

# Expansion of Port Salford

## Delivering a Sustainable Logistics Hub

The Peel Group

April 2018



**Turley**

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# 1. Introduction

- 1.1 This paper provides an overview of the rationale for and benefits of the proposed expansion of Port Salford.
- 1.2 Port Salford is a sustainable logistics hub on the Manchester Ship Canal in the heart of Greater Manchester between Eccles and Irlam. It has direct frontage to the north bank of the Manchester Ship Canal and the A57 immediately to the west of the Salford Community Stadium and south of City Airport.
- 1.3 Port Salford has the potential to become a nationally significant sustainable logistics hub. Phase 1 has planning permission for:
- a tri-modal access infrastructure (water, rail and road);
  - a 17 ha intermodal terminal capable of handling up to 10,000 TEU<sup>1</sup> containers per annum;
  - 155,000 sq m (1.6 million sq ft) of high bay logistics space; and
  - 83,000 sq m of open storage space.
- 1.4 The infrastructure for Phase 1 has been delivered by the Peel Group (Peel) in partnership with Salford City Council (SCC), the Greater Manchester Combined Authority (GMCA) and Transport for Greater Manchester (TfGM). The logistics hub is being delivered by a partnership between Peel Logistics Property Ltd and the Peel Ports Group.
- 1.5 The scheme includes the Western Gateway Infrastructure Scheme (WGIS) which will improve connectivity between Irlam and the Trafford City area including providing a new bridge over the Manchester Ship Canal (MSC). WGIS is being delivered in a phased manner. 'Part' WGIS is underway to enable Phase 1 of Port Salford. This comprises a new road and bridge over the Manchester Ship Canal connecting the A57 in Irlam with Trafford City. 'Full' WGIS, which includes alterations to Junction 10 of the M60 is likely to be required to facilitate the full delivery of Port Salford. It will also reduce the amount of local traffic that needs to enter the M60 and facilitate improved public transport connectivity in this part of Greater Manchester by providing potential for more direct bus services.
- 1.6 The internal estate road for Phase 1 is complete and Great Bear, part of the Culina Group (a food and drink importer and logistics specialist), has occupied the first building on site – 26,500 sq m (280,000 sq ft) of purpose built logistics space. Market interest in the remaining plots is strong.
- 1.7 Part WGIS is at an advanced stage of construction. The works are expected to be complete by end December 2017. There will then be a period of testing and commissioning before the new road can be brought into use.

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<sup>1</sup> Twenty foot equivalent units.

1.8 To achieve its full potential and make best use of the investment in infrastructure Port Salford needs to achieve a critical mass of logistics processing floorspace. The draft Salford Local Plan (SLP) recognises this and the benefits that such development can bring. It allocates 107 ha of land to the north and west of Phase 1 for expansion of Port of Salford to deliver an additional 320,000 sq m (3.4 million sq ft) of logistics and manufacturing space.

1.9 This paper refers to this expansion as Port Salford Phase 2. It considers:

- the background to and policy context for Port Salford (section 2)
- the opportunity presented by Phase 2 (section 3)
- the proposals contained within the draft Local Plan (section 4)
- the social, economic and environmental benefits that the development would bring (section 5); and
- the proposed approach to the delivery of the development (section 6).

## 2. Port Salford – past and present

### The origin of Port Salford

- 2.1 Port Salford was conceived by Peel Holdings Ltd in the early 2000s as a scheme to expand the capacity of the Euro Terminal at Trafford Park. Freightliner had at that time reviewed its activities in Greater Manchester in the light of capacity constraints placed on Trafford Park terminals at Manchester Piccadilly. It considered Port Salford a potential expansion location and an opportunity to create additional port activity within Greater Manchester and support increased sustainable use of the Manchester Ship Canal (MSC).
- 2.2 The opportunity for direct connection to the Chat Moss Liverpool – Manchester railway, which connects with the West Coast mainline without passing through Manchester Piccadilly, offered potential for a more efficient connection to the national rail freight network. It would also, over time, have allowed for the redirection of Trafford Park Services to free up capacity for additional passenger services at Manchester Piccadilly.
- 2.3 This potential rail connectivity drove the Port Salford concept. Direct access to the Manchester Ship Canal was seen as a further benefit of the location which offered potential for increased movement of containers by water.
- 2.4 Peel submitted the application for planning permission at Port Salford in 2004 and permission was granted in 2009 following extensive consultations with relevant agencies in relation to supporting infrastructure. During that period policy support for a multi-modal facility grew. The site of Port Salford Phase 1 was identified as a Strategic Employment Site in the North West Regional Economic Strategy and as one of the North West Development Agency's 'Strategic Regional Sites'. The Barton Strategic Regional site was designated in the Salford UDP, adopted in 2006.

### Drivers of change

- 2.5 The period during which the planning application for Phase 1 was under consideration and the period since approval have seen significant further changes in national policy on freight and logistics and in market requirements at a national and regional level.
- 2.6 The National Policy Statement on Ports<sup>2</sup> recognises the important role of ports in the economy and for access to international markets. It confirms a national need to upgrade and extend the port capacity of the UK and to provide supporting infrastructure including logistics space that will be needed to optimise supply chains and the role ports in sustainable transport and economic growth.
- 2.7 In summary, the Government seeks to:
  - “encourage sustainable port development to cater for long-term forecast growth in volumes of imports and exports by sea with a competitive and efficient port

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<sup>2</sup> National Policy Statement for Ports. Department for Transport. January 2012.

industry capable of meeting the needs of importers and exporters cost effectively and in a timely manner, thus contributing to long-term economic growth and prosperity;

- allow judgments about when and where new developments might be proposed to be made on the basis of commercial factors by the port industry or port developers operating within a free market environment; and
- ensure all proposed developments satisfy the relevant legal, environmental and social constraints and objectives, including those in the relevant European Directives and corresponding national regulations”<sup>3</sup>.

