

COMMENTS ON TDC FUTURE DELIVERY REPORT – PORT RAMSGATE DATED 2 MARCH 2023

These comments are based on the following:

- Report by Mike Humber, Levelling Up Director, to TDC Cabinet _ Future Delivery – Port of Ramsgate, 2 March 2023
- Annex 1 of that report concerned with ‘adjustments ‘ to published Port and Harbour accounts
- Annex 2 to that report – Zoning for Proposed Port Operations
- Annex 3 to that report – Port of Ramsgate Strategic Advice prepared by Infrata

SUMMARY

Application for Delegated Authority

The underlying purpose of these submission papers is to obtain agreement from Cabinet to delegate authority for officers to proceed with the Brett’s expansion project and the LUF RoRo infrastructure project to:

- The tender for providers
- Evaluate tenders
- Select providers
- Contract with providers
- Negotiation of leasehold
- Proceed with management and deployment of the projects to completion.

That will determine the use of about 50% of the area of the whole port for an unspecified period. It will impose an unspecified liability on TDC, dependant on the conditions of the lease.

Rolled into the same agenda item 4 TDC are also intending to double the area used by Brett for aggregate storage and cement batching. Setting the terms for this are similarly delegated.

Surly these are Key Decisions that could only rightly be agreed by the full council as plans unfold. We urge you to tell your leadership right now that they should not delegate these powers, especially so close to elections.

Councillors need to keep control of this project because we believe that the business case supporting the proposed TDC plan is flawed in fact and method and evidence concerning public support is misleading and biased.

Aggregate Site Expansion

We have reviewed the Future Delivery – Port of Ramsgate report and supporting documents to be presented to Cabinet for approval of Delegated Powers on 2 March 2023.

We are very concerned that this submission includes a request to proceed with a doubling of the size of the Brett's site without any consultation or reference to the public and without any evidence of need.

TDC in their applications and development of the Berth 4/5 (like for like) replacement project, which considerably increases the potential capacity of aggregate importation, gave assurances that the new pontoon would NOT be used for expanded or enhanced use.

We are also deeply concerned at lack of reference to a through EIA since the present concrete batching plant has never obtained formal planning permission and has never been subjected to a rigorous EIA.

LUF Infrastructure Project – Unaccompanied Ro-Ro freight

In the light of road haulage volume evidence from Dover Port we do not find the projected revenue forecasts for the proposed concession service credible. Further, we do not see any cost side to the economic model which indicates the real benefit to Ramsgate. Based upon what has been provided we have little confidence in this proposal and consider that the 'build and they will come' deployment will be a very high risk strategy for Ramsgate which is exacerbated by the lack of any jobs figures in support of the employment objectives of the Local Plan.

In reality Ramsgate has made available supporting infrastructure for Ro-Ro services for the past ten years and, with the exception of an ad-hoc service for Gefco, and despite considerable efforts by TDC, including strong support for Seaborne Freight, operators have failed to come. No evidence has been provided to clearly demonstrate that that situation has changed.

It is also the case that the projected income from a new unaccompanied freight service only represents 26% of the shipping related income from the port and yet requires 45% of the land area – this does not make sense.

Other Opportunities

Little consideration is given to other potential port uses which have been presented to TDC. These include:

- o A component of residential
- o A Maritime Academy as a kick-start to the proposed Green Campus which will accommodate up to 1000 SME's with workshops; supporting administrative support, joint project working, bulk buying ; training and economic benefit to the community. A project which fits comfortable into the LUF Green Campus concept

- o A Tall Ship, which also fits with the LUF concept, will be self supporting and will act as a catalyst for work delivered by a Maritime Academy - the initial phase of a wooden ship repair and maintenance capability on the port, a major tourist attraction and training/adventure facility for local youth and a catalyst for the possibility of Tall Ships Regattas in Ramsgate.
- o Other possibilities might include evolution of the Green Campus, consideration of an associated conference hotel, significant development of maritime and green energy related apprenticeship programs.

We strongly recommend that a focus group should be set up to scope these options to be incorporated into a Master Plan for a joint public/private partnership development.

A REVIEW OF THE FUTURE DELIVERY – PORT OF RAMSGATE REPORT

Matters referenced in this paper are addresses in the same order in which they appear in the Future Delivery Report

DELEGATION TO THE CEO (Recommendations page 1)

This is standard practice. The CEO will in turn delegate to selected officers (most likely Mike Humber and Louise Askew)

It is notable that the activities for which delegated authority is sought, as detailed in Item 11.4, page 20/21 are to:

- Place tenders for the works
- Evaluate tenders
- Select contractors
- Negotiate and award tenders

These powers are requested in relation to

- the LUF Port Infrastructure Project for unaccompanied freight service
- the expansion the Brett's site by two acres (a doubling of the present size) to accommodate increased demand predicted by Brett's

By their nature these powers, once granted, will permit officers to proceed with these two projects to completion without further authorisation.

