

Thames Gateway Bridge

An Essential Crossing from the Business Perspective



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Aman Dalvi, Chief Executive, Gateway to London

Gateway to London Response to Public Consultation

August 2003

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Foreword

The businesses we deal with tell us that their top priority is confidence that they can access their markets and suppliers. River crossings are, without a doubt, essential for securing inward investment and business retention within the Thames Gateway London.

Gateway to London welcomes the proposal for a local bridge at Gallions Reach which will carry both public and private transport, as one of several new crossings. These are essential schemes if the Thames Gateway is to realise its economic potential for London because businesses want easy transport in an area, or a commitment to it, in order to expand or develop.

Gateway to London is the inward investment agency for the Thames Gateway sub region and we are well aware that developers are attracted to sites with good accessibility or where there are firm commitments to put the necessary infrastructure into place. As such, we value the Government's recent announcement of £446 million investment in Thames Gateway to support the New Sustainable Communities Plan with some initial infrastructure work. Much more is needed, though, because the reality bears out the perception that the parts of TG London are difficult to reach.

*We strongly believe the Thames Gateway Bridge is an **essential** and **urgent** component of the package of transport improvements needed for regeneration as shown by numerous studies, and to attract businesses, as we have learnt from our own practical experience. We are, therefore, very concerned that businesses will not be attracted to the area if the Bridge is not built and urge the Mayor and the Government to approve the scheme now.*

Aman Dalvi, Chief Executive, Gateway to London

"Accessibility is distinctly lacking (in Thames Gateway). We like to go to places we can reach easily and ...where there is a commitment to infrastructure. When you are a developer, you want to get on with it, not wait five or six years for a decision"

Roger Madelin, Chief Executive, Argent Group.

"The question isn't so much "should Thames Gateway Bridge be built?" but rather "when?". It will help to remove the physical barrier that the Thames creates for business investment and stimulate property development either side of the river, as well as easing congestion on the existing crossings which are at breaking point - there are only three east of the Blackwall Tunnel compared with 26 west of Vauxhall Bridge".

John Bell, Partner, Business Development, Glenny

"The population and employment forecasts for East London in the Mayor's London Plan simply cannot be delivered without bringing cross-river accessibility up to a basic minimum standard. We can start to build the Thames Gateway without the crossings, but we cannot realise the final vision in their absence. "

Robert John, Canary Wharf Group

The Gateway to London Argument

Gateway to London (GTL - incorporated as Invest in Thames Gateway) is the inward investment agency for the sub region. Just over 12 months ago, we joined with two other former agencies to create our new organisation, which is now the most influential agency of its type in Thames Gateway London.

The GTL perspective on regeneration is about persuading businesses to develop and create jobs. GTL is well aware that there are many barriers to overcome before businesses can transform an unoccupied derelict brownfield site into a thriving housing, industrial, or commercial location of choice. Location of market and suppliers, cost of land, rent, supply of a suitably able workforce, and environment are all taken into account in business location decisions.

But the one key factor that the public sector can influence for the better is accessibility by building the transport links so desperately needed. In that way, businesses can plan their transport arrangements more efficiently and economically, and with greater confidence in the time needed for staff to travel to and from work and for the firms to receive supplies and distribute their goods. Local businesses say they waste considerable time making constant adjustments to routines to compensate for the deficiencies of the area and particularly the lack of crossing points, for example, by having to monitor a radio for traffic conditions on the Dartford and Blackwall crossings.

We have, therefore, considered carefully the Final Report by Symonds ⁽¹⁾ and other reports for TfL and LDA, explaining the relationship between accessibility and regeneration, and the report by Prof. Whitelegg which suggests roads alone do not lead to regeneration. It is clear that a precise relationship is difficult to establish in a complex urban area such as London, but no matter what the statistical evidence might be, from our direct experience, businesses **do** take accessibility into account when making investment decisions.

We agree that latent demand and complementary measures are needed in addition to the simple provision of transport infrastructure. In our view, the demand most certainly exists and the complementary measures are either in place or are being planned. GTL also has absolutely no doubt, that without the transport improvements, increases in accessibility and the consequent regeneration and economic development of the London Thames Gateway cannot occur at anything like the quality and quantity desired.

“Without additional river crossings businesses in the area will continue to suffer a competitive disadvantage due to high distribution costs and inability to take full advantage of existing and developing skills in the catchment area.”

John Walker, Managing Director Europe, Tate & Lyle plc

The reports recognise the importance of our organisation and its role in providing such complementary measures as *“the primary vehicle within the sub-region for supporting major inward investment and business retention clients”*. Our effective engagement with developers over many years supports the overall findings of the research work. We can speak with the voice of practical experience which firmly shows businesses are slow to develop in those areas not easily accessible by road and public transport. Through our extensive discussions with businesses, we do, therefore, believe that Thames Gateway Bridge will benefit the development of the Thames Gateway as part of the wider regeneration plan.