2.8 Further policy support for developments of Strategic Rail Freight Interchanges (SRFI) such as Port Salford is provided in the National Policy Statement on National Networks<sup>4</sup>. This sets out the Government’s conclusion that there is a ‘*compelling need for an expanded network of SRFIs*’ as part of its vision for a low carbon sustainable transport system and adds that “*it is important that SRFIs are located near the business markets they serve – large urban centres*” (paragraph 2.56).

2.9 Paragraph 4.84 states that:

*“Given the strategic nature of large rail freight interchanges it is important that new SRFIs or proposed extensions to RFIs upgrading them to SRFIs, are appropriately located relative to the markets they will serve, which will focus largely on major urban centres, or groups of centres, and key supply chain routes. Because the vast majority of freight in the UK is moved by road, proposed new rail freight interchanges should have good road access as this will allow rail to effectively compete with, and work alongside, road freight to achieve a modal shift to rail. Due to these requirements, it may be that countryside locations are required for SRFIs.”*

2.10 The drivers of this change and of demand for new logistics space with multi-modal potential include:

- exponential growth in demand for freight haulage driven by the growth of online retailing;
- e-commerce related interest in the site. Enquiries have been received for around 186,000 sq m (2 million sq ft). This sector has accounted for around 25% of the take up of logistics space in the last 12 months nationally and is expected to continue to grow strongly;
- the national and local economic base including the jobs created in what can be relatively labour intensive activities;
- further shift in the UK’s balance of trade including rise in demand for imported goods;

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<sup>3</sup> Ibid. Paragraph 3.3.1.

<sup>4</sup> National Policy Statement for National Networks. Department for Transport. December 2014.

- investment in a new deep water contained terminal at the Port of Liverpool (PoL) – “Liverpool2”<sup>5</sup> - which offers an alternative port of entry on the UK’s west coast and has the potential to shift the centre of gravity for such trade away from south and east coast ports;
- rising cost of road haulage which is encouraging exploration of the potential to switch to rail and water haulage;
- a growing shortage of HGV drivers exacerbated by the age profile of the current workforce and reliance on drivers from outside of the UK; and
- increased recognition of the need for action to address areas of poor air quality which include addressing the contribution of concentrations of HGVs to vehicle emissions and congestion.

2.11 In the period since Port Salford was first conceived the general demand for logistics and industrial space in Salford and in Greater Manchester has risen as the economy has strengthened and grown. The draft Greater Manchester Spatial Framework (GMSF) considers there to be a need to identify 4 million sq m (43 million sq ft) of space across the City Region. The draft Salford Local Plan proposes allocations for 500,000 sq m (5.4 million sq ft) of industrial and warehousing space within Salford between 2015 and 2035. Phase 2 of Port Salford can deliver 320,000 sq m (3.4 million sq ft) of this requirement and is a draft allocation within both the draft GMSF and the draft SLP.

### **Current delivery position**

- 2.12 Occupation of the first plot by the Culina/Great Bear Group has secured a new business to Salford and has generated £27 million of investment in the new facility. It has brought c.280 jobs on site with the potential for more to be created through supply chain and indirect effects. Its delivery has included creation of a new site access but it is not relevant on other large scale infrastructure. In December 2017 reserved matters approval was granted for 117,000 sq m (1.25 million sq ft) of logistics space in three buildings which constitutes the remainder of the consented Phase 1 floorspace.
- 2.13 Further delivery on Phase 1 of Port Salford will require significant investment in infrastructure ahead of the delivery of floorspace. This has necessitated a review of the business case in the light of current market requirements and infrastructure needs. The take up of floorspace is demand led and delivery of infrastructure has to be phased with this delivery and the availability of funding.
- 2.14 Work is currently underway to develop the business case to secure the delivery of rail infrastructure within Phase 1. This process has confirmed that the rail and wharf infrastructure proposed as part of Phase 1 is sufficient to serve on-site warehousing/ processing facilities well beyond the consented Phase 1. On its own, Phase 1 is not of a large enough scale to either maximise the return on capital investment or to make best use of the infrastructure itself. As is explained further in Section 3 of this paper the

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<sup>5</sup> [www.peelports.com/campaigns/liverpool2](http://www.peelports.com/campaigns/liverpool2). Liverpool2 is a £400m deep water container terminal within the River Mersey at the Port of Liverpool. It can accommodate Post-Panamax container ships and is directly connected to Port Salford by coaster vessels and barges via the Manchester Ship Canal

proposals for Phase 2 would deliver additional large scale investment in logistics floorspace, creating a critical mass and leading to a significant number of additional jobs in Salford.

### 3. Port Salford Phase 2 – the opportunity

- 3.1 Port Salford presents a unique opportunity for Salford, Greater Manchester and the North of England. It has the potential to deliver a large scale tri-modal - water, rail and road – port facility within the heart of Greater Manchester.
- 3.2 The potential to deliver direct access for container vessels along the MSC; for freight trains via a spur from the main rail network; and for road traffic immediately adjacent to the M60/M62/M602 interchange within England’s second largest economy, with a pool of available labour, differentiates Port Salford from any current or proposed competing site in the Region. It provides potential occupiers with maximum choice and flexibility to utilise the most sustainable and competitive forms of transport in a location close to markets. This combination would make Port Salford a sustainable and logical location for logistics businesses serving the central and northern parts of the UK and offer an attractive location from which to base a UK wide logistics operation.
- 3.3 As the draft Salford Local Plan states:
- “Port Salford, together with integrated logistics and manufacturing accommodation, should help to boost the overall competitiveness of Greater Manchester by significantly enhancing its logistics capabilities and the quality of investment opportunities, both in the immediate vicinity of the freight terminal and at nearby employment areas in both Salford and Trafford”.*<sup>6</sup>
- 3.4 Port Salford therefore has the potential to attract investment that might not otherwise come to Salford or Greater Manchester and in doing so would contribute directly to the Government’s objectives of rebalancing the UK economy.

