

OMEGA WEST

PINS REF: APP/H4315/V/20/3265899

SEAN BASHFORTH EVIDENCE

NOTE ON TJM'S COMMITMENT TO THE SITE

This note responds to a question by the Inspector on Friday 30 May in respect of the TJ Morris (TJM)/Home Bargains commitment to the site.

As set out in paragraph 7.1.2 of James Clarke's (JFC) Proof of Evidence (CD38.7), TJM is contracted to acquire the land to develop Unit 1, subject to planning permission. I am advised that conditional contracts were exchanged to acquire the land on 20th December 2019.

JFC has advised me that the contract is (now) only conditional upon receipt of a satisfactory planning consent. The grant of planning permission will trigger obligations on both parties to proceed to completion; resulting in tens of millions of pounds being contractually committed by TJM, in respect of land acquisition, infrastructure contributions and logistics system costs.

To date, TJM has committed more than £1.5million in legal and professional fees to secure the site and its contract with WITRON. These fees include contributions towards the cost of the planning application and essential pre-planning works (e.g. diversion of overhead cables).

As confirmed in JFC's evidence (paragraph 7.1.3), TJM has signed a £150 million contract with German logistics and order picking systems specialist, WITRON, who will undertake the full systems installation within the proposed distribution centre. Unit 1 has been designed specifically to accommodate this system. JFC has confirmed to me that TJM's contract with WITRON is not conditional. I am advised that, should planning permission for Unit 1 not be granted, then TJM will incur significant abortive fees under the contract with Witron, given the unconditional commitment that TJM have given. These fees will run into millions of pounds.

Given the importance of the timing for the delivery of TJM's third distribution centre, TJM has (at significant cost) also already selected the construction contractor for the delivery of the development of Unit 1. I understand that only the grant of planning permission prevents that construction contract from being taken forward. JFC advises me that the construction contract would be completed within days of any grant of planning permission.

As set out in JFC's evidence (paragraph 7.1.4), the total investment by TJM for the Unit 1 project will exceed £300 million. As explained in evidence, this investment will be made by TJM out of its capital reserves, not through third party finance, further showing TJM's commitment to the Omega West project and the North West/Northern economy.

The scale and timing of the commitments made by TJM demonstrates that significant confidence can be given to the company's future investment and therefore the substantial benefits that the Omega West application proposals will deliver. In my view, along with the other investment proposed at Omega West, TJMs planned investment responds very positively to the Government's priority of 'levelling up' by delivering investment and jobs in a location where they are vitally needed and at a time where there is significant uncertainty during and following the pandemic.

Sean Bashforth , 4 May 2021