The Bridge would make some of our sites much more accessible in direct terms and will, we believe, lead to their earlier and more effective development. It will make many of our sites

(1) “Thames Crossings – The Regeneration Case Final Report”, Symonds, November 2002

more accessible generally, as shown by TfL's analysis, and give businesses the prospect of wider markets and access to supply chains. This crossing would do what businesses have told us they want - the barrier of the river removed to expand their catchment areas from 180 to 360 degrees for staff, suppliers and customers. The Bridge will also offer some relief to the users of the Blackwall Tunnels.

For the benefit to be gained in Thames Gateway, though, developers and local businesses need to be confident that the bridge will not just fill up like other transport schemes, especially with strategic traffic having no business in the local area, and that reliability of journey times will be maintained. They also need confidence in the public transport services to give their local workforce an effective and comfortable alternative to the car, especially as some of their staff may not have access to a car, and many firms have limited staff parking.

Much has been made by TfL and others about the comparison between the numbers of crossings in east London and in west London. Accessibility is definitely better in the west because there are more opportunities to cross the Thames and make connections. But the crossings and the road networks on either side are very congested at peak times, causing delays to business traffic and workers alike whether they are travelling by car or by bus.

We concur, therefore, with the Thames Gateway London Partnership response to the consultation process and their insistence on flexible, differential tolls on the bridge (to operate in much the same way as the Itchen Bridge in Southampton) as a method for reducing congestion, and good public transport links. Those facilities must be committed well in advance if we are to encourage developers to the area for the earliest possible regeneration.

As Gateway to London is working within a framework of activities to position the area as **the** business location within London, we would like to add material based on own experience of dealings with the commercial property market.

Gateway to London Experience – a wealth of opportunity

At the present time the area boasts 1000 hectares of development land but it is only when sites are market ready that they can compete for investment projects and jobs. Since its inception and in recognition that there is a need for a body of documented local evidence about what factors affect development, GTL in cooperation with TGLP has been analysing development sites and compiling a sites database. The intent is to identify for each site its potential for development and the issues that need to be resolved for it to come to market. Once the sites are developed, the database will record the major factors leading to the decision.

With this new activity, we will be able to offer more concrete evidence about the extent to which transport or lack of it determines whether businesses move away from, reject or accept this area as a location for development. Nevertheless, as a continuing organisation over many years, we have a good understanding of what makes the commercial market here work.

One important feature has already been evident for some time - the attractiveness of the area has some way to go when compared to other locations elsewhere in the UK and overseas.

To promote the positioning of the Thames Gateway area as a location for business, GTL is currently driving a strong marketing programme. This clearly lays emphasis on the key

benefit of the area in that it has opportunity and ambition but to an extent admits as well that there are major underlying infrastructure needs.

GTL's marketing messages for Thames Gateway in London are;

- "... the largest development opportunity in Europe."
- "... Europe's number one... development, opportunity, growth area, financial centre, creative industry cluster..."
- "... according to Tony Blair, Thames Gateway is THE national regeneration priority."
- "...not just new development sites, a new city"
- "... abundant supply of skilled labour and land at a competitive price."

Being part of a national regeneration priority initiative has undoubtedly raised awareness of the area among developers and investors, but developments continue to be hard to deliver because of multiple factors affecting the development sites, particularly how accessible they are.

The case is strongly made that the commercial property market when analysing locations for speculative industrial and commercial property requires certainty of demand and the minimisation of risk factors. At the present time the risk factors in the Thames Gateway are so great they are deterring the market. Lack of transport access is reducing the job potential. Where sites have inadequate access for large numbers of employees, developers tend to build B8 sheds for warehousing, with the perverse effect of generating more lorry traffic. We believe, though, that there is a market for B1/B2 which is currently not satisfied. So, with the Bridge in place, we expect developers to build more B1/B2 industrial developments, as they would be able to rely on staff getting to work, and on supplies and goods being easier to transport, with the creation of more jobs.

Drawing on case studies from current and recent GTL clients, we show in the Appendices just a few specific examples where business development in the area

1. has been deterred by poor transport links
2. has taken off after transport links have been improved and
3. would occur if Thames Gateway Bridge is built.

From our experience, it is clear that the lack of river crossings in the east has led to a north/south divide not only for the movement of goods and services but also in relation to the labour market in general. This has become particularly apparent from discussions with companies who are re-locating and from an examination of the history of the sites listed in the Symonds Final Report. Those that have been or are being developed are transport-led, especially those in Newham with existing DLR lines and the extension to City Airport.

