

Tritax Symmetry (Hinckley) Limited

# HINCKLEY NATIONAL RAIL FREIGHT INTERCHANGE

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## The Hinckley National Rail Freight Interchange Development Consent Order

Project reference TR050007

### Funding Statement

Document reference: 4.2A

Revision: ~~043~~

27 February 2024~~10 October 2023~~

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Planning Act 2008

The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009  
Regulation 5(2)(h)

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## 1. PURPOSE OF DOCUMENT

- 1.1 This Funding Statement has been prepared to accompany an application made by Tritax Symmetry (Hinckley) Limited (“TSH”) to the Secretary of State pursuant to section 37 of the Planning Act 2008 (“the 2008 Act”) for a Development Consent Order (“DCO”) to authorise The Hinckley National Rail Freight Interchange (“HNRFI”).
- 1.2 The DCO would authorise the compulsory acquisition of interests and rights in, on or over land. Regulation 5(2)(h) of the *Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009* requires the application to be accompanied by a statement to confirm how the implementation of these powers is proposed to be funded.
- 1.3 This Statement has been prepared to meet the requirements of Regulation 5(2)(h) and should be read alongside the other application documents including the Statement of Reasons (document reference 4.1B) which sets out the case for use of compulsory acquisition powers.
- 1.4 This version of the Funding Statement is submitted at Deadline ~~17~~ at the request of the Examining Authority and as discussed in Compulsory Acquisition Hearing 1 to reflect the Applicant’s updated costs estimates and latest company accounts.

## 2. GUIDANCE

- 2.1 The guidance set out in the document titled ‘*Guidance related to procedures for the compulsory acquisition of land*’ issued by the then titled Department of Communities and Local Government in September 2013 has been taken into account in the preparation of this document.
- 2.2 In terms of funding statements, the guidance states:
  - ‘17. Any application for a consent order authorising compulsory acquisition must be accompanied by a statement explaining how it will be funded. This statement should provide as much information as possible about the resource implications of both acquiring the land and implementing the project for which the land is required. It may be that the project is not intended to be independently financially viable, or that the details cannot be finalised until there is certainty about the assembly of the necessary land. In such instances, the applicant should provide an indication of how any potential shortfalls are intended to be met. This should include the degree to which other bodies (public or private sector) have agreed to make financial contributions or to underwrite the scheme, and on what basis such contributions or underwriting is to be made.
  18. The timing of the availability of the funding is also likely to be a relevant factor. Regulation 3(2) of the *Infrastructure Planning (Miscellaneous Prescribed Provisions) Regulations 2010* allows for five years within which any notice to treat must be served, beginning on the date on which the order granting development consent is made, though the Secretary of State does have the discretion to make a different provision in an order granting development consent. Applicants should be able to demonstrate that adequate funding is likely to be available to enable the compulsory acquisition within the statutory period following the order being made, and that the resource implications of a possible acquisition resulting from a blight notice have been taken account of.’
- 2.3 This statement therefore details how any compulsory acquisition will be funded and the ways in which HNRFI may be funded.

### 3. DESCRIPTION OF THE SCHEME

3.1 In summary, HNRFI comprises:

#### Development on the Main HNRFI Site

- a. The demolition of Woodhouse Farm, Hobbs Hayes Farm, Freeholt Lodge and the existing bridge over the Leicester to Hinckley railway on Burbage Common Road;
- b. new rail infrastructure including points off the existing Leicester to Hinckley railway providing access to a series of parallel sidings at the HNRFI, in which trains would be unloaded, marshalled and loaded;
- c. an intermodal freight terminal or 'railport' capable of accommodating up to 16 trains up to 775m in length per day, with hard-surfaced areas for container storage and HGV parking and cranes for the loading and unloading of shipping containers from trains and lorries;
- d. up to 850,000 square metres (gross internal area or GIA) of warehousing and ancillary buildings with a total footprint of up to 650,000 square metres and up to 200,000 square metres of mezzanine floorspace, including the potential for some buildings to be directly rail connected if required by occupiers. These buildings might incorporate ancillary data centres to support the requirements of HNRFI occupiers and operators. They will also incorporate roof-mounted photovoltaic arrays with a generation capacity of up to 42.4 megawatts (MW), providing direct electricity supply to the building or exporting power to battery storage in the energy centre;
- e. an energy centre incorporating an electricity substation connected to the local electricity distribution network, battery storage (adjacent to each unit and at the energy centre) and a gas-fired combined heat and power plant (designed to be ready for 100% hydrogen in the grid gas supply) with an electrical generation capacity of up to 5 megawatts (MW). Total electricity generation capacity at the Main HNRFI Site is therefore 47.4 MW;
- f. a lorry park with welfare facilities for drivers and HGV fuelling facilities;
- g. a site hub building providing office, meeting space and marketing suite for use in connection with the management of the HNRFI and ancillary car parking;
- h. terrain remodelling, hard and soft landscape works, watercourse diversion, amenity water features and planting;
- i. noise attenuation measures, including acoustic barriers up to six metres in height;
- j. habitat creation and enhancement, and the provision of publicly accessible amenity open space at the south-western extremity of the HNRFI near Burbage Wood and to the south of the proposed A47 Link Road between the railway and the B4668/A47 Leicester Road;
- k. pedestrian, equestrian and cycle access routes and infrastructure, including a new dedicated route for pedestrians, cyclists and horse riders from a point south of Elmesthorpe to Burbage Common;
- l. utility compounds, plant and service infrastructure;
- m. security and safety provisions inside the HNRFI including gatehouses, fencing and lighting;

