

London Assembly Planning Committee

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Boris Johnson

Mayor of London
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Our ref:

Date: 11 March 2013

Dear Mayor Johnson:

Safeguarded wharves review

Thank you for the opportunity to respond to the draft Safeguarded Wharves Review 2011/2012. The Committee discussed it at its October 2012 meeting. In a November 2012 letter, Eddie Lister confirmed that the Committee can comment even after consultation has closed. Having received a copy of the URS report analysing freight trade forecasts and broad wharf capacity estimates on 22 January, the Committee is now pleased to submit its view.

1 Introduction

Wharves play an important role in London's industrial sectors, and will become even more important with the emergence of green industries based on the use and reuse of waste. However, the housing crisis and relatively low land value of wharves means there is huge pressure on them, which is why the role planning can play in safeguarding them is so important.

This point was made by James Trimmer, Head of Planning at the Port of London Authority, at the October committee meeting:

"In terms of the disparity in value... we were looking at up to 10 times the value between residential and cargo handling, which is effectively industrial uses with a certain added value because of the location specific nature of them to residential. That hope value – which is implicit, basically on a riparian site there is going to be a vast difference in value – was the aim of the directions of course that formed the basis of safeguarding, together with the very, very strong policies, immensely strong policy from the London Plan."

2 Forecasts underestimate future demand

The Safeguarded Wharves Review 2011/2012 identified nine wharves for release from safeguarding because they are now considered surplus to London's needs. The disparity between demand and capacity was identified by the URS report reviewing freight trade forecasts and broad wharf capacity estimates. The review and its analysis doesn't consider a number of factors which should have gone into the forecasting, including waste trends and predictions from the Mayor's draft Business Waste Management Strategy, the future role of

river transport, and the development of a secondary materials economy. These variables will impact on future demand for wharf capacity.

2.1 Waste demand forecast

Section 4.6 of the URS report, on waste demand forecasting, claims the “primary source of information on future waste flows is the Mayor’s Draft Municipal Waste Strategy (2010) (DMWS)”. However, this strategy does not include commercial and industrial waste. These waste flows are dealt with by the Business Waste Strategy. Commercial and industrial waste streams, as well as construction, demolition, and excavation, are far larger and much more homogenous, increasing the potential for recycling.

Although the URS report makes references to construction and demolition waste, in particular the implications of the Thames Tideway tunnel, it is not clear to what extent they are considered. With the inclusion of waste categories from both strategies, forecasting would have been radically different.

2.2 Relevant modal trends

The forecasting does not take into account a number of important larger trends which will ultimately impact on demand for wharves. There is no evidence, for example, that the report considers future trends in modal costs. The rise in the cost of petrol over the planning period of nearly 20 years, as well as road congestion issues, will increase demand for water transport. Despite these trends, the report underplays the potential of canals. This is at odds with trends in modal cost, and GLA and borough policies encouraging water transport. It is also at odds with the Transport for London West London canals study cited in the report (URS report paragraphs 2.5.7-2.5.9).

2.3 Secondary materials economy

A further variable that is not taken into account is the policy of developing a secondary materials processing capacity on or near the river/canals. URS works from existing flows that it says are either local or international, such as exporting paper and plastic to the Far East via Southampton and Felixstowe. This underpins the report’s assumption that a maximum of 10 per cent recyclate will go by water, but this takes no account of the possibility and industry pressures for development of a secondary materials economy in and around London.

Firms will deal not just in aggregates, but in materials that need to be reprocessed. London’s location and experience make it well poised to exploit this market, but the availability of wharves would make the city an even more attractive location. Just as construction materials provide significant opportunities for currently operative wharves, in future the need to process secondary materials will offer even further opportunities.

To take one example, the potential for the development of a vibrant secondary materials economy is evident in the processing of London’s recycled paper. An expansion of current office paper or cardboard plants, such as the Aylesford plant in Kent, would encourage a major increase in the water-born transport of paper and card. The potential for this and other secondary materials industries means the URS report significantly underestimates the need for capacity.

Such capacity would mean that London would not need to export for processing abroad what are in effect increasingly valuable raw materials. The presence of the capacity for these materials would become an attractor for these materials from abroad. In short it is not merely

the forecast level of London recycling that should be taken into account, but the attraction of inward freight for value added processes in London.

