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Sent by Email and Post

Date 24 April 2019
Your ref RE. ID/7
Our ref 0808/NEW168-171

Dear Mr Banks

**Lewes Local Plan Part 2 Examination
Response to Inspector's additional Questions – Policy E1**

We write to you on behalf of Newhaven Port & Properties (NPP) to provide a response to the additional questions that have been raised by the Inspector during the course of the Lewes Local Plan Part 2 Examination (as set out by Core Document ID/7). Please see our response to these questions below.

Firm evidence of port-related demand for land at East Quay, Newhaven

There is clear and continuing evidence of port-related demand for land at East Quay. It is the continued intention of NPP to develop this land in line with the proposals set out within the Port Masterplan and support the full potential of the Newhaven Port Access Road.

In total 65% of the Port's revenue is received from the ferry operator DFDS Seaways and therefore viability of the Port is critically tied to on-going operation of the ferry service. The other businesses operating from within the Port therefore make up the remaining 35% of the Port's income in total. As a matter of fact, it is important that the Port has sufficient land available to achieve more diverse income streams in order that it is protected from any loss of revenue due to disruption of the Ferry service.

It is also noted that the Ferry service funds dredging of the channel which itself preserves the fishing industry (approximately 30 boats) and leisure sailing (marina, ship chandlers, boat yards, maintenance workshops). Whilst not counted in respect of the percentage split above this further highlights the importance for the economy in

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Newhaven (particularly the marine economy), to have a functioning Ferry service and sustainable Port operation.

Therefore, the current objectives of NPP is to expand port operations and trade, increase revenues and resultant port value, and reduce the reliance on ferry income with more focus on ship/traffic dues and rental income.

Of space let within the Port boundaries 70% is leased by businesses carrying out marine activities either involving the shipping in/out and storage of goods; maintenance of the Rampion wind farm, boat building and maritime related training and associated services. Of the remaining floorspace 23% is used for purely storage and warehousing purposes with the remaining space being used for small light industrial workshops. Therefore, it is clear that the vast majority of land is used for Port related uses, including the ferry service.

In terms of land area approximately 95% of the land area within the Port has been leased and consequently there is a need to release additional land for Port expansion which could be incorporated initially within Policy E1, especially given its proximity to the Newhaven Port Access Road. When the ferry terminal is consequently relocated, Railway Quay (within which the terminal currently sits) can be redeveloped for other Port related businesses. There is limited remaining land within the Port boundaries that can be used to develop new business therefore additional land is essential.

The Port has had several enquiries for the Land Development Area (LDA) since it was completed earlier this year, all from marine related businesses. These enquiries include a flatpack housing manufacturer that wanted space at the Port to import and store housing units for later construction in the UK, a yacht builder and an aggregates company that wanted to import and store dredged aggregates. Each of these businesses required between 2 to 3 hectares of land in proximity to a quay side. Further enquiries have been received recently regarding the import of products. These are being considered by the Port and are covered by NDA's whilst talks are ongoing.

Whilst the LDA has not yet been formally marketed these enquiries demonstrate that there is a demand for land within the Port for port-related businesses all of which critically rely on easy access to a quayside for importing and storing of cargo. However, in addition to the above identified demand it is clear that the Port needs to make positive plans for future relocation of the Ferry terminal, as set out in more detail below.

Further to the above we would again refer the Inspector to the National Policy Statement for Ports (NPSP) and the National Planning Policy Framework (NPPF) which makes it clear that the Government believes increasing freight capacity is critical for a

sustainable UK economy; the importance of this can only increase with the UK's impending exit from the European Union.

The NPSP sets out the important role that Ports have within the UK economy in terms of freight and bulk movements, energy supplies, tourism and leisure, and other wider economic benefits. It concludes that there is a compelling need for substantial additional port capacity over the next 20-30 years (base period of 2012). It states that excluding the possibility of providing additional capacity would be to limit the potential for economic growth which would be strongly against public interests and those of UK plc.

The NPSP notes that the presumption in favour of granting consent should apply to all applications for port development. The presumption should apply unless any specific and relevant policies set out within the NPSP clearly indicates that consent should be refused. This presumption is reflected by the Secretary of State for Transport's recent decision to grant consent for Port expansion of Tilbury Port, including development within the Green Belt and a Local Wildlife Site (identified for designation as an SSSI by Natural England).

Reasons why the underused and vacant employment land in the EZ cannot meet the needs of the local economy in the way that policy E1 can.

Newhaven Port is located within an Enterprise Zone (EZ), including part of the land allocated by Policy E1. It is accepted that the majority of land allocated by Policy E1 lies outside of the EZ, but it is considered that nonetheless the policy area will be supported by inward investment generated by the EZ. In addition, land within Port boundaries has several unique benefits making it attractive to different businesses that would not otherwise choose a location elsewhere within a Newhaven EZ

Given the unique circumstances of Newhaven Port it is inevitably more attractive to a specific range of businesses (i.e. businesses that require a location close to a quayside) than in comparison to a town centre or other industrial/commercial estates. Further to this the Port owns a substantial landholding as a sole landowner including the entirety of the site allocation for E1. Therefore, there are no legal obstacles to any development subject to receipt of planning permission and/or any development orders.

