

**AN ASSESSMENT OF
CURRENT AND FUTURE
CRUISE SHIP REQUIREMENTS
IN LONDON**
FINAL REPORT



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In conjunction with:



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1. INTRODUCTION

This report was commissioned by the London Development Agency (LDA) and Greater London Authority (GLA), with support from the Port of London Authority (PLA) in response to a need for a better understanding of London's future cruise facility requirements.

This need is identified in the London Tourism Vision for 2006-2016, and associated Action Plan 2006-2009, under the theme 'A Sustainable and Inclusive City', one of whose objectives is to 'Increase the profile and usage of services along the Thames'.

London currently hosts a relatively small number of cruise ships each year, making use of the informal and basic mooring and passenger facilities at Tower Bridge and Greenwich. The aim of this research is to assess the extent to which the lack of a dedicated, more efficient cruise facility is discouraging operators from bringing cruise ships to London, and if there is latent demand, how might this be accommodated.

The brief focused on three key elements:

- To assess existing cruise ship facilities in London, including their capacity and suitability to meet current demand. This should include:
 - A comparison with competing ports.
 - An assessment of opportunities and constraints for current facilities, from both an industry and broader planning perspective.
- To assess and scope potential future demand scenarios, associated facility requirements and opportunities to maximise the economic benefits to London.
- To create market intelligence that encourages dialogue between cruise operators, agents and stakeholders.

For the purposes of this study, 'central London' has been defined as the stretch of river between London Bridge and the Thames Barrier although we have also considered Woolwich Arsenal and the Royal Docks, on request from the client.

The consultancy team consisted of lead consultants The Tourism Company, marine engineers Beckett Rankine who undertook the potential sites assessment, and cruise experts Seatrade, who undertook the market review and consultation with operators. A full list of consultees is attached in Appendix 1.

2. CURRENT CRUISE FACILITIES IN LONDON

In this chapter we give a brief overview of the existing cruise market and facilities in central London.

2.1 Current Market

In 2009, there will be 22 cruise calls to central London. Of these, 12 will berth at Tower Bridge Upper and 10 at Greenwich (operational details below). 11 calls are turnaround (i.e. point of embarkation/ disembarkation) and 11 are transit calls (stopover visits only).

Given the restrictions on size imposed by the river width (the turning circle by West India Dock restricts ships to 230m length), the tide and the Thames Barrier, the ships which call in central London are at the smaller end of the cruise ship scale. In addition, the long steaming time (approx 7 hours), pilotage and tendering requirements mean that London is an expensive port to visit compared with other ports in the UK and northern Europe. Due to these various factors, the ships which call in central London tend to be the high end luxury liners with fewer passengers, rather than the large more mainstream cruise ships with 1000+ passengers (which would have to go to Tilbury, Dover, Southampton or Harwich).

The table below gives an overview of the ships which will call in central London in 2009.

Table 2.1: Overview of cruise calls to central London in 2009

Ship Name	Operator	Length (m)	Tons	Capacity	Calls – type of call - berth ¹	Cruise
Fram	Hurtigruten	110	12,700	328	1 – t/a – TBU	Spring in Western Europe (Lisbon to London) Baltic (London to Hamburg)
Silver Cloud	Silversea	156	16,800	296	6 – t/a - TBU	UK Baltic (London to Stockholm)
Pacific Venus	Japan Cruise Line	183	26518	720	1 – t – GST	World cruise
Deutschland	Peter Deilmann	175	22400	513	4 – t - GST	Northern Europe UK & Ireland (Hamburg to Hamburg)
Azamara Journey	Celebrity Cruises / Azamara	180	30277	694	1 – t - GST	Western Europe (Barcelona to Copenhagen)
Black Prince	Fred Olsen	143	11209	451	1 – t – GST	UK (Greenock to Greenock)
Prinsendam	Holland America	204	37848	793	3 – t/a – GST	UK (London to Amsterdam / Dover to London)
Ocean Majesty	Majestic	136	10400	613	1 – t – TBU	UK (Harwich to Harwich)

¹ TBU = Tower Bridge Upper, GST = Greenwich Ship Tier

Vistamar	Plantours	121	7500	320	2 – t – TBU	UK (Hamburg to Kiel)
C Columbus	Hapag-Lloyd	144	15000	418	1 – t - TBU	
Seaborn Pride	Seaborn	175	10000	208	1 – t/a – TBU	Northern Europe (Copenhagen to London)

Source: Port of London Authority and Individual operator websites

In summary, we can say that:

- The average length of ships calling in central London is 162 m (147m at Tower Bridge and 177m at Greenwich).
- The average tonnage of ships is 18,200t (11,400t and 26,000t respectively).
- The average number of passengers per ship is 486 and the total number of passengers passing through London is 10,200.
- The majority of cruises which call at London are round Britain or round Baltic, although there are two cruises which originate in southern Europe, and one World cruise.
- The calls are being made by the ships of 11 separate cruise brands, only three of which (Azamara, Holland America Line and Seabourn) are owned by the industry-dominating cruise companies Carnival Corporation and Royal Caribbean Cruises.

Twelve of the 2009 calls are overnight and five have a two-night duration dictated only in part by tides. This underlines the appeal of Central London as a location for a cruise call as – globally – cruise operators much prefer a single day stopover i.e. from early morning to evening².

Cruise calls to London are highly seasonal and all take place between April and September. This reflects the Northern European cruise market as a whole.

2.2 Existing Facilities

At present there are two berthing options for ships calling in central London. Smaller ships can pass under Tower Bridge and berth alongside HMS Belfast (Tower Bridge Upper – TBU). Alternatively, ships can anchor off the Welcome Barge at Greenwich Ship Tier (GST), opposite Deptford Creek.

2.2.1 Tower Bridge Upper

Tower Bridge Upper provides a unique and fantastic setting for cruise ships, within view of the Tower of London, and the opportunity to pass under Tower Bridge.

Vessels berth alongside HMS Belfast in the Pool of London. The maximum overall length of vessel which can be accommodated is 158m with a draft of up to 5.9m; this limits the berth to smaller 'expedition' cruise ships and training ships. When on the berth, cruise passengers cannot cross HMS Belfast in order to get to shore as the Merchant Shipping and Maritime Security Act 1997 requires passengers entering the

² Only for major city locations - notably St Petersburg in Russia - will cruise lines seek to stay for two days and occasionally, three. This is because there are sufficient shore excursion options to justify the significant extra expense to the cruise line in staying overnight(s) in port.

country to be handled in a secure zone. There are no facilities for providing such a secure zone on HMS Belfast so passengers are transferred by river boat from the cruise ship to Tower Pier where there is a small secure cruise terminal facility on the upstream end of the pier. The Tower Pier cruise terminal includes personnel and luggage security scanning equipment. When possible, a temporary marquee is erected on land by the pier entrance to accommodate baggage.



Silversea cruise ship passes under Tower Bridge



Seabourn Pride moored alongside HMS Belfast

2.2.2 Tower Bridge Lower

Until 2008 there was also a mid stream mooring just below Tower Bridge called 'Tower Bridge Lower'. The Tower Bridge Lower mooring could accommodate ships up to 160m overall length with up to 5.5m draft. Passengers were processed by transfer by boat to the Tower Pier cruise terminal. The use of Tower Bridge Lower mooring was discontinued following the construction of Hermitage Community Moorings (HCM) alongside the berth. HCM consists of shore connected pontoon berths for residential barges; the development narrows the navigable waterway which in turn gave rise to concerns over safety of navigation when a cruise ship was moored at the Tower Bridge Lower mooring.

2.2.3 Greenwich Ship Tier

Greenwich also offers a unique and picturesque setting for cruise ships. Greenwich is a World Heritage Site and on the other side of the river is Canary Wharf.

The Greenwich Ship Tier consists of six permanent mooring buoys located immediately downstream of the entrance to Deptford Creek. Ships of up to 240m

overall length with a draft of up to 8m can be accommodated on the mooring; this is the largest size of vessel which is permitted to pass through the Thames Barrier.

A ship moored at the Greenwich Ship Tier lies in a natural deep water area around 100m off the South bank of the river. In order to process cruise passengers, the PLA has constructed a building containing rudimentary terminal facilities on a 50m x 14m pontoon; this facility is called the 'Welcome' barge. When a cruise ship moors at the Greenwich Ship Tier the Welcome barge is moored alongside and passengers and their luggage are security scanned and processed on the barge. Passengers are then transferred to shore at Greenwich by river boat. Temporary marquees are erected in the grounds of the Royal Naval College to accommodate baggage.



MS Prinsendam moored alongside the Welcome Barge at Greenwich Ship Tier

There are two major constraints affecting both the sites currently used:

- The lack of alongside berthing facilities and subsequent need for tendering operations at both these sites means that operations are costly, inefficient and can be difficult for some, notably those with disabilities.
- The fact that they are both temporary and do not have dedicated landside facilities means that space for baggage and provisions for turnaround calls is extremely limited, and dependent on 'informal' agreements between the ground handler and relevant authorities.

As a gateway to the city for a small - but very affluent - group of visitors, these ad hoc arrangements appear very poor and do not reflect well on London as a global city and international tourism destination.

3. THE ORGANISATIONAL AND PLANNING CONTEXT

3.1 Organisation of cruise tourism in London

3.1.1 Port of London Authority (PLA)

The PLA is responsible for navigational safety along the tidal Thames. It owns the Welcome Barge, moored at Greenwich Ship Tier, which is used for cruise ship calls, and leases the section of Tower Pier which is used for TBU cruise calls. Unlike many other port authorities, it does not own any riverside property in the area of search that would be suitable for a terminal. The PLA is, however, keen to see cruising grow as part of its remit to promote use of the River.

3.1.2 London Central Cruise Moorings (LCCM)

London Central Cruise Moorings (LCCM) is a subsidiary of Cory Brothers, and owns the franchise for cruise ground handling and operations on the Thames. This includes the berths at Tower Bridge Upper and Greenwich Ship Tier. LCCM also undertakes marketing activities to encourage cruise operators to call at London.

3.2 Promotion of cruise tourism in London

There is no one body responsible for promoting London as a cruise destination. At present, the shipping agencies/handlers are the only ones undertaking concerted marketing activity to generate cruise calls to London. Cruise Britain is a recent initiative between Visit Britain and the Passenger Shipping Association (PSA)³ to promote cruising in Britain generally, including London. LCCM is a member of this, but currently neither the PLA or Visit London are involved.

3.3 Planning issues

3.3.1 Greater London Authority

The Mayor of London has responsibility for strategic planning in London. This includes producing a spatial development strategy (the London Plan – see below) and ensuring that London boroughs' development plans (UDPs and emerging LDFs) conform generally with the London Plan. The Mayor has to be consulted on planning applications of strategic importance, with the power to refuse planning permission on strategic grounds. A cruise terminal would be seen as a development of strategic importance and as such it is likely that any planning applications would be referred to the Mayor.

3.3.2 The London Plan

The London Plan recognises the importance of the 'Blue Ribbon Network' (BRN) in transport and tourism terms. Policy 4C.7 states that *"the Mayor will, and boroughs should, protect existing facilities for passenger and tourist traffic on the BRN. Development of new facilities that increase the use of the BRN for passenger and tourist traffic should be encouraged"*.

The Plan makes specific reference to cruise facilities in paragraph 4.160 where it states that *"increasing use of the BRN for passenger and tourist transport requires*

³ Cruise Britain is a re-launch of Cruise UK, which has been in existence for some years

cruise liner facilities ... Where possible, new services should be integrated with other transport services and routes by well-designed interchange points and signage. New facilities should not affect safe navigation nor have an adverse impact on waterway biodiversity.”

The Plan also outlines the issues surrounding the safeguarding of wharves for cargo-handling uses (see below).

3.3.3 Safeguarding of wharves

Fifty wharves on the Thames are safeguarded for cargo handling use under Articles 10 & 27 of the Town & Country Planning (General Development Procedure) Order 1995. Responsibility for the safeguarding was taken over by the Mayor of London and is dealt with under Policy 4C.9 of the Mayor's London Plan.

In January 2005, the Mayor published the Safeguarded Wharf London Plan Implementation Report which describes the 50 wharves, which are all located upstream of Dartford Creek, and gives details of how they are to be treated under the planning system⁴.

The safeguarding is specifically for cargo handling and related uses as the primary purpose of the policy is to facilitate freight transport by water rather than by road, thus reducing HGV movements in London. Other water related activities such as passenger handling, boat repair or leisure boating do not comply with the requirements of the safeguarding policy and are therefore not permitted on a safeguarded wharf site.

Getting a safeguarding direction lifted is complicated; the London Plan only allows it if the wharf can be demonstrated not to be viable for cargo handling and the Plan sets out a number of viability tests to be used in any assessment (see page 14 of the Implementation Report). If a wharf is in active use then under the Plan's tests viability is assumed.

