Local Government).</i></p> <p>The geographic extent of East Midlands Freeport was determined through HM Government's national Freeport programme, as set out in the Freeports Bidding Prospectus (attached) which established a three-stage competitive selection and approval process for Freeports in England.</p> <p>1. Initial Bid Stage (2020–21) Local public-private partnerships were invited to submit bids demonstrating their ability to deliver the Government's Freeport objectives, including regeneration, trade growth, and innovation. East Midlands Freeport's (EMF) bid (attached) was submitted by a consortium of public and private sector organisations that included Manchester Airport Group (MAG), Leicestershire County Council (plus each Local Authority responsible for planning and business rates collection that the proposed Freeport sites sit) and SEGRO. The partnership supported the ongoing work, coordinated initially by Vivid Economics and subsequently by Ernst & Young (EY)</p> <p>2. Business Case Development (2021–2022) The original East Midlands Freeport Bid successfully passed the competitive bid assessment stage and was shortlisted in March 2021. Government then instructed all shortlisted Freeports to proceed to the Business Case development phase, in line with HM Treasury's Green Book.</p> <p>During the business case development stage, Government sought additional assurance that the proposed East Midlands Airport and Gateway Industrial Cluster (EMAGIC) tax site would deliver sufficient economic additionality, meaning that it would attract genuinely new investment rather than displacing existing activity.</p> <p>As part of this normal and expected iterative process, the partnership and Government considered an expanded boundary to the south of the A453. The inclusion of this land reflected its proximity to East Midlands Airport and its suitability for time critical advanced logistics, advanced manufacturing and innovation activity, all of which align with the objectives of the national Freeports programme.</p> <p>The final geographic extent of the Freeport, including the EMAGIC tax site boundary was approved by regional partners including those who now make up the EMF membership and by Government as part of the Full Business Case.</p> <p>3. Full Business Case (FBC) and Government Approval (2023) The Full Business Case (attached) was submitted in early 2022 and was formally approved by Government on 30 March 2023 (see attached Written Ministerial Statement HCWS691). As part of that approval, Government agreed the Freeport's final geographic extent, including the EMAGIC tax site boundary.</p> <p>Consideration of environmental factors At the Freeport designation stage, environmental matters were considered through the programme-level business case process rather than by commissioning standalone, site-specific environmental assessments for each proposed tax site. The Full Business Case (FBC) committed EMF to environmental compliance, including climate change risk assessments and equalities impact assessment requirements, and to applying appropriate environmental and sustainability assessments as projects come forward.</p> <p>No standalone site-specific environmental assessment was undertaken at the designation stage. Environmental considerations were instead addressed through the FBC and supporting work, including:</p> <ul style="list-style-type: none"> • A regulatory compliance framework within the FBC, committing EMF to undertake Climate Change Risk Assessments for all material projects. • Flood risk assessments for each tax site geographic location (referenced at Annex W of the FBC), with the FBC confirming that each EMF tax site is supported by existing flood mitigation measures and has limited flood risk. • An Equalities Impact Assessment commitment included in the FBC's governance framework. • Transport modelling undertaken by Leicestershire County Council and AECOM to assess congestion impacts around M1 Junctions 23 and 24, with proposed mitigations; and a commitment in the FBC's Logic Model to monitor changing travel patterns and invest to improve connectivity across the region. <p>Planning Inspectorate requirements for Environmental Impact Assessment (EIA) would apply (where relevant) to individual planning applications brought forward post-designation, rather than to the Freeport designation itself.</p>

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		<p>Accordingly, the designation of the Freeport boundary was informed by a balanced assessment of strategic, economic and environmental factors at programme level, with detailed, site-specific environmental assessment to be addressed through subsequent planning and consenting processes as development proposals come forward.</p> <p>Availability of information The approved Full Business Case, together with maps showing the designated Freeport and tax site extents, are publicly available via the East Midlands Freeport website and GOV.UK, respectively. EMF was incorporated as the delivery body following designation.</p> <p>We note that a Rule 17 request seeking further information on designation decisions has been issued separately to HM Treasury and the Ministry of Housing, Communities and Local Government.</p>																									