In this respect the Port is likely to attract very specific businesses to the LDA and the area designated by Policy E1 which would not detract from the ability of other Enterprise Zones within Newhaven to attract new businesses. The success of Newhaven Port is likely to generate additional business interest within Newhaven and act as a key focus of regeneration and creation of employment during the plan period.

In addition to the land benefitting from a quayside and other maritime related infrastructure, the other unique benefit offered by Newhaven Port is the existing rail head located within its operational area. It is anticipated that this will be brought back into use and extended eastwards to the current eastern boundary. Network Rail and Brett Aggregates have recently commenced the enabling works for this project. This will provide genuine opportunity to make use of sustainable measures to transport freight. The completion of this project along with the Newhaven Port Access Road will significantly enhance accessibility of the Port and will in itself be a contributor to the growth of local business and jobs. These facilities will also mitigate the impact of increased HGV traffic on properties along Railway Road, Beach Road, Clifton Road and surrounding areas and help to alleviate traffic issues around other key development sites in Newhaven.

The above aspects all clearly demonstrate reasons why Newhaven Port benefits from several positive characteristics that make it attractive to businesses that would not otherwise choose to locate elsewhere in Newhaven. It is also considered that a viable and thriving Port is important to the wider regeneration and growth of business and trade within Newhaven.

Requirements of the mid and long-term plans of the ferry industry for Newhaven.

The ferry contract is awarded on a 5 yearly basis with a review of the contract being carried out during the fourth year. The Port is currently 1.5 years through the current contract with a review due to take place in a further 2.5 years. It is likely that the contract will be renewed at this stage as the current ferries will not have yet reached their end of life. However, at the next review in a further 4 years time (i.e. 6.5 years from now), the ferries will be approaching their end of life and the ferry operator will need to consider the commission of new ferries for the continuance of their service.

The current ferries were built in 2004 and 2006, they have a car deck lane length of 1,440 m and 1,270 m, passenger capacity of 650 and 600, overall length of 143 m and gross tonnage capacity of 18,940 and 18,425 respectively. It is relevant to note that since 2010 ferries built by operators for use by British Ports have at least an additional 1,000 m car deck lane length and on average twice the passenger and roll on/roll off capacity. The ferries built since 2010 would not be able to make use of the current ferry terminal facilities as the berth is not wide enough and cannot be enlarged or deepened any more due to the confinement of land. The permitted berth outside of the current Port facilities could be made suitable for modern ferries as it does not suffer from the same constraints in terms of land availability. The table below provides a comparison between ferries currently in use at Newhaven and the more modern ferries in use at Portsmouth and Dover.

Name*	Built	Car Deck Lane Length (m)	Beam Width(m)	LOA (m)	Passenger No.
Cote d'Albatre (Newhaven)	2004	1,440	24.20	143	650
Seven Sisters (Newhaven)	2006	1,260	24.20	143	600
Etretat (Portsmouth)	2008	2,250	25.60	187	880
Spirit of Britain (Dover)	2011	2,700	31.43	213	1,750
Spirit of France (Dover)	2012	2,700	31.43	213	1,750

Source: the UK short Sea Freight RoRo and LoLo Capacity Analysis and Report - Fifteenth Annual Edition 2017 - Peter Baker PRB Associates Limited

* Ferries operating from British Ports that hold both passengers and roll on roll off cargo.

The ferry industry makes up 65% of the Port's turnover and therefore it is absolutely critical that it can plan positively for the needs of the ferry industry, as without a successful ferry the Port's viability will be in serious doubt. Clearly it would be incredibly damaging to Newhaven, Lewes and East Sussex should Newhaven Port cease to continue functioning and would have several knock-on effects in terms of freight capacity within the South East and upon businesses that operate within the Port and rely on the import of goods from Newhaven.

The importance of the Port as a strategic asset is reflected by the significant public funding that has been used to deliver the Newhaven Port Access Road (NPAR) currently under construction by East Sussex County Council. The NPAR would remove port related traffic from surrounding residential streets, principally from Railway Road, Beach Road and Clifton Road. Following construction of the NPAR, HGV traffic created by the Port will consequently have a direct connection to the strategic road network on to the A26 and A27 and will help create additional employment opportunities within the EZ and Policy E1 allocation.

Whether the NPP plans for East Quay are cost effective, for example as set out in a Business Plan.