- n. drainage works including surface water retention ponds, underground attenuation tanks and swales;

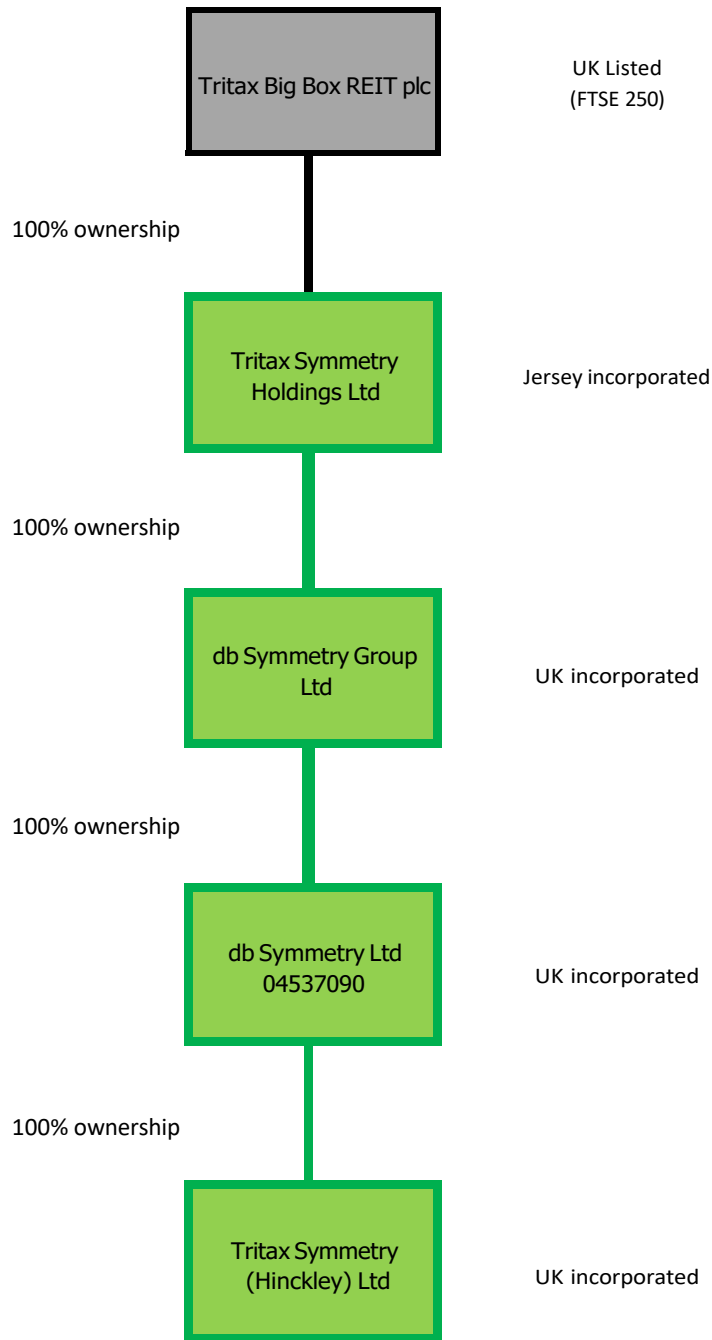
### Highway works

- a. works to M69 Junction 2 comprising the reconfiguration of the existing roundabout and its approach and exit lanes, the addition of a southbound slip road for traffic joining the M69 motorway and the addition of a northbound slip road for traffic leaving the M69 motorway at Junction 2.
  - b. a new road ('the A47 Link Road') from the modified M69 Junction 2 to the B4668 / A47 Leicester Road with a new bridge over the railway, providing vehicular access to the proposed HNRFI from the strategic highway network. The A47 Link Road will be intended for adoption as a public highway.
  - c. modifications to several junctions and amendments to Traffic Regulation Orders on the local road network in response to the different traffic flow pattern resulting partly from the trips generated by the HNRFI development and principally from the change in movements as a result of the M69 Junction 2 upgrade;
  - d. works affecting existing pedestrian level crossings on the Leicester to Hinckley railway at Thorney Fields Farm north-west of Sapcote, at Elmesthorpe and at Outwoods between Burbage and Hinckley. In addition, pedestrian level crossings serving footpaths that connect Burbage Common Road to Earl Shilton and Barwell are proposed for closure with the associated footpaths being diverted;
  - e. off-site (outside the Order Limits) railway infrastructure including signals and signage.
- 3.2 A more detailed description of HNRFI can be found in Chapter 3 of the Environmental Statement submitted with the application (document reference 6.1.3, APP-112) and Schedule 1 of the draft DCO (document reference 3.1A, AS-008).

## 4. APPLICANT

- 4.1 The applicant is Tritax Symmetry (Hinckley) Limited (Company Registration Number 10885167) ("TSH"). TSH is a special purpose vehicle set up for the HNFRI.
- 4.2 TSH is part of the Tritax Big Box Group ("the Group"), a FTSE 250 business and the UK's largest listed specialist investor in logistics assets. The ultimate parent of TSH is Tritax Big Box REIT Plc. A condensed group structure diagram is included below;

**Tritax Symmetry (Hinckley) Ltd condensed SPV to parent structure**



4.3 The Group’s purpose is to be the leading Real Estate Investment Trust (“REIT”) focused on high quality UK logistics real estate assets and to deliver sustainable, long-term income and value growth for shareholders. Through its development arm, Tritax Symmetry, the model is to secure land for logistics development, develop new logistics assets and subsequently hold onto and manage the developed assets over the long term. The Group owns the UK’s largest portfolio of logistics investment assets and the largest logistics-focused development land platform, with a portfolio value of £5.05bn as at 30 June 2023. The Group is funded via a



