

SEGRO (JUNCTION 15) LIMITED

NORTHAMPTON GATEWAY SRFI DCO AMENDMENT

APPLICATION STATEMENT

AUGUST 2022

CONTENTS

- 1.0 INTRODUCTION AND APPLICATION CONTEXT

- 2.0 THE SITE, PROGRESS WITH PROJECT DELIVERY AND NEED FOR CHANGE SOUGHT

- 3.0 RAIL TERMINAL COMMITMENTS IN SRFI DCO

- 4.0 THE PROPOSED DCO AMENDMENT (including summary rationale)

- 5.0 ASSESSMENT OF THE PROPOSED CHANGE AND ITS MATERIALITY

Appendices:

Appendix 1 – Consultation on the proposed DCO Amendment

Appendix 2 – Photographs of Northampton Gateway SRFI

Appendix 3 – Plan showing entirety of rail infrastructure

Appendix 4 – Plan identifying rail Infrastructure constructed/to be constructed by Segro and rail infrastructure to be constructed by Network Rail: Plan ref:
NGW-BWB GEN XX-SK-C-SK315-S2-PO1

Appendix 5 – Maritime Press Release

Appendix 6 – Statement of Network Rail

Appendix 7 – Letter from Maritime

Appendix 8 – Draft DCO Amendment Order

Appendix 9 - Transport Technical Note

1.0 INTRODUCTION and APPLICATION CONTEXT

- 1.1 This Statement is submitted in support of an application to amend the Development Consent Order ('the DCO') for the Northampton Gateway Strategic Rail Freight Interchange (SRFI) project (reference 2019/ No.1358 The Northamptonshire Gateway Rail Freight Interchange Order 2019).
- 1.2 The DCO was made on 9th October 2019, and came into force on 30th October 2019, and consented the development of the Northampton Gateway SRFI which includes the following:
- Up to 468,000 sq.m. (excluding mezzanine space) of rail served distribution warehousing;
 - A new rail freight terminal and new rail infrastructure with connections to the Northampton Loop of the West Coast Main Line railway;
 - Highways infrastructure and improvements including an upgrade to Junction 15 of the M1 motorway, improvements to the A508 including works to deliver a new site access, and a bypass to the village of Roade;
 - Other on and off-site infrastructure to enable the site to be developed and occupied as consented, including earthworks and landscaping on-site, and a range of off-site highways improvements.
- 1.3 The granting of the DCO in October 2019 followed a period of Examination of the proposal and application documents, including the Environmental Statement, and associated technical reports and assessments.
- 1.4 Roxhill (Junction 15) Limited were defined as an undertaker in the DCO having the benefit of the DCO. On 7 December 2021 Roxhill (Junction 15) Limited changed its name to Segro (Junction 15) Limited, in recognition of Segro taking over the development of the site. It remains the same company but with a changed name.
- 1.5 This application for a non-material change is therefore submitted on behalf of Segro (Junction 15) Limited ('the Applicant').
- 1.6 The Applicant's work to deliver the consented scheme is ongoing and an overview of the work underway or complete is included in Section 2 of this Statement.
- 1.7 The submission of this application for a non-material change to the DCO is to secure a change to requirement 3 in Schedule 2 of the DCO which would enable the occupation of some of the warehousing floorspace authorised by the DCO in advance of the rail connections to the mainline, which are to be constructed by Network Rail. The proposed change ensures that all of the extensive rail infrastructure which is to be constructed by the Applicant itself will still be completed before any occupations of the warehousing constructed pursuant to the DCO. In

simple terms, under the proposed amendment to the DCO the rail terminal will still be delivered and complete in advance of first occupation, consistent with the DCO as approved. The change relates to the trigger for the terminal then being '*available for use*' which is dependent on the connections to the 'main line' rail network which cannot be delivered by the Applicant, but instead requires work by Network Rail.