If the wharf is viable as determined by the London Plan tests then the safeguarding can only be lifted in exceptional circumstances i.e. *“for a strategic proposal of essential benefit for London, which cannot be planned for or delivered on any other site in Greater London”*. The only time these exceptional circumstances have been used was to lift the safeguarding on Delta Wharf which is next to the O2 Arena; the lifting was part of the negotiations for the purchase of the Millennium Dome, as it then was called.

In 2006, the safeguarded wharf policy was tested at the Peruvian Wharf planning Inquiry. The owner of the site did not claim non-viability or exceptional circumstance but instead proposed to reconfigure the safeguarded wharf area, construct a covered aggregate handling facility with a roof garden above it and residential blocks either side of it⁵.

The Peruvian Wharf scheme was opposed by the PLA and GLA on the grounds that the scheme did not comply with the London Plan safeguarding requirements and particularly that the scheme did not use every part of the safeguarded area for cargo handling. Another objection was that the scheme lacked flexibility for any future change in cargo handling operations that the market might require. After a public

⁴ A copy of the Safeguarded Wharves Implementation Report can be downloaded from the mayor's website at: http://www.london.gov.uk/mayor/planning/docs/safeguarded_wharves_05.pdf

⁵ The scheme proposal can be seen at www.peruvianwharf.com.

inquiry the Inspector recommended refusal of the scheme, subsequently confirmed by the Secretary of State in January 2007. The Inspector reasoned that the London Plan safeguarding policy should be strictly applied and that use of any part of a safeguarded wharf area for non safeguarded uses was not permissible under the policy.

3.3.4 Individual borough planning policy

There are six London Boroughs with riparian access along this stretch of the Thames. They are the City of London, Tower Hamlets and Newham on the north bank and Southwark, Lewisham and Greenwich on the south bank.

None of these councils have specific policies relating to cruise terminals, but work to the relevant local Unitary Development Plan or Local Development Framework, which set out land use policy and requirements, and affects the way development sites can be used.

We have consulted these local authorities where there are potential terminal sites (see Chapter 7). The attitude of the planning authorities towards cruise terminal development could be described as generally supportive for regenerative purposes, particularly Greenwich and Newham, but there was an appreciation of the safeguarding policy and the need for appropriate supporting infrastructure.

4. THE CRUISE MARKET AND FUTURE DEMAND

In this chapter we look at the global, European and UK cruise market and future trends relevant to London. The full report, which was undertaken by Seatrade, can be found in Appendix 2.

4.1 The global cruise market

The global cruise industry has shown steady growth over two decades yet even in its major source (North America), market penetration remains at just over 3%.

Figure 4.1: Worldwide cruise passengers 2004-2007

	2004	2005	2006	2007
North America	9,099,000	9,919,000	10,336,000	10,513,000
UK	1,029,000	1,071,000	1,204,000	1,337,000
Continental Europe	1,806,000	2,054,000	2,205,000	2,667,000
Asia (excl Japan)	450,000	450,000	580,000	660,000
Japan	183,000	156,000	177,000	184,000
Australasia	158,000	187,000	248,000	260,000
Latin America and others	650,000	620,000	660,000	803,000
TOTAL	13,375,000	14,457,000	15,410,000	16,424,000
Year on year increases	+8.7%	+8.1%	+6.6%	+6.6%

Source: A.R.Peisley Ltd/Seatrade from Cruise Lines International Association (CLIA), European Cruise Council (ECC), UK PSA and the International Cruise Council Australasia (ICCA).

There is, in fact, evidence of a slowdown in North American growth - 2008 showed an actual decline for the first time in more than a decade - but this is primarily because of the decision made by the North American-oriented cruise brands to diversify their market sourcing away from the US.

Over the past five years, this has meant significantly more ships deployed in Europe. Passengers are still being sourced from North America but now also from the UK and other emerging European markets.

The long-time number one cruise destination - the Caribbean - has seen an actual fall in capacity deployed and a much more significant drop in its share of worldwide capacity with Europe being the main beneficiary.

The number of Mediterranean cruise berths marketed in North America has nearly doubled since 2005 while the rest of Europe - primarily the Baltic, Norwegian fjords and UK and the near-Continent - has seen nearly 40% growth over the same period.

Including cruises solely marketed outside North America, North European capacity has grown another 14% in 2009 to bring the potential individual passengers cruising in the region to more than 1m for the first time.

Across Europe (and some Mediterranean/Atlantic Islands cruise capacity starts or ends in UK ports), overall capacity is up 7% to nearly 4.8m passengers, following an 18% increase in 2008.

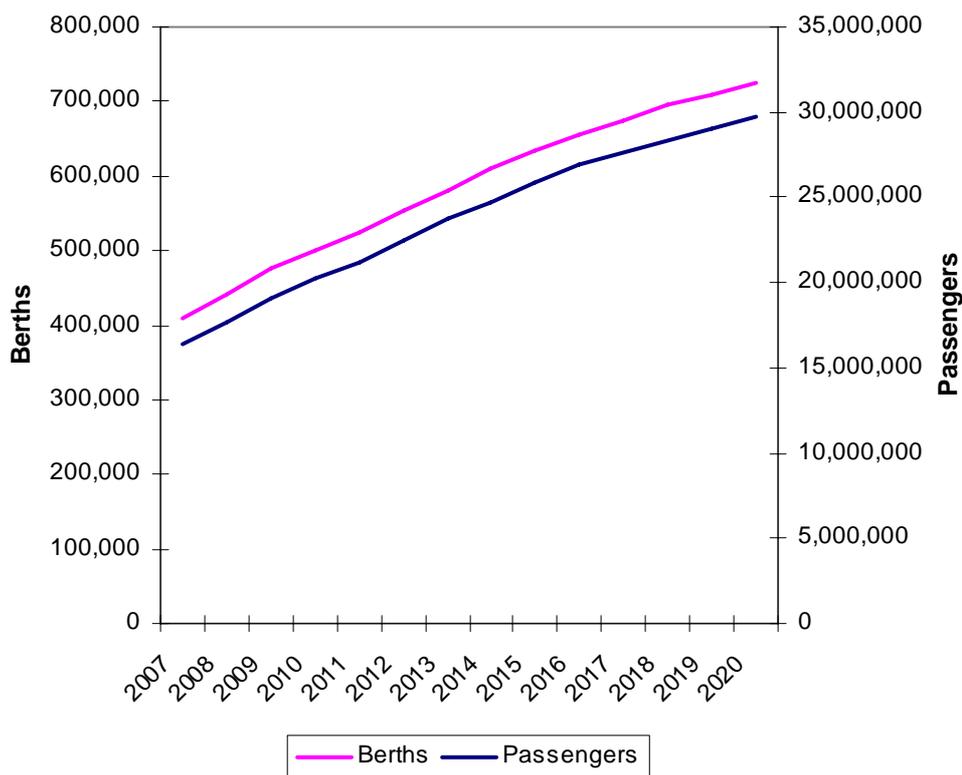
There has been some retrenchment by US-based lines concerned by the worsening economic situation, bringing a few ships back from Europe and Australia for deployments closer to their major North American source market, but this is unlikely to affect the long-term trend towards more European-based cruising.

4.2 Economic crisis and the global cruise industry

The current global financial crisis is not expected to have a long-term negative impact on the growth of the overall industry.

The supply/demand cycle projections which suggest a near doubling (+81%) of global carryings between 2007 and 2020 were made before the scale of the credit crunch problems had become clear but are still generally valid. They are based on the current fleet of about 330 cruise ships being augmented by between eight and 12 new ship deliveries a year through to 2020 which - even allowing for the withdrawal of some of the older, generally smaller (than the average new build) ships - would lead to a 75% increase in berths on the market.

Figure 4.2 Worldwide Cruise Supply/Demand Real/Projected to 2020



Source: A.R.Peisley Ltd/Seatrade.

The industry is still in a cycle where demand is being stimulated by supply and, by moving its focus towards less penetrated markets in Europe, Asia and Australasia, it should maintain this progress at least until 2020.

Although there is now likely to be something of a hiatus in ship orders for the 2011-2013 delivery period, this is likely only to prove a short-term blip. In any case, the projected pattern actually assumes reduced growth compared with the last 12 years,

reflecting both the higher base and the current signs that North America will not be able to sustain its 7%-8% average annual growth enjoyed since the late 1980s.

It is also worth noting that, although there will have been only 10 more ships built this decade (101) than in the 1990s (91), the overall increase in capacity was much more significant due to the increasing size of those ships in all sectors.

There are, in fact, a number of upsides for the industry resulting from the global economic meltdown which should enable it to resume its predicted growth pattern fairly rapidly.

- The drop in value of the Euro against the dollar is good news for cruise companies looking to order new ships. The reverse trend had been a major contributor to escalating new-build costs as all the major specialist cruise shipbuilders are based in the Euro zone while major cruise companies earn their revenues primarily in dollars. In fact, this situation has also contributed to the increase in European deployments as it has made more sense for companies to order ships for euro or sterling-earning brands in recent years. In the current order book, more than a third of the ships will be designated for European brands.
- The economic downturn is contributing to a reduction in costs of some key components of new-builds (steel, engines etc).
- Fuel costs have dropped sharply since peaking in mid-2008 and this is having a significant beneficial effect on the cruise companies' cost base.
- The value proposition of cruise holidays vis a vis land-based alternatives appears even stronger in the current situation where consumers are more aware of cost in their purchasing behaviour. Cruise lines have proved particularly effective in getting that message across in previous downturns and have generally won market share from other vacation sectors.

Once again, bookings have been re-stimulated in 2009 by pricing incentives - a strategy that has repeatedly worked for cruise lines, ensuring that ships continue to sail full even at lower ticket yields. With on-board revenue contributing between a quarter and a third of cruise company profits, operators consider it vital that berths are filled even at the expense of ticket yield.

The flexibility that cruise companies have to switch ships to different destinations and also to source from different markets has been key to their ability to ride out previous economic downturns and geo-political flashpoints more successfully than other sectors of the holiday market.

These issues point to a continuation of the industry's enhanced European focus, but how much London stands to benefit from this is open to a number of questions addressed through this study.

4.3 The UK cruise market

A record number of cruise lines (53) and ships (101) included UK ports in their 2008 itineraries although there was a reduction in the number of UK ports (37) that received at least one visit from a cruise ship.

According to Cruise Britain (formerly Cruise UK), there was also a record number of passengers embarking cruises at UK ports. As well as the 25% rise in ex-UK passengers, there was a 1% growth in overseas passengers starting their cruises in the UK.

Table 4.3: Turnaround cruise passengers at UK Ports 2002-2008

Passengers (000)	2002	2003	2004	2005	2006	2007	2008
Disembarkations	310	377	430	497	579	584	703
Embarkations	309	375	428	503	576	591	709
UK Passengers	232	281	316	403	451	460	577
O/S Passengers	77	94	112	100	125	131	132
Overseas share (%)	25	25	26	20	22	22	18

Source: Cruise Britain

The number of visiting passengers (transit calls) fell back slightly in 2007 but resumed growth in 2008 although there is an emerging issue with some ports not being able to handle the increasingly large size of ship being deployed in Northern Europe.

Table 4.4: Transit cruise passengers at UK Ports 2002-2008

	2002	2003	2004	2005	2006	2007	2008
Transit pax (000)	204	231	325	322	382	362	396
Ports	39	41	42	44	50	53	37
Cruise Ships	n/a	87	76	85	85	91	101
Cruise Lines	n/a	50	42	48	50	52	53

Source: Cruise Britain

Detailed insights into the various source markets are available in Appendix 2, from which the following key points have been extracted as being particularly pertinent to the growth of cruising in the UK:

- Rapid growth in the European source markets – 4.4m passengers in 2008 and 30% growth projected 2007-2012. 72% more Europeans cruise in Northern Europe in 2008 compared with 2004.
- Increased deployment away from North America to Europe results in 4.3m passengers embarking cruises in European ports in 2007 with 19m visitor port calls.
- North Americans, British and Germans are the leading cruise visitors to UK ports but there is new growth among Southern Europeans cruising in Northern Europe.
- The number of German passengers cruising to the UK and Western Europe has more than doubled since 2002.
- The average age of adult cruise passengers in main source markets is falling only slightly but there is a marked increase in family cruise travel (doubled in North America 2002-2008). The number of children booked on board has risen to nearly 2m out of 16m in 2007.

- More than a third (38%) of North American cruise passengers return to stay in a destination first visited on a cruise.
- North American cruise passengers spend 50% more on their holiday than non-cruisers.
- Destination is a key factor in choice of cruise for North American travellers and second only to price for British and other Europeans.
- UK is the seventh most popular European cruise destination for Europeans but third most popular embarkation country - three UK ports (Southampton, Dover and Harwich) are in the top six Northern European homeports but none are in the top ten ports of call.
- There were nearly 1.5m UK cruise passengers in 2008 which means one in every 14 foreign package holidays booked was a cruise compared with one in 29 in 1998.
- The number of UK passengers cruising in Northern Europe has nearly trebled (+170%) since 2002.
- Average household income of UK cruise passengers is £37,400 and they typically spend £168 per week per person on shore excursions during a cruise. More than two-thirds cruise as couples and more than a third are retired.