The general trend is that companies relocating north of the river will not even consider viewing developments, built or underway, south of the river to the east of the Blackwall Tunnel. Such developments include the Royal Arsenal site and the White Hart Triangle. These developments offer to some extent now, and will offer more, new modern business floorspace; however there is a perception that they are isolated from business and potential/existing employees north of the river.

Accessibility is of vital importance in overcoming both the perception and the reality. A commitment to Thames Gateway Bridge now would obviously overcome the adverse perception and its construction would provide the necessary improvement in reality.

Public transport improvements have been and are very important. When the office rents on the Isle of Dogs were significantly increasing 18 months ago because of high demand, and

companies could not afford to renew their leases, many companies took premises in Greenwich because of the accessibility provided by DLR Lewisham link. This kept them in contact with clients and suppliers on the IOD. The new link opened up the south side of the river as a location accessible to companies that would not previously have considered the area seriously.

But road access is also needed for the pockets of manufacturing and distribution industries in the area, and even offices need supplies by road. A road link like the Thames Gateway Bridge we believe will be just as welcome and will open up new supply chains for goods and services. For example, we have seen a substantial increase in demand in the area adjacent to the A13 Thames Gateway Road since it has been upgraded in part since 2000 with a further phase of work to be completed in June 2004. With the linkage between the Greenwich Waterfront and East London Transits and their connections with other services, it will also open up many more potential ways for local residents to reach existing and new jobs by public transport.

Already the start of work by TfL on the Bridge in 2002 has been cited as one of the benefits that the multi-national firm, Pirelli Cable UK, hopes will attract developers to its 40-acre (16ha) site at Erith. Situated near Thamesmead, the site consists of 600,000 sq ft (55,740 sq m) of manufacturing space and Thames Gateway Bridge will vastly improve freight access across the river, so improving the prospects of high market interest in developing the site.

The development of the Thames Gateway Bridge will clearly help to unite the business communities and the supply of labour north and south of the river particularly in the London Boroughs of Greenwich, Bexley, Newham and Barking & Dagenham. From our experience, we know that new companies considering their strategic location in London would be more likely to look more closely at south east London as a viable option. Furthermore, the bridge will enable faster and more reliable circulation of goods, services and labour, so businesses north and south of the river will have greater potential to open up new markets. In that way, the full aspirations of the Government and the Mayor for new communities and opportunities will be achieved.

“New river crossings are essential for the people living in Thamesmead and Barking Reach. They will ensure the widest possible access to jobs and housing and through that a full share in the regeneration of the Thames Gateway.”

Will McKee, Chairman, Tilfen Land

APPENDIX 1

Examples Where Development Did Not Take Place In Thames Gateway London, Or Was Frustrated Or Restricted Because Of Transport Weaknesses.

Company A – Based in north Charlton. This company is looking to occupy a larger building to bring together operations from two existing sites. The company, which employs skilled craftsman, has found that employee access to work as the biggest constraint on relocating. The company's need to retain its highly skilled workforce has meant that its search for a site is restricted. A move to the other side of the river where there is a greater stock of suitable property, without a crossing, would mean that they would lose a large part of their workforce – something which they cannot afford to do given the skilled nature of the jobs.

“The bridge with its improvements in road and public transport would help us to expand from our current locations, increasing the workforce we could recruit from and markets that we serve. The image of the area would also be improved helping overcome negative perceptions of the area.”

(This is just one example of our experience that when companies are frustrated like this, they start to look much further afield and particularly outside London.)

Technowaste. – Dorking based firm. This company came to us looking for a site on which to build their plant. The company was looking along the A13 corridor to tie in with its export terminal at Grays, and it's HQ in Dorking. The business was interested in Dagenham Dock but selected a site in Essex because it was within easy access to the M25 at Dartford to cross the river. The river crossing was important both because of the locations of their HQ and export terminal and because they had contracts in London, Essex, Kent and other parts of the UK

Company X is a major food distributor. Their relocation has centered on two feasible options: Enfield and Barking & Dagenham. As a distributor the company's strategic location in terms of access/communications is vital. The Enfield option offers quick and reliable access to the North Circular and M25 and the Barking & Dagenham option gives them easy access to the upgraded A13. Again a move south of the river was not even considered as it was perceived from the very outset that this would isolate the company from their markets and staff.

“If the Bridge was in place today we would certainly have considered options south of the river.”

Managing Director, Company X

Company H is looking for a 5 acre site to accommodate 95,000 sq ft, for improvement and expansion in the Enfield area where they are currently based. The operation is manufacture and processing of goods/distribution. Access to M25 is important for future stores in Manchester/Leeds/Birmingham and Glasgow.

The reasons for staying in Enfield are

1. the road links are good.
2. the company wants to retain local staff as they are regarded as local experts with a great knowledge of their product.