- 1.8 As described in Section 2 of this report, the work to deliver the rail terminal itself and the rail infrastructure within the site is well underway and will be completed in Autumn 2022. The rationale for the proposed change is set out in Section 2 of this Statement from which it should be clear that the Applicant's commitment to deliver the rail terminal remains unaffected by the proposed change,
- 1.9 In brief, the application is needed to address uncertainties in the precise timing of the construction by Network Rail of the connections to the main line which is a barrier to very significant occupier interest being progressed. The uncertainty arises from the difficulties of Network Rail being able to commit to achieving sufficient access to (possession of) the main line to carry out their works during this post lockdown period when there is a desire to minimise disruption to passenger services and attract passengers back on to rail.
- 1.10 This proposed non-material change is considered a pragmatic response to these particular circumstances which will enable occupier interests to be progressed. Currently, the lack of certainty over the ability to occupy is preventing interest being converted to commitments.
- 1.11 The implications, and any likely environmental impacts, of the proposed change are set out in Section 5 of this Statement. However, in summary, the nature of the proposed change – to allow for the occupation of some warehousing in advance of the operation of the rail terminal - delays the point at which additional traffic using the rail terminal from outside of the development will be attracted to the site. No changes are proposed to any other aspect of the DCO, including delivery of highway mitigation works. The highway infrastructure required to be provided in advance of occupation is currently under construction and will be completed as required by the DCO. That highway infrastructure is designed to cope with warehouse occupation and the external traffic which will only visit the site to use the rail terminal. Accordingly, there are no adverse impacts resulting from the proposed change which would see less road traffic in advance of the rail terminal being operational than would otherwise be expected.
- 1.12 Therefore, as set out in Section 5, the proposed change is not considered material having regard to the relevant guidance.

Statement of Consultation

- 1.13 The Infrastructure Planning (Changes to, and Revocation of, Development Consent Orders) Regulations 2011 (as amended) (the “2011 Regulations”) sets out requirements for consultation on non-material change applications to DCOs. Regulation 7A requires that the applicant provides the Secretary of State with a statement setting out details of the steps the applicant has taken to comply with these consultation requirements.
- 1.14 **Appendix 1** of this Statement sets out how the Applicant has publicised and consulted on the proposed DCO Amendment in accordance with the 2011 Regulations.

2.0 THE SITE, PROGRESS WITH PROJECT DELIVERY AND NEED FOR NON-MATERIAL CHANGE SOUGHT

- 2.1 The main SRFI site has an area of approximately 220 hectares, and the total application area (Order Limits) covers an area of approximately 290 hectares incorporating all of the land required for the off-site highways improvements.
- 2.2 The Northampton Gateway SRFI site is located adjacent to Junction 15 of the M1 motorway in Northamptonshire, and the western edge of the built-up urban area of Northampton is located to the immediate east of the site. The A508 road forms the site's eastern and south-eastern boundary, with the site also contained by the Northampton Loop railway line which runs to the west of the site.
- 2.3 The site is well contained by existing infrastructure and other features on the ground, including a watercourse which defines the southern extent of the proposed built development. The site was in agricultural use prior to development beginning in January 2021. It includes two established areas of plantation woodland which are to be retained and form part of the extensive on-site green infrastructure and landscaping approved as part of the scheme.
- 2.4 Construction of the site commenced on 4 January 2021 following the approval by the local authority (or other relevant highways or other body¹) of all pre-commencement DCO Requirements.
- 2.5 Extensive progress has been made on the main site, with phases of site wide earthworks and landscaping complete, and others ongoing, along with delivery of on-site drainage, estate roads and other infrastructure. This includes works to deliver the rail terminal and associated rail infrastructure and landscaping, as well as the main site access from the A508 and some parts of the internal road network. There is considerable market interest in the site, and a first Plot (Plot 7) has a consent via planning permission issued by the LPA given that it did not comply with all of the height parameters.
- 2.6 The highway improvements to Junction 15 of the M1 are also well progressed, with much of the early 'off-line' works now largely complete, and the work to the main junction and slip roads well advanced. Site clearance and preparation work to deliver the Road Bypass is also now well underway.
- 2.7 The photographs set out in **Appendix 2** show the progress made on the site as at 22 July 2022. In particular, photos 5 – 8, and photos 15, 16 and 18 show the rail infrastructure that has been constructed including images of the completed tunnel which will connect the terminal northbound to the Northampton 'loop line' of the West Coast Main Line, as well as the railway slab and tracks in place and being laid now.