Corporate Implications (page 2) – Financial Value for money

COMMENTS CONCERNING PUBLISHED PORT AND HARBOUR ACCOUNTS

TDC claim in Annex 1 that the published accounts showing a Port Ramsgate deficit of:

- o £2,511,000 in 2018 – 19
- o £1,839,000 in 2019 – 20
- o £2428,000 in 2020 – 21

should be adjusted for 'corporate' (whole of TDC) purposes in order to show a 'real' P&L position of:

- o £687,000 in 2018 – 19
- o £190,000 in 2019 – 20
- o £1,043,000 in 2020 – 21

We contend that the deficits before adjustments are based on REAL expenditure, REAL income and REAL losses and properly reflect the appalling performance of the Port Ramsgate.

In support of this contention we would refer the reader to the Note (14) to the accounts from the Main (audited) Statement of the Port and Harbour Report 2019 – 20 which states:

NOTE:

There is a disclosure difference between the Main Statements and the P & L in this document I how Harbour Office overheads are displayed.

The Main Statements are prepared using the local government code of practice whereas the P&L within this document is prepared on a company account basis.

*The P&L shows £484k overhead costs within the Direct Cost categories and also £484k of internal recharges within the Revenues category. The costs are recharged to the Central Support Service category. Therefore the total expenditure and total income reported is £484k higher than the Main Statements, which only show the net figure but **the bottom line on both remains the same at £1,543,000.** Comment – in other words the real losses on the Port and Harbours account were as, shown - £1,543, 000 – of which a deficit of £1,839,000 was contributed by Port Ramsgate.*

3.0 Strategic Position page 9

The report references the Local Plan in relation to SP 11 as follows:

4) Ramsgate Port The Council supports further development at Ramsgate Port which would facilitate its improvement as a port for shipping, increase traffic through the port, and introduce new routes and complementary land based facilities including marine engineering, subject to: -

- a demonstrable port-related need for any proposed land based facilities to be located in the area of the port, and a demonstrable lack of suitable alternative inland locations; and

- compatibility with the character and function of Ramsgate waterfront and the Royal Harbour as a commercial leisure facility; and
- an acceptable environmental assessment of the impact of the proposed development upon the harbour, its setting and surrounding property, and
- the impact of any proposed land reclamation upon nature conservation, conservation of the built environment, the coast and archaeological heritage, together with any proposals to mitigate the impact.

Land reclamation will not be permitted beyond the western extremity of the existing limit of reclaimed land. Thanet Local Plan Adopted July 2020 41 Development will only be permitted under this policy where it can be demonstrated that it will not adversely affect any designated nature conservation sites through any pathway of impact, including increased visitor pressure. Development proposals must comply with the requirements of SP28, SP29 and GI01.

Item 4 above states that

The council supports further development at Port Ramsgate which would facilitate its improvement as a port for shipping, increase in traffic through the port and introduce new routes and complementary land based facilities including marine engineering.

It does not state explicitly that it supports the re-introduction of a new ro-ro freight service.

Additionally, Strategic Priority 1 –requires projects to ‘Create additional employment and training opportunities, to strengthen and diversify the local economy and improve local earning power and employability’.

5.0 OPERATIONAL PORT

The recommendation from Infrata is for **Option 5 – Multi-Purpose Port Hybrid option** – see Infrata Report page 11 – Revenues, Specialist operator & TDC

The Local Plan, SP 11, supports the development of the port for shipping purposes, amongst others, driven by the objectives of SP 04 the need for economic and jobs growth, particularly for SME’s. In this regard, individual projects must show clear evidence of jobs growth as required by SP 04.

This recommendation follows from the Infrata report – see page 11 – which proposes:

- Using the LUF infrastructure fund to upgrade the port facilities in preparation for an agreement with an appropriate ro-ro operator who will be selected following an open invitation for Expressions of Interest based upon the following:
 - Unaccompanied ro-ro traffic will become available from Dover as a result of increasing congestion/capacity at Dover. In fact road haulage traffic volumes have been falling in Dover as illustrated by the following statistics published by Dover:

Vehicles per year

2022	1,997,458
2021	2,149,595
2020	2,268,525
2019	2,397,270
2018	2,497,804
2017	2,601, 162

Also, exports have fallen and the Irish Landbridge has been significantly reduced

