



## PLANNING NOTE

**DATE:** 17 August 2022

**CONFIDENTIALITY:** Public

**SUBJECT:** PAP/2021/0063 - Land North East of Junction 10 M42, North Warwickshire

### **FUTURE OF FREIGHT: A LONG TERM PLAN (DEPARTMENT FOR TRANSPORT, JUNE 2022)**

#### **Introduction**

This Planning Note has been prepared in response to the Department for Transport's (DfT) Future of Freight strategy ('the Strategy'), published in June 2022<sup>1</sup>.

The Strategy is a significant material consideration to the determination of the planning application proposals (ref. PAP/2021/0663) ('the Proposals') for land north-east of junction 10 of the M42 motorway, North Warwickshire ('Land NE J10 M42' / 'the Site'). The Strategy provides clear government policy on the importance of freight to the UK and the need to properly plan for its infrastructure.

The freight and logistics sector transports 1.6 billion tonnes of goods a year, employs 2 million workers, and contributes £127 billion to the national economy each year, supporting 200,000 businesses and £400 billion in manufacturing. Freight and logistics jobs have grown by 26% since 2010 and are predicted to rise substantially. Freight is central to the UK's most pressing national priorities, from building back after the pandemic, levelling up, and reducing greenhouse emissions.

The Future of Freight Strategy is the UK Government's and the sector's joint response to the challenges facing the sector which include obtaining planning and land use allocations. It takes a journey end to end and multi modal approach to freight, focusing on the essential infrastructure required. Crucially it recognises that the sector is private sector funded and operated, but public sector transport and infrastructure investment and local government positive planning support are essential to a successful freight and logistics sector, which itself is essential to the UK economy and all our lives.

Indeed, the report sets out the UK Government's Vision: "*A freight and logistics sector that is cost-efficient, reliable, resilient, environmentally sustainable and valued by society*". A world beating freight and logistics sector that will deliver the greener, fairer, and stronger.

The importance of the sector adds to the weight that must be given to the Strategy. The Strategy gives clear weight and guidance to local planning authorities (LPA) in considering freight and logistics development at application (and plan preparation) stage.

Crucially the report identifies that warehousing is an essential part of the 'infrastructure' required to deliver freight networks, shining a light on the need for timely delivery of warehousing in the right locations and at the right standards to meet current and future freight needs.

This note highlights the key areas of support where weight should positively be placed in considering the Proposals for Land NE J10 M42, the strategic importance of the location, nature and the value of the benefits it will create.

#### **Freight Strategy Priorities**

The Strategy identifies five priorities which will be overseen by a refreshed Freight Council model (holding the Government and sector to account on the delivery of these commitments over coming years):

1. Identifying a National Freight Network (NFN) across road, rail, maritime, aviation, inland waterway and warehouse infrastructure, to remove the barriers which prevent the seamless flow of freight.

<sup>1</sup> Future of Freight: A Long Term Plan (Department for Transport, June 2022) – Link:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1085917/future-of-freight-plan.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1085917/future-of-freight-plan.pdf)

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2. To forge a new open and honest relationship between government and the sector to collectively assess its future energy and fuel needs through a Freight Energy Forum, to support the entire sector in its transition to net zero by 2050.
3. To recognise that the planning system needs to be more responsive and calls for reform to ensure that it meets the needs of the freight and logistics sector and that local planning authorities are empowered to plan for those needs. Undertake a planning call for evidence to explore planning reform opportunities, because freight needs to serve the interests of local communities across the country.
4. To make supply chains more resilient to skills shortages, with a need to produce a pipeline of talent across the freight sector by improving training and employment options, addressing awareness and negative perceptions of the industry, and promoting the availability of attractive, fulfilling jobs at all levels of the industry. Run a 'Generation Logistics' campaign to reset the sector's image and raise awareness of the breadth of career options across freight and logistics, and to strengthen longer-term employment and skills offers and reset the sector's image.
5. Connecting the sector to innovators via a dedicated £7m Freight Innovation Fund to maximise the use of technology and data across freight and logistics.

This note addresses priorities 1, 2, 3 and 4.