¹ Some DCO Requirements require details to be agreed by bodies other than the local planning authority – for example, the local highways authority, or lead local flood authority.

- 2.8 Prior to, and since, the approval of the DCO the Applicant has been liaising closely with Network Rail regarding the implementation of the development and the necessary legal agreements have been entered into and the detailed design of the rail infrastructure works agreed.
- 2.9 The extent of the entire rail infrastructure involved is shown on the plan in **Appendix 3**. The plan in **Appendix 4** identifies the extent of the rail infrastructure to be constructed by the Applicant (coloured pink) and that to be constructed by Network Rail (coloured blue). The bulk of the rail infrastructure (the rail terminal, the majority of the reception and intermodal sidings and the tunnel for the northern mainline connection) has been or is to be constructed by the Applicant.
- 2.10 The concrete slab of the rail terminal is under construction with a concrete batching plant being constructed on site specifically for this purpose to ensure continuity of supply and availability of the volumes of concrete necessary.
- 2.11 The Applicant has also selected the rail terminal operator who is keen to take the lease of the terminal and start operating as soon as possible – see the press release in **Appendix 5**. The Rail Operator is the same operator who established, and is operating, the very successful rail terminal at East Midlands Gateway, which was also developed by the Applicant pursuant to a DCO². The Applicant is constructing some bespoke works to the specification of the rail operator, including the phase 2 terminal slab, refuelling provision, enhanced gatehouses and a yard facilities building.
- 2.12 The rail infrastructure works on-site are progressing at a pace, and the Applicant's rail infrastructure works shown in pink of the plan in Appendix 4 will be completed in Autumn 2022 apart from some track laying within the area cross hatched on the plan in Appendix 3 which has to be delayed to allow access for Network Rail to its construction area. The rail terminal operator's bespoke works will be completed in Q1 2023.
- 2.13 Network Rail will be carrying out enabling works within their works area during the course of this year. In late summer they will be constructing a new culvert and towards the end of the year they will be carrying out earthworks and constructing overhead line equipment (for electrification). The Applicant has funded the advance order of the necessary materials to be able to guarantee the cost and programme delivery.
- 2.14 However, in order for Network Rail to carry out its connection works to the mainline it is necessary for the mainline to be closed for approximately nine days. Network Rail wish to cause as little disruption as possible to the other users of the mainline and, as pressed by the Department of Transport, are mindful of the need to encourage recovery of rail use following the pandemic. Accordingly, they are seeking to time the connection works with other essential,

² The East Midlands Gateway Rail Freight Interchange and Highway Order 2016

pre-planned, works to the rail network and take advantage of other closures but spread over a longer period of time.

- 2.15 Network Rail currently expect that they will be able to deliver commissioned rail connections in Q1 2024, however that position is subject to change and is not confirmed. The attached statement of Network Rail provides some more detail (**Appendix 6**). This lack of certainty has a direct and critical impact on the Applicant's ability to confirm the timing and availability of buildings for occupation (use) on the site.
- 2.16 There is substantial demand from occupiers, however, due to the constraint on occupations in the DCO, the Applicant is unable to make commitments to occupiers, and vice versa, in the absence of certainty that the buildings can be occupied once built. Network Rail are unable to provide certainty over when they will be able to construct the necessary connections. Accordingly, the change to the DCO is sought to allow commitments to be made and some occupations to take place in advance of the connections being made by Network Rail, if necessary.
- 2.17 The supply of deliverable, high quality, sites with rail terminals is very limited and the sector continues to see high levels of demand. For example, at East Midlands Gateway it was originally forecast that the 6m sq.ft scheme would take 10 years to build out fully. However, some 5 years from commencement it is almost built out with additional commitments on remaining plots which are likely to see the site fully built out by the end of 2023. The scheme is anticipated to have generated over 7000 new jobs, rising to around 8500 in the seasonal peaks.
- 2.18 A typical deal structure for a large scale logistics building relies on an Agreement for Lease to build a bespoke unit to an agreed specification to meet occupiers specific needs by a guaranteed date. The approval of details (planning) and construction period is typically 12-15 months, although recently this has been longer due to longer lead times on materials such as steel.
- 2.19 Occupiers and the Applicant need to have complete confidence at the point that Agreements for Lease are exchanged (i.e. before construction commences) that the building will be able to be legally occupied on completion. The typical cost of a 300,000sq ft unit is circa £30m and occupier fit out is often a similar cost. The amounts concerned mean that it is simply not possible to proceed at risk with the presence of a barrier to occupation. Moreover, once construction is completed, the potential consequential loss to occupiers of they are unable to legally occupy and therefore trade from the warehouse, are very considerable. In simple terms, interested and serious prospective occupiers will not commit to the site and enter into formal contracts with the Applicant due to the significant risk of not being able to legally occupy and trade from the new warehouse.

