



GATEWAY TO  
LONDON  
OPPORTUNITIES  
IN THE THAMES  
G A T E W A Y

**REPRESENTATIONS BY GATEWAY TO LONDON  
IN RESPECT OF THE GREATER LONDON AUTHORITY'S  
SAFEGUARDED WHARVES ON THE RIVER THAMES**

**APRIL 2003**

## Gateway to London Inward Investment Service response to GLA Consultation Report “Safeguarded Wharves on the River Thames”

Gateway to London is the Inward Investment and Business Retention Agency for Thames Gateway London, the largest opportunity area in the UK. Its mission is to attract and retain high quality business investment to secure the sustainable regeneration of the Thames Gateway. The area is characterised by Brownfield sites and underused former industrial buildings. There is 1000 hectares of development land currently available. Land supply expected to grow with industrial restructuring.

The following comments on the Safeguarded Wharves on the River Thames Consultation Draft, are therefore focused on issues that are considered to impact upon the Agency’s ability to fulfil this mission.

We welcome the review and reappraisal of the future role of wharves in London. In assessing the consultation report, Gateway to London Inward investment Service has focused on the broader regeneration agenda for the Thames Gateway. The importance of adopting a balanced approach to safeguarding is highlighted and in particular the balance between operational river-borne freight capacity versus the attraction of high quality inward investment

In striking an effective balance between protection and the wider regeneration of the London Thames Gateway there are a number of issues that appear to require further investigation and analysis. These include:

- The methodology for:
  - Data collection/sources
  - Analysis of information
- Assumptions regarding waste management and the role of Green Industries
- The wider regeneration agenda for Thames Gateway and in particular policy objectives of both the London Plan and Sustainable Communities Plan

### Comment

The background to the policy of safeguarding selected wharves for strategic planning purposes is well established and is clearly set out in the Draft. This Agency has no issue with the policy, per se, and makes no comment on the specific merits of the individual sites relative to each other, either in respect of existing or potential wharves. However, it does have concerns about the impacts of safeguarding, on investment and sustainable regeneration initiatives generally and questions whether the strategy has or is likely, in its current format, to achieve its stated aims. We also believe that, as drafted, there is significant potential for conflict with some of the wider strategic

objectives of the Draft London Plan, particularly those that promote high-density development, providing housing, services and major employment opportunities in the Thames Gateway and we feel that this should be addressed as part of the review. The review should present an opportunity for a full and robust assessment of all aspects of the safeguarding policy, but it is far from clear that this assessment has actually taken place.

The principle of safeguarding facilities for water-borne freight movements and generally encouraging more active use of the river is supported and the environmental benefits of this approach, particularly with regard to transport, are well rehearsed and documented.

However, these environmental benefits should not be seen in isolation and must be balanced against the potential cost of blighting sites to the extent that they then have limited potential for investment and, where appropriate, regeneration initiatives. It is important to recognise that this blight extends not only to the safeguarded site itself, but can also extend well beyond the site boundaries into adjoining areas.

As drafted, the policy proposes safeguarding significant areas of land in the Thames Gateway area and we believe that it is therefore essential, that this review should strike the right balance between the need for safeguarding and the need to meet London's regeneration needs, particularly when a more balanced and flexible approach could satisfy both.

The proposed development of "green industries" in these locations is welcomed and should be encouraged. The distinction between these industries, with their new and emerging technologies, and traditional waste related facilities, is an important one. These industries can help to change the image of facilities associated with waste reprocessing and have the potential to encourage the expansion of local small to medium enterprises, if developed in the right locations. They are also more compatible with other land uses and therefore have the potential to fit into more comprehensive mixed-use development schemes.

Paragraph 1.1 of the Draft makes reference to the fact that the Draft London Plan would review the "application of the safeguarding process". From an economic perspective, it might be more appropriate to review the effectiveness of the process, rather than its application, to assess what it has achieved since it has been in operation.

The review identifies the location and size of safeguarded sites but provides no justification to support the extent of each designation. The justification for the number of sites is based solely on trade forecasts for the Port of London as a whole, which predict a growth potential of 26%. Historically, these forecasts have been shown to be wildly inaccurate and a review of trends in port activity since 1993 shows that total traffic levels have, in fact, remained relatively constant, with an overall decline over the last few years.

Previously predicted growth in freight movements through the Port of London have failed to materialise and both national and regional trade trends have not realised the levels of growth anticipated within the forecast. This must therefore cast doubt on the assertion that there will be any shortfall in port facilities in the foreseeable future.

In assessing the needs for future capacity there has been a significant reliance on the use of Port of London Authority (PLA) forecasts up to the year 2015. These forecasts have yet to be finalised and appear to adopt the same methodology used for the 1994 forecasts. These resulted in a significant over estimate of need.

Table 5 in the consultation report indicates that there will be a considerable surplus of capacity by the year 2015 across all cargos. In particular this includes aggregates. However the report argues that “differentials in demand and capacity affect the trade in this cargo.....within London a capacity deficiency of 1.05 million tonnes is predicted to 2015. There appears to be limited analysis/evidence to support this proposition and the resultant proposal to continue to safeguard and to designate additional wharves for safeguarding.