## Priority 1 – National Freight Network

Importantly with regards the Proposals, the Strategy identifies that UK freight is based around ports and airports, with goods moved by road and rail to National Distribution Centres (NDCs). It identified "*A concentration of NDCs is found within the Golden Triangle in the Midlands which is centrally located to support ports, domestic suppliers and onward transport to Regional Distribution Centres (RDCs)*" (para 1.12). This emphasises the importance of sites such as Land NE J10 M42 as being geographically located in an important place to play a regional or national role in the freight network. Locationally, it is important to find sites for such strategic need the Strategy concludes.

The evidence base exists in this respect to support the Site as it is identified in the West Midlands Strategic Employment Sites Study Phase 2 (May 2021) (WMSESS Phase 2) as the joint best-performing site for strategic-scale employment development when compared against a range of criteria and 50 other sites throughout the region. Furthermore, the M42 Corridor between Junction 2 and Junction 10 (identified as Area 2 in the WMSESS Phase 2, being one of five 'Key Clusters' identified for growth), currently has a supply of less than 2 years based on annual average take-up for the last 5 years (according to work carried out by JLL on behalf of Hodgetts Estates).

The approach set out in the Freight Strategy is consistent with the North Warwickshire Local Plan (September 2021) Policy LP6 Additional Employment Land ('Policy LP6') which positively gives significant weight to development where there it meets strategic need. The Freight Strategy clearly demonstrates the strategic need and importance of sites in the Golden Triangle being able to play their role as NDCs, RDCs and warehousing to support the flow of freight.

The support continues as the Strategy reinforces the need to look multi-modal, strategically across the whole freight network and how all the modes integrate. Infrastructure for freight needs to be optimised, in particular to target policy, investment and planning decisions strategically to maximise efficiency (Priority 1).

The Proposals at Land NE J10 M42 can combine the opportunities of road and rail. The site lies immediately north (c. 0.5 miles) of Birmingham Intermodal Freight Terminal (BIFT) at Birch Coppice Business Park, meaning it is classed as being 'rail served'. Such sites are thus critical to addressing the challenge of considering freight as an end-to-end system, and looking to carbon reduction. The location of private sector investment decisions in infrastructure such as warehousing are key.

The report at para 3.23 deals with modal and intermodal nodes which are focused on major ports, airports where goods enter and leave the UK, and strategic rail freight interchanges and major concentrations of warehouses and

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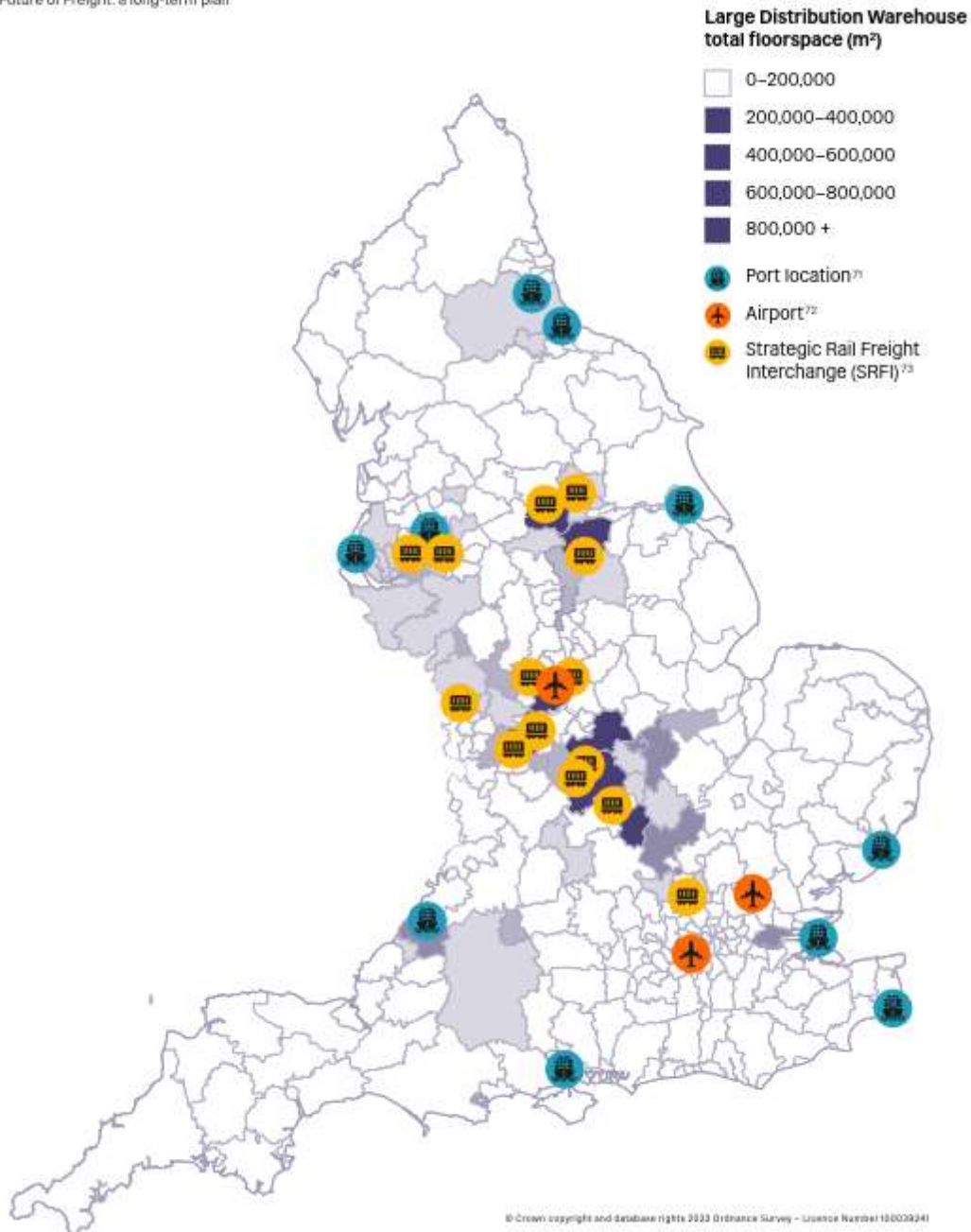
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NDCs. One such key area is the golden triangle in the Midlands where the Land NE J10 M42 site lies. These are linked by key road and rail corridors. The Strategy seeks to build on this strong existing infrastructure. Freight Networks are key to this, looking at freight corridors to prioritise infrastructure investment.