- 2.20 The inability of Network Rail to guarantee the timing of the mainline connections, for the reasons explained, is therefore providing a block on progressing the delivery of the authorised development and a relaxation is therefore being applied for to enable some occupations in advance of the main line connections being commissioned, if necessary.
- 2.21 This will enable Agreements for Lease to be entered into and construction commenced in the knowledge that occupation can proceed whether or not the mainline connections are at that stage operational.

3.0 RAIL TERMINAL COMMITMENTS IN SRFI DCO AND WIDER CONTEXT

- 3.1 During the original DCO Application process, including pre- and post-Examination of the proposals, and in the period post consent of the DCO, the Applicant has worked closely with Network Rail. This close and joined-up collaborative working is ongoing, and the Applicant has entered into numerous technical and legal agreements with Network Rail as part of the detailed design and technical approvals process required to agree and deliver an operational rail freight terminal.
- 3.2 The intention was that the rail terminal be operational in advance of any occupations, and that may still be the case. However, despite best efforts, for the reasons explained above, and in the Network Rail Statement, this may not prove possible. It was for this reason, which is entirely outside of the Applicant’s control, that, when putting forward the draft DCO which included a commitment to the provision of the rail terminal, the Applicant included additional wording in the relevant requirement allowing for the occupation constraint to be varied by agreement with the local planning authority if necessary. The additional wording was not included in the approved DCO, hence the need for an amendment to the DCO.
- 3.3 There are now a number of SRFI which have been approved through the DCO process. Whilst these vary in approach, only the Northampton Gateway DCO currently prevents any occupations before the rail terminal is operational.
- 3.4 The position with regard to the other approved SRFI is set out in the table below:

<u>SRFI</u>	<u>Percentage of Authorised Floorspace allowed to be occupied before Rail Terminal Operational</u>
DIRFT 3 ³	21% of the total (153,290 sq.m)
East Midlands Gateway ⁴	47% of the total (260,000 sq.m)
West Midlands Interchange ⁵	25% of the total (186,000 sq.m)

- 3.5 The change sought to the Northampton Gateway DCO would allow the ability to occupy 232,260 sq.m of warehousing (equivalent to 37% of the total) built pursuant to the DCO prior to the rail terminal being operational.
- 3.6 All promoters of SRFI DCO encounter scepticism as to the genuine intention of the promoter to provide the rail terminal and every SRFI DCO Examination has had to address this. From the

³ The Daventry International Rail Freight Interchange Alteration Order 2014 SI 1796 – restriction in Planning Obligation

⁴ The East Midlands Gateway Rail Freight Interchange and Highway Order 2016 SI 17 – see Requirement 2(3) Sch 2

⁵ The West Midlands Rail freight Interchange Order 2020 SI 511 – see Part 2 of Schedule 2, para 35

table in paragraph 3.4 above it can be seen that it has not been thought appropriate to respond by preventing any occupations in advance of the rail terminal being operational.