All evidence to date suggests that demand for aggregate cargo handling has declined on an unprecedented scale over the last 13 years. There has also been a shift (for economic reasons) to larger vessels and a practice of delivering aggregates by road. The consultation report suggests that the average aggregate road journey is 3.5km and that therefore there is a need to have a spread of wharves along the Thames able to accommodate supply of this cargo to as many areas as possible. It may be the case that average travel distances from wharves is only 3.5km (the sample base in the report is not clear), however this ignores the fact that most aggregates are not directly sourced from Thameside wharves.

This must bring into question whether the safeguarding strategy is being used to try and maintain historic levels of port related activity for which there is simply no longer any economic demand.

There is also no indication that potential economic considerations/impacts on individual sites at the local level have been taken into account, nor that any consideration has been given to issues beyond the immediate confines of the wharf itself, nor any local sensitivities to the kind of activities being proposed for these sites.

Furthermore, specific areas designated for individual sites, are considered to be too rigid and lacking in any degree of flexibility or sensitivity to local circumstances. As a result, safeguarding acts as a barrier to the successful development and occupation of some of London's major development sites in the Thames Gateway area. Examples of this can be seen at two of the safeguarded sites, namely Convoy's Wharf and Peruvian Wharf, where comprehensive mixed-use regeneration proposals have been delayed and are potentially at risk of not being taken forward at all, because of the inflexibility

of the safeguarding policy. Both sites are major redevelopment opportunities that have the potential to make significant contributions towards regeneration/inward investment aims and in the case of Convoy's, the proposed scheme incorporates a functioning wharf facility, albeit on a modified area to that safeguarded by the strategy.

A more flexible approach would be to consider the areas defined for safeguarded sites as indicative rather than prescriptive. This would enable consideration of applications for development on and around safeguarded wharves like those at Peruvian and Convoy's, where development proposals either incorporate a viable wharf use, perhaps on a smaller site area than that designated, or one that would not preclude a viable wharf use at some future date when economic conditions are more favourable.

The strategy fails to recognise that the physical environment around these wharves has changed over time and is continuing to change with the implementation of new investment and regeneration initiatives, particularly in the Thames Gateway area. We are concerned that the potential impacts of safeguarding on regeneration initiatives has not been adequately investigated as part of the review process to ensure that a balanced approach is being adopted.

Paragraph 1.2 states that "the review is intended to provide certainty to landowners of how important their site is for strategic cargo handling". Although this is unquestionably an important issue for the strategic planning authority it is questionable whether it is likely to be at the forefront of a landowners' concerns, which are more likely to be focused on issues relating to the value of land.

The draft talks of "a collaborative approach" and on "encouraging" new facilities, but contains little, if anything, that might benefit or encourage landowners. The harsh commercial reality is that safeguarding designations are a planning blight, on land that would otherwise have the potential for alternative development and investment, attracting significantly higher returns.

This is touched upon in Paragraph 1.2, where it is suggested that such arguments should be considered through the wider planning policy debate, but as this issue is critical to the achievement of the aims of safeguarding, we believe it is essential that it is considered fully in this review of the strategy.

The negative effects of the safeguarding policy are also recognised in paragraph 1.8 where it is conceded that the primary effect of the directions, so far, has been "to limit the development for other uses of sites suitable for cargo handling above the Thames barrier". Later in the same paragraph it also acknowledges, "that directions have generally slowed down the development process, allowing the safeguarded site to be fully considered....".

A cursory look at the status of wharves since they were first safeguarded compared to the present day, shows that the number of operational wharves has actually decreased, even allowing for the fact that some of these have had their safeguarded designation removed.

This merely serves to reinforce the view that all the safeguarding strategy has achieved to-date, is the frustration of landowner/developer initiatives without any evidence that the stated aims of the strategy are actually being achieved. This is unlikely to lead to the collaborative approach that is desired and has resulted in a number of sites remaining vacant and unused, either for port-related uses, other investment initiatives or combinations of the two.

The only indication in the Draft as to how the aims of the policy might be achieved in the future, is by reference to the Compulsory Purchase powers of the LDA and certain statutory duties of TfL. This “Big Stick” approach is not likely to generate the collaborative approach that is desirable and would be unnecessary if the commercial realities of land values in the London area were recognised. It is also considered to be an unrealistic approach considering the number of existing and proposed sites to be safeguarded.

If there is any genuine intention to work with landowners and developers to achieve the aims of the strategy, the issue of land values must be acknowledged and addressed. Whether this is in the form of grant aid or some other kind of subsidy/mechanism needs to be debated, but it must be recognised that if these sites are to be made available for a strategic purpose, market rates for alternative development potential must be paid.