combination of debt financing, equity, asset sales and development income. Further details are as set out in paragraphs 4.4 - 4.8 below.

- 4.4 Debt financing – the Group has a diversified range of borrowings, with undrawn debt commitments of £537m as at 30 June 2023. All drawn debt is hedged via either interest rate derivatives or fixed-rate loan agreements. The borrowings available to the Group are as follows:
  - 4.4.1 £750m unsecured bank finance across two revolving credit facilities.
  - 4.4.2 £900m unsecured Public Bonds and Private Loan Notes.
  - 4.4.3 £250m unsecured Green Bonds.
  - 4.4.4 £212.9m secured debt across three separate facilities.
- 4.5 Raising additional equity – in September 2021, the Group issued 147,058,823 new Ordinary Shares at 204 pence per share, raising gross proceeds of £300m. The raise was three times oversubscribed, demonstrating the ability to raise funds via equity where needed.
- 4.6 Sale of portfolio assets – where we have maximised their value in the Group’s ownership or where they no longer fit the portfolio.
- 4.7 Development management income – received where we manage the delivery of an asset for a third-party funder in return for a fee and / or profit share.
- 4.8 Funds available to the Group as at 30 June 2023 totaled £550m+.

## **5. LAND ACQUISITION**

- 5.1 As set out further in the Statement of Reasons (document reference 4.1B) and as is evident from the Land Plans (document series 2.20, APP-057-065) and the Book of Reference (document reference 4.3A, AS-013), the majority of the land affected by the proposed development is owned or controlled by TSH. TSH has sought to progress voluntary agreements to acquire land wherever possible and negotiations with landowners are continuing.
- 5.2 Powers of compulsory acquisition are being sought over that land in respect of any third party rights which may be inconsistent with the authorised development.
- 5.3 Land which is either unregistered or in respect of which TSH has not yet concluded voluntary agreements is proposed to be subject to compulsory acquisition.
- 5.4 TSH also requires some powers of temporary possession to carry out parts of the authorised development such as in respect of the closure of public rights of way and level crossings, and construction compounds for temporary working sites.
- 5.5 Further detail on the extent of powers sought by TSH in the DCO is contained in the Statement of Reasons.
- 5.6 The draft DCO submitted with the application therefore includes powers for the TSH to compulsorily :

- acquire land;
- create new rights over land;
- acquire/interfere/suspend/extinguish existing rights; and
- obtain temporary possession/use of land.

