

Our ref: gp/dmj/HOC

13 December 2017

The RT. HON. Andrea Leadsom MP
House of Commons
London
SW1A 0AA

Dear Mrs Leadsom

NORTHAMPTON GATEWAY STRATEGIC RAIL FREIGHT INTERCHANGE

Thank you for your letters dated 13th and 22nd November, regarding the Northampton Gateway SRFI. Rather than responding to the two letters individually I have prepared a comprehensive response to the matters raised in both letters.

In your letter of the 22nd November you state that some of the questions you have raised previously have not been appropriately answered. As I am sure you will appreciate the evidence that is being assembled to support the Northampton Gateway project is extensive and I had taken the view that a concise response would be helpful. I apologise that this has left some questions unanswered and I have sought to provide a more detailed response below, with direct reference where appropriate to the relevant documentation where full details can be found.

The letter is structured under a number of headings and sub-headings covering:

- Rail Capacity and Operations
 - Liaison with Network Rail
 - On-site rail infrastructure
 - Rail Operations
 - NPSNN requirements and rail capacity
- Highways
- Employment and Travel to Work Matters
- The Form and Function of SRFI's

Rail Capacity and Operations

Liaison with Network Rail

In your letter of 22nd November you have stated that Roxhill has been misleading and that we have suggested Network Rail has confirmed the outcome of the Draft Rail Operation Report and Draft Rail Capacity Report.

Roxhill strongly refute any suggestions that we have sought to be misleading, this was absolutely not our intention.

- 1 -

Roxhill has been actively engaged with Network Rail, in relation to the potential for an SRFI at Northampton Gateway, for well over a year. The point we were seeking to make is that the Draft Rail Operation Report and Draft Rail Capacity Report have been prepared within the context of continuing liaison with Network Rail. We have not sought to claim that those Reports are agreed, they remain in draft form. We have been clear that Roxhill continues to work with Network Rail to agree a Statement of Common Ground.

In your letter of 13th November you have sought clarification regarding the Northampton Loop Study. I can confirm that Contracts were signed between Ashfield Land, Roxhill and Network Rail in August. When we met on 27th September the point we sought to make (and I apologise if this was not made clear) was not that contracts had not been signed but that the report from Network Rail had not been issued. The report was produced by Network Rail and a final version issued to us in October.

The Report's remit was defined by Network Rail specifically to assess the potential capacity for a range of proposals which could come forward along the Northampton Loop. As I have explained above, Roxhill continue to liaise with Network Rail regarding freight capacity and are working with Network Rail to agree a Statement of Common Ground on this and other rail matters. Roxhill are very confident, through the work that has been undertaken by its consultants, that there is sufficient capacity to serve the site and that connections to the national rail network are feasible.

On-site rail infrastructure

You have suggested, under point 5 of your 22nd November letter that Roxhill has been disingenuous in stating that 60 percent of on-site warehousing is capable of being directly rail connected. Roxhill strongly refute the suggestion that we have been disingenuous.

For the avoidance of doubt; Roxhill will commit to providing:

A rail line into development Zones A2, A3 and A4, as identified on the Parameters Plan. This will be constructed as part of the development of these zones and be in place prior to occupation of any units in these zones. All of the units constructed in these zones will have a direct rail connection. This equates to around 60% of the site. We have been careful to use the word 'capable' so as not to imply that all occupiers of these units will use a direct rail connection as part of the operation of their business. We have certainly not been disingenuous – around 60% of the warehousing **will** be directly rail connected, given our commitment to installing the rail infrastructure to development Zone A2, A3 and A4.

Roxhill are also committed to providing:

- A rail terminal capable of handling at least 4 trains a day prior to the occupation of on-site warehousing.
- A rail terminal capable of future expansion, so that it is ultimately capable of handling 16 trains a day.
- The infrastructure to enable the development of a rapid rail freight facility to be developed in the future. It would be located and operated alongside the main rail terminal.

I am also now able to draw to your attention the discussions that have taken place between Roxhill and Galliford Road Stone (GRS) regarding the relocation of GRS's Northampton Castle Yard Rail Freight Operation, to Northampton Gateway. GRS are 25% owned by Tarmac Group and a major player in the aggregates business. Roxhill have now agreed terms with GRS and solicitors are instructed, based on the proposal for GRS to occupy 4 acres of the overall rail freight terminal at Northampton Gateway. This would be constructed alongside the construction of the first phase of the main rail terminal, and would have its own dedicated siding and terminal handling area. We believe this is an important and exciting development with the proposals.