4.4 Economic impact of cruise calls

In 2007, Cruise Europe published data on the economic impact of cruise tourism to European economies. As the table below shows, Italy, the UK and Germany accounted for almost two thirds of the direct expenditures of the cruise industry. This is because these countries generally participate in all segments of the industry:

- Serving as major source and destination markets for cruise passengers
- Maintaining headquarters facilities and providing crew
- Providing shipbuilding and repair services
- Provisioning and refuelling of ships

Table 4.5: Economic impact of the Cruise Industry in Europe

Country	Direct Expenditure (€mn)		Jobs**		Compensation (€mn)**	
	2005	2006	2005	2006	2005	2006
Italy	2,501	3,199	61,445	74,287	1,810	2,295
UK	1,686	1,818	37,319	39,423	1,457	1,588
Germany	1,073	1,719	19,969	29,925	725	1,152
Spain	683	780	13,940	15,496	422	480
Finland	621	734	10,205	11,668	371	439
France	536	849	7,265	11,072	310	496
Rest EU +3*	1,226	1,483	37,109	43,775	922	1,104
Total	8,326	10,582	187,252	225,586	6,017	7,554

* Belgium, Denmark, Greece, France, Ireland, Luxembourg, Netherlands, Austria, Portugal, Sweden, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia + Iceland, Norway and Switzerland of EFTA.

** Includes indirect and induced jobs and compensation

Source: ECC/BREA

In 2006, Cruising in the UK generated 1,181 million euros expenditure, and accounted for nearly 40,000 jobs, and as the industry continues to grow, so will its economic impact.

At a port level, there is little data on economic impact. However, we have reviewed studies for Dover, Southampton and Oslo, which indicate the following:

Table 4.6: Economic Impact of Cruise calls in ports

Port	Year	No of calls	Passengers	£turnover	Jobs FTE
Southampton	2004	204	548000	202.2m	2432
Dover	2005	112	159226	18.8m	213
Oslo	2005	156	206000	31.1m (euro)	200-335

Source: TTC International and Roger Tym & Partners (Southampton and Dover), Howarth Consulting and TOI (Oslo)

4.5 London's alternative ports/competition

The current market for cruise calls to London is outlined in Chapter 2. In 2009, 22 calls are scheduled for central London (12 to Tower Bridge Upper and 10 to Greenwich Ship Tier).

To put these into context, more than 500 cruises will embark from UK ports during 2009, including 278 from Southampton, more than 140 from Dover, about 40 from Harwich and around 16 from Tilbury⁶. These ports also handle a number of transit calls.

Schedules for these alternative "London" ports of Harwich, Southampton, Dover and Tilbury show a lower proportion of multi-day transit calls than the two inner London facilities because, although the extra time would make tours to Central London more feasible, with the exception of Tilbury, the travel time involved has already made them less attractive as ports of call for passengers interested in visiting London. These ports' main business, then, is aimed at outgoing British passengers rather than incoming foreign tourists. This is also the case at Tilbury.

Tilbury, which is 23 miles from central London, is the closest alternative to the current central London moorings. The 'London Cruise Terminal', as it is known, can take ships of 360m+ with a draft of 10m with no tidal restrictions and no requirement for tugs. The terminal building is both attractive (a listed building) and offers a generous amount of internal space, good short-term parking and long-term parking subject to other port demands. The terminal is also perceived as offering an efficient and friendly operation. Therefore, with its good communications, Tilbury is a more natural cruise gateway to London - for the larger ships that can not reach central London - than Dover, Harwich or Southampton who promote themselves as such.

Tilbury has a long tradition in the industry and although it has suffered in the past from lack of active attention, the approach towards cruise has changed recently. This year the port has 17 calls scheduled including 14 from the home-porting Marco Polo. (This ship caters for the British over 50s more budget market, a quite different market to

⁶ While there is a fairly even mix between southbound cruises (to the Canaries and Mediterranean) and northbound cruises (to Scandinavia/Baltic) in the Tilbury and Harwich schedules, those from the other alternative ports of Dover and - in particular - Southampton favour southbound itineraries.

that served by the ships which call in central London. The only call to Tilbury this year which includes London as a 'destination' is by the Italian ship Lirica, which is too large to cruise up to central London.) Enquiries suggest cruise business may increase next year and beyond.

There is, however, a strategic concern over the state of the landing stage, a remarkable (listed) structure but in a poor state of repair. It has a limited life. Survey work is planned to establish its current lifespan and clarify the viability of options. The options are to redevelop the landing stage completely, with a new facility that combines with cargo handling or to refurbish the existing structure. Under both scenarios the ambition is to refurbish the historic adjacent railway station to provide a new luggage handling area. It is hoped funding will come from landside development although that is now subject to market conditions.

Harwich is also building up business as a port of call to augment its home-porting (turnaround). In 2008, it had a record seven transit calls and five more are booked for 2009. It says it is taking some business from Dover - mainly when the berths are full there. London, though, is not a major tour option for most visiting lines because the journey time from Harwich makes it difficult to offer an attractive tour within the time constraints of a single day call.

Despite the demise of a major client, Travelscope, in 2008, passenger numbers have been steadily increasing at Harwich. Although it has a shorter season than Southampton, the port is currently considering undertaking a feasibility study on a third berth, also of 200m. In the meantime, a £3m passenger gangway has been completed this spring along with an expanded and enhanced customs and immigration area in the terminal.

Southampton also attracts some transit calls but is primarily a homeport. It is also the base for most of the increasing number of mini-cruises operated by the major brands. (See Chapter 8 for further details on operations at Southampton).

Dover, which gained 10% more cruise traffic in 2008 and is expecting a similar number of cruise calls this year, has plans to lengthen one berth, enlarge the manoeuvring area around it and also create more baggage handling and parking spaces. (See Chapter 8 for further details on operations at Dover).

Table 4.7: Central London and alternative ports, cruise calls 2006-2009

	2006		2007		2008		2009
	Calls	Pax	Calls	Pax	Calls	Pax	Calls
Dover	136	215,624	123	164,723	144	273,187	140
Harwich	56	106,700	62	108,745	60	133,660	53
Southampton	253	737,728	243	798,463	278	971,258	260
Tilbury	30	13,390	16	17,852	24	13,546	17
C London	19	6,169	17	7,564	15	6,128	22

NOTE: For all ports other than London, the majority of traffic is turnaround so the totals include passengers counted twice.

Source: Cruise Europe, 2009 figures from individual ports

For all these ports, the majority of calls are turnaround arrivals with overseas passengers, where relevant, usually staying pre- and post-cruise in London.

Because their transit calls are usually a maximum of 10 hours, increasing traffic congestion issues in and out of central London mean that lines visiting these

alternative London ports concentrate on offering excursions closer by than London e.g. New Forest from Southampton, Cambridge from Harwich or Canterbury from Dover.

4.6 Trends in ship sizes and impact on London

As far as Central London is concerned, it is the size of ships available in the North European market and those being built as much as the number which holds the key to its future potential as a cruise destination.

New ships are being built for the three main product sectors; Contemporary (mass-market), Premium (Four Star) and Luxury (Five Star). There are also newbuilds in the emerging Premium-plus sub-sector which utilises medium-sized ships capable of cruising into London.

Luxury ships i.e. most of those that visit London, rarely represent more than 10% of the total on order at any one time and, as their capacity is always much lower than the average on a Contemporary or Premium ships, this niche sector's share of the overall cruise market is constantly being eroded in times of capacity growth.

Cruise ships now have an operating life of 30-40 years. Therefore, in the long-term, a new generation of small to medium-sized ships will be coming through alongside the mega-ships which now dominate the order books. There has been a recent wave of orders for Premium-plus and Luxury brands which are coming on stream over the next three years.

The average capacity almost doubled for new ships delivered in 2006 compared with those in 2000. That there is now some sign of the increases levelling off can be explained by the upsurge in orders for the lower-capacity Luxury sector.

In strategic terms, however, the addition of any new large ships also has a positive knock-on deployment effect with older, usually smaller ships then released for deployment on such niche products as round-Britain or other Northern Europe itineraries.

However, even in the Luxury sector, the average size of ships is doubling or even trebling for some individual brands. The three new Seabourn ships are 32,000t compared with its original 10,000t trio. However, these can still access central London.

In Premium-plus, Oceania's three new ships will be more than twice the size of its existing 30,000t ships while Contemporary German brand AIDA is building new ships of 69,000t compared with its original 38,000-42,000t ships. For all of these, central London will probably be outside their operational limits.

As a result, only nine of the 39 ships currently on order measure less than 50,000t. (i.e. roughly the ship size currently docking either at London's Tower Bridge or Greenwich Reach facilities) but there are a considerable number of ships (mainly built since 1970) of up to 50,000t still operating. These represent about half the existing global fleet (i.e. approximately 170 ships). Only 11 of these are due to call in central London in 2009.

5. VIEWS OF CRUISE OPERATORS

A number of cruise operators were interviewed⁷ to determine the users' view of cruise operations in London and where there were opportunities for development and improvement.

Cost, location and logistics are the three key factors taken into account by cruise companies when choosing ports both as homeports (turnaround ports) and also as ports of call. The loading of each factor will vary between turnaround and transit ports as well as from line to line and destination to destination.

We held interviews with key executives from eight cruise brands⁸. These brands target either North American, UK or European passengers and have experience of existing Central London facilities or – in one case – opt to use Tilbury instead. The following insights emerged:

5.1 London is an expensive call

Over and above the issue of berthing and terminal infrastructure, the cost of cruising along the Thames is seen as a major disincentive to transit or turnaround calls in Central London. Light dues, the requirement to use tugs fore and aft and other extra operational costs are cited as key negatives influencing decisions whether or not to include a Central London call of any kind.

5.2 London is a marquee destination

London is unanimously considered one of the world's marquee ("must-visit" in cruise-speak) destinations and calling in Central London is particularly attractive to North Americans and Germans but one brand (Residensea) summed up the consensus view by describing it as *"one of only two major ports (San Francisco is the other) which fail to live up to their marquee status in terms of arrival infrastructure."*

5.3 Tower Bridge Upper moorings

Passage along the river can be seen as a plus for passengers and therefore a positive marketing message but this also involves extra cost for the cruise line and a reduction in the number of port calls in an itinerary – a marketing negative.

The location of Tower Bridge Upper is seen as perfect in terms of passenger appeal and the journey there - ending in passage under the Bridge – only adds to its attractiveness. So much so that it is clear that those lines with ships small and manoeuvrable enough to reach it would continue to use it for transit calls even if a new purpose-built dock and terminal facility were developed further away from the centre. That said, the difficulties of transferring passengers, bags and stores by

⁷ Full report available in Appendix 2

⁸ Brands surveyed included Fred Olsen, Holland America Line (HAL), Peter Deilmann, Regent Seven Seas Cruises(RSSC), Residensea, Seabourn, Silversea and Transocean.

tender and across HMS Belfast would prompt those same lines to use any new facility even for those smaller ships if they decided to turnaround in Central London.

It is generally felt that there is little specifically that can be done to improve the Tower Bridge Upper/HMS Belfast facility given the fundamental constraints. As its draft/length/tide limitations will always restrict those ships able to use it to a small number (smaller as years go by as larger ships replace smaller ships in the global cruise fleet), it might not be worth the cost of doing so even if specific improvements could be identified.

5.4 Greenwich Ship Tier moorings

There are mixed views on Greenwich, particularly as a turnaround port. The need to tender passengers/baggage, the lack of weather protection on the landside, the distance between the tender pier and the tour/transfer coaches and the patchy onward transport links are all cited as negatives. One Luxury brand (RSSC) has used it to turnaround two ships there in recent years but its experience was such that it has decided never to repeat this. North American Premium brand, HAL, has, though, decided to turnaround in Greenwich in 2009, having previously made only transit calls. German Luxury brand Peter Deilmann believes Greenwich is adequate only for transit calls but makes it clear that, if there were good turnaround facilities, it would use them as its clients are keen to stay in London pre/post-cruise.

All those brands which have used the floating Welcome terminal speak well of it – considering it the best of the Central London options. “Within its limitations, it works pretty well,” summed up one.

5.5 Requirements for a new facility

All brands agreed that any new facility would not need a huge or lavishly appointed terminal building but it must have easy access to transport connections into Central London. One Luxury brand (Silversea) said its upscale passengers would be happy to use the Tube (if there was an adjacent station) as part of their London experience even though they would not normally countenance public transport in their lives back home. It echoed other brands preferring the new facility to be north rather than south of the river because of the better transport links there.