#### **Port-centric logistics**

- 3.5 Port Salford has direct access by water from Liverpool2 at the PoL. PoL is one of the busiest ports in the UK. It handles in excess of 30 million tonnes of freight per annum and the Manchester Ship Canal handles a further 7 million tonnes per annum.
- 3.6 The development of Liverpool2 removed a previous constraint on vessel size and has enabled it to accommodate the largest container vessels (“Post-Panamax”). It has extensive loading/unloading and transshipment facilities that enable rapid handling of high volumes of containerised and other cargoes. This is driving increased demand for ‘port centric’ logistics – floorspace with direct access to or close by a port where loading/unloading processing and repackaging can take place prior to delivery to customers.
- 3.7 Liverpool2 has direct access via coaster vessels to Port Salford and other ports along the MSC. Container volumes on the MSC between the PoL and Irlam Container Base have grown from 3,000 tonnes per annum in 2009 to 36,600 tonnes per annum in 2016 – a twelve fold increase in seven years. The expansion of Port Salford has the potential to deliver further significant growth as part of a port-centric logistics model.

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<sup>6</sup> Draft Salford Local Plan. Salford City Council. November 2016.

- 3.8 The Greater Manchester Freight and Logistics Strategy<sup>7</sup> supports the further growth of multi-modal logistics capacity in the City Region. It recognises the potential that growth of the PoL presents and the opportunities that developments such as Port Salford present to grow a sustainable freight transport without the significant economic and environmental benefits.
- 3.9 It is expected that container volumes through PoL will continue to grow rapidly – forecasts indicate a doubling over the next 10 years. This will be driven by an increase in the number of direct call services the port can attract through the investment in Liverpool2. This may include the redirection of imports from ports elsewhere in the UK (for example south and east coast ports) to the PoL because it offers a more sustainable and cost effective route from the port to the consumer.
- 3.10 The Liverpool City Region Local Enterprise Partnership commissioned a review of the likely market demand for logistics space that would arise across the region as a result of the opening of Liverpool2<sup>8</sup>. It identified the potential to create around 30,000 new jobs and a likely need for an additional 400-500 ha of land within the Liverpool City Region. This illustrates the potential economic significance of port-centric logistics and the market that is potentially available to an expanded Port Salford.

### **Changing patterns of global trade**

- 3.11 This trend is likely to be accelerated as the widening of the Panama Canal is expected to impact on global trade routes<sup>9</sup>. The widening of the Canal, which was completed in 2016, allows larger “Post-Panamax” container vessels to use the Canal. This will significantly shorten some of the major trade routes and is likely to prompt operators to review their shipping models.
- 3.12 This is expected to make a deep sea port on the west coast of UK, such as Liverpool2, a more commercially attractive proposition for imports to the UK for some operators than a port on the south coast of England or potentially on the European mainland.

### **Proximity to a growing consumer market**

- 3.13 A further part of Port Salford’s unique location is the potential for goods to be delivered by water or rail to the heart of a major consumer market. Port Salford is at the heart of the UK’s second largest consumer market. 7.4 million people live within one hour by road and around 2.9 million jobs based in this area<sup>10</sup>. 13 million people live within a 110 km (70 mile) radius of the port.
- 3.14 The development of a tri-modal logistics hub within the heart of Greater Manchester offer operators much greater flexibility to choose the most efficient mode of delivery

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<sup>7</sup> Greater Manchester Freight & Logistics Transport Strategy, the Greater Manchester Combined Authority and Transport for Greater Manchester (2016)

<sup>8</sup> Liverpool SuperPort: Market Analysis – Land and Property. Liverpool City Region Local Enterprise Partnership. March 2014.

<sup>9</sup> The Panama Canal expansion project doubled the capacity of the Canal. It added a new lane of traffic allowing larger vessels to pass between the Atlantic and Pacific Oceans. The Canal opened to traffic in June 2016. This allows the largest vessels to make shorter and more direct circumnavigations between producers in the Far East and markets in Europe, the Middle East and the Americas.

<sup>10</sup> Source: analysis of ONS population and workplace data. Census 2011.

and the potential for distribution facilities to be well related to final destinations within the UK's second largest consumer market.

- 3.15 These factors combine to give Port Salford a competitive advantage over sites which are served only by road or by road/rail or road/water. It is expected that with the delivery of the full interchange infrastructure the expanded Port Salford will become a sustainable logistics hub of national significance. It would deliver significant economic and social benefits and contribute to a reduction in movement of goods by road with consequential environmental benefits. These are considered further in section 5 of this paper.