GRS provide aggregates for the construction industry and in particular for road construction. The movement of goods by rail is a key part of their operations. There are currently 5 paths a day serving Castle Yard (2 northbound paths, 1 in and 1 out, and 3 southbound paths, 1 in and 2 out). These paths will be transferred to Northampton Gateway.

The relocation of GRS to Northampton Gateway will provide the opportunity for the business to operate more efficiently and to expand. It will also provide the opportunity for the redevelopment of the Castle Yard site which is located immediately adjacent to Northampton Station.

Rail Operations

In your letter of the 13th November you have queried whether it is premature for the proposal to be at statutory consultation. Roxhill strongly believe that the proposal is at an appropriately advanced stage for statutory consultation.

You are correct in understanding that Roxhill are using an external agent for the detailed feasibility study of the Northampton Gateway proposal. This decision has been taken jointly with Network Rail and, as is normal, we are about to sign the BAPA agreement with Network Rail to deal with this although work is already underway. This work will be completed before the application is submitted and will inform the Statement of Common Ground with Network Rail.

Roxhill have, of course, already undertaken its own detailed analysis which has informed its design proposals and the statutory consultation process and we have already satisfied ourselves that connections from the national rail network to the site are feasible.

NPSNN requirements and rail capacity

Your letter of the 13th November states that feasibility and capacity should be within the parameters of current performance levels and freight path availability only. As I have set out above, Roxhill have satisfied themselves that connections from the National Rail Network to the site can be made and that there is sufficient available capacity to serve the site.

The National Policy Statement for National Networks (NPSNN) sets out the policy requirements for Strategic Rail Freight Interchanges and the Planning Inspectorate are required to assess applications in accordance with the NPSNN. Roxhill are confident that the Northampton Gateway proposals fully accord with the NPSNN. In relation to the requirements for rail connectivity, the NPSNN requires SRFI's to *'be capable of handling four trains per day and, where possible, be capable of increasing the number of trains handled'*

As set out above Roxhill are committed to meeting this requirement.

The Government and Network Rail are committed, through HS2 and other investments, to increase the capacity of the rail network, including for rail freight. The coordination of Policy, through the NPSNN, and investment decisions in the rail network, is directly relevant to the Northampton Gateway proposals and reference will be made to it in the application submission.

Highways

I can confirm that the road heat map provided shows a comparison between forecasted traffic at 2031 without the proposed development and highway mitigation works and forecasted traffic at 2031 with the development in place together with the highway mitigation works. Hence the traffic flow changes shown on the road heat map are solely those attributable to the effects of the development and highway mitigation works, and are not influenced by any changes in traffic flows between now and 2031. A copy of the heat map is attached for ease of reference.

You have also asked for a heat map which shows a comparison between existing traffic levels and forecast traffic levels in 2031 without the proposed development and highway mitigation works. This map is attached. It is entitled 'Forecast change in daily traffic flow between 2015 and 2031 resulting from Local Plan and committed development growth'. The comparison shows that between 2015 and 2031 large increases in traffic are forecast across the road network because of background traffic growth. This includes large percentage increases in traffic through the villages of Collingtree, Milton Malsor and Blisworth. The heat map also clearly shows that there are bottlenecks on the A508 at M1 Junction 15 and Roade that constrain the amount of traffic growth that can be accommodated in these locations which results in traffic diverting to use local roads.

A comparison with the previous heat map sent to you, showing the difference in traffic flows in 2031 with and without the development and highway mitigation works in place, helps to demonstrate the positive effects the highway improvements proposed as part of Northampton Gateway will have. The highway mitigation works release the bottlenecks at M1 Junction 15 and 15A, and along the A508 corridor, which draws traffic back onto the strategic highway network and away from the local roads and surrounding villages which then see a reduction in traffic.

The transport assessment work is based on the output from Northamptonshire County Council's strategic transport model, the Northamptonshire Strategic Transport Model (NSTM2). The NSTM2 includes for all committed development and allocated sites within the Northamptonshire area. The model also includes the committed infrastructure schemes and those development schemes highly likely to come forward before the forecast assessment year. Full details of the committed and allocated development and infrastructure schemes that are included in the NSTM2 assessment scenarios are detailed at Appendix 12.20 to the draft Environmental Statement. This includes 2310 dwellings and 1102 jobs as part of the Towcester Vale Southern Extension, along with the SUE Relief Road.