<p>Q15.0.6</p>	<p>East Midlands Freeport</p>	<p>East Midlands Freeport Advanced Manufacturing Floorspace <i>Could East Midlands Freeport please explain the importance of delivering advanced manufacturing floorspace as part of the proposed development in meeting the freeport’s objectives and whether the dDCO should include requirements to secure its delivery, rather than rely on market forces alone. If it does need to be secured, how should advanced manufacturing be defined in the dDCO?</i></p> <p>EMF was set up to create high quality jobs and community benefit, and economic additionality was a core principle from the outset. This formed the basis on which tax site status (and all the benefits that incurs) was awarded by Government, after significant scrutiny Advanced manufacturing forms a core component of East Midlands Freeport’s value proposition and was identified as priority sectors through the original Freeports bidding process and subsequent Full Business Case.</p> <p>The clustering of advanced manufacturing and logistics activity in proximity to the Midlands logistics corridor and East Midlands Airport is central to EMF’s strategic proposition. offering businesses enhanced connectivity to national and international markets and supporting the EMF objectives.</p> <p>EMF sees future employment prospects in the Freeport to focus heavily on advanced manufacturing. The Freeport is anticipated to generate over 28,000 direct new jobs across a variety of sectors, with a particular focus on Advanced Logistics and Manufacturing, Renewable Energy Production, and Research and Development across the scientific and technology sectors. This will be a catalyst for sustainable and innovative growth in the region, addressing the existing skills shortages and empowering the East Midlands to be a key participant in the levelling up agenda.</p> <p>As part of the FBC approved by Government, the tax sites’ focus was defined by the SIC Codes (below).</p> <table border="1" data-bbox="795 1444 2647 1806"> <thead> <tr> <th>Tax Site</th> <th>Sector Grouping</th> <th>SIC Code</th> <th>SIC Code Name</th> </tr> </thead> <tbody> <tr> <td rowspan="7">East Midlands Gateway and Industrial Cluster (EMAGIC)</td> <td rowspan="4">Advanced logistics and warehousing</td> <td>43</td> <td>Specialised construction activities</td> </tr> <tr> <td>51</td> <td>Air transport</td> </tr> <tr> <td>52</td> <td>Warehousing and support activities for transportation</td> </tr> <tr> <td>68</td> <td>Real estate activities</td> </tr> <tr> <td rowspan="3">Advanced manufacturing of motor vehicles, innovative aircraft, and other electrical equipment</td> <td>27</td> <td>Manufacture of electrical equipment</td> </tr> <tr> <td>28</td> <td>Manufacture of machinery and equipment</td> </tr> <tr> <td>29</td> <td>Manufacture of motor vehicles, trailers, and semi-trailers</td> </tr> <tr> <td></td> <td></td> <td>30</td> <td>Manufacture of other transport equipment</td> </tr> </tbody> </table> <p>The fiscal incentives package available to target organisations within Freeport Tax site are the most comprehensive set available within the UK. The Freeport employs tests to ensure that occupier businesses operate within those sectors and offer a broader contribution to the local and national economy, consistent with Government</p>	Tax Site	Sector Grouping	SIC Code	SIC Code Name	East Midlands Gateway and Industrial Cluster (EMAGIC)	Advanced logistics and warehousing	43	Specialised construction activities	51	Air transport	52	Warehousing and support activities for transportation	68	Real estate activities	Advanced manufacturing of motor vehicles, innovative aircraft, and other electrical equipment	27	Manufacture of electrical equipment	28	Manufacture of machinery and equipment	29	Manufacture of motor vehicles, trailers, and semi-trailers			30	Manufacture of other transport equipment
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		<p>guidance, including additional value through skills and innovation, and avoiding displacement. Final determinations on relief are then made by the relevant Billing Authority, taking account of EMF's analysis.</p> <p>EMF recognise that advanced manufacturing continues to be a challenging market and will work with landowners and partners to support and encourage investment into these sectors. EMF notes that further clarity on how advanced manufacturing can and will be targeted would assist understanding of how the proposed development aligns with Freeport objectives. This could include evidence from similar sites around the UK on how the scale and comprehensive approach underpins the potential for international investment additional to the UK economy.</p> <p>The Freeport executive team will continue to work site owners to ensure the discretionary incentives benefit occupiers in target sectors, so resisting any wider market influence.</p> <p>There is currently no requirement in the draft DCO for a minimum proportion or amount of floorspace for use for advanced manufacturing, though the planning statement [AS-018] confirms that up to 20% of the proposed floorspace of the EMG2 Works would comprise advanced manufacturing development (see footnote 3, page 18 of the planning statement). EMF consider there could be merit in considering ways to mandate sector delivery. As part of the discussions with the applicant, EMF will seek to find ways to secure that the proportion of advanced manufacturing space is at a level which meets its objectives. This may include exploring the question of whether the DCO could include a requirement for a minimum proportion of floorspace for that use or a requirement or agreement which provides for another mechanism including for example joint target marketing strategy whereby the Freeport plays an active role in securing those objectives. EMF will explore the detail with the applicant and seek to agree a position acceptable to all parties.</p>