- o Forecast revenue for the option will be £1,117,000 for 2023 with a CAGR of 1.5% pa giving rising revenue through to 2037 of £1,378,000 in 2037
- o Income analysis for the port is given in the Infrata report page 11, Revenues – Case 3: Specialist Operator and TDC. This analysis combines income from non-Ro-Ro and Ro-Ro related activities. Without any justification of the project growth rates.
- o There are a number of fundamental issues relating to this analysis which brings together port revenue sources for 2023 as follows:
 - Conservancy – operational services provided to all port users and charger on the basis of a published tariff. – 2023 projected income £500,000
 - Unaccompanied trailers income - £242,000
 - Dry Bulk activities (Brett's) - £200,000
 - Other services (Nav pilotage etc) £175,000

TOTAL REVENUE 2023 - £1,117,000

TOTAL INCOME 2037 (Based on CAGR of 1.5%) £1,378.000

Dry Bulk should be taken out of this analysis which is presented as the case for roro. Further, where roro is concerned, these income streams actually become **charges** against roro income therefore significantly reducing the net income from roro.

Adjusted 2023 figures will be as follows:

Total projected income excluding Dry Bulk (£200k) in 2023 is £917,000 as follows:

- o Conservancy - £500,000 - 51%
- o Unaccompanied trailers - £242,000 – 26%
- o Other - £175,000 – 23%

The main proposition is that the unaccompanied trailer market amounting to revenue of £242,000 per annum (growing at 1.5% CAGR) should be brought to Ramsgate requiring 14.57 acres of the 32 acre site (see Annex 2).

That is 45% of the site for 26% of the projected income. It should also be noted, although it is not detailed in the analysis, that:

- o A concession will require an agreement by which either:
 - o Thanet will be paid a % of revenue or a charge per unit area will be levied
 - o Other port related charges, not detailed, must be made thereby reducing income to the operator
 - o It is proposed that infrastructure costs should be paid by TDC from the LUF fund. It is not clear how and by whom infrastructure repair/maintenance/renewal costs will be paid – is it to be on the Brett's Facilities agreement basis?

SUMMARY CONCERNING THE UNACCOMPANIED FREIGHT PROPOSAL

- o The premise that sustained growth at Dover will lead to the opportunity for Ramsgate to pick up the displaced unaccompanied trailer traffic is not supported by the data as follows:
 - o Latest figures from Dover clearly indicate a continued downturn in freight volumes
 - o Trade figures indicate a 12% downturn in exports to EU
 - o The 'Irish' land bridge through Wales has virtually disappeared and been replaced by sea-freight services direct from Ireland to Europe with a consequent reduction in Dover traffic.
 - o Dover is working hard to regain/maintain its dominant position in the short straits market as evidenced by significant investments in infrastructure, technology, and new vessels
- o The financial model presented by Infrata is incomplete in that it does not consider the cost side of the equation either on the part of a potential operator nor in terms of the financial impact on TDC
- o The port has been available to potential roro operators for many years and has failed to attract any operators – other than an ad-hoc GEFECO service. No credible evidence is presented here to suggest that any meaningful shift in sentiment has taken place, as was the case with, for instance, Seaborne Freight.
- o The entire proposition is based on the 'build it and they will come' concept which has singularly and demonstrably failed in the past.
- o It is worth noting that the 2023 income projection from unaccompanied freight (£242,000) is less than the average annual income from GEFECO (£286,000 per year over 6 years). During the GEFECO period the Port continued to make considerable losses as follows:

Year	Exp	Inc	Loss
2016/17	3219	970	(2249)
2017/18	3648	1011	(2637)
2018/19	3584	1073	(2511)
2019/20	3341	1502	(1839)
2020/21	3304	994	(2310)
Average	3419	1020	(2309)

It is notable, but salutary, that average expenditure has been **3.35 times** greater than average income despite the GEFCO car importation activity.

These losses would increase if replaced Gefco income with the projected unaccompanied freight income.

Item 6.0, page 11 – Future Delivery Report Port Ramsgate – Aggregate Operation

6.2 A proposal has come forward for the extension of aggregate operations' at Port Ramsgate. This proposal from Brett's proposed to increase the Brett's operations at the port by 2 acres – which is to double the size of the operation.

Comments

This follows deployment of a new berth 4/5 at a cost to TDC of £2.3 million which was submitted by TDC for budgeting purposes as a 'like-for-like' replacement of the original steel barge pontoon.

The associated conveyor system (yet to be installed) has a capacity more than ten times greater than the capacity of the replaced system.

No substance is given to this proposal other than additional demand and therefore additional income to TDC

We believe that the aggregate processing rate at the port has not changed significantly in the past 10 years (in the order of 70,000 tonnes per year) and would like to see evidence of this anticipated increased demand. Further, we believe this substantial increase in area should be subject to appropriate planning approvals and, given the location and the nature of the operation, should be subject to a comprehensive EIA .

It seems extraordinary, and completely lacking in transparency, that this proposal has been slipped into this delegated decision application without any public consultation, any proper analysis of intended use and no reference to the past planning history of use of this site.
