

## Consultation response from the Head of Economic Development and Regeneration

### Gascoigne Rail Freight Interchange application (2018/0818)

#### Response from SDC Economic Development

This application should be supported due to the following material considerations:

#### **A rail freight interchange of regional significance at this site is a key Council commitment**

- The Council's Corporate Plan 2015-20 set out a clear commitment to making Selby District a 'Great Place' of which priority 1 was to make it a Great Place 'to do business'. It identified the key focus of this work - securing new investment in the district and improving employment opportunities.
- The Corporate Plan was updated in 2018. The overarching Great Place ambitions remained the same but the update set out a refreshed set of priorities for 2018-2020. As well as the focus on securing new investment and employment opportunities it also emphasised the need to create the conditions for the current and future workforce to achieve higher levels of skills and qualifications. It identified a number of things to focus on over the next two years:
  - progress the key priorities in our Economic Development Framework - including attracting new business investments to create employment opportunities in priority sectors through our Inward Investment work
  - work proactively with key landowners and developers to unlock the significant potential of our key transformational development sites. This included Gascoigne Rail Freight Interchange which is identified as having potential for a major new rail based manufacturing and logistics hub of regional significance.
- The Corporate Plan commitments to encouraging economic growth and delivering its key transformational development sites will deliver a wide range of benefits including increased employment, skills and training opportunities for local people. It will also deliver growth in the Council's business tax base which is essential to secure the future sustainability of the Council and its ability to deliver first class public services.
- The 'Selby Economic Development Framework 2017 – 2022' builds on the Council's agreed aims to make Selby District a great place to do business and enjoy life, as set out in the Council's Corporate Plan 2015-2020. The EDF states that Selby District has a critical role to play in transforming growth in the north of England and rebalancing the country's economy, creating economic prosperity and better connected sustainable growth. The right mix

of investment is sought to create diverse high-value jobs that meet the needs and aspirations of residents and improve prospects for this and future generations.

- The EDF sets District targets of:
  - Over 500 new jobs per annum
  - Increased annual productivity to £50k per FTE
  - Increased average weekly wage levels to £525 per FTE
  - Decreased unemployment to 3%
- In the EDF the Council commits to work alongside developers to bring forward new commercial land to attract investment into the District, creating new and higher-value employment opportunities, whilst meeting the needs of existing businesses to expand.
- The EDF identifies 283 hectares at Gascoigne Interchange as one of 5 key development sites in the District, incorporating B1/2/8 uses and regionally significant rail freight infrastructure. The Framework also specifies that the Council will work alongside key developers and landowners to attract investors and occupiers to Gascoigne Interchange.
- The Council has very recently (agreed by Executive on 10 January 2019) reviewed progress made thus far in delivering its Economic Development Framework for 2017-22. As part of the review an 'EDF Delivery Plan for 2019 and 2020' was agreed by the Executive that identified 10 priority work areas for the Council over this two-year period. The 4th highest of the 10 priorities that were agreed is 'Deliver Strategic Sites: ....Gascoigne Wood'. A key output on which performance will be measured is listed in the Delivery Plan as 'planning agreed for Gascoigne'.

**A rail freight interchange at this site delivers national and Transport for the North policy:**

- DfT National Policy Statement for National Networks 2014: 'The Government has concluded that there is a compelling need for an expanded network of Strategic Rail Freight Interchanges....SRFIs can provide considerable benefits for the local economy. For example, because many of the on-site functions of major distribution operations are relatively labour-intensive this can create many new job opportunities and contribute to the enhancement of people's skills and use of technology, with wider longer term benefits to the economy.'

- The Transport for the North Enhanced Freight and Logistics Analysis Report (2018) identifies the Gascoigne site as one of three in the North meeting the definition of a Strategic Rail Freight Interchange ('Three Strategic Rail Freight Interchanges (SRFIs – distribution centres with intermodal terminals at Ditton, Wakefield and Selby').
- Based upon analysis from the Northern Powerhouse Review the need for infrastructure to accommodate growth in the freight industry is demonstrated and based upon a strong multimodal freight capability. The historic northern rail freight activity was related to coal movements between ports and inland power stations and as these volumes fall there is an opportunity to utilise the released capacity to the benefit of other commodities. Growth is also expected to be driven by the movement of intermodal freight between the southern ports and the North of England. A key barrier to modal shift from road to rail for freight is a lack of intermodal terminals, and the expansion of the site would be expected to contribute to the required modal shift.
- The 2019 TfN Strategic Plan makes clear that 'The business links that need improving include those between: The freight and logistics sector, serving businesses via the North's ports, airports and inland distribution facilities, such as iPort in Doncaster....Investment in Liverpool2 and the continuing growth of the Humber Ports has given strength to the concept of a rail freight "superhighway" connecting Liverpool and the Humber, as well as wider benefits for freight movement across the North to other ports. This concept is endorsed by IPPR North and supported by the Northern Ports Association, enhancing engagement with freight businesses'.