The diagram below, taken from the Strategy (page 44), graphically emphasises the locational importance of the Midlands, highlighting in the UK the top 10 port locations, top 3 airports in England by tonnage and Strategic Rail Freight Interchanges, alongside total Large Distribution Warehouse floorspace by local authority. Land NE J10 M42 is plainly at an epicentre of freight facilities and corridors.

Future of Freight: a long-term plan



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The National Freight Network (NFN) will provide an important enabling tool in defining and confirming the critical corridors for transportation of goods and in facilitating the growth in those corridors to serve needs. Warehousing in this regard is critical infrastructure.

### Priority 2 - Enabling the Transition to Net Zero

This priority is focused on measures to enable the sector to transition to net zero. Modal shift is key to this alongside investment in green technology for fleets and buildings.

The Proposals at Land NE J10 M42 make a strong commitment towards net zero ready, with key sustainability measures including:

- Targeting BREEAM 'Excellent' rating for all buildings;
- Energy Performance Certificate 'A' rating for all buildings;
- Speculative buildings to be built to UK Green Building Council's 'Net Zero Carbon Ready' standard for construction;
- At least 10% of energy generated from on-site renewable or low carbon sources, electricity to sitewide infrastructure to be 100% renewable and ensuring all buildings can be adapted to accommodate existing and future renewable or low carbon technologies such as battery storage;
- Electric vehicle charging points and 'rapid' charging points, with ducting provided to future proof the development (for electric bicycles, cars, light commercial vehicles and HGVs); and
- Communal cycle parking, showers and changing facilities provided in the Hub Office, available to use by the general public and employees of neighbouring business parks, to encourage walking and cycling to work and reduce traffic on the surrounding road network.

Furthermore, by virtue of its close proximity BIFT, the site is also classed as being 'rail served' and potential future occupiers are able to access BIFT on the same basis as those currently located at Birch Coppice – e.g., the use of untaxed yard tractors as opposed to licenced HGVs, with potential for EV applications. This is a significant cost saving making rail freight a much more financially viable and sustainable alternative for potential future occupiers.

In light of this cost saving, work undertaken by MDS Transmodal projects that 122 loaded HGV-equivalent units (in and outbound) would be expected via rail across the 24-hour period, equating to 10% of the total for the site. It is estimated that this modal shift would generate a saving of c.5,800 tonnes of carbon dioxide equivalent per annum. To put that into context, it is broadly the same as that produced by 2,750 typical mid-sized diesel cars during the course of a year.