In order to deliver and effectively develop the new berth and East Quay land area, NPP has undertaken a significant amount of work at great expense since permission was granted in 2016:

- Front End Engineering Design ("FEED") and design options study – consisting of two key design variations of the new berth and possible alternative designs/configurations
- Route to consent report acting as a detailed reference document for the delivery of discharging conditions for Phase 2 works

- Market study of business development opportunities which concluded that three potential incremental revenue streams would provide growth opportunities including the ferry industry
- Port valuation report which considered all port areas, including the current footprint of the Land Development Area
- A detailed financial model – covering all key inputs from the supporting work (incl. CAPEX, OPEX, revenues – new berth and LDA), sensitivities and financing assumptions/structures (covering grants, equity, debt, shareholder loans) over its 50-year design life
- An outline financing process and plan, consisting of the key steps and deliverables as would be expected by potential funders

The above has all been carried out against substantial costs to NPP, which confirms that it has firm intentions to deliver the new berth and East Quay land area and make them available for future use by the ferry industry as well as other Port users.

In parallel, there are two further independent work streams currently underway to support this:

- RoRo ferry market analysis – with the aim of identifying long term business projections for the existing unit load and passenger businesses. This also ties into the question above
- Additional financing research and informal engagement with potential funders and funding advisors – to help corroborate financing assumptions, explore potential funding structures and likely requirements/appetite for uses and markets

To date, there is no evidence to indicate that developing the site would not be cost effective.

Furthermore, the site is located over made land with boreholes confirming it comprises largely of granular material. It is not likely that this would cause any impediment to future development. Finally, and as mentioned above, the Port owns all of the land allocated by Policy E1 and therefore there is no legal impediment to its development.

The reasons (if any) why restricting the policy area to the west of the Port Access Road would be unacceptable.

The majority of land west of the Port Access Road is already developed and occupied by existing tenants. Therefore, the allocation of only this land (comprising approximately 0.3 ha.) would fail to provide sufficient space between the existing leased land within

the Port and the Port Access Road for any additional development. Clearly this would be unacceptable as it would provide no room for expansion.

The ferry terminal currently sits within approximately 5.5 ha. of land on Railway Quay. Following development of the berth permitted under LW/15/0034 there would be a remaining 2.5 ha. within the Land Development Area leaving a deficit of approximately 3 ha. to facilitate relocation of the ferry terminal. Therefore, the entire proposed area, which amounts to approximately 5 ha (discounting land required by the NPAR), allocated by Policy E1 would be absolutely critical to deliver a new ferry terminal, operational area and other Port related businesses. Should the ferry terminal be relocated this would free up Railway Quay for other Port related employment space.

Mitigation

Whilst the sensitivities of the site in terms of ecology and landscape are acknowledged the designation of the site is one of local importance and this must be weighed against the critical requirements of the Port as a county wide strategic asset. It is within the Council's ability to consider impacts on ecology and landscape as part of any future planning application to ensure that any such impacts are mitigated adequately. As set out within our response to your questions prior to the Hearing we confirm that we would support a modification to remove any part of the shingle beach and vegetated shingle habitat from the allocation and introduce a buffer zone to the Nature Reserve. Furthermore, we would also be happy to support a further modification to require that no building would occur within 8 m of Mill Creek as this is likely to be a requirement of the Environment Agency for any future Planning Application.

Therefore, we would be happy for the below additional requirements to be added to the wording of Policy E1:

- that the buffer zone to the Nature Reserve shall be no less than 10 m.
- that no building shall occur within at least 8 m of Mill Creek.

In terms of the control of future development, it is also worth noting that the land allocated by Policy E1 is subject to an Article 4 Order which removes permitted development rights for transport related development carried out by statutory undertakers and industrial estate developments. Any future development of the site would consequently be reliant on submission of a Planning Application which would be likely subject to detailed environmental assessments. It would not be possible for the Port to make use of their normal permitted development rights for the provision of any additional development beyond what would be formally approved by a planning application.



Further to the above additional requirements we would also be happy to comment on any mitigation proposed by objectors to the Local Plan Part 2.

In conclusion we would urge the Inspector to retain Policy E1 within the Lewes Local Plan Part 2 subject to any modifications that we have previously proposed. The deletion of Policy E1 would:

- Badly damage the ability of the Port to plan positively for its future and adjust to any challenges during the Plan period
- Be at odds with the NPAR development and limit its potential
- Greatly constrain economic and jobs growth within Newhaven and surrounding communities
- Go against relevant policies for Ports contained within the NPSP and NPPF

Furthermore, it is considered that deletion of the Policy E1 would make the plan unsound as it would fail to be positively prepared, fail to provide adequate flexibility and would therefore be an ineffective plan for the District and would fail to be in accordance with the adopted Lewes Local Plan Part 1 which supports redevelopment and expansion of the Port in line with the Port Masterplan.

Yours sincerely

A handwritten signature in black ink, appearing to read "Daniel Frisby".

Daniel Frisby
Senior Planner
For and on behalf of DMH Stallard LLP

Enc. Proposed Site Plan for LW/15/0034
Proposed Site Plan for NPAR Link Road Application