**This site provides a unique opportunity for rail-related employment within the region:**

- No other rail-connected sites in the region benefit from this combination of excellent rail connectivity and facilities plus the type and extent of land available at Gascoigne Wood.
- The rail connection on site at Gascoigne Wood is a very significant regional economic and planning asset and the core rail infrastructure there would be extremely difficult and very expensive to replicate. This infrastructure can form the basis of a rail-related employment campus that is unique in the region in its scale and nature. Consequently, this site should not be considered in the same terms as or as an alternative to the supply of general B1/B2/B8 employment sites in Selby District.
- This uniqueness of the site was recognised by the then Secretary of State during the 2007 granting of permission at appeal. She found that the proposal was not in accordance with the development plan as a whole but that in considering other material considerations gave weight to the benefits of

reusing a valuable asset in the form of the railway infrastructure and to the significant benefits in bringing the site back into industrial or distribution uses that can make use of the rail connections and foster the movement of goods by more sustainable means. It remains the case that the benefits arising from the current development proposal would outweigh conflict with the development plan and so the proposal should be supported.

- The former colliery site (57% of the application site) has a valid, extant consent for employment use that is rail related. However the lack of progress at attracting occupiers to fulfil the potential of the site has demonstrated the need for an amended offer. The existing consent is a material consideration and any consent here would rationalise the use and bring the employment land use more up to date with a more efficient and potentially more intensive use of land. The extension outside of the former colliery is a part of the package and this support for it is on the basis that it must be rail related. The choice provided by a consent here and which cannot be provided anywhere else – due to its rail connectivity- is a reason to grant consent for an expansion of the existing site linked to an existing permission, with the potential for a national and regional freight terminal of strategic significance with a longer term role meeting specific requirements beyond the plan period. The ability to ensure it is genuinely rail related and any phasing requirements will be controlled through the planning conditions and planning obligations that relate to this and will relate to future Reserved Matters applications.
- This application is for 186,000 sq m (approx. 2,000,000sq ft) of Class B2/B8 and associated Class B1 floor space with supporting container storage area and associated buildings, trackside facilities, access and landscaping on a 101 hectare site Although there are a number of rail freight terminals situated throughout the region (as outlined below) these are all limited in size or capabilities, including several that are landlocked with restricted development opportunities adjacent to them:
  - Barlby Road, Selby – The sidings can accommodate trains of up to 750m in length at W10 gauge and there is a container pad of around 4.94 acres albeit this is let to a plant hire company at present. There is no further land for expansion given the residential and mixed use proposals for the wider site. The plans to develop Olympia Park as a mixed-use urban quarter could potentially impact on the future use of this sidings.
  - Goole – There are limited rail facilities at the Inland Port of Goole although these are primarily used for the trans-shipment of bulk goods from the port to other inland destinations. There are proposals for a new Intermodal Terminal of around a modest 11.8ha adjacent to the

port with potential to construct up to 23,625sq.m of B1, B2 and B8, but this is subject to funding.

- Capitol Park, Goole – The bulk of this site has recently been acquired by Siemens who have secured a contract to supply rolling stock for the London Underground and will build a major new factory there – one of the biggest northern and national inward investment stories of 2018. The site will be developed with several sidings providing direct access into the manufacturing buildings. The Gascoigne Rail Freight Interchange proposal has similar potential and with the benefit of planning permission could be one of the major inward investment stories of 2019.
- Former Kellingley Colliery Site – The site is 57.05ha and has recent secured planning permission for B1, B2 and B8 uses. The site has the benefit of an existing rail connection however the sidings are 540m in length which will constrain the length of train able to access the site. Access to the site is from the Knottingley to Goole line with limited access to the East Coast Mainline and gauge restrictions at W8 limiting container traffic to this site.
- Wakefield Europort – The terminal extends to approximately 3.24ha and is operated by DB Cargo within the wider 350 acre Wakefield Europort Development. The terminal was upgraded in 2011 to accept W10 gauge traffic and acts as an intermodal facility with no direct access to any of the surrounding units.
- Freightliner Leeds Terminal – The site is 4.5ha and is used as an intermodal transfer station. There is no direct access to any adjacent units and no available development land.
- Doncaster Railport – This small site is 5.5ha and also operated by Freightliner. The site operates as an intermodal terminal with no adjacent land for warehouse/manufacturing uses.
- iPortrail, Doncaster – Situated within the 136ha iPort Development, the iPortrail terminal extends to 12ha and will operate as an open access terminal. Whilst there is land available within the iPort itself the site is limited to B8 storage and distribution use. The site has been designed with a view to supporting the storage and distribution of Fast Moving Consumer Goods.
- Conversely, Gascoigne Wood, having regarding to its excellent North-South and East-West rail connections, the availability of adjacent brownfield and development land, its existing infrastructure and its ability to fit into rail and road connected supply offers the opportunity to create a unique rail-based