### Priority 3 – Planning

Planning is a key theme where the challenge is set as:

**“Challenge:** A disconnect exists between industry, that is not equipped to properly engage with planning processes, and local planning authorities, that are unable to understand the needs of a changing and innovative freight and logistics sector. This this leads to increased complexity, cost and time for promoters bringing forward schemes that are in the national interest.” (page 71)

The goal set is **“Goal:** A planning system which fully recognises the needs of the freight and logistics sector now and in the future and empowers the relevant planning authority to plan for those needs”.

The **Actions** identified include collaborating to support a programme of engagement with local government, amending Planning Practice Guidance, an evidence call, updated local transport plans, review of National Networks Policy Statements and engaging in Levelling up and planning reform.

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The Strategy sets a clear policy direction to a more responsive and agile planning system to meet the needs of the industrial and logistics sector.

Para 5.1 states: *“the planning system needs to ensure that sufficient land is being made available in the right places for freight operations and that it is able to respond to the changing needs of the freight and logistics sector such as how to plan for the adoption of future vehicle technologies”* [underlining our emphasis].

*“There is a clear role for the planning system in ensuring the country has a freight and logistics sector that is economically efficient, reliable, resilient, and environmentally sustainable and can meet current and future needs”* (para 5.1).

This fully endorses the approach set out in Policy LP6 in giving weight to the delivery of warehousing and employment development where there is a strategic need. It reinforces the weight that should be attached to this strategic need and for it to be met in the geographic locations (i.e., Land NE J10 M42) where it is required to integrate with the freight networks and corridors.

Indeed, the urgency and importance of making positive decision is emphasised in the Strategy as it stresses that the freight and logistics sector is growing faster than the economy, providing more employment in more highly skilled sectors.

Para 5.3 states: *“Across 19 key industrial and logistics markets in England, demand for space was found to be above the supply of available land and floorspace in each area. With productivity in the sector expected to grow by 29% by 2039. The planning system will be key to enabling the growth and innovation of the freight sector to better meet current and future challenges. By ensuring the planning system can be more responsive to the needs of the sector, and industry can be more engaged in planning, freight will be able to secure sufficient land of the right type in the right places and at the right time to support growth, innovation and improved productivity with the appropriate accompanying infrastructure”*.

Against this context, the Strategy gives clear weight to the significant value that the Proposals at Land NE J10 M42 will bring to the area, and its role in the wider freight and logistics networks.

Additionally, para 5.3 of the Strategy importantly identifies that: *“Sites that support freight activities like ports, lorry parks, refuelling stations and infrastructure, as well as distribution centres often require large amounts of land and need to be strategically located near transport links. They operate across local authority boundaries and use the local and national transport networks to move goods”*.

Again, this reinforces the need for large strategically placed sites such as Land NE J10 M42, which is identified in the WMSESS Phase 2 as the joint best-performing site for strategic-scale employment development throughout the West Midlands region. Furthermore, as noted above, the M42 Corridor / Area 2 in the WMSESS Phase 2 currently has a supply of less than 2 years based on annual average take-up for the last 5 years (according to work carried out by JLL on behalf of Hodgetts Estates).

As such, the Strategy supports such sites coming forward for development and receiving local authority support.

The Strategy sets a *“Strategic goal: A planning system which fully recognises the needs of the freight and logistics sector, now and in the future, and empowers the relevant planning authority to plan for those needs”*.

Para 5.6 states: *“From national policy and guidance to the local plan making and decision taking, the system can help to allocate land in the right places to support the economy, which includes the freight and logistics sector, to ensure sufficient land is available to meet their needs now and in the future”*.

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This amplifies the current NPPF 2021 which makes clear that planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of industries, and for storage and distribution operations at a variety of scales and in suitably accessible locations.

The NPPF is a significant material consideration in the determination of the Proposals, and provides significant weight in favour of the scheme. The justification for this weight is evidenced by the Freight Strategy which consistently emphasises the need for providing land in the right places at the right time. Land NE J10 M42 is confirmed as the joint highest priority site in the WMSESS Phase 2, but crucially the only site assessed at that level which is located outside Green Belt, so is plainly the right site in the right location and given the demonstrable shortage of land for logistics, is needed now.