The cumulative impacts of the Northampton Gateway development in combination with other defined land uses and infrastructures schemes has therefore been assessed as part of the overall transport modelling work undertaken and their effects are fully taken into account.

Employment and Travel to Work Matters

In your letter of 22nd November, at points 3 and 4, you have asked us to clarify our assessment of employment and travel to work patterns. Full details of the approach to, and current conclusion of, the assessment are set out in the draft Environment Statement at Chapter Three, Socio-Economic Aspects.

It explains that 'travel to work' data (2011 Census) has been used to inform the extent of the study area used in the assessment. The origins of trips from home by nearly 18,000 individuals to work within the area covered by Middle Layer Super Output Area Northampton 028 have been extrapolated. Approximately 60% of these trips originate from within the Northampton area, and overall, some 90% originate from addresses in the local authority areas of South Northamptonshire Council, Northampton Borough Council, Daventry District Council, the Borough Council of Wellingborough, Kettering Borough Council, and Milton Keynes Council.

The information obtained from the 'travel to work' data from the 2011 Census shows that 10% of trips from home to work in the Northampton area originate from outside the 6 Local Authority areas. Because of the nature of travel to work patterns, this arrangement is not unusual, the data shows that most of this 10% are from locations on the edge of the core catchment area, but some are from further afield.

The information obtained from the 2011 Census is considered to be the most robust evidence base upon which to undertake an assessment.

The functioning of a vibrant economy including the health of a local job market is complex, with many different factors and interactions. You have referred to the low unemployment levels in South Northamptonshire, which is clearly a key factor affecting the economy and a sign of economic health. Other factors are also relevant. In South Northamptonshire there are high net levels of out commuting to both Northampton and to Milton Keynes, whilst there is also a high net level of out commuting from Northampton to Milton Keynes. The Northampton Gateway proposal has the potential to help rebalance commuting patterns in the area.

It is also relevant to take account of household deprivation in the catchment area which can be an indicator of long-term unemployment. Wider population and household growth is also relevant. The Northampton Gateway scheme would be developed over a period of time, its development would occur alongside other changes to the local economy and the wider growth of the area, including significant household growth in Northampton and Milton Keynes.

Fundamentally, however, it is Roxhill's view that economic development should not stand still simply because an area has low unemployment rates. The infrastructure investment at Northampton Gateway will respond to market demand, meeting the current and future needs of the logistics sector. It will provide the foundations for businesses to invest, including in new technologies, helping to drive productivity and the health of the wider economy. Investment and new job creation will stimulate competition and could support a growth in income levels, improving the overall health of the economy, with better jobs and better pay to a wider number of people.

The Form and Function of SRFI'S

The second part of point 5 of your 22nd November letter brings into questions whether the Northampton Gateway proposal is 'a truly Strategic Rail Freight Interchange'. Roxhill are confused and extremely concerned by this suggestion, which appears to fail to understand the form and function of SRFI's and the policy requirements set out in the NPSNN.

The NPSNN sets out the requirements for SRFI's and, as explained above, Roxhill are confident that Northampton Gateway will meet all of the requirements.

The analysis you have set out comparing rail and HGV movements is misleading. It fails to take account of the different factors which help reduce HGV trips as well as the wider benefits of SRFI's

which have informed the Government's commitment, through the NPSNN, to the delivery of more SRFI's.

Whilst we are unclear as to your reference to Northampton Gateway not being a 'truly SRFI', a comparison between Northampton Gateway and existing and proposed SRFI's (that are clearly functioning SRFIs) would perhaps be helpful. The general form and function of Northampton Gateway follows the same principles as those in operation at established SRFI's at DIRFT and Hams Hall as well as at the recently consented SRFI at East Midlands Gateway (EMG). Equally importantly the principles used to assess the effects of the proposals at DIRFT 3 and EMG (both relatively recently consented) in terms of HGV trip generation will be the same. They each have a rail terminal and significant on-site warehousing (in accordance with the NPSNN) and, because of how SRFI's function, each will generate significant volumes of HGV movements.

