EXAMINATION OF THE SHEPWAY
CORE STRATEGY DEVELOPMENT PLAN DOCUMENT

Matter 4 – Folkestone Seafront

Documents Z99 to Z104 - further comments from the Remembrance Line and Folkestone – Boulogne Ferry Service

RESPONSE OF FOLKESTONE HARBOUR COMPANY
INTRODUCTION

Further representations were submitted to the Planning Inspectorate by the Remembrance Line and the Folkestone Boulogne Ferry Service in respect of proposed policy SS6. These documents are referenced Z99 to Z104 and follow from a discussion held in respect of matter 4 on the 9th May at the Examination in Public of Shepway District Council’s emerging Core Strategy.

The below is submitted as a response to these late submissions.

FOLKESTONE BOULOGNE FERRY SERVICE REPRESENTATIONS (Rep 913):

The Folkestone Boulogne Ferry Service anticipate between 250,000 and 300,000 passenger movements and envisage using the railway line to service this proposed passenger movement. The service does not envisage that any further land, other than the harbour arm would be required.

It is noted that no market survey is provided to substantiate the anticipated demand, there is no proper business case provided and no analysis of costs or revenue has been carried out. It is also noted that the plan assumes that Boulogne will house customs and border control; however no confirmation of this is provided.

Appendix 1 shows the approximate land take for servicing between 250,000 and 300,000 passengers. This plan assumes that the railway line is unavailable and that the majority of passengers are likely to travel to the proposed Ferry Service by car. This is considered a fair assumption; on the grounds that the railway line is subject to temporary closure and that there is no real prospect of this situation being rectified in the near future as discussed below. The provision of 300 parking spaces for 300,000 visitors per annum is considered to be conservative. The plan also allows for ancillary services such as customs and passport control which would be required for a cross channel service.

It is considered that any requirement to retain a ferry service as part of the strategic allocation as is suggested by the Folkestone – Boulogne Ferry Service could significantly affect the viability and deliverability of the strategic site in conflict with guidance contained within national planning policy. Emerging policy SS6 is considered to be sound as currently drafted and whilst not directly requiring a ferry service, it does retain the flexibility for such a service to come forwards should this be considered viable in the future.

REMEMBERANCE LINE REPRESENTATIONS (Rep 931):

Analysis of Business Plan

The Remembrance Line has submitted a business plan which is intended to show that the re-opening of the Folkestone Harbour Branch is viable.

The business plan submitted provides a degree historical information and detail however this does not appear to be evidence based and is considered to lack the following detail to prove the viability case;
Market research/demand analysis

- A business plan would normally provide the following information in relation to market analysis, whilst some investigations have been made into the potential market for a rail service these do not appear to be based upon a thorough statistical analysis.
  - Size and expected growth of the market
  - Analysis of market by segments
  - Identification of target segments
  - Competitors - who they are, ownership, size, market share, likely response to the challenge
  - Customers (existing & potential) - who they are, how they buy, why they buy
  - Distribution channels

- It is assumed at the start of the business plan that demand for the reopened line will arise from 3 key areas;
  - **English Channel Ferry Services**: This section relies upon historical figures in relation to Euro tunnel movements and passengers moving between Dover to Calais and also cites figures in relation to Ramsgate – Oostende and Dover – Dunkerque however no analysis is carried out of these figures. The analysis refers to the ‘extrapolation of travel trends’ from reports issued by the office of national statistics but neither these trends nor the relevant reports are included and nor is an explanation of the methodology used to generate the figure of 300,000 passengers for the Folkestone – Boulogne route.
  - **High Speed Trains**: the plan makes the statement that “the fastest journeys to key coastal destinations can operate by ferry as extensions to national rail services and keep such traffic clear of Eurotunnel which will increasingly be central to longer distance passenger and freight business”. The plan appears to infer that the reopened rail service could link in with the existing highspeed service and that passengers would disembark this service and choose to take the Ferry instead. No evidence of passenger demand or preference has been provided for this assumption.
  - **Visiting Folkestone**: The report notes the various attractions of Folkestone and the potential to utilise the historical associations of the town with WW1, WW2, and emerging creative scene however there is no data analysis of these assumptions and the potential demand.

Competition analysis

- The analysis provided is not convincing in the case for reopening the line, it appears to rely heavily on a link between the Ferry and Rail service. As noted above no business plan has been provided for the envisaged Ferry service.

