

Steve Clarke  
Maidstone Borough Council  
Maidstone House  
King Street  
Maidstone  
ME15 6IQ

13 February 2009

Dear Steve,

### **Kent International Gateway**

I refer to your letter dated 12<sup>th</sup> January 2009 consulting SEEDA on the amended application for Kent International Gateway, which includes additional information submitted by the applicant.

Our previous letter dated 3<sup>rd</sup> December 2007 identified a number of areas where we sought further information. These were the justification for the location and its relationship to the criteria set out by the former Strategic Rail Authority; the size of site required and its implications for an alternative site search; and the amount and type of jobs which would result. The additional information provided by the applicant specifically with regard to the socio-economic assessment enables me to clarify SEEDA's position. Our advice below adds to the advice in our previous letter and should be read in conjunction with it.

#### Justification of location and relationship to SRA criteria

The additional submitted information refers to further sources of information such as the Great Britain Freight Model and the Rail Assignment Model. However whilst the submission has become more sophisticated there is still an absence of a definitive business model identifying a particular type of good or supplier or known supply chain that will lend itself readily to the offer of facilities at KIG. There is also no identified rail freight operator identified as a potential partner.

The applicant's core argument remains that KIG will be an aggregation point that has the capability to attract business from the road transport on the UK to Channel link (the M20 is the busiest freight corridor) and the facilities lend themselves to a number of logistical scenarios. This is clearly a different business model from that envisaged by the SRA and addressed in policy T13 of the South East Plan Proposed Changes. However it has the clear potential to deliver significant modal shift and economic growth in the region.

This lack of an established market is effectively recognised by the applicant in the Transport Assessment. This assumes that only around 20% of freight will move into and out of the site by rail. Clearly as an emerging market this assumption is



subject to considerable uncertainty. It could be significantly higher or lower depending on the success of the business model.

This inevitably means that a decision on the planning application for Kent International Gateway cannot be straightforward. However SEEDA has concluded that these risks and uncertainties are inevitable at this stage in the development of the market for strategic inter-modal freight terminals. As a result SEEDA considers that the decision on the application should be made on the basis of the suitability of the location and the potential of the development to achieve modal shift.

In this respect the locational advantages are clear. The site is adjacent to both the CTRL line and domestic services. The nearby CTRL line provides access for continental rail freight traffic to the site. There is spare capacity for rail freight traffic via the Channel Tunnel and North via the West Coast Main Line. The application will also take advantage of the predicted growth in international rail traffic. Deutsche Bahn's recent acquisition of EWS confirms their intention to increase services through the tunnel. Open access for freight in 2011 should increase this further.

The site is also adjacent to a motorway junction on a relatively uncongested part of the network. We note that the proposal has the full support of the Rail Freight Group and support in principle from Network Rail. In addition it is not in the Green Belt unlike other potential SRFI sites around the M25, and while it is adjacent to the Kent Downs AONB we note that the site is already under consideration for development in the Maidstone LDF Core Strategy.

#### Size of site required and its implications for an alternative site search

The additional information makes clear that the applicant intends that KIG will operate as a National Distribution Centre (NDC) particularly intercepting HGV traffic from Dover and a Regional Distribution Centres (RDC). At the moment there are no NDC's in the South of the country. This proposal recognises that to have both NDC (2/3rds of the site) and RDC functions (1/3<sup>rd</sup> of the site) the site needs to be large and 60 Ha brings it in to the nationally significant category.

SEEDA is satisfied that this business model requires a site of this size and that this should legitimately be the size used for an alternative site search. On this basis we are satisfied that the previously submitted site search demonstrates that the KIG site is the most suitable.

#### Amount and type of jobs which will result

We previously expressed concern that the economic impact assessment did not address issues of displacement, multiplier effects or assess robustly where employees might come from. Significant additional information has now been submitted on this and we are satisfied that the applicant's figure of 2,297 additional direct jobs, with a further 690 indirect jobs has been generated in a

robust way. Equally we note that around 1,000 jobs are expected to be skilled positions. The socio-economic assessment provides robust forecasts of where these employees may travel from and we consider that these are realistic and appropriate in the context of existing travel to work patterns and forecast future housing growth.

#### Dft publication Delivering a Sustainable Transport System

The DfT publication Delivering a Sustainable Transport System (DASTS): the Logistics Perspective (December 2008) refers to the DASTS high level goal to support national economic competitiveness and growth by delivering reliable and efficient transport networks. Encouraging modal shift from road to rail by allowing such developments as KIG will help achieve this. It also refers to the sustained growth of imports placing significant demands on key international gateways and the links to and from them.

In relation to competitiveness and productivity the report states that a consistent and effective framework is needed to support the competitive and efficient operation of the UK logistics industry with the required private and public investment and consistent planning decisions to support strategic development of freight infrastructure. This supports the approach in the Regional Economic Strategy.

#### Conclusion

In conclusion, SEEDA's advice to Maidstone Borough Council is that if successful the development will have significant benefits in additional employment and economic growth. The impact on modal shift is dependent on establishing a market but could be significant. In addition the applicants have submitted strong evidence this is the most suitable location for their business model. No other site they have considered has the combination of sufficient size and suitable road and rail access. This means that the development has very significant potential to help to deliver Target 8 of the Regional Economic Strategy and through this to contribute to the wider sustainable economic growth of the region. As a result SEEDA **supports** the application.

In giving this support SEEDA recognises that the Council also has to assess highways, environmental and landscape impact issues. SEEDA has not assessed these issues in detail as this is neither our role nor our core competence. It will be for the Council to weigh these issues against the value of the development in Sustainable Economic Development terms.

Yours sincerely



Tim Stansfeld  
Head of Planning