The Strategy also provides an important steer to LPAs at para 5.15 in emphasising that the end-to-end needs of freight and logistics should be taken account of in all stages of plan-making and decision taking. In this respect the location of the site on the M42 and A5, proximity to BIFT, its Golden Triangle location and relationship to nearby industrial and logistics clusters (Birch Coppice, Core 42, St Modwen Park Tamworth, Relay Park and Centurion Park) all reinforce the need for the site to be brought forward and its wider role in the freight network and infrastructure.

The agility of Policy LP6, which was extensively discussed at EiP before adoption, was plainly designed to give added weight to allow development on land not allocated in the plan to meet specific identified needs.

### Lorry Parking

Lorry parking and roadside facilities are a key aspect the Strategy addresses, *“Government will consult on and publish an updated DfT Circular later in 2022 including higher standards for roadside facilities on the strategic road network so that government can provide better facilities for HGV drivers. This will build upon the Written Ministerial Statement (Lorry Parking) published with the Department for Levelling Up, Housing and Communities in 2021, which made clear that in preparing local plans and deciding planning applications, the specific locational requirements of different industrial sectors should be recognised and addressed by local planning authorities”* (para 5.18).

Government is keen that there is greater engagement with local authorities as this *“will provide planning officers with an understanding of the wider economic benefits of freight infrastructure, the environmental impacts, provide specialist training and give considerations to options to strengthen their capacity”* (para 5.23).

The Strategy sets out a number of challenges that changes to the planning system can address including *“How the requirement for HGV parking can be better facilitated within the planning system, particularly at freight sites such as distribution and logistics centres along with the better utilisation of existing infrastructure to accommodate HGV parking”*. It also emphasises *“Options to ensure sufficient land is allocated to service the needs of freight and logistics including ensuring we deliver a resilient network of lorry parking facilities and ensure planning authorities recognise the land use requirements to support each stage of the supply chain”* (para 5.24).

The above provides material weight to the importance of providing lorry parking. The application submission for Land NE J10 M42 sets out a compelling case as to the need for secure lorry parking facilities at the site and their role in not only meeting an existing need (the submitted parking beat survey demonstrates the scale of inappropriate parking) but also to improve the facilities to enhance driver welfare. This is key and links to the 5th priority of the Freight Strategy.

The Strategy concludes at page 80 with respect to Planning that UK Government seeks a cost efficient sector where *“Successful planning applications mean freight infrastructure and operations are sited where they need to be supporting the wider efficiency of the system”*. Further, an environmentally sustainable sector which has *“Access to land and appropriate land-use will support the development of infrastructure and support optimisation of journey*



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*distance to support transition to Net Zero”, and is valued by society through “Better communication about the value of freight to local economies to support planning applications and build capability in local planning authorities”.*

The Strategy suggests that success will be that *“There is an increase in site allocations for freight and supply infrastructure being adopted in Local Plans to reflect the needs of the sector, alongside more robust and agile policies, where needed, to meet specific local needs.”* (page 80)

Further success will be where *“Planning authorities are more aware of freight industry needs when devising planning policies and are making planning decisions that pro-actively plan for and speak to the changing needs of the sector.”* (page 80)

### **Priority 4 – People and Skills**

The Strategy, as its Priority 4, seeks to address skills and shortages in the freight sector through a range of training and development initiatives. The Proposals seek to play their role in addressing this through the provision of an on-site training hub to facilitate training local people to meet the jobs’ requirements. As set out through the planning application, the benefits of this will be enhanced given the economic deprivation in the local area, whereby training and job opportunities will be key in ensuring the benefits of development are maximised locally.

### **Conclusion**

This Planning Note has demonstrated that the recently published Future of Freight Strategy is a material planning consideration which should be given weight in determining the Planning Application at Land NE J10 M42 (ref. PAP/2021/0663). The Strategy sets out clear government priorities, to which the proposed scheme is fully aligned and can play a significant part in delivering.

The Strategy reinforces the weight that should be applied to the proposal under Policy LP6 (which accords greater weight where there is a strategic need) given the site’s location, role in delivering essential infrastructure (warehousing) for the freight and logistics networks, and its role in leading to decarbonization (given its close proximity to BIFT and strategic road network). The Strategy reinforces the strategic need and importance of such development.