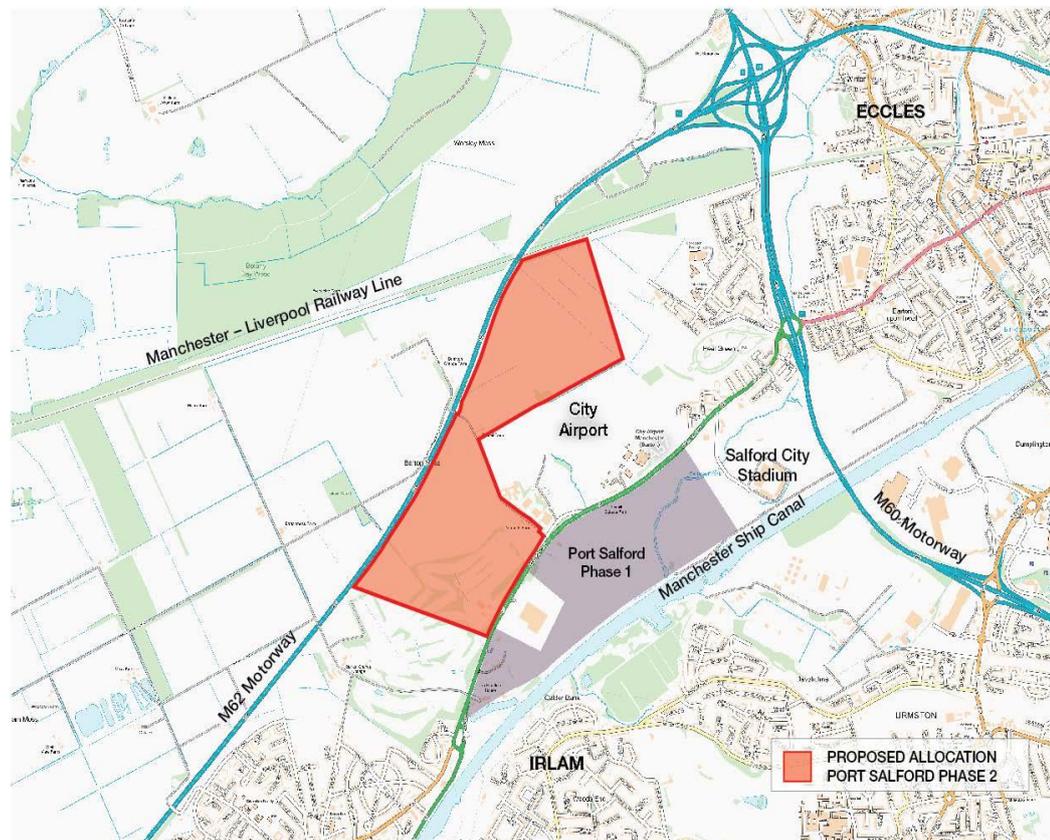
## 4. Port Salford Phase 2 – the proposals

4.1 This section of the paper describes the site of the proposed expansion of Port Salford and the proposed development.

### The site

- 4.2 Port Salford is situated within the Greater Manchester conurbation approximately 10km to the west of the Regional Centre. It is adjacent to the communities of Irlam, Cadishead, Eccles and Urmston.
- 4.3 The location is crossed by a number of national transport routes: the MSC which links the River Mersey to Salford Quays; the Manchester-Liverpool railway line which links to the West Coast mainline; and the M60 and M62 motorways which form part of the strategic highway network. The east-west corridor which includes the Liverpool-Manchester railway and M62 corridor is also identified as part of the Trans European Transport Network (it forms part of the route that connect Dublin with the Humber ports via Liverpool).
- 4.4 Phase 1 of Port Salford comprises land between the MSC and the A57 to the south of City Airport. The site of Phase 2 comprises land to the north and west of Phase 1 between the A57 and M62. It includes land to the north and west of City Airport. See Plan 4.1 below.

**Figure 4.1: Port Salford location plan**



- 4.5 The site comprises agricultural land and a golf course. It is generally flat and low lying. The M62 passes the site partly at grade and partly in a shallow cutting. Land to the west (which Peel is promoting as a sustainable urban extension of Irlam for c. 1,400 new homes) comprises partly golf course and areas of agricultural land.
- 4.6 The majority of the site is at low risk of flooding (Zone 1). Small areas of Zone 2 (moderate risk) do not constrain development of the majority of the site. Parts of the motorway network near the site are within Air Quality Management Zones. Careful consideration will need to be given to any implications of this. The agricultural land is made ground (“night soil”) suggesting it is no higher than grade 3b of the Agricultural Land Classification.
- 4.7 Peel has commissioned a preliminary investigation of ground conditions. This confirms that there are limited areas of peat across the site with extensive evidence of made ground from former land fill activity. These indicate the potential for ground gas which would need to be mitigated through appropriate building design. The assessment recommends detailed site investigation to inform an appropriate remediation strategy to inform detailed design work.
- 4.8 A phase 1 habitat survey has been undertaken. This shows there to be no sites of designated ecological significance within the site and relatively little ecological interest was found. Part of the site is within Salford’s Mosslands Policy area which requires consideration of potential for restoration of the peat bog habitat. The delivery of Phase 2 of Port Salford will include appropriate mitigation measures to ensure no unacceptable impacts.
- 4.9 City Airport comprises a private airport and heliport which serves general and business aviation users. It currently has a grass runway which is aligned broadly east-west. Peel is preparing a masterplan for the Airport. The implications of both current and potential future operation of the Airport have been taken into account in formulating proposals for Port Salford Phase 2. As owner of both sites Peel can ensure a masterplanned approach.

### **The proposals**

- 4.10 The proposals for Phase 2 comprise c.120 ha of land which is capable of accommodating up to 320,000 sq m (3.4 million sq ft) of floorspace.
- 4.11 The site provides potential for a range of users including very large footplates (>50,000 sq m (540,000 sq ft)). Its size, shape and topography lend themselves to this type of occupier and differentiate the site from many other sites which would not be able to accommodate such users let alone offer multi-modal access.
- 4.12 Depending on market circumstances and infrastructure constraints a number of medium and smaller users could be accommodated. The site could accommodate high bay logistics space (potentially 20-30m high) along with manufacturing/processing activities commonly found at strategic logistic sites.

- 4.13 The proposed buildings would be located to the west and north of City Airport. Appropriate separation distances, height parameters and safeguarding provisions would be incorporated into the final designs.