The URS report's assumption that 10 per cent is the maximum amount of recyclates that will go by water forms the basis for much of the forecasting. This far too low in the context described above. Even under its maximum assumptions, URS's gap analysis suggests there would still be 2 million tonnes per annum of excess capacity; in fact, this capacity would be absorbed by the secondary materials economy developed in London and its wider region e.g. Kent or sites along the River Lea.

The overall point is that the next 20 years are potentially going to witness major changes as a result of environmental and resources pressures and policies that seek to mitigate their effects. This will extend what are already clear historical trends in fuel and raw (and therefore secondary) materials prices. These have not been adequately taken into account in the methodology. URS's maximum scenario itself does not adequately reflect the profound changes resulting from environmental pressures.

3 Flexibility

In light of these emerging industries, there's a need for smaller multi-cargo wharves with the flexibility to respond to shifting needs of the market. Currently, approximately 50 per cent of all wharf capacity is accounted for by six of the safeguarded wharves¹, most if not all linked to particular types of cargo and specific operators (such as Ford). The GLA wharf typology categorises 34 of the sites as handling multi-site commodities, as opposed to being tied to a specific operation and/or handling single site commodities; many of these meet the 'flexibility test' of being adaptable to different uses². The general principle should be to maintain a geographically-distributed system of small, flexible wharves which would be capable of handling secondary materials and re-used goods.

Moreover, handling secondary materials does not require deep water access. This means that the navigational justifications for releasing of some of the wharves in the draft review should be reconsidered.

4 Mayoral policies to ensure land for green industries

The foreword to the Land for Industry and Transport Supplementary Planning Guidance notes that "'green' industries" and other emerging sectors... will make important contributions to broadening London's economic base.' Waste is one of them, and that waste will be carried on the river. Policy 5.17 B (f) of the London Plan recognises the importance of managing waste to make use of the potential for sustainable transport. In Policy 6.1 (e) the Mayor states that he wants to encourage the closer integration of transport and development by (inter alia) increasing freight use of the Thames. Policy 6.14 also promotes the use of the river to manage the movement of freight.

Paragraph 1.48 commits the Mayor not only to promoting and supporting the sector, but also to using the planning system to ensure green industries have enough of the right kind of space in the right kind of places.

¹ URS, *A Study of Freight Trade Forecasts and Capacity for London's Blue Ribbon Network*, 2011, p.14 (Table E4 Capacity Conclusions)

² URS study, p.43 (Table 3.1 GLA Wharf Typology)

It should be noted that only two boroughs state that they wish to reduce wharf capacity. These are Hammersmith and Fulham, and Lewisham³. None of the boroughs which are losing wharves have asked for a reduction in wharf capacity.

Within this policy context, the Mayor should opt to safeguard more wharves, not release those currently safeguarded. The Mayor has an obligation to protect the space that green industries need to thrive. For many of the businesses in this sector, such as those involved in the secondary materials economy, industrial land with access to navigable waters are essential. Releasing wharves threatens the emergence and growth of this industry.

4 Summary of points

The recommended release of nine wharves based on a calculation that capacity is greater than demand. However, this calculation does not take into account number of factors which should have gone into the forecasting, including on waste trends and predictions, the future role of river transport, and the development of a secondary materials economy. The draft review underestimates the future need for these sites within London.

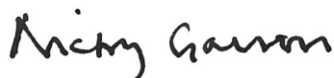
Additionally, the shifting needs of the market mean there is a need for smaller multi-cargo wharves with the flexibility to respond to changing conditions and demands.

Finally, the Mayor's wharves policy should be consistent with the broad range of relevant policies in the London Plan and elsewhere.

In light of these three points, general principle should be to maintain a distributed system of small, flexible wharves. The Safeguarded Wharves Implementation Report should be amended to reflect this.

The key policy must be to retain flexibility. The strong disparity between land values means that once released from safeguarding, many wharves will succumb to the strong market pressures to convert them into housing. Once gone, they are gone forever. We can't afford to let that happen if we're going to maintain a working Thames and grow the economy.

Sincerely,



Nicky Gavron AM

Chair of the London Assembly Planning Committee

³ URS study, p.30-31