The absence of any “wow” factor to match Tower Bridge or, to a lesser extent, Greenwich would not be seen as major negative factor for any new facility. It is accepted that any area still available for such a development is likely to be away from London’s most iconic locations. So long as the new location has an attractive façade and works logistically for the docking of ships and the handling/onward transfer of passengers to/from those iconic locations, it will work for cruise lines. As one pointed out, London is like Los Angeles and San Francisco which are poorly served by its cruise port facilities but *“retain massive passenger appeal because LA is LA and San Francisco is San Francisco”*.

5.6 Other ‘London’ ports

Central London remains a popular turnaround port for overseas visitors. Although convenient as a turnaround port for northbound and southbound cruises and for the increasing range of round-Britain itineraries, Tilbury is ruled out by Luxury and

Premium brands as being too unattractive – the port and the surrounding area – for their passengers. It is also considered too far outside the city. Residensea operates the World as a residential cruise ship with apartments owned by the passengers using them. As a result, the owners have itinerary alternatives to choose from and when recently offered the option of the ship going to Tilbury, Dover, Southampton or Harwich instead, still opted for Greenwich even though there was an extra cost to them involved.

UK passengers – even those from London – are happy to use those alternative London ports of Tilbury, Dover, Southampton and Harwich for outbound cruises. In fact, two UK-oriented brands (Fred Olsen and Transocean Tours) said that the logistics of bringing passengers into London from elsewhere in the country (traffic, car-parking etc), added to the journey time down and up-river, would deter them from turnaround in Central London even if a new facility was built.

6. POTENTIAL FOR GROWING CRUISE CALLS TO LONDON

From the market review and feedback from operators, we have drawn together a short SWOT analysis to summarise the key issues before summarising the potential for growth in London.

6.1 SWOT analysis

Table 6.1: SWOT analysis

Strengths	Weaknesses
London is a marquee destination Arrival through Tower Bridge is a strong marketing asset Excellent international and national transport networks Proximity to key European Source markets (UK and Germany)	Long steam time from open sea Tidal restrictions Size restrictions Tendering operations make calling expensive No permanent terminal facility Lack of land space at temporary ports Congestion to / in central London and Greenwich
Opportunities	Threats
Growth of cruising in Northern European destinations Growth of UK and German source markets Re-launch of Cruise UK as Cruise Britain New ships coming on line	Economic downturn might affect cruise industry Other 'London' ports offering improved facilities Other European turnaround ports offering improved facilities

6.2 Summary

Although the extent of any increase will be determined by a variety of factors including the exact location, operational limitations and user-cost of any new facility, it can confidently be assumed that there will be increased cruise traffic into Central London.

In fact, just the growth of the global cruise markets and the current and future focus of the industry on European destinations and sourcing should ensure this. But it is clear from the brands that there is a greater demand for Central London calls than they are currently able to fulfil directly because of the limitations of the current cruise port infrastructure.

In particular, the right facility in the right place will attract more brands to homeport. This, in turn, is likely to increase the average length of stay for the ships with the consequent increased passenger spending in London this brings with it. Turnaround business is also valuable in terms of the associated pre- and post-cruise stays in London hotels it produces.

Operating cost, though, will be a factor – as it is for all cruising in and around the UK, which is seen by cruise companies as one of the world's most expensive places to deploy a ship. The proposed increase in light dues will only add to that assessment⁹.

This is a UK rather than a London issue but will inevitably impact the capital's cruise tourism whatever happens with the proposed new facility. Anything that can be done to minimise the cost of docking ships in Central London will increase the number of

⁹ For more details on the costs for operators see Appendix 5

calls – transit as well as turnaround – that are attracted. An alongside berth will reduce costs significantly as no tendering will be required.

As well as the Luxury brands, a key sector to be targeted should be the newest one: Premium Plus. An offshoot of the four star lines (now primarily operating 2,000+ passenger ships too large to call in Central London), these brands (Azamara, Oceania and part of Princess) have 700-passenger ships which are deliberately operated away from the standard Mediterranean and Caribbean itineraries. These ships are able to reach Greenwich and would be candidates for turnaround calls given the right facility.

Although the aforementioned unknown factors make exact forecasting difficult, it would not be unreasonable to expect a trebling of calls over the 10 years following the opening of a new single berth terminal/dock in Central London i.e. from 22 to say, 65-70 calls. This estimate is based on:

- The latent demand from the number of ships in the market which are able to (ie are small enough) but do not currently call in central London. A number of these would call if facilities were upgraded (based on conversations with operators).
- In addition, those ships which do call will consider visiting more often (based on conversations with operators).
- The number of new ships coming on line (5%growth in the relevant size).
- The general growth in the cruise market (c75% to 2020)
- Increased promotional activity.

Assuming an average ship size of 500 passengers, this represents an additional 20-25,000 passengers. Also, as the stay durations would also increase due to the extra turnaround calls, the growth in port utilisation would be even greater. 65-70 calls could result in¹⁰:

- £18.1m net output
- 206 FTE jobs
- £5.4m value added.

¹⁰ Data from SQW Convoys Wharf economic impact study. For more details see Appendix 4.

7. ASSESSMENT OF POTENTIAL SITES

In the previous chapter we identify the need and potential demand for a permanent, dedicated, alongside cruise port in central London. In this chapter, we look at the potential sites where this could be located, be it improving existing facilities or building a new facility elsewhere. The assessment was undertaken by Beckett Rankine.

This assessment of sites considers locations on the Thames where there have been proposals for shore-connected cruise terminals in the recent past, sites where there are current proposals and sites where the physical attributes of the site mean that developing a terminal may be possible. The assessment does not consider any sites where physical connection to shore is not a practical possibility. (Without a fixed shore connection the berth would be no better than the current arrangements at Tower Pier Upper and Greenwich Ship Tier.)

The geographic area of search extends from Tower Bridge in the West to the Thames Barrier in the East. Originally no site east of the barrier was included as it was thought to be too remote from Central London to be considered attractive to visitors to London. However we have added Woolwich Arsenal to the list as, from the maritime perspective, the location faces minimal constraint, and the Royal Docks.

The engineering requirements for a cruise terminal site used in this assessment are outlined in Table 7.1.

Table 7.1: Requirements for a cruise terminal

Berthing capacity	Must be able to accommodate at least one 230m cruise ship. This is the largest cruise vessel which is likely to visit London.
Water Depth	A depth of 8m below Chart Datum should be achievable and reasonably maintainable without excessive maintenance dredging liability.
Navigational Risk	The site should be in an area where the berthed ship will not constitute a navigational hazard.
Land Availability	The site needs to have sufficient available land for the construction of terminal buildings (typically with around 1,000m ² floor area for the target ship size) and ancillary facilities such as coach drop off and parking areas.
Transport infrastructure	The site needs to have good road connections and access to public transport.
Quality of destination	Although not a priority, the site would ideally be located in an area which has a 'sense of arrival' and reflects London's status as a top city destination.
Deliverability	The absence of physical or policy constraints. Constraints can include planning e.g. safeguarded sites, physical constraints such as road access or rail tunnels or dredging and, of course, ownership issues which include willingness to develop.

Source: Beckett Rankine

7.1 Current sites

Full details of the current sites are outlined in Chapter 2. Here, for the sake of completeness, we analyse the potential to upgrade them and make them permanent.

7.1.2 Tower Bridge Upper

The security-imposed need to have a 'sterile' area where passengers and their baggage are screened and separated from public areas means that it will always be necessary to tender passengers, baggage and supplies from Tower Pier to the ship.

In the long-term, it is possible that HMS Belfast might be relocated leaving the opportunity for a new arrangement but in the meantime, bringing passengers directly on to HMS Belfast and then to the ship is not possible, and in any case, poses severe accessibility issues. There is no suitable space on the northern side of the River (upstream from Tower Pier) due to lack of water and lack of land.

That said, the iconic location is such that cruise lines are willing to 'make do' with the lack of facilities, especially for transit calls. The main problem in that case is congestion on Tower Pier itself, which is already a busy passenger pier. Plans are in the pipeline to extend the pier by 32m and, assuming the required permissions and resources are granted, the extension should be operational by winter 2010/2011.

7.1.3 Greenwich Ship Tier

The ship tier is located away from the shore and there is no possibility to develop it into an alongside facility, and thus eradicate the need for tendering. Furthermore, lack of suitable space on the Greenwich shore (explored in further detail below) means that a permanent cruise port at GST is not feasible. More formal provision of on-shore shelter for passengers and baggage on arrival in the vicinity of the pier would greatly improve the existing arrangement.

NB: The existing London Cruise Terminal, Tilbury is not an attractive destination but more importantly does not offer the wow factor of passing through, and berthing in, central London that we know from our research is such a draw for the smaller, upmarket cruises. A refurbished Tilbury would, however, provide an excellent complement to a new central London facility – catering for the large ships which cannot go up the River and those which may not want to incur the extra costs of berthing in central London.

7.2 Potential terminal sites in London

We consider the potential new sites in geographic order from the West to the East. The locations of the considered sites are shown on the plan in Appendix 3.

From Tower Bridge downstream to the first site at Convoy's Wharf in Lewisham there are no suitable sites principally because the river edge is heavily developed with housing but also because the river is relatively narrow over this length with few natural areas of deep water. We are not aware of any proposals ever having been put forward for cruise terminals on this stretch of river.

7.2.1 Convoys Wharf

Convoys Wharf in Deptford in the London Borough of Lewisham is a disused port facility, previously owned by News International. It is located in a residential area and access is via a small residential street from the A200, which in turn connects the site to central London and Greenwich.

In the past, a cruise terminal at Convoys Wharf has been considered, and the idea promoted by the PLA, and several studies to examine the idea were commissioned¹¹. The eventual conclusion of these studies was that a cruise terminal at Convoys was feasible but expensive and that the development plans on the table at the time (which included a Sustainable Business Park) would, as long as they involved sufficient use of the river frontage to satisfy safeguarding requirements, be preferable to a cruise terminal. No firm development proposals for a cruise terminal have been put forward by a developer.

Berthing Capacity	Two main berths, one on a 245m long jetty with a depth of 5m below Chart Datum (CD) the other a Ro-Ro berth on dolphins (currently being removed) with a depth of 7.m below CD
Water Depth	5m below Chart Datum and 7m below CD. Dredging the deeper of the two berths to provide an 8m depth is likely to be relatively straightforward
Navigational Risk	Low
Land Availability	9.14 ha wharf site. Available land would be part of a wider development project.
Transport infrastructure	The A2 passes the other end of Deptford High Street, with access to the south. Both roads are heavily congested. Deptford railway station is 10 minutes walk from Convoy's with frequent trains to central London taking 6 minutes. There are no nearby underground stations, but the DLR at Greenwich is ½ a mile away.
Quality of destination	Deptford is undergoing regeneration and its public realm has improved in recent years. However, it is not a 'destination' and does not have much to offer cruise passengers.
Deliverability	Convoys Wharf is safeguarded for cargo handling use under the London Plan. Despite the safeguarding, there are plans for a major mixed use development for the site. These plans do not include a cruise terminal. These plans are supported by the local authority (LB Lewisham) and developers are at present in negotiation with the GLA regarding the safeguarding issue. LB Lewisham are not keen to revisit the idea of a cruise terminal at Convoys.