manufacturing site and interchange, with major benefits for Selby District but also for the region, the north and nationally. It has the ability to attract major inward investment and deliver supply to meet the projected demand arising from rail freight growth in the UK. This major inward investment opportunity is at least on par with Siemens (Goole) and the HS2 rail college development (Leeds).

- The planning conditions that will be attached to any planning consent will ensure that the development at the site will be strongly focussed on rail-related uses and attract operators that wouldn't locate on a 'standard' business park/industrial estate (only 12.5% of the overall floor space is permitted to be non-rail related and this non-rail related floor space can only be accommodated in the northern-most area of the site). Restrictions on new floor space relating to and being serviced from the existing and retained rail infrastructure will also assist the traffic generation implications. The movement of goods by rail will foster the movement of goods by more sustainable means and reduce the number of HGVs on the road network. It will support the national and regional emphasis on increasing the use of rail freight. The development will also provide the opportunity for other business parks in the locality (including major existing businesses on the Sherburn Enterprise Park and new businesses to be located at Sherburn 2) to take advantage of the rail freight infrastructure, thus potentially further reducing HGV movements beyond just the application site. Harworth have had enquiries from nearby businesses regarding the potential to use the rail facilities and the proposed container storage area within the site will help to facilitate this.
- The purpose of the proposed development is to capitalise on the unique rail connectivity and to target those manufacturing sectors whose supply chains incorporate off-site component assembly/manufacture or have the ability to do so. There is potential for industries which presently use rail for import or export of manufactured goods for Gascoigne Wood to act as a consolidation point for division and onward dispatch. Such industries could include the motor industry, which could utilise the site to import separate parts, construct large parts and export via rail to a range of markets both within the UK and across the world.

**There are significant local and regional economic benefits of this development**

- The proposed development would directly generate up to 4,646 full-time equivalent jobs in predominantly rail-related businesses. This would generate up to £166.8m per annum of economic output in the form of Gross Value Added (GVA - the measured contribution to the economy, valuing the amount of goods and services produced, less the cost of inputs and raw materials).

- The minimum number of direct full-time equivalent jobs that would be created would be 1,761 full-time equivalent jobs, with £63.2m of GVA generated per year.
- These would be significant numbers of direct jobs at the site, supporting local, regional and national labour chains. However, development of the site would have wider economic impacts, connecting with and supporting an extensive supply chain, largely through the use of the existing rail infrastructure. The proposed development could support up to 4,242 indirect full-time equivalent jobs, depending on the specific nature of occupiers, with a resulting economic output (GVA) generated of £209.2m per annum.
- When both direct and indirect job creation is combined the development could support up to 8891 full-time equivalent jobs, with a minimum estimate of 3369 full-time equivalent jobs. The combined economic output that could be generated is up to £376m per annum, with a minimum estimate of £142.5m per annum.
- Construction of the scheme would add up to a further 165 jobs per annum, with an associated generation of around £28.4m in GVA over the 10-year period.
- Established businesses across the Sherburn area are understood to have already enquired about access to the rail freight terminal for both incoming raw materials and the outbound finished products. With a dedicated container stockyard designed into the masterplan this will significantly contribute to an increase in demand for rail freight usage and elevate road transport impacts.
- When fully occupied the development is expected to generate up to £1.2m per annum in business rates to support local services and economic development.