The level of HGV trips generated at Northampton Gateway are of a level to be expected from an SRFI and in no way imply a failure to meet the requirements of an SRFI.

Roxhill, with its partner SEGRO, are leaders in the development of Strategic Rail Freight Interchanges. As we have previously explained the businesses have investments and proposals across the UK. Through our extensive experience of working on and delivering SRFI's, as well as in the logistics industry more generally, we believe we understand the infrastructure necessary to meet market requirements and provide the opportunity for the rail freight sector to grow as a key part of the growth and evolution of the logistics sector generally. The Northampton Gateway proposal is exceptionally well placed to meet the needs of the sector and Roxhill's commitment to rail infrastructure investments and delivery will far exceed the minimum requirements of the NPSNN.

In terms specifically of the comparison in your letter between HGV trips and the equivalent rail trips, there are a few points we would wish to clarify.

The HGV trips you have referred to (4245) are daily, two way movements, when the scheme is completed and fully operational, (including a fully operational rail terminal with 16 trains a day). The rail journeys referred to however are one way movements and do not take account of the growth in rail anticipated over time. Our assessment of the equivalent HGV journeys taking account of a fully operational terminal (16 trains in and 16 trains out) identifies a figure of 1938 HGV trips (significantly greater than the 240 lorry journeys described in your letter). Details of this assessment are set out in Technical Note 2 in Appendix 12.7 of the Draft Environmental Statement.

You have also asked the question how many daily HGV movements will utilise the rail connection. Details of this are also set out in Technical Note 2. This concludes that a reasonable assumption is that around 1163 HGV trips (off-site) will be associated with the main terminal and 302 HGV trips associated with the Rapid Rail Freight Facility. The terminal will generate other HGV trips but these will be internal trips to and from warehousing on the site.

So of the 4245 daily HGV trips, 1465 are associated with the terminal. These are most likely to be trips to and from the terminal to warehousing in the local area; for example from warehousing on the Brackmills site or Grange Park. This is because the rail terminal will serve the logistics industry in the area as well as future occupiers (warehousing) on site. It is important to understand this relationship to assess the potential benefits of the SRFI in terms of lorry movements. It is likely that all of these movements (the 1465 to and from the terminal) would be on the highway network in any event. However rather than the HGV leg being the only journey – say to or from a port to a

warehouse at Brackmills or Grange Park – the HGV leg of the journey will be much shorter, with the bulk of the journey being by rail.

Consideration solely of the number of the HGV trips assessed does not reflect the benefit of SRFI's because it fails to take full account of the benefits in terms of significantly reducing the length of many of the HGV trips.

As explained in the NPSNN, for most freight movements rail cannot undertake the full end-to-end journey. The movement of goods by road is likely to form at least some part of the journey. For example this applies when delivering goods from a terminal to a warehouse; delivering goods from an on-site national distribution centre to a regional or local distribution centre; delivering goods from an on-site warehouse to a customer; or from a warehouse or a manufacturer to the terminal for an onward rail leg to another terminal or to a port for export.

HGV trips from SRFI's will therefore always form a significant part of the operation of the site.

Roxhill strongly believe that demand from the logistics industry for major warehousing in the Northampton area will continue to grow because of its locational advantages and because of the continued growth of and changes in the logistics sector as a result of the growth in international trade and the changes to the way in which customers source their goods. Without a new Strategic Rail Freight Interchange both this future warehousing, as well as existing warehousing, will continue to operate almost exclusively a road based system.

I hope that this response appropriately addresses the matters raised in your letters. The Roxhill team will endeavor to respond to any further matters you wish to raise and to provide further clarification if there are points you remain unclear about.