Convoys Wharf Aerial View (Google Earth)

¹¹ Convoys Wharf Cruise Terminal Feasibility Assessment - Locum Destination Consulting, October 2003; Convoys Wharf Cruise Terminal Initial Planning Report - Royal Haskoning, February 2004; Convoys Wharf Cruise Terminal Financial Feasibility Assessment - Locum Destination Consulting, May 2004; Convoys Wharf Cruise Liner Terminal: economic impact assessment - SQW Ltd, September 2004; Convoys Wharf Cruise Liner Terminal Assessment – Scott Wilson, January 2005

7.2.2 Greenwich Reach

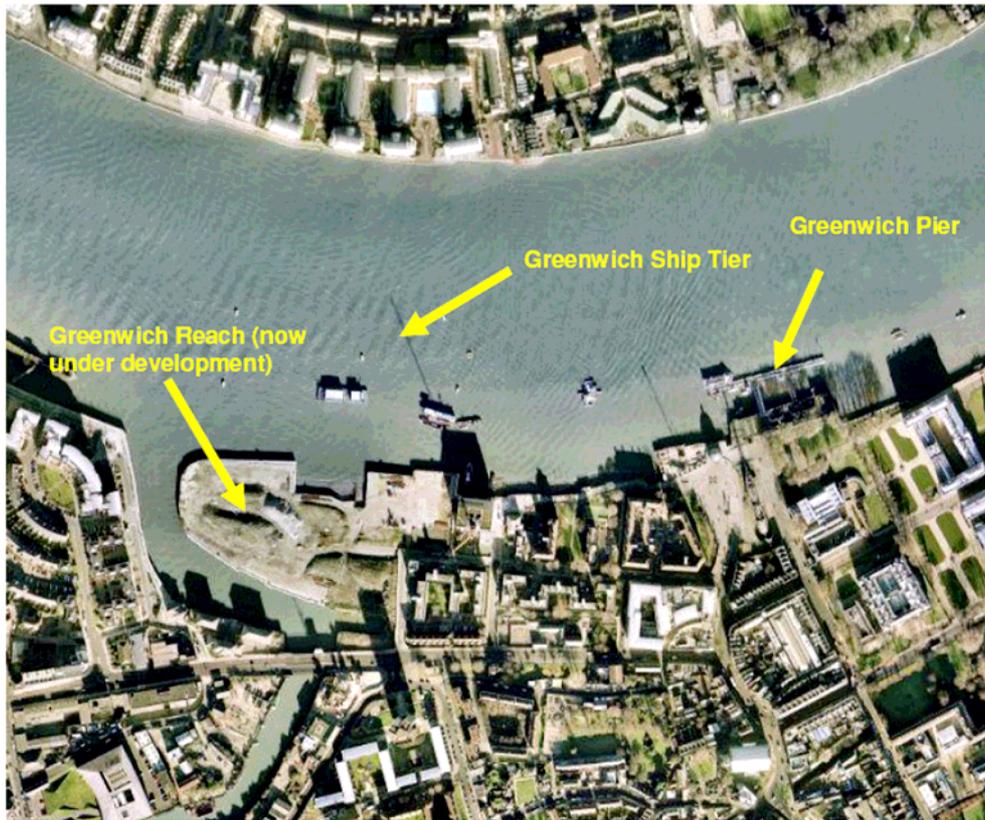
Greenwich Reach 2000 was a proposal for a single berth cruise terminal located at Granophast Wharf which is a site at the east side of the entrance to Deptford Creek in the London Borough of Greenwich. The proposal involved constructing an offshore berth in the location of the Greenwich Ship Tier with the offshore elements linked by bridges to a major mixed use redevelopment on Granophast Wharf itself.

Berthing Capacity	Could accommodate ships up to 230m
Water Depth	Sufficient
Navigational Risk	Low
Land Availability	The scheme involved the relatively expensive solution of housing the terminal building on a very large pontoon.
Transport infrastructure	Congested roads to / in Greenwich. Good public transport (DLR) links and fast river services from Greenwich pier.
Quality of destination	Greenwich is a World Heritage Site and one of London's major tourist attractions.
Deliverability	The cruise terminal part of the Greenwich 2000 scheme has not been progressed and a wholly shore based redevelopment of Granophast Wharf is currently under construction. We do not know why the Greenwich Reach 2000 cruise terminal was abandoned.

7.2.3 Greenwich Pier

Greenwich Pier would offer a superb site with great appeal to cruise passengers being next to the attractions of Greenwich's World Heritage Site. There have been no proposals for a cruise terminal.

Berthing Capacity	125m long group of pontoons which could be replaced with a new pontoon sufficient to accommodate ships up to 240m.
Water Depth	5m below CD. Dredging is likely to be constrained by the relatively shallow Greenwich foot tunnel just upstream of the pier.
Navigational Risk	Low
Land Availability	Very poor. The London River Services owned Greenwich Pier consists of a 125m long group of pontoons moored on anchors and chains with four link bridges to Greenwich Promenade. The Promenade site itself is currently being redeveloped with a pair of buildings to house a restaurant, coffee shop, ticket offices and WCs and with this development in place there will be no spare land available.
Transport infrastructure	Congested roads to / in Greenwich. Good public transport (DLR) links and fast river services from Greenwich pier.
Quality of destination	Excellent. World Heritage Site and major London destination.
Deliverability	<p>There are a number of physical and operational constraints. The upstream end of the pier lies above the Greenwich Foot Tunnel which is a constraint on piling. Slightly further upstream lie the twin Dockland's Light Railway Lewisham Link tunnels so extending a berthing structure upstream is unlikely to be practical due to the restrictions on piling in the vicinity of railway tunnels. Extending the berth downstream would take it in front of the Grade I listed Royal Naval College impinging upon views of the College from across the river.</p> <p>Greenwich Pier is currently one of the busiest passenger piers on the Thames serving both tourist boats and Thames Clippers' riverbus boats. Were the pier site to be converted to a cruise terminal a new riverboat pier would need to be provided nearby or else incorporated into the cruise terminal development. The site constraints – both on land and in the River - would make either option a severe challenge.</p>



Potential cruise sites in / around Greenwich (Google Earth)

7.2.4 Enderbys Wharf

Enderbys Wharf is located about one kilometre downstream of Greenwich Pier in L.B. Greenwich; the site is owned by West Properties who propose to redevelop it with a mixed use development which is to include housing, a riverside hotel (and associated skills academy). While West Properties' plans are still in development they have proposed to include a single berth cruise terminal in the development with the hotel's function facilities offering dual use with the cruise terminal.

Berthing Capacity	Could accommodate one ship up to 230m
Water Depth	7.7m below CD. Dredging to achieve 8m depth is unlikely to be a problem, but contamination of sediments may be an issue.
Navigational Risk	The PLA have raised concerns over the navigational restrictions imposed by the mobile Saundersness shoal on the opposite side of the river; a hydraulic assessment and navigational risk assessment will be required to investigate the terminal's effect on the shoal and the impacts on navigation in the area. However, the navigational risk is not deemed to be insurmountable.
Land Availability	8.94 acres. Available land would be part of a wider development project.
Transport infrastructure	Link road proposed to A2203 Blackwall Lane – Blackwall tunnel to A13 and north of river. Approx ¾ mile to North Greenwich tube. Approx ¾ mile to Greenwich.
Quality of destination	Enderby's Wharf is within walking distance of Greenwich and the O2, and opposite Canary Wharf. Although the site is not currently attractive in itself, if proposed developments go ahead it will be an attractive riverside location with a range of amenities for passengers.
Deliverability	Enderbys Wharf previously operated as Alcatel's submarine cable loadout terminal. For this function a dredged pocket was created about 100m offshore in which the cable ships moored while loading. While the pocket has not been dredged for at least 20 years it still retains its depth of circa 7.7m below CD which indicates that this depth is self maintaining at the site. West Properties' proposal is to locate the cruise ship berth in this pocket with relatively simple berthing structures and a link bridge giving direct access to the on shore passenger hall and baggage processing facilities

	<p>in the hotel.</p> <p>LB Greenwich and the PLA (subject to the navigational risk issue being resolved) have responded positively to pre-application proposals at Enderby. The site is designated as Strategic Industrial Land which will have implications on the development plans.</p> <p>West Properties' intention to work the scheme up for submission to planning in late 2009 which, they hope, will enable them to have the cruise terminal part of their development operational in time for the 2012 Olympics. Their proposals are supported by AEG and Thames Clippers.</p>
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Enderbys Wharf Aerial View (Google Earth)

7.2.5 Victoria Deep Water Terminal

Victoria Deep is 300 meters further downstream from Enderbys on the Greenwich peninsula. It is an active aggregates deep water wharf providing material for the redevelopment of the local area.

Berthing Capacity	Total wharf frontage of 259 m with slight kink in the middle.
Water Depth	6.5m – 7.5m below CD
Navigational Risk	Low
Land Availability	6.09 ha site
Transport infrastructure	Access to Blackwall Lane and Blackwall tunnel. Very close to North Greenwich tube station.
Quality of destination	Good. Opposite Canary Wharf, close to O2 and Greenwich.
Deliverability	The wharf could physically accommodate cruise ships alongside with relatively minor modifications. However to convert the terminal to a cruise terminal would require the wharf's safeguarding for cargo handling to be lifted. It is doubtful whether this would be possible and the PLA have stated that they would vigorously resist any such lifting of safeguarding on an active wharf. Any attempt to have the safeguarding lifted would undoubtedly be a lengthy process and could only be done under the London Plan's exceptional circumstances provision (policy 4C.15 of the Plan). Alternative provision for the aggregates would have to be found.



Victoria Deep Water Terminal Aerial View (Google Earth)

7.2.6 Delta Wharf

Delta Wharf is located another 100 meters north of Victoria Deep on the Greenwich peninsula. It is owned by Quintain, adjacent to the O2, with planning consent for high density residential already granted. AEG has proposals for a 450 room hotel and conference facility on the O2 site. Quintain have advised that they have no proposals for a cruise terminal on their land.

Berthing Capacity	Could accommodate ships up to 230m.
Water Depth	Dredged to 8.5m below CD.
Navigational Risk	Significant; ships on the berth could interfere with the ship turning area in this location.
Land Availability	3.47 ha site. Outline planning permission for high density, high-end residential development. Does not include cruise terminal. AEG, the owners of the neighbouring O2 are supportive, in principle, of a cruise terminal on the Greenwich Peninsula and there is the possibility to link a cruise berth off Delta Wharf with the proposed new hotel development on the neighbouring O2 site.
Transport infrastructure	Good. Jubilee line at North Greenwich. Road access to Blackwall Tunnel. Large car park associated with O2.
Quality of destination	Generally excellent. Next to O2 / Dome, Europe's premier entertainment complex. Opposite Canary Wharf. Some concern has been expressed over the dust nuisance that can affect the site from aggregate handling operations at nearby Victoria Deep Water Terminal.
Deliverability	There are two significant constraints on the Delta Wharf site; these are underlying tunnels and the large ship turning area which is located immediately off Delta Wharf. The ship turning area coincides with a natural area of deep water outside the South West India Dock lock entrance; the turning area is in regular use. If the turning area were to be obstructed by the presence of a cruise ship on a berth at Delta Wharf then an alternative ship turning location would need to be found. Perhaps a more onerous constraint is the presence of the nearby tunnels. Immediately upstream are the twin Jubilee line underground tunnels while 150m or so downstream of the site is the original Blackwall Road tunnel. Due to the curvature of the river a cruise berth would need to be toward the upstream end of Delta Wharf which would require piled berthing structures close to the Jubilee line tunnels. Installing piles close to London Underground's tunnels is highly problematic and expensive as the window for working at night is so short.

	In 2008 the PLA commissioned a report from Royal Haskoning which looked into options for developing the berth within the tunnel constraints. A preferred solution was identified, along with outline costs for the structures but not for the dredging (the cost of which could be significant as up to 4m of material has to be removed). We understand that the scheme has yet to be discussed with the tunnel owners, LUL and TfL. However, the site's landowners, Quintain, have stated that they are not proposing a cruise terminal for the site.
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Delta Wharf Aerial View (Google Earth)

7.2.7 Wood Wharf

Wood Wharf is located on the east side of the Isle of Dogs in LB Tower Hamlets. The site does not have a river frontage but is located within the West India Docks complex alongside South West India Dock entrance to the West of Prestons Road.

Berthing Capacity	Restricted to 120m by lock. Riverside berth could accommodate ships up to 230m.
Water Depth	Should be sufficient both in lock and on riverside.
Navigational Risk	Would have implications on turning area off the dock entrance.
Land Availability	Restricted.
Transport infrastructure	Nearby DLR and Jubilee line stations at Canary Wharf. Close to A13 (to Central London), and major roads leading to north / east London.
Quality of destination	Canary Wharf is one of London's most important landmarks, and has a wealth of facilities for visitors.
Deliverability	We are not aware of any proposal for a cruise terminal at Wood Wharf but we have been asked to include the site in this assessment. Without a riverside link it would be very difficult to link the site to a cruise terminal in the river. The terminal could theoretically be located within the dock but this severely limits the ship size to the maximum which can be accommodated by the lock - approximately 120m x 21m. (Of the 22 cruise and training ships that visited in 2008 only 5 would have fitted through the lock and these vessels were nearly all sail training ships rather than true cruise vessels.) Locating a cruise terminal in the river and linking it to Wood Wharf in some manner (which would not be easy) would also face difficulties similar to Delta Wharf. The turning area off the dock entrance and the Jubilee line and Blackwall road tunnels would all constrain the development.

7.2.8 Reuters Wharf

Reuters Pier is a small privately owned passenger pier located in front of Reuters' building on the north bank of the river adjacent to the second Blackwall road tunnel.

Berthing Capacity	Could accommodate ships up to 230m.
Water Depth	5m below CD. Could probably be dredged to give 8m depth.
Navigational Risk	The location on one of the tightest bends in the river is likely to raise navigational concerns with the PLA.
Land Availability	Restricted.
Transport infrastructure	East India DLR very close. Good road links to city and north (see Wood Wharf above).
Quality of destination	East India docks provide a pleasant surrounding and excellent views to Canary Wharf and the Dome.
Deliverability	<p>We are unaware of any proposal having been prepared for a cruise terminal in this location but have been asked to include the site in this assessment.</p> <p>The site has a reasonable water depth of circa 5m below CD and, being on the outside of a bend in the river, it is likely that if the berth was dredged it would be largely self maintaining.</p> <p>A further concern with a large ship berth on a tight river bend is aligning the berth with the river current which, in such a location, tends to flow at a varying angle through the tidal cycle. If the ship cannot be aligned to within a few degrees of the current flow direction very large mooring forces can result which creates difficulty in mooring the ship and can, in extreme cases, result in mooring line breakage.</p> <p>The Blackwall tunnel, which would pass beneath the berth, adds further difficulties for piling to the berthing structures. These difficulties combined with the lack of any on shore development site to house the terminal facilities means that the location is an unlikely one for a cruise terminal.</p>

7.2.9 QE2 Pier

The Queen Elizabeth 2 (QE2) pier lies to the east of the O2 Arena; the pier serves Thames riverboats and particularly Thames Clippers riverbus service. AEG who own the O2 Arena also own a majority shareholding in Thames Clippers.