Other issues that appear to weaken some of the conclusions include:

- The use within the report of a set of assessment criteria for determining the future status of a wharf. The criteria are applied in an inconsistent manner, especially west of the Thames Barrier where undefined demands/opportunities for green industries and aggregates are often used to legitimise the continued designation of a wharf, even if the stated set of criteria suggests otherwise.
- A failure to address the implications of over capacity in all cargo types (even on the basis of PLA forecasts) by the year 2015 and apply this to the detailed analysis of individual wharves.
- Scant recognition that a considerable number of Boroughs are not adjacent to the Thames and are therefore without immediate access to deep-water terminals. The fact that a pattern of importing/exporting all the cargo types listed in the report through other routes is an established part of trade within the Greater London area is barely considered.
- No appraisal of the economic viability of using wharves that are unable to accommodate large vessels and are severely restricted by tidal constraints.

- An incomplete assessment of landside infrastructure, especially transport links and the reality and cost of renewing rail links and increasing road capacity.

Gateway to London Inward Investment Service is particularly interested in the development of new high-tech green industries and the role they could play in developing a sustainable and diverse economy within the area. There is also a recognition that these could utilise river transport and existing wharves for this purpose. However there are a number of assumptions contained in the report that do not necessarily provide a compelling case for safeguarding wharves.

The report does not provide any clear analysis of the likely form, needs and growth of these industries and does not provide any detailed framework for the strategic distribution and clustering of these activities.

At present it is unclear how much use these industries would actually make of wharf facilities. Current distribution networks/centres are orientated towards road transport. The concept of inter-wharf traffic to complement processing activities, especially up stream, lacks any definitive economic assessment. For example, many of these wharves can only accommodate small vessels, are operationally limited by tidal constraints and suffer from a range of site deficiencies, such as access and availability of land. The report would therefore be strengthened if there were a greater focus on landside issues relating to individual wharves.

The Thames Gateway has been identified by both the GLA and the Government as being one of the major growth areas of London. Supporting the development of new communities and providing the majority of new housing for London's projected growth will require a pragmatic approach to the use of sites and the provision of a clear framework that maximises investor confidence. The consultation report could undermine these objectives. For example:

- There is no detailed economic assessment of the benefits of promoting mixed use development versus long-term safeguarding of vacant wharves.
- There is no assessment of the impact that semi-derelict wharves (often with temporary uses such as scrap metal processing that make no use of the wharf facilities) may have on the development of surrounding sites in terms of overall image, environmental quality, land values and developer confidence.
- There is often an inadequate assessment of landside infrastructure to support individual wharves and the impact of significant lorry movements on the development of "sustainable communities".
- There is no recognition that the riverfront within the Thames Gateway is one of the area's most important assets in attracting investment, raising profile and in improving image.

In summary, the principle of safeguarding wharves to assist with the development of water-borne freight uses and more active use of the river is generally supported but the Draft should assess how successful this policy has been in practice, in achieving its aims.

However it is equally necessary to balance this requirement with the importance to London of developing the Thames Gateway as a series of interconnected sustainable communities, characterised by design excellence, a high quality environment, a strong mixed use economy and the River Thames as the focal point.

The report makes “broad brush” assumptions about future capacity needs that are not necessarily supported by experience to date. Data is often drawn from sources that could bear further analysis and are subject to bias. The report also fails to fully address the reality of market conditions. In particular the trend towards focusing river-borne freight activity to the outer Thames Gateway and the increasing need to utilise larger vessels to sustain economic viability. The report also fails to balance the needs of freight transport against the Government’s clearly stated objectives of creating sustainable communities. It is also clear that no effort has been made to address the issue that many of the London Plan’s policies, especially in terms of design, density of development and the creation of a strong mixed use economy are not compatible with a “blanket” approach to the protection of wharves. Decisions regarding the future of wharves and the overall development of the Thames Gateway should not therefore be undertaken in isolation.

The safeguarding of wharves in the Thames Gateway will have a significant impact on the regeneration of the area. The consultation report has a number of areas of weakness, which if not addressed could mean that an inappropriate balance is struck between protectionism and the urban renaissance of the Thames Gateway. Based on the current proposals there is a probability that many vacant/semi-derelict wharves will continue to cause blight in the Thames Gateway area. The consequences will be a loss of significant land to provide new homes and jobs. It is also widely documented that “blight” results in a reduction in land values; reducing development quality, density and the generation of sufficient leverage to secure investment in essential infrastructure.

The full and robust assessment of the effectiveness of the safeguarding strategy that is required, does not appear to have been undertaken and the resultant strategy is based upon trade forecasts with a proven history of unreliability and questionable methodology.

As the lead agency for attracting inward investment into the Thames Gateway area, Gateway To London has concerns that the safeguarding policy is preventing investment and regeneration opportunities on some of London’s major development sites, when a more balanced and flexible approach might achieve/encourage greater use of wharf facilities in association with other forms of investment and development.

## **Recommendation**

Given the strength of our views and also our belief that the business community holds similar opinions, we suggest that the period for consultation is extended and that your office holds one to one consultations with key stakeholders in order to effectively deal with our concerns.