- 3.7 An argument usually engaged against accepting any occupations in advance of the rail terminal being operational is based on an assertion that occupiers that occupy prior to the rail terminal being operational would be unlikely, or substantially less likely, to use the terminal (i.e. not make use of rail freight). As referred to earlier, the East Midlands Gateway rail terminal, which had 260,000 sq.m of its floorspace allowed to be occupied before the rail terminal was operational, is now operating very successfully. As set out in the letter in **Appendix 7** from the operator, Maritime, all occupiers on East Midlands Gateway use the rail terminal and that includes all the occupiers who occupied in advance of the terminal being operational.
- 3.8 Another concern raised is based on the fear that a developer might simply build up to the initial level of occupations allowed and then stop and never provide the rail infrastructure necessary to provide the rail terminal. That clearly did not happen at East Midlands Gateway, where 260,000 sq.m could have been constructed without any rail infrastructure at all and no further development progressed. In the present case of Northampton Gateway that is clearly not going to happen since the Applicant's rail investment has been made and is evident on the ground.
- 3.9 The Applicant let a single phase contract for 100% of the infrastructure required to service the site (including all of the Applicant's rail infrastructure) and acquired all the necessary land. The total commitment is in excess of £275 million. The contract commenced in January 2021 and will be completed in early 2024. The cost of the Applicant's rail infrastructure alone amounts to, an already committed, cost of £35 million.

Wider context

- 3.1 The logistics and distribution sector is undergoing a significant period of growth. This is consistent with trends seen over recent years, but the Covid-19 pandemic, and Brexit, have both further exacerbated or accelerated trends based around a number of economic and wider societal changes and phenomena.
- 3.2 As a key example, the move towards online retail and 'e-commerce' has been steadily increasing over recent years, well in advance of the Covid-19 pandemic. The UK is considered one of the most mature economies with regard to increasing adoption of e-retail, and consequences of the Covid-19 pandemic related 'lockdowns' and other restrictions were an increasing move online and away from more traditional high-street retail. In order to respond to growing demand, existing online retailers are requiring additional and/or larger storage and distribution facilities, and other more traditional retailers are increasingly expanding their online presence in order to stay competitive. This has further fuelled a need for large-scale distribution and logistics floorspace from the retail sector.

- 3.3 Similarly, in order to guard against any negative implications from changes to international border controls and customs regimes associated with the UK's departure from the EU, many companies with international supply chains are increasing their UK based storage capacity. Additional 'friction' and uncertainty at international borders has undermined previous 'just in time' approaches to the distribution of goods from manufacturers or other suppliers to their customers. This too is increasing demand for strategic distribution floorspace.
- 3.4 The strength of demand for floorspace has seen repeated 'record' years for demand and take-up of distribution space which are widely reported by multiple sources of market data and monitoring. Where 2020 was a 'record year' for take-up across the sector, 2021 then exceeded it, and early indications are 2022 will see continued record high levels of market need and demand. The increasing severity of the shortage in supply of sites capable of accommodating strategic distribution operations is also clear from much of the available analysis. There are numerous sources of such evidence but just a small sample are provided here for information⁶. These provide a sense of the increasing importance of 'logistics' and distribution floorspace to overall UK economic activity, but also include interesting intelligence regarding the way the market is changing. Key trends identified in the various sources of market monitoring include a trend towards larger buildings, with demand for larger units increasing and the average unit size now considerably bigger than it was even as recently as five years ago. Another key trend is the move towards new, purpose built and high-quality buildings as more occupiers prioritise 'Environmental, Social and Governance' (ESG) issues and look to increase the sustainability of their operations and reduce the carbon footprint.
- 3.5 The June 2022 '*Future of Freight*' report from the Department for Transport is a helpful and directly relevant statement of a number of the key challenges facing the 'freight' sector, as well as helping underline the sector's importance to the UK economy. A focus of the report is on actions or measures which government will implement or pursue to help support and enable further success of the sector, including the move towards carbon net zero. In doing so, the report also underlines the important role of multi-modal interchanges (such as SRFIs) in enabling a shift from road to rail for more of the long-haul journeys.
- 3.6 In this context, the Applicant is in active dialogue with a number of prospective occupiers of buildings on the Northampton Gateway site, many with requirements for buildings in the short and medium term (many focused on the coming 12 – 18 month period). In order to progress those negotiations, and to be able to provide certainty to occupiers, it is essential that there is a realistic and deliverable approach to the timing of the rail terminal being operational, and to detach some floorspace from the 'occupation' trigger.