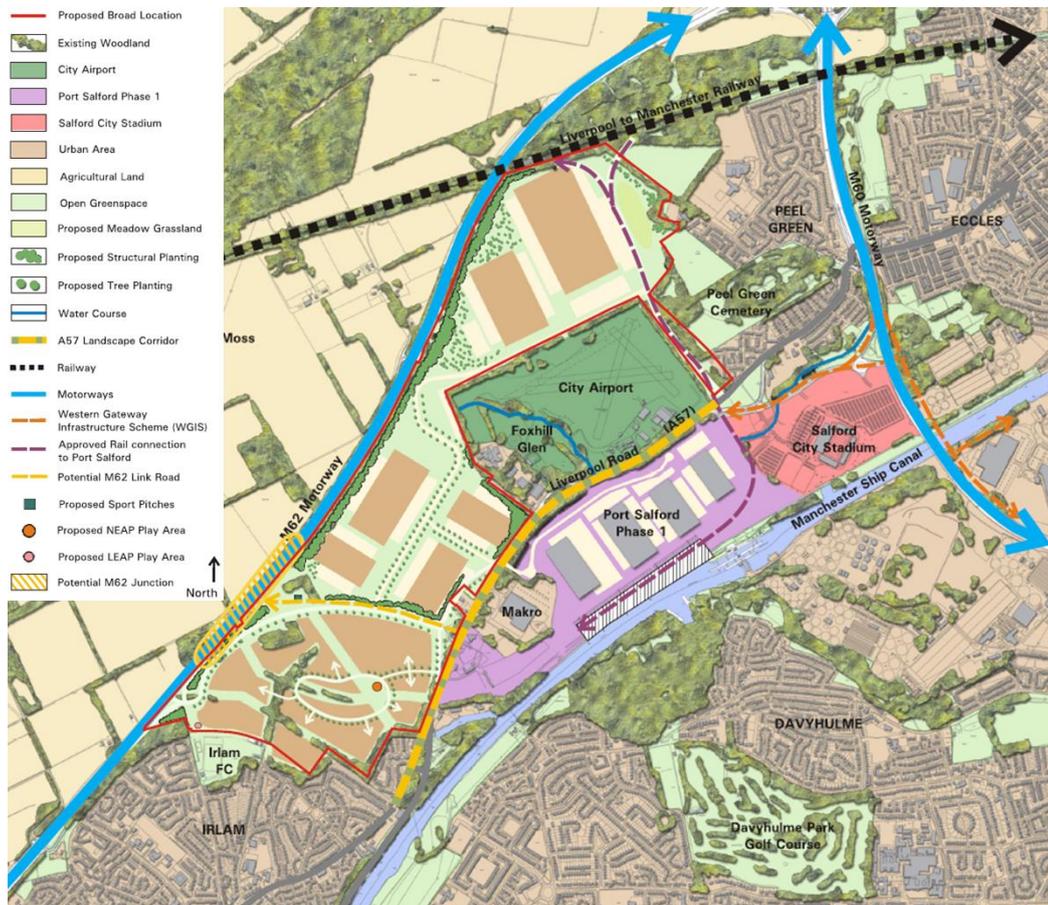
**Access by road**

- 4.14 Vehicle access would initially be from the A57 with appropriate upgrading to complement the detailed design of Phase 2. Phase 2 would be connected to the rail facilities in Phase 1 via dedicated 'red diesel' connections across the A57. These would be provided via a junction design which would be managed in order to maintain the free flow of traffic along the A57.
- 4.15 The M60 around the north west quadrant of Greater Manchester, including its interchange with the M62/M602 (Eccles Interchange), experiences high levels of traffic and congestion. Highways England has commissioned a strategic study of the motorway network in this area<sup>11</sup>. This includes consideration of strategic proposals to increase highway capacity and address current constraints. Options include consideration of alternative routes to enable east west traffic to avoid the Eccles Interchange, increasing the capacity of the existing routes, and creation of new junctions to provide local relief.
- 4.16 The proposed development of Phase 2 could be delivered with any of these options. The draft masterplan at Figure 4.2 below illustrates the creation of a new junction (11A) on the M62 to provide a direct connection for Port Salford to the M62 and a realignment of the A57 to improve local access to the M62 and (via WGIS) to the Trafford City area without using the M60. Preliminary highways assessment for Port Salford Phase 2 undertaken in 2013 showed the new M62 junction to be essential. This conclusion would need to be reassessed in the light of the NWQs study outcomes.

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<sup>11</sup> North West Quadrant Study – Highways England – February 2016

**Figure 4.2: Draft Masterplan of Port Salford Phase 2**



**Access by rail**

4.17 Rail access would be via a new rail freight line connection to the Liverpool – Manchester mainline. The line would run in a north-south direction to the east of City Airport and Heliport terminating within the Port Salford Phase 1 with a series of sidings for loading/unloading and manoeuvring of trains. The WGIS road bridge over the route of the rail line has already been constructed. Port Salford Phase 2 would be connected to the Phase 1 rail infrastructure by the red diesel system described above.

4.18 Peel has worked closely with Network Rail to secure GRIP3 (in principle) approval for the proposed line. Further work to progress the scheme through the remaining GRIP stages will be required once funding and a contractor for the construction of the line are confirmed.

4.19 Peel has held positive preliminary discussions on funding with GLIL (which includes the Greater Manchester Pension Fund). Peel Ports is working up the business case for the rail which will underpin any funding offer.

**Design and landscape strategy**

4.20 The proposals are for large buildings which will be visible from the surrounding area. The design and landscape strategy for the site will seek to minimise visual impacts and deliver a net increase in tree planting, landscape features and biodiversity across the site.

- 4.21 A design strategy for the site will be developed as part of the delivery of the site. This will include measures to position buildings to minimise visual impacts and provide appropriate separation distances to adjoining buildings and uses. It will include an approach to the layout of buildings, service yards and car parking; the design of boundary treatments and inclusion of landscaping and planting within plots.
- 4.22 The masterplan will also incorporate landscaped frontages with the M62 and A57 and with any new junction with the M62 and its connector road to the A57. Proposals alongside the M62 include landscaped bund(s) and broad swathes of mixed woodland planting. These would act as both visual and acoustic buffers between the development and the motorway.
- 4.23 The frontage to the A57 would include environmental improvements and planting to ensure a complementary appearance on the approach to the site and relationship with the built up area of Irlam.
- 4.24 The proposals would also include extensive potential for sustainable urban drainage systems (SUDs) to manage surface water and for habitat creation and management. This would include woodland/hedgerow areas, wetlands, swales and ditches which would ensure an overall net improvement in biodiversity across the site.
- 4.25 The design of buildings would use materials and colours that seek to minimise visual impact on the wider landscape. Landscaping and planting would seek to soften any sensitive views and create high quality public realm within the site and on key approaches to it.