## 6. ESTIMATED COSTS RELATING TO COMPULSORY PURCHASE

- 6.1 The total estimated cost of acquiring the interests described in paragraph 5 are currently estimated to be in the region of £3,460,000. This estimate is based on TSH's experience in coming to voluntary arrangements with landowners, knowledge of market values in the region, and already accepted offers on some of the land interests for the development. There are no businesses which are being extinguished as part of the proposed compulsory acquisition powers and thus no extinguishment costs have been factored into this value. The cost estimate does reflect both macro and micro dynamics which influence the full life cycle of the development.
- 6.2 The Group has a diverse range of development assets within the use class and remains confident in the delivery and success of these projects. These projects are all reviewed individually and have no implications from a financial perspective on HNRFI.
- 6.3 In the event of it being necessary to utilise compulsory purchase powers then the compensation payable will be funded by TSH. In addition the remainder of the land acquisition and any claims for blight that may be submitted will also be funded by TSH.
- 6.4 TSH has included an article in its draft DCO (Article 38) which ensures that no compulsory acquisition can be pursued until appropriate security for the liability to pay compensation in respect of that acquisition has been provided. This provides additional protection in respect of interests being acquired and has become relatively commonplace in DCOs.
- 6.5 The article [\(which has been agreed with the local authorities following Issue Specific Hearing 1\)](#) states:

### ***'Guarantees in respect of payment of compensation***

*~~4038~~—(1) The undertaker must not exercise the powers conferred by the provisions referred to in paragraph (2) in relation to any land unless it has first put in place a guarantee or alternative form of security approved by the relevant planning authority in respect of the liabilities of the undertaker to pay compensation under this Order in respect of the exercise of the relevant power in relation to that land*

*(2) The provisions are—*

- (a) ~~article 253~~ (compulsory acquisition of land);*
- (b) ~~article 264~~ (compulsory acquisition of land - ~~incorporation of the mineral and~~ ~~co~~ ~~minerals~~);*
- (c) ~~article 275~~ (compulsory acquisition of rights);*
- (d) ~~article 2830~~ (private rights);*
- (e) ~~article 2931~~ (rights under or over streets);*
- (f) ~~article 324~~ (temporary use of land for carrying out authorised development);*
- (g) ~~article 335~~ (temporary use of land for maintaining authorised development); and*
- (h) ~~article 364~~ (statutory undertakers).*

*(3) A guarantee or alternative form of security given in respect of any liability of the undertaker to pay compensation under this Order must be treated as enforceable against*

*the guarantor or person providing the alternative form of security by any person to whom such compensation is payable and must be in such a form as to be capable of enforcement by such a person.*

*(4) Nothing in this article requires a guarantee or alternative form of security to be in place for more than 15 years after the date on which the relevant power is exercised.*

*(5) An approval required under paragraph (1) must not be unreasonably withheld or delayed.*

## **7. SOURCES OF FUNDING FOR DEVELOPMENT**

- 7.1 The current cost estimate for the development of HNRFI is approximately £8095m. The increase in cost from the previously reported £805755m is predominately driven by further engagement with contractors to establish a current market price following inflationary and supply chain pressures. This is typical of large infrastructure projects to refine estimates. The figure includes interest which is fixed and determined by the funding REIT. Bank of England rate changes do not influence this figure. As confirmed at Compulsory Acquisition Hearing 1, the Applicant continues to keep these costs estimates under review during the Examination and any updates will be reported in the next Funding Statement to be submitted.
- 7.2 The shareholders of TSH intend to fund the development through using the resources of the Group, as referred to in paragraph 4 above.

## **8. BLIGHT**

- 8.1 Blight is a term used to describe a scenario where property values or economic activity in an area reduce as a result of expected or potential future development. Blight notices may be served by those with a relevant interest in the land affected on the entity responsible for the planned development. No blight notices have currently been served in respect of HNRFI. In the event any claims for blight arise the cost of meeting any valid claim will be met by TSH.

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**Appendix 1**

**Tritax Big Box REIT Plc Accounts June 2023**

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