Yours sincerely



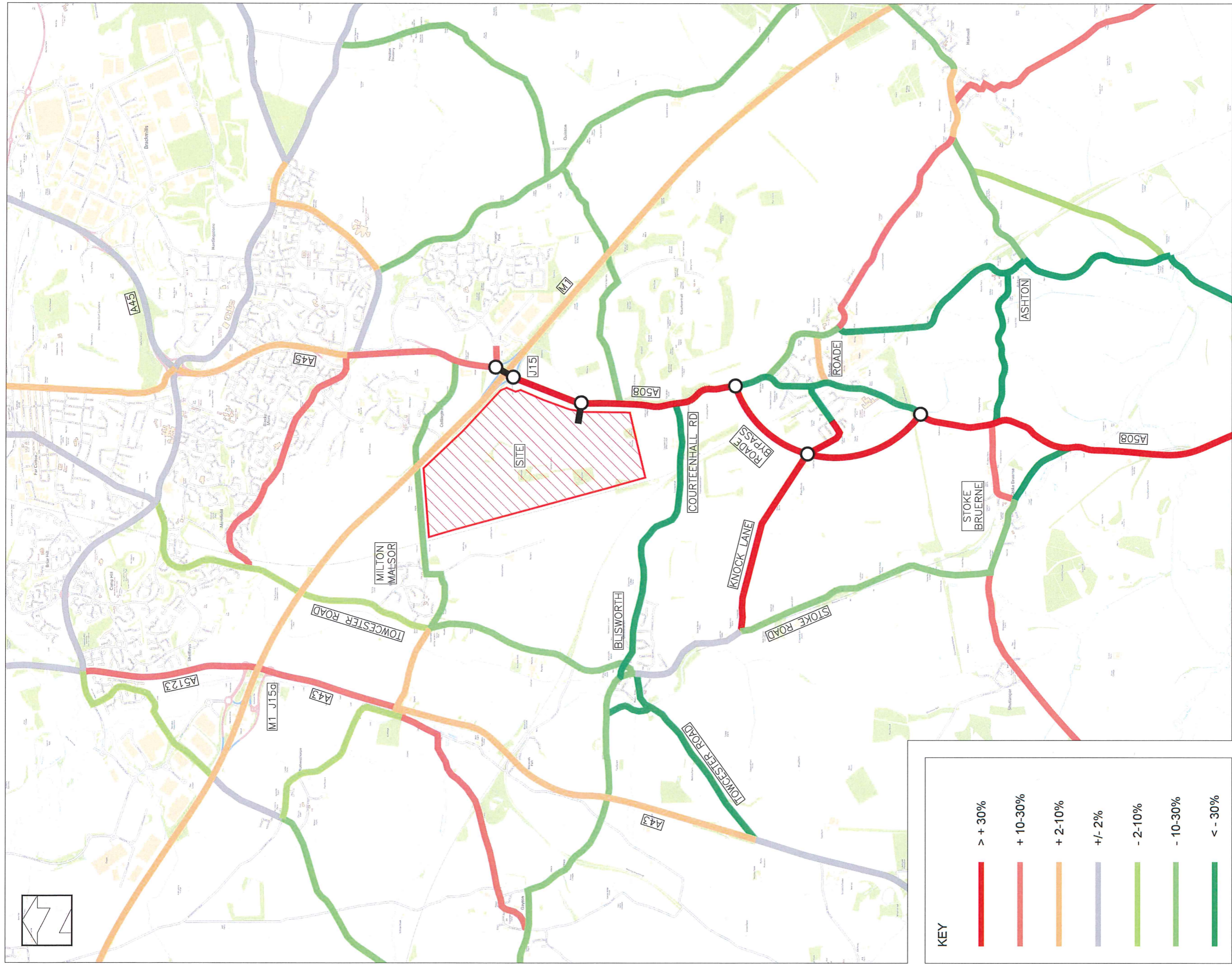
Graham Pardoe
Managing Director

Enc: Road Heat Map (1)

(shows a comparison between forecasted traffic at 2031 without the proposed development and highway mitigation works and forecasted traffic at 2031 with the development in place together with the highway mitigation works)

Road Heat Map (2)

(shows a comparison between existing traffic levels and forecast traffic levels in 2031 without the proposed development and highway mitigation works)