## 5. Economic, social and environmental benefits

- 5.1 The development of Port Salford would deliver significant benefits both during its construction and in its operation.

### **Economic - Construction impacts**

- 5.2 The construction of Phase 2 is estimated to generate the equivalent of over 500 full time jobs and £412m of construction spend. This will provide a significant boost to Salford's economy and will include opportunities for local suppliers and construction workers.

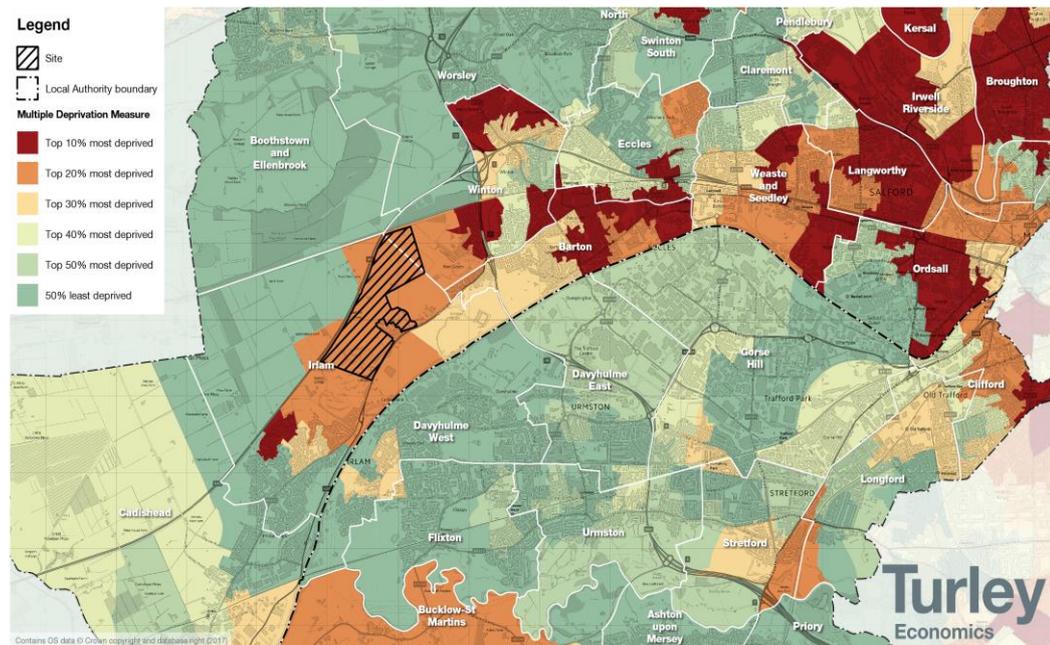
### **Economic - Operational impacts**

- 5.3 Based on industry average job densities once fully operational Phase 1 could deliver around 3,000 permanent jobs. It is estimated that Phase 2 could deliver an additional 7,000 permanent jobs. This will include around 1,700 net new jobs in the Salford economy and over 3,600 net new jobs at Greater Manchester level. The exact number of workers will depend on the occupiers that can be attracted to the site. While actual figures may vary this would make Port Salford one of the largest employers in the City and one of the most significant economic development projects in Greater Manchester.
- 5.4 The jobs created will require a range of skill levels including senior managers, skilled professionals and a range of relatively low skilled workers. These will be of particular benefit in addressing the current high levels of unemployment and low levels of existing skills which are event in some of the areas of Irlam and Eccles which immediately adjoin the area. Peel is keen to maximise opportunities for local recruitment and training schemes as part of the development and would be pleased to support such programmes to maximise local employment benefits.
- 5.5 It is estimated that this level of investment and job creation will add over £150 million Gross Value Added (GVA) per annum to the Salford economy and around £325 million GVA per annum to the Greater Manchester economy. These are very welcome benefits in the context of recent economic performance.
- 5.6 The expansion of Port Salford with potential to create a further 320,000 sq m (3.4 million sq ft) of floorspace has the potential to generate around £6.0 million of additional Business Rates revenue per annum for the city. Up to 2020 50% of this could be retained by the City Council and 100% could be retained post 2020.
- 5.7 The indirect economic benefits of Port Salford are expected to include enhanced competitiveness for other local businesses. Efficient supply chain logistics are important to most businesses. Access to such facilities and the cost and time savings that they can deliver would help to boost the competitiveness of existing businesses in the area. It could also be expected to be a factor in persuading other businesses to move into Salford.

## Social benefits

- 5.8 Parts of Salford, including areas close to Port Salford, experience high levels of social and economic deprivation<sup>12</sup>. These include lower than average educational attainment, skill levels and employment rates. These can be associated with poorer health and quality of life. Figure 5.1 illustrates the Indices of Multiple Deprivation.

**Figure 5.1: Indices of Multiple Deprivation**



- 5.9 The availability of a wide range of employment opportunities across all skill levels would help to address historic higher levels of unemployment. Coupled with the delivery of programmes of training and education these could have significant social benefits.
- 5.10 Increased employment and skills are often associated with higher levels of well being and lower incidence of poor health. These can be significant factors in the regeneration of deprived communities.
- 5.11 Planning obligations will secure the delivery of any necessary social infrastructure and amenities required within the local area to meet the needs arising from the development.

## Environmental benefits

- 5.12 Port Salford Phase 2 would have significant environmental benefits. The transfer of freight from road haulage to more sustainable rail and water freight networks is a key objective of the Government's vision for a low carbon/sustainable transport system.

<sup>12</sup> A qualitative index of indicators of economic and social deprivation including income, employment, health and education produced by the Social Disadvantage Research Centre at the University of Oxford and published by the Department of Communities and local Government.