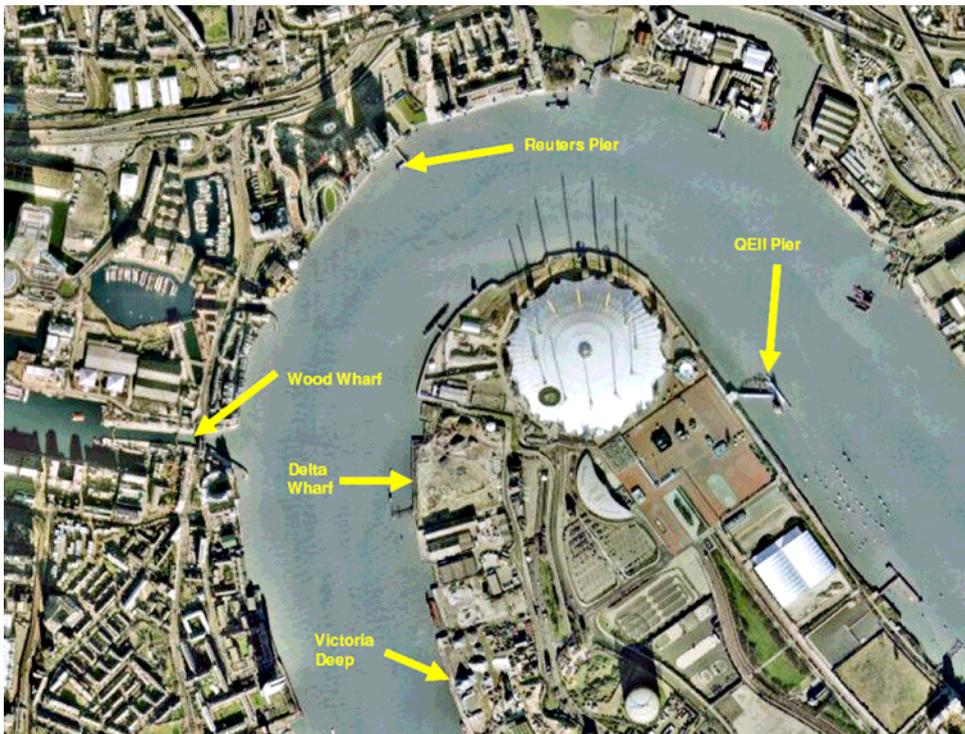
AEG have considered the development of a cruise terminal adjacent to, but downstream of, the QE2 pier. The terminal would share its terminal facilities with a new riverside hotel.

Berthing Capacity	Could accommodate ships up to 230m.
Water Depth	Less than 3m below CD – would require considerable capital and maintenance dredging to provide an 8m water depth
Navigational Risk	Low.
Land Availability	Terminal would be tied up with hotel development (see Delta Wharf above).
Transport infrastructure	Excellent – Jubilee line from North Greenwich, road links via Blackwall tunnel.
Quality of destination	Excellent – next to the Dome.
Deliverability	A terminal in this location would require an offshore berth although the available water depth is poor with a depth of less than 3m below CD. As a result considerable dredging would be required. The dredging would be expensive as tests have shown that the river bed sediments in the area are contaminated, probably as a legacy from the site's previous use as a gas works. Of possibly greater concern, the bed

sediments in the area are mobile with 'fingers' in the 2, 3 and 6 metre contours progressively moving downstream. A dredged berth is therefore likely to require regular, probably annual, maintenance dredging.

To construct the terminal would require the relocation of a large number of Greenwich Yacht Club's (GYC) moorings, which would be difficult. (Ideally, the replacement moorings would be located where Cory's barge roads are currently located. However discussions with Cory failed to identify any suitable alternative location for their moorings which are critical to the operation of their business.)

The safeguarded route for the Silvertown Link (formerly known as the third Blackwall crossing) crosses the proposed berth location. The form of the Silvertown Link, or whether there will indeed be one, is not yet determined. It would probably be possible to locate the berth piling around the safeguarded zone however the high cost of dredging and the difficulty in finding alternative moorings for GYC's boats prevented the QE2 cruise terminal from being progressed further.



Potential Sites around the O2 (Google Earth)

7.2.10 Royal Docks

The 'Royals' comprise the Royal Victoria, Royal Albert and King George V docks. These comprised the main docks for London prior to the development of Tilbury. The docks are reached through King George V lock at the eastern end. The site is within a mixed use regeneration area including London City Airport, Excel, a number of hotels, East London University and much housing. There are plans for further development including Biota, the new aquarium, the Royals Business Park and additional hotel space. The best location for berthing would be in King George V dock near the main lock. The adjacent, vacant quayside is owned by the LDA (leased to the airport) and is the only publicly owned site within the group of potential terminal sites. The water space is managed by RoDMA on behalf of landowners/ stakeholders. The docks are to be used for mooring cruise ships during the Olympics.

Berthing Capacity	Ship size restricted by the lock which is 30m wide and 244m long. Once in the dock, there is no capacity constraint with great lengths of alongside berthing available.
Water Depth	15m
Navigational Risk	Low.
Land Availability	A suitable site for a cruise terminal has been identified at the SW corner of King George V dock (owned by LDA) . Secure facilities are already available in the airport.
Transport infrastructure	London City Airport Good road links to central London and the east. DLR to central London ½ hour Cross-rail planned at Custom House
Quality of destination	Traditional 'dockland' environment which is currently somewhat bleak but emerging as an interesting destination with Excel, Royal Docks and City Airport. Views of Dome and Canary Wharf. The berth would be effectively alongside the airport runway which would result in some noise disturbance.
Deliverability	<p>The size of the lock is sufficient for most if not all cruise ships likely to visit London, although the additional cost and time of locking may be a disincentive for cruise ship owners. There is also a greater risk of ship damage when transiting a lock.</p> <p>A more significant constraint on cruise operations in the Royal Docks may be height restrictions imposed by City Airport. We have been unable to clarify the extent of this restriction to date but it is likely to be more of an issue when the ships are transiting the lock, which is near the runway end, than when they are moored on the berth. The risk may not only be of an aircraft striking a ship but also the wind turbulence which a cruise ship could cast over the runway end in strong winds. It is possible that City Airport will require locking operations for larger ships to be carried out only at times when aircraft are not landing. City Airport are planning to increase the number of flights the airport handles and such a restriction could therefore become more onerous with time.</p>



Royal Docks Arial View (Google Earth)

7.2.11 Woolwich Arsenal

Woolwich Arsenal has been redeveloped as a major housing scheme with both new and restored buildings with an attractive public space and walkways around the new pier.

Berthing Capacity	Could accommodate ship of 230m.
Water Depth	A number of mooring tiers – East Woolwich Lower Tier has deepest water with over 7.3m below CD. Dredging to 8 m should be achievable without difficulty.
Navigational Risk	Low
Land Availability	Sufficient space for terminal building although existing listed buildings may be a constraint. May be possible to use existing buildings as dual use terminal.
Transport infrastructure	A206 to Greenwich and central London – often congested. Access to north of the river via Woolwich Ferry. Access south to A2 via A205. Train from Woolwich Arsenal (approx 20 mins to central London), new DLR station (1/2 hour to central London). Crossrail planned. City airport on other side of river.
Quality of destination	Woolwich is slowly developing as a destination but is not seen to be central London by many. Current journey times to central London are 30 mins on the train, 30 mins on DLR and 40 mins by Thames Clipper (boat).
Deliverability	The new Docklands Light Railway extension tunnels to Woolwich Arsenal will need to be avoided but there is sufficient space available for a cruise terminal to be sited away from the tunnels. The location could physically accommodate a terminal, although suitable space would have to be found and there may be restrictions with the number of listed buildings. The critical issue is whether London's cruise terminal could be sited so far away from central London and still function as London's cruise terminal. As the travel time is increased the less the advantage there would be over the other terminals such as Tilbury, Dover and Southampton that market themselves as serving London.



Woolwich Arsenal Aerial View (Google Earth)

7.3 Summary

The table below summarises the engineering and physical constraints on each of the sites considered.

One dot = a marginal /minor constraint which is likely to be overcome.

Two dots = a medium constraint which it may be possible to overcome.

Three dots = a serious constraint which is unlikely to be overcome

	Safe-guarded	Tunnels	Dredge Problems	Issues with Navigation	Conflict with other River Uses	Shortage of Land
CONVOYS WHARF	●●●					
GREENWICH REACH						●●● ⁴
GREENWICH PIER		●			●●	●●●
ENDERBYS WHARF	● ⁶			● ²		
VICTORIA DEEP	●●●					
DELTA WHARF	● ⁶	●●		●●	●●	
WOOD WHARF				●● ³	●● ³	●●● ³
REUTERS PIER	● ⁶	●●		●●		●●
QE2 PIER	●●● ¹		●●●		●●	
ROYAL DOCKS					●● ⁵	
WOOLWICH ARSENAL ⁷		●				●

Notes:

1. QE2 site safeguarding is for the 3rd Blackwall Crossing.
2. The PLA has raised possible concerns over navigation and Saundersness Shoal at Enderbys.
3. The Wood Wharf scores relate to a river berth not a berth in the dock.
4. The Greenwich Reach 2000 scheme now has no land as an alternative development has commenced on the site.
5. Potential conflict with City Airport.
6. Delta, Enderby's Wharf and Reuters Pier are near to safeguarded wharves:
Delta – Victoria Deep Water Terminal; 240m
Enderby - Tunnel Glouce; 72m
Reuters - Orchard; 500m
7. Woolwich Arsenal is considered by the industry to be too far from central London to constitute a central London terminal

8. LESSONS FROM ELSEWHERE

8.1 Sites

In order to learn from best practice, a review of six ports in the UK and Europe was undertaken in April 2009. The review included four site visits, telephone conversations with port managers and desk research. The aim was to gain an insight into what works well in other places, and what lessons can be learnt from them in terms of developing a new cruise terminal in London. The six sites were selected because they were in major cities with constrained access up a river and/or had invested recently, or were investing in, new operational systems.

8.1.1 Amsterdam – Passenger Terminal Amsterdam

Amsterdam, like London, is a marquee destination in Northern Europe. Also like London, it is located some distance from open sea. In 2000, the Passenger Terminal Amsterdam (PTA) was built as part of a major regeneration programme. PTA is located close to the city centre (approx 10 minutes walk) and is a purpose built, architecturally impressive building with 3,000m² passenger waiting area (also used as an exhibition and events space) and a similar amount of baggage handling space. PTA has 600m of quay, with a draft of 10m and can accommodate two ships at a time. There is a further berthing facility in an industrial harbour area for when they need to accommodate a third ship. In 2009, PTA will handle 100 calls, of which around 50% are turnaround. Plans are underway to develop a new turnaround terminal further upstream by 2013. In this way, transit calls would be handled at PTA which is very central, and turnaround at a new facility which is more easily accessible (especially from the airport) and has more space.

8.1.2 Hamburg – Hamburg Cruise Centre

Hamburg Cruise Centre is located in a regenerated port area close to the city centre, some 70km from open sea. In this it is similar to London and it is also a tidal port. It has seen rapid growth in the number of cruise calls in recent years and is expecting 72 in 2009. Current port facilities include two 240m berths and two terminals. The terminals are temporary structures which will be replaced by a purpose built permanent terminal in 2010. HCC is planning a completely new terminal building (on the site of the current Terminal 2), which will be part of a major regeneration programme and the facility will be part of a new hotel / conference complex. Currently, the terminal buildings each have 1200m² of space (for passengers and baggage) which is small, and often they have to use both terminals for one large ship. The vast majority of calls to Hamburg (95%) are turnaround, which shows the importance of the German source market and the city's good onward connections to Europe. As well as the new terminal, a further cruise facility is being developed 3 miles up river at a former ferry port. This will include 1600m² of space and a 300m berth. The site is already used as an overflow port when demand is high. Hamburg Cruise Centre is a joint initiative with 40 members all of whom see the development of the city's cruise industry a priority. It includes cruise lines, incoming agents, hotels, museums, the port operator and the city authorities and the tourist board. All members have an interest in, and a say in, how HCC is operated and marketed.