(This is another example of a company that does want to recruit & keep local staff. The GTL inward investment “offer” would be available to a firm like this remaining in the area but the

offer of sites is limited when firms will not look south of the river. If there was a bridge for ease of access by local staff, this would not be a barrier.)

Company N - This glass factory is based in Stratford and most of the workforce lives on the Isle of Dogs. The company was looking at Barking & Dagenham where they have a supplies and logistics operation as most of the staff drive to work or car share, and the journey time to work was seen as acceptable. The company is keeping the lease on the glass factory in Stratford for now but with Thames Gateway Bridge in place, there would be a case for looking at sites in Greenwich and Woolwich. Those that do not drive could use the DLR link from the Isle of Dogs or the Transit schemes which would be linked across the Bridge.

APPENDIX 2

Developments After Transport Improvements.

GTL has reviewed the key developments in which our clients are showing an interest, and we find that each one of these is connected to a recently upgraded road.

NAME	Location	Size & availability	Use
Circular 13	A406 / A13 junction	construction - available from Autumn 03 Total 140,000 sq ft	new office and warehouse
Thames Gateway Park	Under new elevated part of A13	403,284 sq ft available now further phases planned	industrial and distribution
Gateway 13	Ferry Lane South / A13 junction	105,750 sq ft 38,750 sq ft newly let	Industrial / distribution
Pro Logis Park	River Road Barking	under construction - available from 2004. 270,000 sq ft	warehouse / industrial
Fresh Wharf	A406 / A13 junction	40,000 sq ft committed	production distribution and office
iO Centre Barking (1)	River Road Barking	81,000 sq ft part let 89,000 phase 2 ready to go.	Production, industrial / distribution
Beam Reach	A13 Dagenham	80 acres LDA owned sites on former Ford land	Manufacturing industry
Anchorage Point	Anchor & Hope Lane Charlton 1999 road improvements.	Business Park units from 4 – 20,000 sq ft.	Industrial
IO Centre Woolwich	Woolwich Road dualled	Various commercial units	Production, industrial / distribution
East 10 Enterprise Park	Argall Ave Lea Bridge Road Upgraded		
Kingside Industrial Estate	Ruston Road (Woolwich Rd dualled)	Small units on a new industrial estate	Industrial
Meridien Delta – Dome	Greenwich Peninsula – new routes to Charlton Station and A102 upgrade	Various	Plans for mixed use development
Pettman Crescent Green	Upgrade to major junction	Rebranded as Woolwich Trade Park	Industrial and Car showroom and car wash
Countryside properties	Acorn Estate Footscray	Various	Industrial
Asda Developments Charlton Gate	Bugsby's Way widened	Various	Industrial / distribution
Land off Lower Road to south of Bronze Age way	Bronze Age Way Bexley completed 1996	Site developed	

(1) iOG has developed in two locations in the Thames Gateway at Royal Arsenal, Woolwich and River Road, Barking with typical units of between 3,000 sq ft (279 sq m) and 30,000 sq ft (2,787 sq m). Knowing that investment is being made into an area's transport infrastructure is important when making development decisions, particularly for high density developments like iO Centres. This is reflected in our River Road site where improvements to the A13 made investment attractive. The Thames Gateway Bridge will be a positive impact for both developers and occupiers enabling the area to increase the levels of new developer inward investment as well as helping to improve the area's image. - Rory Finnan, iOG

APPENDIX 3

Developers Who Would Come If Thames Gateway Bridge Was Built.

Cold Formed Products Ltd is a high tech manufacturer of components based in Newham. They are expanding and need new premises, south of the river is not an option for them as they feel the location will not offer them the reliability they need with delivery of products to market. They also feel that they would lose staff if they considered such a move.

“In looking at our options for relocation, retention of staff is critical to this decision. With a crossing at only Dartford and Blackwall the thought of relocation to the south side of the river would not even be considered at present. If there was a crossing at the end of the A406 which had good accessibility for both public and private transport, I would see no reason not to consider relocation to the south side of the river.”

David Binks – Technical Director, Cold Formed Products Ltd

Company B – A Southwark based business. This large commercial baker asked us for assistance in planning the relocation of their operation. Their initial desire was to remain close to their existing location. As bakers, their business is dependant upon daily deliveries to all their customers who are based in Central London, the City and large parts of Kent. In looking at possible relocation options the primary consideration was the ability and cost of the business to serve its wide geographic customer base. The firm is only able to consider locations on the southern side of the Thames and possibly in Thurrock because of the existing road infrastructure. The proposed Thames Gateway Bridge would allow Company B to consider locations along the A13 and A406 as the bridge would provide a direct link to its customers in both Kent and areas such as Southwark and Lambeth.