



## 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**

## **The Examining Panel's written questions and requests for information (ExQ2): Issued on 2 June 2026**

This response is submitted by East Midlands Freeport Company Ltd ("East Midlands Freeport" or "EMF") in response to Written Questions Q15.0.1 and Q18.0.2 / 3 / 8 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

ExQ2	Question to:	Question:
<b>15. Need and alternatives</b>		
Q15.0.1	East Midlands Freeport	<p><b>Extent of designation</b></p> <p><i>In its response to the rule 17 letter [REP1-231D], the Ministry of Housing, Communities and Local Government referred to two different boundaries, one of which was rejected as the proposed extent for the Freeport. Could East Midlands Freeport provide us with plans showing the two different boundaries, making clear which relates to which.</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 (available on <a href="http://www.gov.uk">www.gov.uk</a>) which established a three-stage competitive selection and approval process for Freeports in England. This comprised three stages:</p> <ol style="list-style-type: none"> <li><b>1. Initial Bid Stage (2020–21)</b></li> <li><b>2. Business Case Development (2021–2022)</b></li> <li><b>3. Full Business Case (FBC) and Government Approval (2023)</b></li> </ol> <p><b>1. Initial Bid Stage (2020–21)</b></p> <p>As previously stated, local public-private partnerships were invited to submit bids demonstrating their ability to deliver the Government's Freeport objectives and East Midlands Freeport's (EMF) bid was submitted by a consortium of public and private sector partnership. This was approved and development of the Business Case began.</p> <p><b>2. Business Case Development (2021–2022)</b></p> <p>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, in December 2021 the Government wrote to EMF's accountable body (Leicestershire County Council) stating 'it would be unable to approve the East Midlands Freeport OBC at this point in time due to concerns about the additionality of the SEGRO part of the EMAGIC tax site.' A copy of the proposed tax site area that was rejected is attached – 'EMAGIC - Rejected Proposed Outline FBC Tax Site.PDF.' The Government wanted 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. They wrote: 'The tax site will therefore need to be revised to remove the low additionality parts or another tax site proposed.'</p> <p>As part of this 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><b>3. Full Business Case (FBC) and Government Approval (2023)</b></p> <p>The Board submitted the Full Business Case in early 2022. It 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. A copy of the plan of the agreed area of the tax site designated under secondary legislation is attached.</p> <p>{see attached plans}</p>

ExQ2	Question to:	Question:
<b>18. Socio-economic effects</b>		
Q18.0.2	East Midlands Freeport	<p><b>Freeport effects</b></p> <p><i>In the letter in Annex 3 of the response to the Prologis RR [REP1-051D, Appendix 6] various figures are given as to a comparative 'loss' if only the northern part of the site were to be development in the application made by EMIA and Prologis. In their written representations [REP1-257D] queried these figures. In the 'Applicants' Response to Deadline 1 Submissions' [REP2-032] (see pdf page 238) the applicants indicate these figures were provided by East Midlands Freeport.</i></p> <p><i>Could East Midlands Freeport please provide the ExP with confirmation of the figures and how they were derived.</i></p> <p>The £288m estimate is based on a model used by EMF (developed by consultants WSP) to forecast the total Business Rates that are retained by EMF across the whole freeport area. The model dates from 2023 and continues to reflect relevant information for EMF forecasting. It is based on estimates of plot floorspace sizes, usages and rateable values, and occupation dates. The model uses these inputs to forecast the Business Rate growth that is retained by EMF under the Freeport rules. EMF uses this model to model different scenarios to understand their impact on the expected Business Rates income that they will receive. This model is not intended to be, and necessarily cannot be, a perfectly accurate forecast – the outputs will only ever be as good as the inputs, which can only be estimates of how the sites will be used while plans for these sites are being developed. However, the model is considered by EMF to be a good way to understand the quantum of Business Rates that would be generated by the current plans for the freeport sites.</p> <p>The £288m represents the Business Rates income that would be retained by EMF from the EMG2 sites south of Hymes Lane up to 2048 on the assumptions that there would be c. 350,000 m2 of premises floorspace subject to Business Rates on these plots; that they would be used for warehousing and transport support activities; that their rateable value would be the average of similar usage sites in the East Midlands area; and that they would be occupied between 2028 and 2031.</p> <p>To note, this BR income is distinct from the implied subsidy from public funding which is being invested into the whole of EMAGIC through provision of EMF tax reliefs. For example, The EMF business case suggests that National Insurance Contribution (NICs) could benefit EMG2 occupiers by £44.4m. This figure is clearly subject to securing occupiers ahead of the 2031 tax window deadline.</p>
Q18.0.3	The applicants East Midlands Freeport	<p><b>20% advanced manufacturing floorspace</b></p> <p><i>Paragraphs 7.191 and 7.192 of NWLDC's LIR [REP1-103] recognises the benefit of including a component of advanced manufacturing as part of the proposed development in the interests of socio-economic resilience. Furthermore, East Midlands Freeport in their response to ExQ1 [REP1-227] also recognise the benefits of securing a component of advanced manufacturing floorspace pursuant to the Freeport's objectives and that they would seek to explore the detail with the applicants accordingly.</i></p> <p><i>Can the applicants and East Midlands Freeport please clarify whether any discussions have taken place and whether any agreement on the provision of advanced manufacturing floorspace has been reached and clarify how this might be secured in the dDCO?</i></p> <p><i>It would also be helpful if the applicants could provide the ExP with two draft requirements on a without prejudice basis:</i></p> <ol style="list-style-type: none"> <li><i>a) a requirement securing 20% advanced manufacturing floorspace in perpetuity.</i></li> <li><i>b) a requirement securing a targeted marketing strategy, promoting 20% of the DCO scheme's floorspace to prospective advanced manufacturing occupiers, to be submitted and approved by NWLDC, in consultation with East Midlands Freeport. The requirement should also reserve 20% of the DCO scheme's floorspace for advanced manufacturing during the relevant marketing period, only releasing it for storage or distribution uses where it can be clearly evidenced to the satisfaction of NWLDC, in consultation with East Midlands Freeport, that there is insufficient demand from prospective advanced manufacturing occupiers and that this would likely endure over the medium term.</i></li> </ol>