8.1.3 Port of Tyne – International Passenger Terminal

The Port of Tyne is located on the north side of the River Tyne, 2.2 miles from open sea and 10 miles from the centre of Newcastle. The Passenger Terminal was

upgraded in 2007 and is shared between the daily ferry to Amsterdam and cruise calls. There are two quays accommodating ships of up to 300m / 10m draft, and 215m/9.5m draft respectively. 75% of calls are turnaround, catering largely to the UK market for cruises to the Baltic and around the UK. In 2009, there are 22 cruise calls to the Port of Tyne, the same as London.

8.1.4 Southampton

Southampton Cruise port is the UK's largest port, handling around 250 calls a year at its four berths. It is a base for Carnival and its brands P&O, Princess and Cunard. Although it is well known as a cruise port in its own right, and has a long history of the cruise industry, it is also sometimes billed as 'London-Southampton', particularly to trans-Atlantic markets. In May 2009 the new Ocean Cruise terminal will open, a £19 million investment by owners ABP. Its facilities are extensive and cater for the largest ships, so in this sense it would not be a competitor for new central London facility. However, as an example of best practice it is important.

8.1.5 Dover – Dover Cruise Port

Dover is the UK's second largest cruise port (in terms of calls) handling 140 calls in 2009. It is also one of three ports which serve London and is often, particularly in international markets, sold as 'London – Dover'. In this sense it is a partial competitor to a new facility in central London. Dover has three berths, each accommodating ships up to 340m with 10.5m draft. Terminals 1 and 2 are permanent buildings – T1 is the converted old Victorian railway station, and T2 is a modern, purpose built facility – and Terminal 3 is an alongside berth with space for a temporary marquee if required. Dover is an important homeport with 70% of its business being turnaround. It is approximately 1 ½ hours drive from Gatwick, 2 from Heathrow, and a new high speed train link will reduce the journey to London from 105 to 70 minutes in 2009. Transit passengers are offered day trips to London although the port is actively promoting Kent destinations such as Canterbury (in close partnership with Visit Kent) as the long journey time and traffic congestion for trips to London can have a negative impact on the experience.

8.1.6 Harwich – Harwich International Cruise Terminal

Harwich Cruise Terminal is the UK's third largest port, catering to around 60 calls in 2009. Like Dover, it is often billed as 'London-Harwich' given its relative proximity to the capital. 90 % of calls are turnaround, and the port is trying to increase its transit business. Harwich is also a major passenger ferry port, with over 1 million passengers travelling each year to the Netherlands and Denmark.

The recent and future developments at the reviewed ports point to growing demand for cruise calls at these destinations and the need to have appropriate facilities. It also indicates that the competition is 'upping its game' which means an increased risk to London if it does not do the same.

8.2 Overview of findings

Below are the key findings from the research and how they relate to a potential new facility in London.

8.2.1 Marine facilities

All the comparator sites can accommodate larger ships than will be possible at a central London facility, and can accommodate more than 1 ship at any one time. This highlights some of the constraints on cruise operations in London. However, it does show the importance of focusing on London as a high-end 'niche' port, for the

smaller more luxury ships. Long steam times do not put operators off using Amsterdam and Hamburg which shows the importance of a 'marquee' destination (Amsterdam) and proximity to source markets (Hamburg). London has both these advantages.

Table 8.1: Marine facilities at case study cruise ports

Port	No of berths Perm / temp	Berth sizes	Steam time from open sea	Restrictions
Amsterdam	2 / 1	300m each 10m draft	3 hours	Lock is potentially a restriction but can accommodate 340m ship
Hamburg	2 / 1	240m each (but can accommodate one ship up to 340m)	7 hours	Tidal – larger ships have to cross the Elbe tunnel at high tide.
Port of Tyne	2	300m / 10m 240m / 9.5m	-	None
Southampton	4	Max length 370m	-	None
Dover	2 / 1	340m each 10m draft	None	Harbour wall restricts size of ship Weather is sometimes a problem
Harwich	2	400 max length Draft 9.5m	-	None

8.2.2 Land side facilities

The comparator ports all had varying amounts of space – ranging from two terminals of 1200m² each at Hamburg to the much larger facilities at Dover and Amsterdam and over 9000m² at Southampton. Evidence from Hamburg suggests that 1200m² is too small and for larger ships they have to use two terminals. Space allocated to terminals varies from port to port but work at Hamburg for the new terminal suggests that 1600m² is the minimum requirement for the ships berthing there.

Table 8.2: Landside facilities at case study cruise ports

Port	Space	Car parking	Coach parking	Hotel on site
Amsterdam	3000m ² +	500	20	yes
Hamburg	2 terminals of 1200m ²	160 (at separate site)	10	no
Port of Tyne	n/a	500+	10	yes
Southampton*	9100m ² with 3000m ² baggage floor	8 acres	30	no
Dover	1320m ² baggage floor, 2035m ² baggage floor	1100	12	no
Harwich	2400m ²	n/a	n/a	no

**figures based on new Ocean Cruise Terminal*

Flexibility is extremely important in terms of the check in area. Unless other uses require a fixed arrangement (eg at Port of Tyne where the desks are also used for ferry check-ins on non-cruise days), operators should be able to choose their own configuration of desks, plug in their own IT systems and install their own branding (usually on screens). This happens at Dover, Hamburg and Amsterdam. At Southampton, however, the check in desks (which number c40) are fixed.

Security and customs needs are handled differently from port to port. At Port of Tyne, where the terminal is used daily for international ferry passengers, baggage scanners, passport checks and security arches are permanent. Dover also has a permanent set up. Other ports are more flexible with security facilities which can be placed where the operator wants them. It is usual for the port to provide security (usually through a contracted agency), while the cruise lines provide check in staff.

The amount of car parking space depends on the markets served. At Port of Tyne and Dover, for example, which cater largely for the UK market and do a high proportion of turnaround business, car parking is essential and hence they have over 1000 spaces. Provision is slightly less in Hamburg and Amsterdam where passengers arrive by taxi. London would probably be similar to these latter two ports in terms of its parking requirements.

Car parking is handled differently at different ports, depending on space available and management arrangements. The on-site car park in Amsterdam is operated by the City Council and charges are high, so passengers are encouraged to park in another facility about 10 minutes away, from which there is a shuttle bus. The car park in Hamburg is located on the other side of the river where the port owner has other shipping facilities. In this case a valet service is offered.

Space for coach parking is also important at all the ports reviewed. Again, the precise requirement will depend on the market served – Dover has 12 spaces, Amsterdam c20, and Port of Tyne c10. The new Ocean terminal at Southampton, which caters for the largest ships, has 30 spaces.

Given that London will be serving smaller ships with excellent public transport including river buses, and will only accommodate one ship at a time, space requirements are likely to be more limited.

Only PT Amsterdam has a hotel on site (Movenpick), although it is operationally separate from the port. There is a Holiday Inn Express within walking distance of the Port of Tyne. Anecdotal evidence from both these hotels suggests that cruise passengers do not generate significant numbers of bednights but these are not high end resort hotels serving leisure visitors.

8.2.3 Secondary uses for terminal buildings

All the ports reviewed had secondary uses for the terminals. Port of Tyne combines cruise facilities with those of the ferry passenger terminal (used on a daily basis) while the others use buildings for conferences and events. A secondary use (or cruise as a secondary use in itself) was an important part of the business model and financial viability of the terminals reviewed.

8.2.4 Support services

All the ports offer a variety of support services, which is particularly important for turnaround calls. As well as facilities to provide these services, it is necessary to have sufficient space for them to be carried out away from passengers.

Table 8.3: Support services at case study cruise ports

Port	Support services
Amsterdam	Fresh water, bunkers, stores, dry garbage removal, sewage collection, oily waste collection.
Hamburg	Fresh water, bunkers, stores, dry garbage removal, sewage collection, oily waste collection, shoreside electricity.

Port of Tyne	Fresh water, bunkers, stores, dry garbage removal, oily waste collection, sewage collection.
Southampton	Fresh water, bunkers, stores, dry garbage removal.
Dover	Fresh water, bunkers, stress, dry garbage removal, oily waste collection, NO sewage collection.
Harwich	Fresh water, bunkers, stores, dry garbage removal, sewage collection, oily waste collection.

8.2.5 Transport connections

All the ports are located in towns and cities which have excellent regional and national road links. Local road infrastructure (ie from the main roads to the port itself) varies, with those – such as Dover, Harwich, Port of Tyne and Southampton – located near major port operations having excellent (dual carriageway) links direct to the terminal. Those in city centres such as Amsterdam and Hamburg do not have direct links in the same way and access can sometimes suffer from congestion or, in the case of Hamburg where the signage is not clear, confusion.

Table 8.4: Support services at case study cruise ports

Port	Airport	Train	Road	Local transport
Amsterdam	Schipol (30 mins drive – direct train to Amsterdam Central)	Amdsterdam Centraal (10 mins walk)	Motorway links to elsewhere in Holland and beyond (Germany)	Within walking distance of city centre. Trams, canal boats.
Hamburg	Hamburg International (15 mins drive – 10 mins metro journey to city centre)	Hamburg Central Station (15 mins walk)	Motorway links to Berlin and rest of Germany	Walking distance to city centre. Local buses from outside terminal. Underground station being built next to terminal.
Port of Tyne	Newcastle International	Newcastle Central – fast links to north / south	A1 to north and south	Shuttle bus to metro station. Metro links to Newcastle.
Southampton	Southampton (5miles) Gatwick Heathrow Stansted Luton	Southampton – 1 ½ hours to London	M3 to London	Local trains.
Dover	Heathrow Gatwick Stansted Luton (11/2 to 2 hours drive)	Dover Priory (95 mins to London, will be reduced to 70mins)	M2 / M20 to London and beyond	Taxi ride to town centre. Train to local destinations (eg Canterbury). Shuttle bus to train station.
Harwich	Stansted Luton Heathrow Gatwick	Harwich International (at port itself)	A12 to central London, other links to north	Local trains

Good regional and national links – road, air and train – are particularly important for turnaround calls. Both Southampton and Dover are 2 hours drive from Heathrow, Harwich further. Any terminal in London will be closer still but local traffic will need to be considered.

Local transport is important for transit calls. Although passengers traditionally do coach tours, there is a growing trend for independent visits, and crew require public transport links. The terminals at Amsterdam and Hamburg are within easy (and pleasant) walking distance of the city centres, Port of Tyne puts on a shuttle bus to a local metro station. It is interesting to note that this shuttle does not go to the closest metro (which is not seen to be in a salubrious area or state), but to a slightly further one which is located in a more pleasant area with its own attractions and an architecturally more interesting station. In London, any terminal should have river bus service which is a quick and attractive way to reach the centre. Good access by train, tube or DLR will be a bonus.

8.2.6 Cruise calls and market trends

Although these ports (with the exception of Hamburg) are seeing a drop in calls in 2009 compared to 2008 - due to some major US operators relocating ships back to the USA - port operators remain optimistic about future growth.

Table 8.5: Cruise calls and market trends at case study cruise ports

Port	Calls 2008	Calls 2009	% Turnaround
Amsterdam	118	100	50
Hamburg	63	72	95
Port of Tyne	29	22	75
Southampton	278	270	98
Dover	145	140	70
Harwich	60	53	90

The Baltic / Northern European cruising season continues to be from April to September but Dover, Amsterdam and Hamburg are benefiting from some additional Fred Olson winter and Christmas Market cruises.

For all the UK ports, the majority of business is turnaround. This highlights the importance of the UK as a source market. However, both Dover and Port of Tyne do attract a significant proportion of transit calls as well. Hamburg is largely a turnaround port, reflective of its infrastructure and proximity to the German source market. Amsterdam is the only port which receives equal numbers of turnaround and transit calls, Amsterdam being a 'marquee' destination which appeals to visitors as well as being well situated for source markets. London currently has a similar balance but with improved facilities, would expect to attract more turnaround business.

8.2.7 Tourism

Port operators are not responsible for tours taken by cruise passengers (this is usually the remit of tour operators working with the cruise lines). However, tourism is an important feature in terms of marketing a cruise terminal and the destination it is in and to create a 'sense of arrival' for transit and disembarking passengers.

Temporary tourist information points are set up in terminals on cruise days. In some cases, such as Hamburg, Amsterdam and Dover, they are manned by representatives from the local tourist board. They tend to focus on information on the city or region – so at Dover the information will focus on Kent and its attractions rather than London or the UK, at Port of Tyne on Newcastle / Gateshead.

The relationship between the port and local tourism bodies depends on each particular situation. At Dover, the port works closely with Visit Kent and a cruise initiative 'Cruise Kent' has been set up. This is a partnership between Port of Dover,

Visit Kent and local attractions and has a website aimed at itinerary planners. Port of Tyne works closely with the North East Regional Development Agency to produce brochures. In the case of Amsterdam, there has only recently been recognition of the importance of cruise tourism to the city and as such the relationship is at an early stage. This could be described as similar to London.

