

East Midlands Freeport
c/o Leicestershire
County Council
Room 200, County Hall,
Glenfield, Leicestershire,
LE3 8RA

Planning Inspectorate
c/o QUADIENT
69 Buckingham Avenue
Slough
SL1 4PN

Dear Sir/Madam

Ref: BC0410001 - East Midlands Gateway Phase 2
East Midlands Freeport Ltd (EMF) – Interested Party Reference [REDACTED]

East Midlands Freeport Ltd (EMF) write in relation to the examination of the application (ref: BC0410001) by SEGRO Properties Ltd for an order granting development consent for the second phase of East Midlands Gateway, for further commercial/business development (hereafter referred to a 'EMG2 Main Site').

We write to the Panel in our capacity as a not-for-profit organisation set up to work with its corporate partners and local authorities to drive plans for the East Midlands Freeport to deliver jobs, investment and economic growth in the region. EMF have provided previous comments to the Panel, providing background context regarding the UK Government's Freeport and Industrial Strategy Zones agenda, which EMF is established to help deliver, and the identification of the East Midlands Airport and Gateway Industrial Cluster (EMAGIC) as one of the three identified Tax sites within the wider East Midlands Freeport.

The Applicant, SEGRO, is a founding member of EMF, a landowner of significant parts of the EMAGIC tax site, and a crucial partner in delivering the Freeport. EMF and SEGRO have been in regular liaison for a number of years regarding the EMG2 proposals and have continued direct detailed discussions during the examination process.

This letter sets out EMF's position on a number of key matters related to the proposed development, ahead of the close of the examination and determination.

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Alignment with EMF Role & Objectives

Freeports are a key element of the UK's industrial strategy. The Industrial Strategy Zones Action Plan makes clear that Freeports have a key role to play in driving growth and creating jobs in sectors which are central to the Government's modern Industrial Strategy and have the potential to make some of the most significant contributions to our national growth mission.

The objective of EMF was established in its Full Business Case (FBC), which was approved by Government in March 2023. The FBC seeks to drive investment, innovation and green growth to create a world-leading, low carbon advanced manufacturing and logistics hub in the heart of England, with unrivalled connectivity by rail, road and air.

EMF is a long-term project aimed at boosting growth by attracting private sector investment in the three Freeport Tax Sites and investing retained business rates (RBR) in economic development activity within the Wider Freeport Area (WFA). EMF can facilitate a set of fiscal incentives for occupiers of the Tax Sites who occupy prior to September 2031, while it benefits from the opportunity to retain business rates (RBR) from the Tax Sites through to March 2048. We have received £25 million in Government seed capital funding aimed at creating the right social and physical conditions to encourage private sector investment.

The EMG2 Main Site forms the most substantial part of the EMAGIC tax site. Given its position and proximity to major road, rail and air connections, EMAGIC presents a unique opportunity as a low carbon freight and manufacturing hub, supporting growth sectors as well as the transition to net zero. The world-class multimodal transport connectivity of EMAGIC makes this location particularly attractive as it ensures that businesses can access domestic and global markets efficiently.

EMF's FBC forecast the potential for the whole EMAGIC tax site to directly generate 6,800 jobs with a GVA impact of £260m over a 30 year appraisal period from occupation, rising to £470m once indirect and induced impacts across the wider region are taken into account. The majority of these benefits arise from full development of the EMG2 Main Site.

The comprehensive development and occupation of the whole EMG2 Main Site by September 2031 is therefore critical to the opportunity available to occupiers through the Freeport and ensure the Freeport can optimise the FBC objectives by reinvesting RBR in the region.

EMF's business case anticipates an economic output of £9 billion over the next 25 years and the creation of 28,000 Freeport jobs. EMG2 is expected to contribute £148 million in Gross Value Added per annum to the regional economy during operation and result in the creation of circa 4,000 FTE on-site jobs. As Business Rates are retained locally, EMF anticipates that circa £1 billion can be re-invested back into the region with an estimated contribution of £9.3 million per annum from EMG2.