⁶ January 2022 'Big Shed Briefing' article by Savills: [REDACTED] June 2022
'UK Logistics Market Summary', CBRE: [REDACTED]

4.0 THE PROPOSED DCO AMENDMENT

- 4.1 DCO Requirement 3(3) provides that a rail terminal must be constructed and available for use prior to the occupation of any warehousing. As referred to above, work is already underway to construct the rail terminal and associated rail infrastructure as an element of the overall, comprehensive, infrastructure package to service the entire site. However, in order for the rail terminal to be operational, the rail infrastructure being constructed by the Applicant needs to be connected to the mainline operated by Network Rail.
- 4.2 That connection work must be carried out by Network Rail and it is not yet certain when this can be done due to Network Rail programming issues arising from issues such as the Covid-19 pandemic and the desire to minimise ‘possessions’ of the railway, and the associated line closures, in the period of recovery. Therefore, the Applicant is unable to either control, or predict, the timing of those connections being delivered, and to that extent represents a risk and an area of significant uncertainty with regard to being able to bring warehousing forward and secure occupiers.
- 4.3 As explained above interested occupiers keen to invest in, and operate at, the site are unwilling to proceed if they understand that even if their building is ready they would not be able to occupy if the rail connections have not been delivered by Network Rail. The timing of access to the rail network is a matter of ongoing cooperation and discussion with Network Rail, but ultimately beyond the control of the Applicant. For this reason, it is proposed that Requirement 3(3) be amended to remove a need for the rail terminal to be capable of operation prior to first occupation.
- 4.4 Requirement 3(3) currently states:
- “A rail terminal capable of handling at least four intermodal trains per day, including 775 metre length trains, must be constructed and available for use prior to the occupation of any of the warehousing”*
- 4.5 The change which is applied for is to replace the above requirement with a two limbed requirement. The first limb would constrain any occupations until the rail infrastructure to be constructed by the Applicant has all been completed. The second limb will constrain occupations above a certain floorspace limit prior to the connections to the mainline being constructed and commissioned.
- 4.6 The amended requirement would read as follows:
- “The rail infrastructure within the area coloured pink on Plan NGW-BWB GEN XX-SK-C-SK315–S2-PO1 must be completed prior the occupation of any of the warehousing and both the connections to the West Coast Main Line must have been constructed and commissioned sufficient for the rail terminal to be operational prior to the occupation of more than 232,260*

square metres of the warehousing unless otherwise agreed in writing with the relevant planning authority⁷

- 4.7 The plan referred to would also be added to the certified documents referred to in Article 46 of the DCO.
- 4.8 A draft Amendment Order capturing these changes is included in **Appendix 8** and the plan referred to is included in **Appendix 4**.
- 4.9 The reference to "unless otherwise agreed in writing with the relevant planning authority" would enable the position to be considered afresh without the need for a further formal amendment to the DCO if, for reasons beyond the Applicant's control, there was a requirement for additional floorspace to be occupied in advance of the rail terminal connections.

Summary of the rationale and reasons for the proposed DCO amendment

- 4.10 The preceding sections of this Statement have set out the context for, and the key reasons behind, the proposed change to the DCO which is described above.
- 4.11 In summary, the Applicant is proposing to amend the DCO because the uncertainty regarding the timing of the new rail terminal being available for use means that there is no prospect of occupiers currently being able to commit to the site. Several major occupiers have expressed significant interest in locating on the site, some with requirements for new buildings in late 2023 or early 2024. While they remain very interested, they cannot commit formally without certainty of when they will be able to occupy and use a new distribution warehouse building on the site.
- 4.12 Without certainty regarding the timing of the rail connections being delivered and the terminal being available for use by freight trains, the Applicant is unable to confirm the timing of warehouse buildings being available for occupation – a major deterrent to occupiers. This means that realising much of the local economic investment and value of the site is being delayed, and opportunities to secure investment in the delivery of new rail served distribution buildings potentially being lost, with some likely to consider solely road-based sites as alternatives (where available).
- 4.13 This uncertainty is a consequence of Network Rail being unable to confirm when they will be able to deliver the new connections between the new Northampton Gateway rail terminal and the existing rail network (the Northampton loop line). To deliver those connections will require closure of the railway line for several days, and Network Rail has to liaise with other parties to agree such a closure.

