

The Rt Hon Michael Gove MP
Secretary of State for Levelling Up, Housing and Communities
Department for Levelling Up, Housing and Communities
2 Marsham Street
London
United Kingdom SW1P 4DF

4 May 2024

Dear Secretary of State,

Planning application to redevelop of Chatham Docks Basin 3 (MC/24/0154)

I am writing to request that you issue an Article 31 holding direction on planning application MC/24/0154, submitted by Peel Waters, which proposes the redevelopment of Chatham Docks Basin 3. This application is due to be heard, voted on, and approved by the Labour administration at Medway Council next Wednesday, 8th May, on a much-expedited timeline that has caught stakeholders by surprise. If allowed to proceed, this would spell the end of Chatham Docks and have a significant impact on the UK reinforcement industry, leading to serious, potentially irreversible long-term harm, with immediate consequences for the resilience and carbon intensity of the sector. This is highly time-sensitive – calling in the application after next Wednesday will not be possible, so this is the only opportunity and option to allow for any further scrutiny.

The application is recommended for approval by officers and will be determined by the cross party Planning committee (8 Labour and Co-operative, 6 Conservative and 1 Independent) – all of whom will go to the meeting with an open mind and determine the application on its planning merits. To assist them in an assessment of the planning merits of the application, the Committee will be provided with the original case officers report; a supplemental update report; a copy of the letter from Dentons Solicitors on behalf of ArcelorMittal Kent Wire Limited with officer response; a copy of this letter from ArcelorMittal and officer response; and a copy of the letter from the Applicants to the Secretary of State in response to the requested call in.

The application is only for part of the Docks and does not impact on the lock gates, the northern area and thus does not prevent use of the basin for port related uses. In addition, that part of the Port, (as defined in the proposals map to the adopted Local Plan), the subject of this application will still be available for Port related uses depending on the nature of the occupiers in question.

By way of background, ArcelorMittal is the world's leading integrated steel and mining company, with a presence in more than 60 countries. We are the leader in all major global carbon steel markets, including automotive, construction, household appliances, and packaging. We are proud to be the largest operator in Chatham Docks, a thriving and active commercial port that forms the backbone of local, regional, and national industries and infrastructure projects. Through the Docks, we are a major supplier of construction steels in the British market, with a significant presence in diverse areas such as reinforcement bars and coils, wire rods, reinforcing mesh, and prefabricated concrete reinforcement cages.

Our concern is that Peel's application to redevelop Chatham Docks is not only wrong for Britain but has proceeded with little scrutiny and a lack of public awareness. Many key stakeholders are therefore unaware of the consequences if it were to proceed. As the largest operator in the Docks, we of course believe that the application should be rejected. However, our sole request today is for an Article 31 holding direction so you can secure the time to assess whether to call in this application for consideration at the national level. Given the seismic adverse consequences that the redevelopment would have on the British economy and multiple strategic industries, this is the only responsible course of action.

Re-iterate the above points in terms of what this application is for – employment development on an employment site on PART of a larger employment area. In that respect the floor area of existing B2/B8 uses on the application site is 18,000 m2. The proposal will provide for a flexible mixed use of B2/B8 and E(g) uses of up to 31,000m2, which is a significant uplift and would be an upgrade to modern facilities which

would provide for development much more resilient and responsive to changing economic circumstances and needs.

We believe that Peel's application more than meets the threshold required for consideration by your Department. It would conflict with national policies on important matters, namely the National Planning Policy Framework (NPPF); it would have a significant long-term impact on economic growth; it would have significant effects beyond its immediate locality; it would give rise to substantial national controversy; and it may involve the interests of national security. With this in mind, I have outlined several reasons below to issue an Article 31 holding direction.

The application accords with Policy ED1 of the Local Plan and is not in conflict with Policy ED9, while the proposal also accords with Section 6 of the NPPF – building a strong competitive economy.

- **Chatham Docks' closure would have a significant impact on the UK reinforcement industry, leading to serious, potentially irreversible long-term harm, with immediate consequences for the resilience and carbon intensity of the sector.** ArcelorMittal's operations at Chatham Docks are responsible for approximately 30% of Britain's concrete steel reinforcement, making the site a strategic asset for the British economy. Our materials have helped to build a series of high-profile, nationally significant infrastructure projects over recent years, such as Crossrail, HS1, HS2, the Lower Thames Crossing, the Thames Tideway Tunnel, Heathrow Terminal 5, the O2 Arena, Wembley Stadium, the Emirates Stadium, the London Stadium, the A13 road upgrade, the M4 smart motorway, the Shard, the Silvertown Tunnel, and the United States' new London embassy. Looking ahead, Britain has £8 billion of pipeline investment in infrastructure and construction planned for London alone across the 2023/24 and 2024/25 financial years, and a further £27 billion planning up until 2032/33. This would be impacted by an approval of Peel's application. Indeed, if it is permitted to proceed next week, ArcelorMittal would regrettably be left with no alternative but to leave Chatham Docks and, more than likely, cease operations in Britain, given the lack of suitable alternative sites. This, too, would likely be the case for the majority of businesses at the Docks. This would have a significant impact on Britain's manufacturing and construction industries, delay countless critical national infrastructure projects, come at a significant cost to the economy, and leave Britain vulnerable and exposed to the volatility of international supply chain shocks.

This application does not impact on the lock gates, the larger northern area nor the use of basin 3 for port related uses.