As set out in our pre-examination representations EMF have assessed the DCO Application against the key objectives set out in the FBC comprising:

- Driving significant and transformative economic regeneration across the East Midlands;
- Supporting target sectors including green energy generation, low-carbon freight, advanced manufacturing and logistics which meet our gateway tests for business rates relief, including demonstrating "additionality" to the regional and UK economy;

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- Boosting employment and skills;
- Delivering upon investment and development into the area in a way which is sensitive to the community and the environment; and
- Delivering the design and construction of transport and highway infrastructure that will form part of wider solutions to highway and transport movements around Jn 24 M1.

EMF consider therefore that the DCO scheme accords with and supports the delivery of the key objectives identified in the FBC.

Comprehensive Development

The whole of the EMG2 Main Site needs to be delivered to fully realise the financial and economic benefits of the Freeport and its objectives for the wider East Midlands region. The importance of the 2031 deadline to EMF and wider region should not be understated. The comprehensive development and occupation of the whole EMG2 Main Site by September 2031 or as soon thereafter is central to ensure the Freeport can meet the objectives in the FBC and the opportunity to reinvest retained business rates in the region.

EMF supports and has strongly advocated for joined up, comprehensive and timely delivery of development on the EMG2 Main Site to ensure that businesses investing in this location can take full advantage of the tax incentives available until September 2031 and the simplified customs processes. The timely and comprehensive development of the EMG2 Main Site will help to maximise the amount of business rates retained locally that Freeport's public sector partners can then reinvest to drive growth across the region.

The DCO scheme is currently the only submitted scheme proposing the comprehensive development of the entirety of the EMG2 Main Site.

By virtue of utilising the full site, there are a number of advantages from comprehensive development as proposed in the DCO Application including a package of off-site highway work, corresponding job and economic impact, and investment in utility infrastructure and wider strategic infrastructure.:

Should the land south of Hyam's Lane not be developed in the Freeport window this would result in the consequential delay or loss of ~200,000 sq m of logistics and advanced manufacturing, including potentially up to 40,000 sq m of advanced manufacturing space, with corresponding delay or loss of c.£5.7m of RBR per annum and the opportunity cost of regional investment and on site operational jobs.

Highways Works

The Applicant has identified Highway Works aimed at ensuring that the necessary highways infrastructure improvements are delivered to unlock development at the EMG2 Main Site. These works include works associated with Jn 24. The Applicant is also a central part of a consortium of landowners and promoters of other developments who are developing a coordinated set of 'packages' of works for an emerging strategic highways solution at Junction 24, M1, which supports growth across the Freeport area.

EMF is developing the investment case for J24 to which EMAGIC cluster will be one of the beneficiaries. It is acknowledged that the full improvement works cannot be attributed to, or funded by, any single development consent and therefore the principle of "plugging in" private sector proposals, including the EMG2 DCO works, to form part of the wider strategic improvements to J24, is fully supported by EMF.

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Whilst it is noted that approval does not guarantee delivery, the DCO would provide greater certainty to the initial package of works well ahead of development of preferred design solutions and delivery of the other elements required.

Advanced Manufacturing

The benefits of targeting advanced manufacturing as part of the proposed development have been the subject of significant discussion and agreement between the Applicant and EMF. The draft DCO includes a requirement to provide that not more than 20% of the gross floorspace for advanced manufacturing uses.

The Applicants and the freeport consider that a targeted, collaboratively managed and flexible marketing campaign, with consideration from the Freeport on greater targeting of the Tax Site incentives packages will be key to ensuring the greatest likelihood of success in securing advanced manufacturing occupiers to this important Freeport site.

The draft DCO includes a requirement for marketing of 20% of the gross floorspace for advanced manufacturing uses until the end of the Freeport incentive window. We are supportive of the Panel's proposal to link the end date to variations to the Finance Act 2022 as a logical link potential extension of wider incentives to occupiers, although note the Applicant's current wording.