ExQ2	Question to:	Question:
		<p>Discussions have taken place between the Applicants and East Midlands Freeport and the benefits of targeting advanced manufacturing as part of the proposed authorised development are acknowledged and agreed. In order to accommodate this aspiration, the traffic modelling work has assigned 20% of the trips to Class B2 use within the Transport Assessment and the Environmental Statement accompanying the DCO Application.</p> <p>It is the Applicants experience that the best way to maximise take-up by advanced manufacturers is to comprehensively develop and deliver a market leading low-carbon development in a single phase, which benefits from excellent road, rail, air and public transport connectivity, has a generous power supply, which presents serviced plots in a fully landscaped environment from the outset and which also benefits from a ready supply of skilled labour and is demonstrably deliverable.</p> <p>The Applicants and the Freeport have therefore discussed and agreed that the correct approach is a requirement to secure a targeted, collaboratively managed and flexible marketing campaign, with consideration from Freeport on greater targeting of the Tax Site incentives packages to ensure the greatest likelihood of success in securing advanced manufacturing customers to this important Freeport site.</p> <p>On a without prejudice basis, the Applicants propose the following draft requirements:</p> <p style="text-align: center;"><b>Advanced manufacturing</b>  <i>20% of the total gross floorspace provided as part of the authorised development shall be for advanced manufacturing use.</i></p> <p>The Applicants note that there is no need for a requirement for any advanced manufacturing use to be perpetuity. It is not a requirement of the Freeport. Any change of use would be controlled by the local planning authority via a planning application in the usual way.</p> <p style="text-align: center;"><b>Marketing of the advanced manufacturing floorspace</b></p> <p><i>(1) 20% of the total gross floorspace provided as part of the authorised development shall be reserved for advanced manufacturing uses for the marketing period.</i></p> <p><i>(2) Save for ancillary buildings, no authorised building on the main site is to be occupied until a strategy has been submitted to and approved by the local planning authority in consultation with East Midlands Freeport for the marketing of the authorised development to advanced manufacturing occupiers. The initial sectors to be targeted will include but will not be limited to automotive, aerospace in addition to life science, clean energy, food and drink sector. The strategy will include provision for collaborative working on marketing activity, the review and active management of all enquiries. The approved strategy shall be implemented to the reasonable satisfaction of the local planning authority for the duration of the marketing period.</i></p> <p><i>(3) If on expiration of the marketing period it has not been possible to secure advanced manufacturing uses on 20% of the total gross floorspace provided as part of the authorised development then subject to the local planning authority, in consultation with East Midlands Freeport, confirming that it is satisfied that reasonable efforts have been made to secure advanced manufacturing uses within the authorised development then the restrictions in this requirement shall cease to apply.</i></p> <p><i>(4) In this requirement, the "marketing period" shall mean the period to the Freeport incentive end date December 2031 as may be varied by agreement.</i></p>

ExQ2	Question to:	Question:
Q18.0.8	East Midlands Freeport The applicants NWLDC	<p><b>Loss of business rates</b></p> <p><i>The applicants refer to loss of business rates from the failure to deliver the entire EMG2 site <a href="#">[REP2-032]</a>. Please can the East Midlands Freeport confirm whether the applicants' figures are correct and provide more information on the potential losses.</i></p> <p><i>Can these potential losses be calibrated in relative terms to help understand the magnitude of impact? For example, how does £288 million compare to the total value of business rates currently collected within the local authority area, would it be a smaller proportion or a larger proportion?</i></p> <p>EMF recognise the £288m quoted in here but are not clear on the detail of others figures. The £288m was an estimate of the loss of EMF Retained Business Rates to 2048 for a partial (200,000 m2) reduction in floorspace at EMG2.</p> <p>EMF cannot comment on how this compares to the overall Business Rates collected in the local authority area (the local authority would need to answer that), but in terms of EMF's overall expected retained Business Rates, this £288m represents approximately 59% of the total retained Business Rates that EMF expected to retain from the whole EMAGIC site up to 2048, and 28% of the overall retained Business rates that they expected to retain across all three of their sites up to 2048.</p>