- **Chatham Docks is a thriving and strategic asset with a proud naval heritage.** Chatham Docks is a 400-year-old thriving commercial port with a proud naval heritage. It operates 24 hours a day, seven days a week; hosts almost 20 businesses; and employs almost 800 people, 65% of whom are local residents. The total annual direct GVA accumulated by the economic activity at the Docks is estimated to be £89 million, meaning each employee generates approximately £112,000 of GVA per year – considerably higher than the Medway average of £63,900. This is in direct contrast to proposals put forward by Peel, whose economic proposition is unclear. Meanwhile, we have exciting investment plans to expand operations, with £20 million on the table as part of our SPPARC Masterplan to unlock Chatham Docks' full potential. This has the potential to deliver almost 2,000 new jobs and up to £180 million in direct economic output – substantially more than Peel's proposals. However, none of this can be realised while there is uncertainty about the future of our lease on Chatham Docks. Indeed, £5 million of investment has already been delayed by Peel's application.

Chatham Docks is a 40 year old commercial port. Prior to 1984 it was part of a much larger naval dockyard that was closed and divided into 3 areas, comprising (i) the historic dockyard, (ii) a mixed use area including residential, education, commercial, retail, and leisure and (iii) the commercial dock around basin 3.

In terms of the potential for this part of the Docks moving forward, the letter from Peel to the Secretary of State in response to the call in, quite clearly sets out the potential opportunities linked to the growth of the creative industries in the area which is supported by the Thames Estuary Growth programme being within the Thames Estuary Production Corridor, which is specific above creative industries. The applicants letter sets out the provision of a greener more sustainable environment than what is there at present; improving pedestrian and cycle connectivity between local residential communities and the services they need; connecting up to the universities and providing a link to retain and develop skills;

while opening up the waterfront to the public for the first time.

- **Chatham Docks' strong environmental credentials provide a public welfare benefit of £11.9 million.** As a result of the Docks' unique position as the only non-tidal enclosed dock in Kent, businesses operating out of the Docks have an extra strategic angle to supply London and other regions with materials in a much more sustainable way. Many businesses have chosen to base themselves out of the Docks precisely for this reason. In addition, a report commissioned in 2020 found that existing activity at Chatham Docks saved approximately 9,100t of CO2 emissions in 2019 through the transport of finished goods that are currently moved by water as opposed to Heavy Goods Vehicles (HGVs). Using the Department for Transport's TAG data book as a metric, which provides monetary values for the impacts of removing HGVs from the highway, our analysis suggests that the water transport activities of the existing Chatham Docks result in a public welfare benefit of £11.9 million in Net Present Value (NPV) terms as a result of mode shift. This could rise to £21.7 million should proper maintenance of the Docks be undertaken alongside our investment plans. All of this is helping Britain transition to a low-carbon future, and all of this is at stake with Peel's application.

The application is for part of the industrial area, the smaller portion on the southern side of the basin, closest to the universities. It is an employment application on an allocated employment site. It does not impact on the lock gates, the wider and larger northern site nor the operation of basin 3 as a port. It will bring in employment uses which provide flexibility and provide future proofing in employment terms based around creative, digital and innovative businesses.

- **Chatham Docks is protected under the National Planning Policy Framework (NPPF).** In addition to concerns about whether proper process has been followed thus far, Peel's plans would conflict with the NPPF. Paragraphs 85 and 86 of the NPPF cover the importance of helping to create conditions in which businesses can invest, expand, and adapt; allowing each area to build on its strengths and address the challenges of the future; and addressing the barriers to investment. In addition to past investment, the retention and potential expansion of Chatham Docks provide the opportunity to retain the local – and national – economy's existing strengths and build on them in the future to enable growth. Peel's speculation on potential growth in sectors that are not currently prevalent in Medway's economy but might be in the future simply does not represent a credible proposition nor provide any indication of how the area might build on its strengths. In fact, providing speculative space for a range of sectors that are not currently specialised in the Medway economy, at the expense of existing sectoral strengths, represents poor economic planning. Paragraph 87 of the NPPF covers recognition for the specific locational requirements of different sectors, including for storage and distribution operations at a variety of scales and in suitably accessible locations. Chatham Docks' unique location facilitates a strong existing cluster of manufacturing and industrial firms, which make a positive economic contribution. Finally, paragraphs 123 and 124 of the NPPF cover the effective use of land for identified industrial needs, and paragraphs 126 and 127 cover the release criteria for valuable land, which includes not undermining key economic sectors. As such, while ArcelorMittal's operations in the Docks align with national policy, Peel's application poses several conflicts.

The application is in accordance with Section 6 of the NPPF (paragraphs 85-87) and in proposing up to 31,000m2 of employment which is much greater than exists on site, it is making effective use of land in accordance with section 11 of the NPPF (para123-127).

Considering the stark consequences that an irreversible approval of this application next Wednesday would have on the British economy and multiple strategic industries, I urge you to issue an Article 31 holding direction so that you can assess whether to call this in for your own consideration. I would be happy to answer any questions you may have.

Fundamentally this is a dispute between landowner (Peel) and leaseholder (ArcelorMittal Kent Wire Limited), which is not something for the planning system and the application should be determined on its planning merits and for the reasons set out in the Officers Planning Appraisal.

There are no national implications involved in the determination of the planning merits of this planning application that would justify removing the LPA's democratically elected right to determine this application, contrary to the view suggested by the Objector ArcelorMittal.

The LPA would respectfully request the holding direction is accordingly lifted.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'MBS', is positioned above the printed name.

Matthew Brooks
Managing Director