

Public Inquiry into PLA's HRO

BALCONY LICENCES & CHARGES

Oral statement by Mr Simon Anthony
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ABUSE OF POWER

- Retired **accountant** - Worked for PwC in Hong Kong & for a decade advised major law firms in London on commercial disputes & investigations
- Live in converted warehouse, **Cubitt Wharf**, on Isle of Dogs and own a balcony
- Witnessed firsthand PLA **abusing its powers**, particularly with regard to residential **balconies**
- **Not just my balcony** - affects **hundreds of flats** and **thousands of residents**, including many who pay share of charges, even if don't have balcony or view of river

MY INVOLVEMENT

- Last two years challenging PLA's **extortionate balcony charges**
- One resident wrote to me saying: “...I’ve **battled** with the PLA alone for **over 10 years** so it is **wonderful... to find you**... I’m paying the **same** for my **balconies** as the [council] **rates** on my entire **flat**... I... am desperately **hoping to end this tyranny**...”.
- Many others told me similar story and my experience in disputes & investigations helped me uncover a **deeply troubling** pattern of **behavior**
- PLA's proposed **HRO** changes will only **exacerbate** this problem

PLA - A MONOPOLY IN NEED OF REFORM

- PLA (created in 1909) **no longer manages** bustling **commercial port** (moved downstream and privatised)
- Primary role now river **safety**, but retains **significant powers**, including licensing & charging for “**works**” on tidal Thames
- “**River Works Licence**” (“RWL”) **charges** make up significant portion of PLA’s total revenue, yet are shockingly **opaque**; PLA **doesn’t disclose** the charges that generate **over 90%** of its RWL revenue
- PLA is a **monopoly** and is **abusing** both that position and its powers

BALCONIES - NOT COMMERCIAL WORKS

- When warehouses converted to flats, many drop-down **cargo loading ramps** - which **never required RWLs** - were **replaced with balconies**
- PLA saw opportunity and required RWLs for **balconies** - absurd - **don't affect navigation** and are residential amenities **not commercial works**
- Also, original owners (& successors in title) of loading ramps had acquired related **airspace** by “**adverse possession**”

Cubitt Wharf in 1986 (derelict) - with **loading ramps**



Cubitt Wharf in 2024 (converted 1998) - with **balconies**



BALCONIES - NOT COMMERCIAL WORKS (CONT.)

- However and to avoid litigation, most developers paid **modest amount upfront** for **long term** (usually for 125 or 999 years) **RWL or lease** of airspace (latter plus “peppercorn” rent for annual RWL)
- But some only agreed to pay **modest amount per year** for **annual RWL**, with **inflation** based annual increases - terms of many included possibility of **consideration “reviews”** and were **not assignable**
- **PLA taken advantage** of such provisions over last decade or so to significantly **increase charges** for these RWLs

EXTORTIONATE CHARGES - DISCRIMINATION

- Balcony charges now **not** “*fair and equitable*” as PLA claims - since 1980s/90s charges **increased exponentially**, far above inflation
- I've analysed RWLs for 100s of balconies and dozens of **other structures** and found a **staggering disparity** - balcony owners charged significantly **more per sqm** than charged for all other structures, such as floating **pontoons** or fixed **jetties**
- In many cases, and per sqm, annual or upfront balcony **charges more than** attached flat's either **rental or sales value** respectively

COMPARING CHARGES - THE STARK REALITY

- For **annual** or **long term RWL** balcony owner (with typical **tier** of **five** balconies) now asked to pay, respectively, **per sqm of river** overhung & inclusive of VAT, approximately:
 - **£2,000** a year; or
 - **£50,000** upfront
- These charges clearly **extortionate**, as **demonstrated** by fact **they are**, per sqm of river:

10 times more than charged for London Eye



25 times more than charged for Transport for London's ferry piers, like Westminster



45 times more than charged for Millennium Wharf's residential jetty



65 times more than charged for end-of-garden boat mooring jetties at Chiswick Staithe



75 times more than would be charged by:

- **Environment Agency** if balconies overhung **non-tidal** Thames; or
- **Local authority** if balconies overhung public **highway**

1,500 times more than charged for road or foot **bridges** over the river, such as “**Golden Jubilee**” **bridges** on Hungerford Bridge



COMPARING CHARGES - THE STARK REALITY (CONT.)