⁷ The term "relevant planning authority" is in the DCO because it was approved prior to re-organisation at which time there was more than one district council involved. It is suggested the term remain to retain drafting consistency and since the DCO provides for it to apply to successor authorities automatically.

- 4.14 Those new rail connections cannot be delivered by the Applicant, but all other rail infrastructure on-site including the rail terminal itself are already under construction, and will be complete in the Autumn 2022. The proposed DCO change would require completion of all on-site rail infrastructure and the terminal by the Applicant prior to occupation of any building consented under the DCO.
- 4.15 The proposed amendment to the DCO would allow some occupation of floorspace on-site before the terminal is 'available for use'. This change would make the Northampton Gateway DCO consistent with all other approved SRFI's in that regard. Experience at other SRFIs has demonstrated that the rail terminal being operational after some buildings are occupied is not an impediment or deterrent to the use of rail freight by occupiers.

5.0 ASSESSMENT OF THE PROPOSED CHANGE AND ITS MATERIALITY

- 5.1 This section of the Supporting Statement sets out an assessment of the proposed amendment and of any effects it might have and then considers the materiality of the change.
- 5.2 The proposed change to alter the triggers for the rail terminal being operational would have no direct environmental impacts. There would be no physical change to the scale, scope or extent of the approved development, and no new residual (longer-term) effects or implications overall.
- 5.3 Physically there is no change as a result of the proposed change – the Parameters defined for the scheme remain unaltered and as assessed in the ES, and the rail terminal will still be delivered in the form proposed and approved.
- 5.4 The below headed sections address some impacts which, consultation suggests, may be of concern:

Impact on ultimate or long-term rail usage

- 5.5 It is relevant to note that, as previously explained, at East Midlands Gateway (EMG), 260,000 sq.m of the consented warehousing was permitted to be occupied prior to the rail terminal being operational. A number of large-scale buildings were occupied well in advance of the completion and availability of the rail terminal.
- 5.6 The experience at EMG helps demonstrate that the timing of access to rail is not a critical factor in whether or not occupiers choose to use rail or not. The site is now largely complete with many distribution buildings occupied, and all occupiers are now using the rail terminal to some extent including occupiers who occupied well in advance of the rail terminal being constructed. In addition, as referred to in Section 3 of this Statement, the increasing awareness and calls for action around environmental sustainability, and need to respond to climate change, means there are significant ‘drivers’ and incentives for key national and international occupiers and brands to establish more sustainable supply chains. The wider ‘push’ of Government policy towards net zero carbon over recent years has also emphasised the need to find more sustainable and low carbon means of transport.
- 5.7 Therefore, while the delayed delivery of the terminal will clearly delay the opportunity to use rail at the site, there is no evidence or expectation that this delay will deter or prevent adoption of rail freight once it is available.
- 5.8 For additional context, as referred to above, several other approved Rail Freight Interchanges have pre-rail or pre-terminal floorspace allowances. Daventry International Rail Freight Interchange (DIRFT) saw its rail terminal come later than the earliest buildings, and the more recently approved SRFI (West Midlands Interchange) is another example where, like EMG referred to above, the DCO was granted on the basis that occupation of floorspace was permitted in advance of the rail terminal being delivered and/or available for use. The proposed

amendment to the Northampton Gateway would represent a consistent approach to that taken elsewhere.