### **The Scale of the Proposal**

- Whilst the core rail infrastructure is in place on the site, works are required for upgrading the rail facility such as re-signalling, container storage and railway sidings. The development of the brownfield site alone does not justify the expenditure of providing the container storage and investment in the sidings and signalling. Therefore, to ensure that the site and rail infrastructure is utilised to its fullest, the entire site is required.
- The existing permission for rail-related employment on the brownfield element of the application site has not attracted the occupiers and use of the site needed for it to achieve its potential. To develop just the brownfield site half of the application site would simply maintain the status quo. Not only would this preclude additional funding to enhance the rail-related facilities and

infrastructure on the site, it would significantly impact upon the marketability of the site and the opportunity for the creation of a campus approach and appeal to larger and linked businesses. Gascoigne Wood benefits from both east-west rail connections and north-south connections – in particular to the southern ports and both world and European markets via a wide variety of routes. The site would be marketed internationally in partnership with Leeds City Region LEP and the Department of International Trade. It has the ability to attract major inward investment and deliver supply to meet the projected demand arising from rail freight growth in the UK.

- Ambitions for the site are for the development of advanced manufacturing and to capitalise on its unique rail connectivity. The concept behind the scheme is to create a rail-connected manufacturing/assembly hub and therefore needs to be of a sufficient scale to attract international investors and be large enough to create a 'campus' (for example, the Nissan Factory/UK Nissan Distribution Centre in the North East is over 200ha and includes a number of on-site suppliers. It is split into three areas: Body Assembly, Paint and Final Assembly. The site also includes a large office complex housing supporting functions including Personnel, Community Relations, Production Control, Engineering, Finance, Purchasing and Information Systems).

### **Employment benefits for residents of Selby District**

- The Sherburn area has a growing population, with significant areas of residential development underway or planned. The area local area and wider Selby District have high levels of commuting outside of the District for work, particularly to Leeds from the Sherburn area. In the wider district there have been job losses with the closure of the Eggborough Power Station. This application has the potential to provide a very substantial source of employment for the benefit of people living in Sherburn and the wider district, with an extensive need for highly skilled workers over forthcoming decades.
- To maximise the opportunities and benefits of this development for local people, a planning condition has been agreed with the applicant requiring that no development shall commence until a Plan detailing arrangements to promote local employment and skills development opportunities related to the development has been submitted to the LPA. The Plan must include proposals for working with the LEP and explain how the LEP has been consulted on the submitted plan. The condition requires the employment and skills plan to be implemented and maintained for the duration of the construction and use of the development. Harworth Estates agreed a similar skills and employment plan for the redevelopment of the former Kellingley Colliery which will deliver significant local employment, skills and training benefits (including new apprenticeships) and will be delivered in partnership with Selby College.



- The employment and skills plan will allow strong linkages to be made to the colleges in the District and for appropriate courses to be developed to provide skilled labour for the occupiers of the site. The development could produce, for example, high-level engineering opportunities from inside the Selby District and this could be tied to college courses.

### **Infrastructure:**

- In addition to a series of planned highway improvements, it is notable that the proposed permission includes a requirement that at least 87.5% of floor space be rail-related and a financial contribution towards enhancing public transport connectivity to the site.
- Crucially, the local highway authority considers that the residual cumulative impact of both the Create Yorkshire and Gascoigne RFI developments is not severe and thus has issued positive recommendations for both sites to the local planning authority including recommended conditions and matters to be secured by Section 106 Agreements to be attached to any permission(s) should Members be minded to grant and refer the applications to the Minister.
- The production of a Sherburn Growth and Infrastructure Plan is one of the 10 priority actions agreed for the Council's Economy and Regeneration Team in the Economic Development Framework Delivery Plan for 2019 and 2020 (agreed at Executive on 10 January 2019). This Infrastructure Plan for the Sherburn area will form the first stage of a district-wide Strategic Plan for Growth & Infrastructure Delivery, to be produced as part of the Better Together partnership with NYCC. Work on the Sherburn Plan has recently begun and includes a detailed assessment of existing infrastructure and connectivity focused on Sherburn in Elmet and Church Fenton, taking account of existing and approved growth. However, the Plan will consider a wider study area from the A64 at Tadcaster in the north through to the A63 close to South Milford in the south and across to the A1 in order to include connectivity with the Strategic Road Network and rail stations. Following the analysis, the Plan will then focus on how to address any issues identified in the gap analysis and identify proactive methods to improve connectivity and accommodate future growth in this part of Selby District. The Plan is expected to take 6 months to complete, with an August / September 2019 sign-off.
- The positive recommendation of NYCC highways for this application is linked to the outcomes of the Sherburn Plan but the highway authority conclusion is that 'mechanisms can be identified to enable development to commence in advance of the Wider Sherburn Transport Study being concluded and to facilitate the delivery of comprehensive and wider, long term mitigation without the disruption associated with numerous individual highway improvement schemes.'