KEY

	> + 30%
	+ 10-30%
	+ 2-10%
	+/- 2%
	- 2-10%
	- 10-30%
	< - 30%



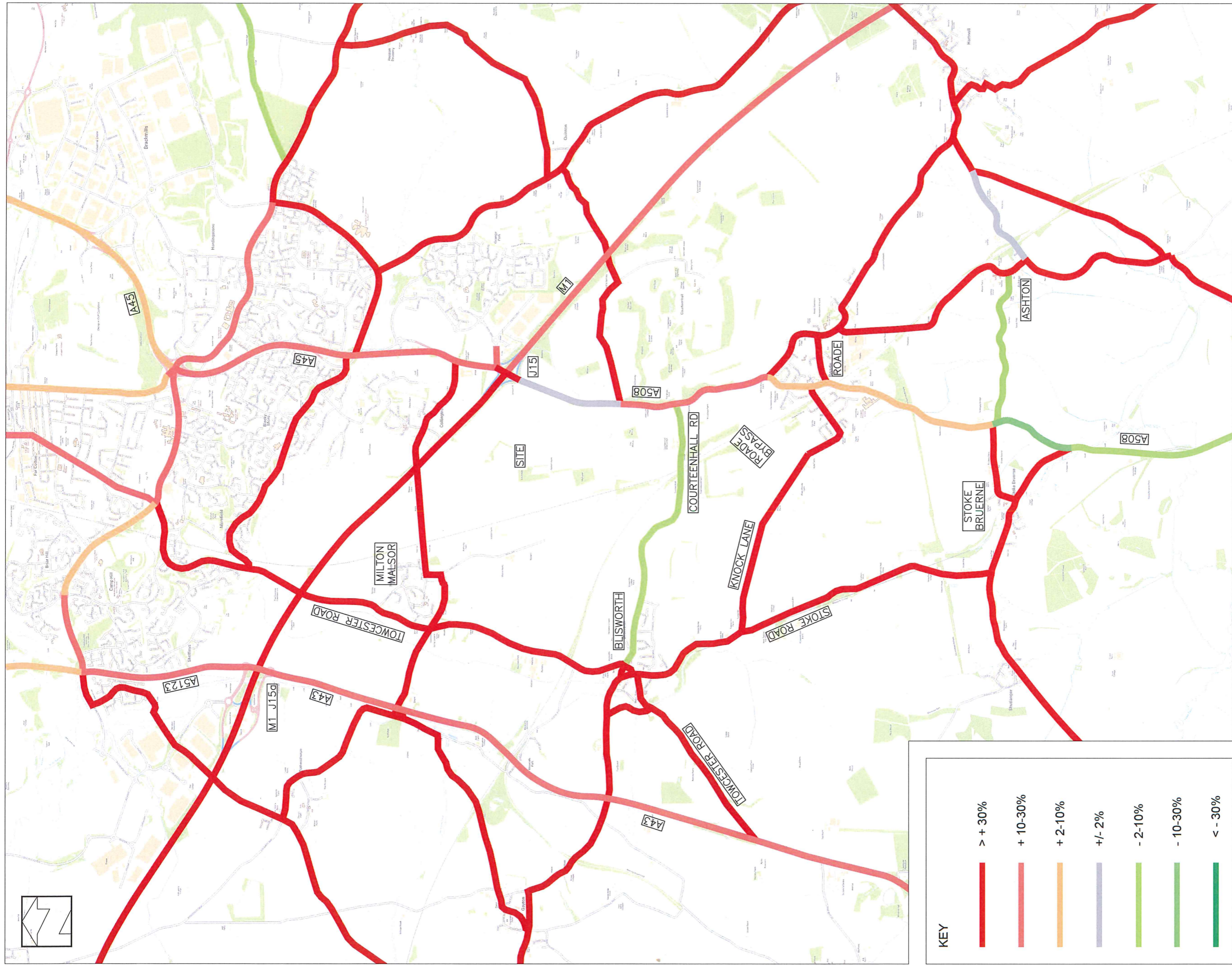
Dwg Size: A1
 Scale: 1:2000
 Date: 18/09/2017
 Dwg No: ADC1475/FG/06
 Rev: P1

Title: Road Heat Map (1)
 Forecast change in daily traffic flow resulting from proposed development and highway mitigation works

Project: Northampton Gateway Strategic Rail Freight Interchange
 Client: **ROXHILL**

P1	Preliminary Issue	18/09/17	Date
Rev	Description		

© ADC Infrastructure Limited



KEY

	> + 30%
	+ 10-30%
	+ 2-10%
	+/- 2%
	- 2-10%
	- 10-30%
	< - 30%

Project: Northampton Gateway Strategic Rail Freight Interchange

Title: Road Heat Map (2)
 Forecast change in daily traffic flow between 2015 and 2031 resulting from Local Plan and committed development growth

Client: ADC Infrastructure Limited

Dwg Size: A1	Scale: 1:2000	Date: 01/12/2017
Dwg No: ADC1475/FG/07		Rev: P1



P1	Preliminary Issue	01/12/17	Date
Rev	Description		