Potential Environmental Effects

- 5.9 Given that there is no change to the form of the development the only potential environmental effect arising from a change in the timing of the provision of the rail terminal that might need to be considered is impact on traffic movements.
- 5.10 While it may at face value seem counter-intuitive, without the rail terminal operational traffic levels associated with the site will reduce compared to the levels expected with the terminal in operation. This is because the rail terminal is itself a traffic generator (see below) and a delay to the opening of the rail terminal would mean that the full traffic generation of the development will not be realised in the shorter term.
- 5.11 This is because, in addition to serving buildings and occupiers located on the Northampton Gateway site, the rail terminal will also function as a local hub that will generate or attract HGV trips to and from the hinterland of the site as other businesses nearby but off site switch to using rail for long-haul journeys. This modal shift to rail for long-haul journeys means that there is an overall reduction in HGV mileage and consequential reduction in carbon emissions brought about by the SRFI. However, it does result in increased road traffic local to the site.
- 5.12 This role and function, and interaction with surrounding off-site operations, was assessed as part of the Transport Assessment (TA) which underpinned the application for the DCO.
- 5.13 It therefore follows that the result of the delay in Network Rail providing the rail connection, and hence a delay in the opening of the rail terminal, is a reduction in the traffic impact on the nearby road network from the levels included and assessed in the DCO.
- 5.14 The agreed highway improvements that are presently being constructed are designed to accommodate the traffic increases associated with the SRFI including the additional traffic local to the site that would be generated by the rail terminal. The highway works are designed to accommodate the higher traffic flows with the rail terminal operational and hence will be more than sufficient to accommodate the reduced traffic flows until the rail terminal is operational. The proposed DCO amendment does not seek any change to the highway mitigation works required or their timings, and so the extensive package of highways improvements measures at Junction 15 and across the wider road network will be in place as planned and in accordance with the triggers defined in the DCO. These improvements will ensure sufficient highways capacity is in place, despite there being less overall traffic using the SRFI site in the short-term without the rail terminal than was planned for and assumed in the TA.
- 5.15 A technical summary of the above has been submitted to National Highways and WNC. National Highways have confirmed by response that there would be no adverse impact on

traffic. The Technical Report and related correspondence with National Highways and West Northamptonshire Council is included at Appendix 9.

Materiality

5.16 The Government Guidance on whether a change which is being sought to a DCO should be considered a material or non-material change is contained in the document titled “Planning Act 2008: Guidance on Changes to Development Consent Orders” dated December 2015.

5.17 Paragraphs 9 to 16 provide guidance on what is relevant as to what might be considered to be a material or non-material change. The factors referred to are:

Environmental Statement – a change would be considered material if it would require an updated Environmental Statement to take account of new, or materially different, likely significant effects on the environment.

Habitats and Protected Species – a change would be material if it would invoke a need for a Habitats Regulations Assessment.

Compulsory Acquisition – a change would be material if it would authorise the compulsory acquisition of any land or rights over land not authorised by the existing DCO; and

Impact on business and residents – the impact of a change on local people and businesses may be a consideration in some cases dependent upon the circumstances of a particular case.

5.18 The first three of these factors do not apply to the change sought by this application. The earlier paragraphs of this section also explain that there is no adverse impact on business and residents as a result of the change sought. Quite the reverse, there would be a beneficial impact on business, allowing the development to proceed without further delay.

5.19 The change sought to the DCO does not change any of the development proposed, which remains in substance entirely consistent with the development currently authorised by the DCO. The ability for some floorspace to be occupied in advance of the provision of the rail terminal is also entirely consistent with the other SRFI DCO which have been approved.

5.20 The proposed change will not lead to conflict with the identification of the development as an NSIP within the scope of section 26 of the Act. Section 26 requires that a rail freight terminal meets certain criteria and includes warehousing “when constructed”. The development will still comply with the criteria in section 26. Section 26 does not require the component parts of an RFI to be provided at any particular time or in any particular sequence during the course of the development being constructed.

5.21 If the DCO is changed as requested the resultant authorised development will still wholly comply with the criteria in section 26.

5.22 Given the lack of any material environmental impact or other adverse impact on businesses or residents the Applicant is confident that this application should be considered as seeking a non-material change.