Easy access to tourist attractions, particularly for transit visitors, is crucial. To this end, operators are encouraged to offer tours in and around Kent from Dover, rather than to London. In Amsterdam, a canal tour 'terminal' has been built behind the passenger terminal so that visitors can go direct from the ship to a canal tour (which also serves as transport to the city centre).

All ports are seeing an increase in independent visitors, that is passengers who would rather explore the city and local area on their own rather than participate in an organised tour. As such, local shops, attractions and the quality of the public realm around the port are becoming more relevant – there is a major retail outlet within walking distance of Port of Tyne, which is particularly popular with crew.

8.2.8 Promotion

Marketing to cruise line companies is undertaken by the ports themselves who work on a one to one basis with their contacts in the industry. They attend Seatrade in Miami and other trade events, and publish their own B2B marketing material.

There are a number of marketing alliances in which the ports participate (see table below).

Table 8.6: Promotion at case study cruise ports

Port	Cruise Europe	Cruise Britain	Atlantic Alliance
Amsterdam	✓		✓
Hamburg	✓		✓
Port of Tyne	✓	✓	
Southampton	✓	✓	
Dover	✓	✓	✓
Harwich	✓	✓	

Cruise Europe was founded in 1991 with the objective of working co-operatively to market Northern and Western Europe in order to attract more cruise vessels to the region. The area of membership is limited to Atlantic Europe including the Baltic.

The Atlantic Alliance is an initiative of the ports along the European Atlantic coast (from Hamburg to Lisbon) whose aim is to market the region as a cruise itinerary. While the Baltic and Southern Europe are well established itineraries, this section of coast is not so well known as a cruising area in its own right, and the aim is to provide a new product as the cruise market continues to grow and operators are looking for 'new things'.

Cruise Britain is a new marketing initiative (see chapter 3) with the aim of "reinvigorating the brand of Britain as an exciting cruise destination, to become the number one choice for cruise operators when selecting itineraries".

The key here is that ports cannot only be marketed as single entities, but need to form part of an inter-linked itinerary and as such ports see participation in these initiatives as crucial.

Promotion of the destinations themselves is also important, especially for transit visitors. This has already been explored above in the tourism section but what is clear is that as cruising increases and competition grows, a joined up tourism-cruise approach to consumer marketing becomes more necessary.

The promotional activities of the reviewed ports highlight the low key activity in promoting London as a cruise port.

Passenger Terminal Amsterdam



Terminal Entrance



Passenger waiting area being used as exhibition space



Mobile check in desks



600m berth at PTA



Coach bays on quayside



Pedestrian access from Amsterdam city centre

Hamburg Cruise Centre



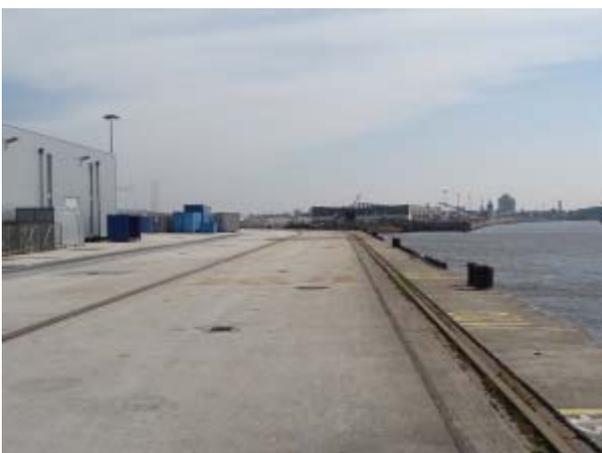
Hamburg Cruise Centre (T2 left, T1 right)



Flexible space



Screens to separate sterile area / waiting area



Quayside



Pedestrian Signage to HCC

Port of Tyne



Terminal Entrance



Passenger waiting area



Fixed check-in points (front)



Fixed check-in points (back)



Taxi order point



Tynemouth Metro Station

Dover Cruise Port



Baggage area



Visitor Information Point



Passenger security check



Mobile check-in desks



Entrance to Terminal 1 (listed building)



Passenger waiting area / café

Southampton



**Ocean Cruise Terminal
under construction**



Baggage for collection



**Cruise Terminal 1 used
for event**

Harwich



Harwich International Cruise Terminal



Terminal set up for embarkation

9. CONCLUSIONS

The aim of this report has been to provide an independent analysis of the potential demand for cruises to London and assess how any potential demand might be accommodated. In this section we set out our conclusions. They should be seen not as recommendations, nor as a cruise strategy for the city, but as our interpretation of the findings. The fundamental judgement as to whether London should have a permanent cruise terminal is ultimately down to developer interest - assuming the lack of public resources or commitment to provide the infrastructure – and the relevant planning authority. If the decision to proceed is taken, then more detailed feasibility studies and business plans will need to be undertaken.

Our key conclusions are the following:

- Demand for cruising continues to be strong and demand for cruise ship visits to London are likely to increase if they can be adequately accommodated.
- Current facilities and conditions are already restricting growth and will do so in the future.
- Tower Bridge Upper will continue to attract high end and transit calls even if there is a dedicated terminal elsewhere.
- There are a few potential locations for a new terminal, although most have constraints.
- A new terminal in central London should include facilities for handling turnaround calls.
- There are a number of fundamental requirements for a new cruise terminal although a high spec building is not required.
- Cost is an important factor influencing cruise lines' decisions to deploy in a destination
- Local transport infrastructure is important and the river has an important role to play in this regard.
- Given the seasonal nature of the industry, a secondary use for a terminal will be crucial.
- In order to maximise the potential of a new terminal, there needs to be a co-ordinated and committed approach to marketing.

Below we elaborate on these findings in more detail.

9.1 Demand for cruising continues to be strong and demand for cruise ship visits to London are likely to increase if they can be adequately accommodated.

London is a 'marquee' destination, a 'must visit' in cruise industry terms. That is why, even without a permanent terminal facility, the city will receive over 20 cruise calls in 2009. The global cruise industry is growing at 6%-7% per annum and much of this growth is taking place in Europe. 4.4m Europeans took a cruise in 2008 and growth is projected at 30% between 2007 and 2012. In 2008, 72% more Europeans cruised in Northern Europe compared to 2004. Cruise traffic in the UK nearly doubled between 2002 and 2007, and the number of overseas cruise visitors increased 70% over the same period. Although demand is constrained by the size of ship which can turn in the river, it is estimated that there are approximately 170 ships currently in

service and nine on the order books that could serve London. This is compared to the 11 which currently call at London. Despite the current economic climate, growth is forecast to continue and London, given its high profile as a destination and good international connections, is in an excellent position to benefit from this.

9.2 Current facilities and conditions are already restricting growth and will do so in the future

While the river and existing berths themselves could accommodate a little more growth, the logistical requirements and lack of dedicated land space at either of the two existing 'terminals' means that significantly increasing the number of calls is difficult. Consultation with operators indicates that the high cost of tendering, coupled with the 'makeshift' facilities, is deterring some from calling at London at all. Despite these problems, London's 'marquee' status will mean that some cruise ships – particularly the top end luxury lines – will continue to come regardless of the lack of facilities. However, as competing ports continue to up their game, central London will have to work harder and harder to attract and maintain this business and will certainly not benefit from any growth in the market. On the other hand, it is estimated that a new facility could result in an almost instant trebling of cruise calls.

9.3 Tower Bridge Upper will continue to attract high end and transit calls even if there is a dedicated terminal elsewhere

The iconic status of passing through Tower Bridge is a major selling point for London and the smaller ships are likely to continue to demand the TBU moorings for this reason, in particular for transit calls. Some may even continue to do turnarounds there, although consultation has indicated that in most cases lines would prefer to do turnarounds at a dedicated facility, even if it meant missing out on the Tower Bridge experience.

9.4 There are a few potential locations for a new terminal, although most have constraints

We have looked in detail at several potential locations in London for a new terminal. A number would seem to be ruled out:

- In planning terms, two of the best options - Convoys and Victoria Deep - would have to be ruled out because they are safeguarded.
- In land availability terms, Greenwich Reach, Greenwich Pier and Wood Wharf would also seem to be ruled out.
- In technical terms, QE2 pier is ruled out for dredging and Reuters pier is also difficult.
- Woolwich Arsenal is not ideal in location terms, as it is too far from central London and would not offer sufficient benefits over a refurbished Tilbury.

Essentially, this leaves Enderbys and Delta Wharves as front runners as potential sites with the Royals as a more limited option. Of the two former sites, Enderbys has the distinct advantage of a developer who is pro-actively promoting a scheme that includes a cruise facility – and an eagerness to develop the site in the short-term. Quintain has stated that they do not propose to include a cruise terminal in their developments on Delta Wharf.

The Royals site has the distinction of being the only site in public ownership. Although operators would prefer not to have to negotiate locks, the Royals are seen as a good alternative if nothing else is available.

Table 9.1: Potential locations

	Safe-guarded	Tunnels	Dredge Problems	Issues with Navigation	Conflict with other River Uses	Shortage of Land
ENDERBYS WHARF	●			●		
DELTA WHARF	●	●●		●●	●●	
ROYAL DOCKS					●●	

9.5 A new terminal in central London should include turnaround facilities

London's excellent international links, proximity to emerging European markets, and position as a World City mean that it is prime candidate for a turnaround port. Therefore, any new terminal should be constructed with suitable facilities to handle turnaround calls, as well as transit.

9.6 There are a number of fundamental requirements for a cruise terminal although a high spec building is not required.

Although exact specifications for a cruise terminal will vary from site to site, it is clear that there are certain criteria which need to be taken into consideration at the planning / design stage. These include:

- Approximately 1000m2 to 2000m2 of space for passengers and baggage.
- A flexible check-in area which allows the cruise lines to configure the space as they require and plug in their own IT systems.
- Quayside space for provisioning lorries and other services.
- Car parking facilities on or off-site (in central London these requirements are likely to be less than in, say Dover or Port of Tyne).
- Space for coach parking.

This does not have to be a prestigious, high spec building. The watch-word is 'functional'.

9.7 Cost is an important factor influencing cruise lines' decisions to deploy in a destination

The UK is seen by cruise companies as one of the world's most expensive places to deploy a ship and operating costs will be an important factor influencing whether lines will deploy ships in London in the future. In particular, increasing taxes and restrictive practices which force up the cost for cruise lines visiting London / the UK, will mean they are less inclined to come whatever facility is built in London (or at other ports). Although this is a UK rather than a London issue, it will inevitably impact the capital's cruise tourism whatever happens with the proposed new facility.

9.8 Local transport infrastructure is important and the river has an important role to play in this regard

Access to a cruise terminal both by road and public transport is important. For turnaround calls, passengers are likely to arrive by road (car, taxi or coach) and support services will also need good road access. For transit calls, some passengers will travel by coach but the growing trend is for independent travel from the ship – particularly in a destination such as London – so public transport is becoming increasingly important. The river itself offers great potential to develop fast and efficient means of transporting passengers to and from other parts of London and any cruise terminal should be developed with associated river transport facilities. In tourism terms, this would provide an excellent ‘sense of arrival’ as the boats pass up the river, under Tower Bridge and on past some of the city’s major attractions.

9.9 Given the seasonal nature of the industry, a secondary use for a terminal will be crucial

In Northern Europe, cruising is – and is likely to remain – a seasonal activity and even in season, a terminal will not be in daily use. In order to be financially viable a cruise terminal needs to have a secondary use for when not in use. Different ports use different models depending on how they are funded and how important cruise operations are in generating income. In the case of London, which is similar to that of Amsterdam, it seems that the most sensible solution is to combine the terminal with a hotel and conference centre, where the conference rooms are used as a terminal when there is a ship. If the space was large enough and appropriately designed, it could be possible to run events and cruise calls simultaneously, as happens in Amsterdam. There are also opportunities to use the cruise berth for visiting warships, tall ships etc when there are no cruise calls.

9.10 London can offer a unique experience to cruise passengers

The tidal restrictions in London mean that often a ship has to berth overnight. This gives passengers the opportunity to explore London’s restaurants, theatres and other nightlife – an opportunity not often available as it is more economical for cruise ships to overnight at sea. This means that having good local transport connections, which allow passengers to make their way independently and easily from the ship to the centre of London until late at night, becomes even more important.

9.11 In order to maximise the potential of a new terminal, there needs to be a co-ordinated and committed approach to marketing

While a new terminal will in itself provide an enormous boost to London’s status as a cruise destination, it will need to be marketed coherently and efficiently as a destination in its own right and within a wider itinerary. This means promoting the facility to cruise lines who will decide whether to include it in their itineraries, and to the consumers who will demand those itineraries.

At a higher level, an effective, properly resourced, joint initiative to encourage cruise tourism in London should include the owners of any new terminal, Visit London, the PLA, LCCM and other ground handlers and agents as well the (hopefully refurbished) London Cruise Terminal at Tilbury that can complement the central London offer with its facilities for larger ships. London should be the flagship destination for cruises to

and around Britain and should have a visible presence in Cruise Britain as well as Cruise Europe.