Skills and Training

Skills and employment training opportunities are central to meeting EMF's objectives, with priorities centring on skills pathways and workforce pipelines, access to work for underrepresented groups and long-term socio-economic resilience. EMF's published Skills Delivery Plan sets out specific objectives, outputs and outcomes that we seek to achieve in partnership with developers, investors and skills providers.

The Applicant and EMF are in discussions regarding agreeing a Skills, Employment and Supply Chain Strategy proposed by SEGRO which affords an opportunity to align EMF's skills plan priorities with the Applicant's occupiers demands. The draft DCO document include requirements on the Applicant to agree, with the local planning authority, an 'employment scheme' to support the construction and occupational phases of the scheme respectively. The Freeport are keen to engage with the applicant on these documents recognising that Skills and Training activity through the construction phase and with individual occupiers will be an important part of working within a wider Freeport and Regional frameworks.

Current discussions are focused on:

- Seeking clarity on the Applicants role and resource commitment over an agreed term
- Alignment with EMF's Skills Delivery Plan and Fund and other regional skills initiatives
- Ensuring the scope effectively responds to the site vision and regional priorities.

The Freeport looks forward to working with the Local Planning Authority to support development of the 'employment plans' and would welcome a formal role in the consultation.

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Community Interest

The Freeport note the Applicant's requirement for establishing a Community Forum and its key role in informing the detail scheme design. The Freeport looks forward to working with the Applicant, the LPA and local Communities on ensuring the development is as appropriate and sensitive to particularly the communities most directly impacted by development.

MCO

Whilst this letter has focused on the DCO application, for the avoidance of doubt we also include our position on the MCO below.

EMG1 was authorised by The East Midlands Gateway Rail Freight Interchange and Highway Order 2016 (SI 2016/17) and substantially completed in October 2024. The benefits of EMG1 have been substantial. It has to date delivered c. 4.5m sqft of logistics accommodation alongside the Strategic Rail Freight Interchange operated by Maritime Transport and the site is now providing up to 7,000 on-site jobs. Given its position and proximity to major road, rail and air connections, EMG1 has delivered new anchor infrastructure which has resulted in EMAGIC offering a unique opportunity as a low carbon freight and manufacturing hub, supporting growth sectors as well as the transition to net zero. This project has underpinned EMF's vision to develop a Green Freight Corridor connecting the Freeport in the East Midlands to Freeport East at Felixstowe.

The EMG1 Works include the construction of a new rail-served warehouse building on land adjacent to the rail-freight terminal (Plot 16) and associated access, drainage and landscaping works. Notwithstanding that Plot 16 falls outside of the EMAGIC tax site boundary, the principle of the use of an undeveloped plot for employment generating uses aligns with the wider EMF objectives to drive economic regeneration across the East Midlands.

The EMG1 Works also include a 4m increase in the maximum permitted height of gantry cranes, which fall within the EMAGIC boundaries, to 24m overall. The installation of gantry cranes up to 24m which would provide additional operational efficiency to the terminal and would therefore support the further development of low-carbon freight at EMG1. As such, the proposals represent a continuation and enhancement of the existing successful EMG1 scheme which should then strengthen EMG1's position as a central piece of infrastructure for the East Midlands.

These works therefore align with EMF's key objectives in the FBC.

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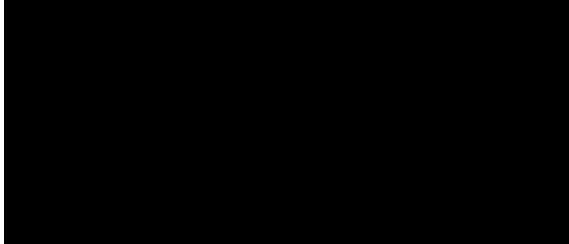
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Summary & Conclusion

EMG2 represents a significant portion of the overall EMAGIC tax site, and therefore the development of the Site is of critical importance to EMF and achieving the objectives in our full business case.

EMF have been in close liaison with the Applicant on the proposed development and consider that the comprehensive development of the site as proposed through the DCO accords with the objectives of EMF.

Yours sincerely



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