By encouraging a shift from road to water and rail based transport Port Salford has the potential to significantly reduce the amount of road haulage across the region.

- 5.13 This would deliver significant reductions in carbon emissions and could ease congestion. The benefits of this would be felt across the highway network. Particular benefits would occur in areas of high HGV concentrations and areas of congestion. This would include the urban area around the port, the motorway links to Port Salford and areas such as the Eccles Interchange. Impacts on local traffic directly associated with Port Salford will be carefully assessed and appropriate mitigation will be delivered on part of the development.
- 5.14 The proposals for Port Salford also promote the opportunity for gains in biodiversity. The site at present has relatively little biodiversity or nature conservation interest. Where possible, features such as existing trees, woodland and hedgerows would be retained and incorporated into landscape features of the development.
- 5.15 Significant additional landscaping and tree and shrub planting would also take place. This would include the planting of a significant area of managed woodland alongside the M62. This would act as a physical screen but could also include the creation and management of habitats and the encouragement of a wildlife corridor network. The incorporation of landscaping including ditches and swales within the development would also contribute to the visual and environmental interest of the site. Where possible public access to this green infrastructure will be facilitated and connections to the wider public rights of way network would be retained and where possible enhanced.
- 5.16 The proposed upgrading and re-routing of the A57 which is a key part of local transport mitigation would also take opportunities for environmental enhancement. This could include appropriate landscaping, planting and street furniture. These proposals would enable direct access to the Port Salford site from the primary highway network. They would facilitate reductions in the amount of traffic at sensitive locations such as Peel Green. These would be aimed at helping to address the impacts that existing traffic conditions have on noise, air quality and local amenity.
- 5.17 The proposals will aim to demonstrate through assessments that the scheme will deliver no net loss of environmental quality and if possible a net gain. If not achievable directly on-site, this would be secured off-site in the locality using Peel's wider landholdings.

## 6. Approach to delivery

### Delivery strategy

- 6.1 The delivery of Phase 1 of Port Salford has been market led. Peel has marketed the opportunity and sought to co-ordinate occupier requirements with the necessary site preparation and infrastructure works. It is envisaged that Phase 2 will be delivered in the same way.
- 6.2 Peel Land and Property envisages continuing to act as 'master developer' by coordinating the delivery of serviced plots to occupier requirements and enabling occupiers to procure the buildings and operational infrastructure themselves, whilst Peel Logistics will be seeking to deliver the development and retain the investment. Peel Logistics, with joint venture partners, provides the ability to deliver and manage logistics buildings and ensure a holistic approach across the Peel Group of companies.
- 6.3 Peel Ports (a part of the Peel Group which operates PoL and the MSC) will manage the operational development and coordinate the provision of port and rail services e.g. access to the Canal, loading and unloading services, and management of the rail terminal. Peel Ports may also provide logistics space (indoors or outdoors) for users of the facility.
- 6.4 Peel Logistics Property is a specialist UK logistics and industrial property business which develops, manages and owns prime-grade UK logistics and industrial properties across the UK. The company is a joint venture between Peel Land and Property, Macquarie Capital and other shareholders, led by the former management team of Evander Properties. Depending on market circumstances Peel Logistics Property would consider speculative development of logistics/manufacturing space and the potential for joint ventures (including with a third party operator of the logistics services).
- 6.5 Peel Logistics Property is the delivery partner at Port Salford, Peel Logistics Property is a specialist UK logistics and industrial property business which develops, manages and owns prime-grade UK logistics and industrial properties across the UK.
- 6.6 The business has expertise across all key capabilities including acquisitions and sourcing, development, leasing and asset management and has developed two facilities at Port Salford to date, Great Bear Logistics (280,000 sq ft) and Rhenus Logistics (£50,000 sq ft).
- 6.7 Port Salford is a flag ship site in the Peel Logistics Property portfolio and is confident that occupational interest exists in the site to make it a nationally significant distribution location.
- 6.8 The integrated approach across the various Peel companies, alongside the single ownership of the majority of the site, provides a strong private sector platform for the Port Salford project.

## Partnerships

- 6.9 The scale and nature of the Port Salford project means that it will be naturally delivered in partnership with a range of organisations, including:
- Salford City Council and Greater Manchester Combined Authority
  - Transport for Greater Manchester
  - Department for Transport and Highways England
  - Network Rail
  - Local skills and education providers
  - Local community and environmental groups
  - Local and national supply chains
- 6.10 As a multi-phase project with various different infrastructure and delivery phases, a number of different partnerships are likely to be needed to deliver the project. Indeed, these partnerships are, to a degree, already in place through the delivery of the first phase of Port Salford and the WGIS scheme.
- 6.11 As the GMSF and planning process proceeds, the needs and opportunities presented by different partners will shape the direction and pace of the project, ensure that it is well integrated locally and maximise its sustainability benefits.
- 6.12 In particular, Port Salford provides the opportunity to:
- Underpin funding cases for investment in transport infrastructure that delivers wider benefit – for example the new link road and junction between the M62 and A57; and
  - Be the catalyst for skills and education partners to integrate the scheme locally, potentially to include a new academy or similar facility, alongside the Port Salford development.

## Phasing

- 6.13 The timing of delivery of buildings and infrastructure will be market led. Due to the size of potential units take up is likely to vary year on year. A reasonable estimate based on experience of other large scale logistics developments is c.25,000 sq m per (270,000 sq ft) per annum. On this basis it is likely that Phases 1 and 2 should be completed within the 20 year plan period of the draft Local Plan subject to relevant infrastructure provision. Take up rates at logistics sites in the region (such as Logistics North in Bolton) demonstrate that when infrastructure is in place take up of floorspace could occur more quickly.
- 6.14 The spatial phasing will also need to be flexible to market needs. The current focus is on the completion of Phase 1. However, it is likely that interest in Phase 2, particularly

as it offers the potential for very large units of a scale that could not be accommodated in Phase 1, will grow before Phase 1 is complete. It is important that this flexibility is available such that operators with interest in investment in Salford are not lost to other locations.