Financial Data

- A sound business plan should include the following details;
  
  **Forecasts in the business plan**
  - Sales forecast
  - Forecast profit and loss account (income statement)
  - Cash flow forecast (cash budget)
  - In each case this should be a month by month forecast for a minimum of two years
- Forecast balance sheet for each of the first two years
- The assumptions behind the forecast should also be included

**Financial data**
- Investment appraisal - payback and discounted cash flow
- Break even analysis
- Evaluation criteria for performance review
- Ratio analysis: net profit margin, Gross profit margin, return on capital employed, liquidity and solvency analysis

**Financing required**
- Details of capital required and uses
- The plan must include details of the external finance required
- This will be equal to the finance required less finance raise internally from existing owners and from operations
- The plan will outline how it is proposed to raise the finance
- Sources of finance: Short, medium and long term; Debt v equity

- The business plan provided discusses sales forecasts and the number of passengers budgeted for, however it is not clear what information these anticipated passenger numbers are based upon. A 3% 'market growth' factor has been applied to these numbers but no evidence or rationale is provided for this figure.

- Whilst cost forecasts are supplied within the plan it is unclear how these costs are generated. There is no breakdown and there appears to have been no survey of the existing line, repair or replacement works required to reopen it which would be expected to inform the calculation of cost. It is assumed that the business will be operated by volunteers yet the report states earlier that only those with a Personal Track Safety Certification are allowed on an operational railway. Whilst the report states that personnel will be trained in and passed for this certificate this does not appear to have been included within the operational costs.

**Connectivity**

- In addition to the above it is considered that the re-opening of the railway line would adversely affect the strategic site in terms of connectivity to the south eastern portion, the parcel of land which is 'sandwiched' between the existing viaduct and the harbour arm. The current Masterplan proposals envisage using the railway as a 'green link' allowing pedestrians to access this part of the site from the north side of the existing harbour and follow a logical route to the harbour arm. This link would be unavailable to the current Masterplan or any other proposed master plan for the strategic site allocation should the railway be reopened.

- It should also be noted that in relation to the provision of level crossings, the Office of Rail Regulation state; “other than in exceptional circumstances, no new level crossings on any railway, therefore creating no new risks”. The existing level crossing has been disused for a considerable amount of time. The development of the land to the east of the railway line would significantly increase the pedestrian and traffic footfall over this existing crossing, to such a level that this would be considered a ‘new risk’ in health and safety terms. Consent is therefore unlikely to be forthcoming for the reopening of the existing crossing, or the installation of a new crossing, and thus would consequently result in ‘land sterilisation’ through lack of convenient access across the used railway track. In order to rectify this access insufficiency the quayside will require the construction of an underpass or bridge, of DDA compliance, to accommodate both the needs of retailers, residents and their associated...
500+ cars, without obstruction or conflict with the rail line; this has significant engineering, cost and thus viability implications.

**SUMMARY**

The Remembrance Line and the Folkestone Boulogne Ferry Service have made representations to the Inspector in respect of emerging policy SS6. These representations suggest that this policy should be altered to include a requirement for a ferry service and a rail service as part of the strategic site allocation. In substantiating their representations both parties have sought to demonstrate that a ferry service and/or a rail service to the harbour is a viable proposition by submitting the information referred to at documents Z99 to Z104.

It is the position of the Folkestone Harbour Company that the viability of such enterprises is still unproven and that for the policy to specifically require the provision of such services would adversely affect the deliverability of the site as a strategic land allocation within the Local Plan. For this reason propositions of the Remembrance Line and Folkestone Boulogne Ferry Service are not considered to be sound and would not result in a sound and deliverable planning policy framework as required by the National Planning Policy Framework.

It should be noted that Policy SS6 as currently drafted by the Council does not prevent the operation of a ferry or rail service in the future should the financial case for such an enterprise be proven. However, it is considered that to explicitly require such a service in the future would significantly affect the delivery development on this site and the fulfilment of the strategic aims as identified by the emerging Core Strategy.

It is recognised that the proposed master plan is one solution to the strategic site allocation and that there may be others. The Folkestone Harbour Company is in pre application discussions with the Council in relation to a proposed master plan for the strategic site. The inclusion of a ferry service or rail service within this emerging Masterplan is not considered to be feasible and would adversely impact upon the deliverability of the proposed Masterplan as detailed at appendix 1.

Footnote 11 of the National Planning Policy Framework (NPPF) states that in order to be deliverable sites; “should be available now, offer a suitable location for development now and be achievable with a realistic prospect that housing will delivered on the site within five years and in particular that the development of the site is viable”.

The Council are required to draft a policy which is in accordance with the NPPF, which sets out clearly their strategic objectives and which is based on a sound evidence base. The emerging consultation has been through several rounds of public consultation and is informed by a comprehensive evidence base.

It is considered that the policy as currently drafted is sound, it allows the Council to bring forward its strategic aims for the seafront site and also includes enough flexibility for a ferry and or rail service to be provided in the future should the be considered deliverable.
Final Response to RR and FBFS - 18.05.12.doc

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