## **Transport infrastructure**

### **Road**

- 6.15 The potential transport implications of Phase 2 have been carefully considered by a Steering Group that comprises (Salford City Council, Trafford Council, TfGM, Highways England and Peel). These considerations include transport modelling to inform how the development would integrate with any strategic programme arising from the North West Quadrant Study and other transport strategies across Salford and Greater Manchester. TfGM is modelling options for highways infrastructure interventions. This work will underpin funding bids to Central Government.

### **Rail**

- 6.16 Peel will continue to work closely with Network Rail and other partners to secure appropriate rail access to the Manchester Liverpool line. Works to safeguard rail connectivity are incorporated into Phase 1 and Peel is working with partners to secure the investment needed to deliver the regional rail infrastructure.

### **Metrolink**

- 6.17 Works are currently on site to extend Metrolink from Pomona on the Eccles line to the Trafford Centre. Long term plans being prepared by TfGM include the extension of this line to Port Salford including crossing the MSC via WGIS. To Peel's knowledge a final route and arrangement have not been presented.
- 6.18 Peel confirms it would be pleased to work constructively with other partners to assess the viability and deliverability of a potential route. The masterplans for Port Salford are consistent with this potential.

### **City Airport**

- 6.19 City Airport provides an important service to business and general aviation users. As owner of City Airport Peel intends to enhance this facility. A masterplanning exercise is being undertaken to establish the optimum way to do this. This includes consideration of the operational relationship between City Airport and Port Salford.
- 6.20 Peel is committed to optimising the potential of each of these assets in ways which support the economic growth of Greater Manchester and are mutually compatible.

### **Manchester Ship Canal**

- 6.21 Expansion of Port Salford would increase shipping movements in the Upper Reaches of the MSC. These require movement of various swing/life bridges on the Canal and operation of the locks downstream of Port Salford. There is an existing turning facility within the MSC opposite Port Salford. As such, there would be no need for vessels using Port Salford to travel upstream and therefore no additional implications for the new lifting bridge that forms part of the Western Gateway Infrastructure Scheme (WGIS).

### **Ground conditions**

- 6.22 Peel has commissioned a preliminary investigation of ground conditions. This confirms that there are limited areas of peat across the site with extensive evidence of made ground from former land fill activity. These indicate the potential for ground gas which would need to be mitigated through appropriate building design. The assessment recommends detailed site investigation to inform an appropriate remediation strategy to inform detailed design work.
- 6.23 An agricultural land quality survey has shown evidence of night soil. As such the land is considered to be of no better than grade 3b of the Agricultural Land Classification. As such it does not represent best and most versatile land and there is no policy reason to resist Phase 2 on agricultural land quality.

## 7. Conclusion

- 7.1 The expansion of Port Salford by the allocation of Phase 2 presents a strategic opportunity for Salford and Greater Manchester. It offers the potential to create a sustainable logistics hub of national significance.
- 7.2 The combination of tri-modal access and the availability of a large and flexible land supply including plots suitable for the very largest floorplates, gives Port Salford competitive advantage over other sites in the City and in the wider region. The opportunity created through direct access to the Port of Liverpool and its growing container business is significant and is expected to drive further demand for logistics space around Greater Manchester. Port Salford is uniquely placed to capture this market and in doing so attract investment to Salford that might not otherwise be secured.
- 7.3 7.3 Importantly, Port Salford is in the single ownership of, and can be delivered in partnership by, the various Peel companies. The delivery of Port Salford will be market led. It is important that the facility achieves the critical mass that can support the on site logistics infrastructure to maximise the sustainable benefits of the tri-modal location. For this reason Phases 1 and 2 should be treated as a single investment opportunity and be made available to the market in parallel.
- 7.4 It is likely that the delivery of Port Salford will be reliant on upgraded off site infrastructure. Phase 1 has already delivered a major contribution to the delivery of WGIS. Peel has so far invested £35m in the WGIS works. It is important that this is considered in the context of other strategic transport and investment priorities. Peel will continue to work constructively with partners to support these initiatives and investigate potential sources of funding and investment.
- 7.5 The design of Phase 2 is at an early stage. Initial assessments confirm that there are no insurmountable environmental matters which would prevent its delivery. Initial studies have been undertaken of matters such as ecology, flood risk and ground conditions. The findings of these will inform further masterplanning work and the evolution of design proposals.
- 7.6 Initial masterplanning illustrates that the site has significant potential to accommodate logistics and manufacturing buildings. The site lends itself to a range of floorplates including very large requirements. Measures will be incorporated in future masterplanning to ensure that the layout and size of buildings is compatible with surrounding land uses, particularly that it does not compromise the safe and efficient operation of City Airport, and minimises visual and design impacts.
- 7.7 The expansion of Port Salford would bring very significant economic social and environmental benefits in addition to those that will accrue from Phase 1. It could create around 500 jobs during construction and around 7,000 permanent posts when operational. It would boost the local economy by around £325 million GVA per annum.

- 7.8 These benefits are of particular significance because they would be delivered in a part of Salford where there is identified need. They would include creation of employment opportunities requiring a wide range of skills. Coupled with training and skills programmes that could be made available locally this has the potential to boost local regeneration.
- 7.9 Port Salford will also encourage a shift from road haulage towards water and rail movements. These types of transport generate lower carbon emissions and can significantly reduce lorry kilometres on the network. It is estimated that Phases 1 and 2 could result in a combined reduction of 71 million lorry km per annum. This would have consequent benefits in terms of reduced congestion and lower levels of emissions that can contribute to poor air quality.
- 7.10 For these reasons Peel fully supports the proposed allocation of land for Phase 2 of Port Salford and will continue to work constructively with Salford City Council and other partners to ensure its timely and sustainable delivery.

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