- These comparisons speak for themselves; **discriminatory** and in **breach** of:
 - DfT's "**Ports Good Governance Guidance**"; and
 - **Competition Act 1998**
- PLA clearly **exploiting** its **monopoly**

“LEAP-FROGGING” TACTIC - BULLYING RESIDENTS

- By threatening **prosecution, arbitration or removal**, PLA bullies one **building** into paying an **exorbitant** rate
- Then calls that **the “market rate”** to **justify similar increases** for other buildings - it's **not a market**, it's a **monopoly**
- Many residents **fighting** PLA charges for over a **decade** and can't sell their flats e.g. Limehouse
- Same tactic for water **“outfalls”** & disused **“campsheds”**; unbelievably, former **unaffected** by **volumes** discharged or whether **rain water or sewage**

"WORKING GROUP" FARCE - OBFUSCATION & DELAY

- PLA claims **invited** balcony owners to form a “**working group**” - **misleading**: Cubitt Wharf’s leaseholders agreed to participate in **July 2023**, but **PLA** repeatedly **refused** to provide **list of affected properties**
- Year later in **July 2024** a group of residents agreed to participate when **offer renewed**, but **PLA** again obstructive & uncooperative; **refused** to **discuss** relevant information, only **shared limited details** after significant pressure and its **records** were **incomplete & inaccurate**
- So far **no meeting** held and **awaiting CEO’s response** to a letter sent on **8 January 2025** about PLA’s **refusal** to **discuss** charges for **other structures**

HRO - EXACERBATING THE PROBLEM

- Proposed changes in **HRO** will make things worse (Articles 9, 10, 19, 30 to 34, 40 & 78):
 - **splitting** RWL charges into two & avoiding disclosing amounts charged;
 - making RWL **transfers** compulsory & adding new criminal **offence**;
 - increasing **removal** powers & disapplying **landlord/ tenant law**; and
 - radically changing “**adverse possession**” law
- PLA attempting to give itself even more powers to **exploit** residents
- Completely failed to consider **legal & practical implications** for riparian landowners - for example:

1. CAN PLA GRANT LEASES & LICENCES?

- PLA **justifies** splitting RWL charges by saying that, “...*like any landowner... [it] should be able to grant leases and licences*”
- PLA has **always had this power**, frequently **used it** and it **does not** need to be **statutory** - its ownership of land is already statutory
- Also and like “*any landowner*”, it should **not** have **additional statutory** **power to force** any dispute over its charges into **arbitration**; process that’s:
 - secret, non-precedent setting and can’t be appealed; and
 - with PLA, also **grossly one-sided** - it holds all relevant information & only discloses what assists its own case

2. AVOIDING DISCLOSING CHARGES

- PLA argues that such “...[*private*] *property rights*... do **not** have the *same public interest* as the [*new*] *permissions*...”
- This is **nonsense** - since:
 - most of any related consideration will be for the “*property right*”; and
 - only an administrative fee will be charged for the “*permission*”,
far more “public interest” in what is charged for **former** than latter
- What PLA’s **charges** for lease of **balcony airspace** should be both:
 - **transparent**; and
 - **fair**

3. COMPULSORY TRANSFER OF RWL ON SALE OF WORKS

- PLA **justifies** making it **compulsory** to “*transfer*” or assign a **RWL** or “*permission*” (& related airspace lease?) when any works sold on basis that **all RWLs** are “*personal*” i.e. not assignable
- **Untrue**; most **balcony** RWLs are **long term** (usually or either 125 or 999 years) and **assignable** - therefore, **not** “*personal*”; however, under terms of these RWLs **assignment** of RWL on **sale** is **not compulsory** - unclear how change will affect these RWLs? Assignment to become compulsory?
- Most **annual** RWLs are **not assignable** and, therefore, are “*personal*” - unclear how change will affect these RWLs? To become assignable?

4. DOES FREEHOLDER OR LEASEHOLDER “RETAIN” A BALCONY?
- Both current **PofL Act** and this **HRO fail to address one fundamental legal question** re residential balconies, most of which are attached to flats - is the “*person*” retaining a balcony:
 - **freeholder**; or
 - **leaseholder**
 - **Numerous** instances of balcony **RWLs** with **each type of licensee**
 - Particularly important if **leaseholders** have:
 - **not acquired freehold** and, in some cases, also
 - **acquired “Right to Manage”**

5. CRIMINAL OFFENCE IF DON'T NOTIFY PLA RE SALE OF WORKS

- PLA seeking to **criminalise** not being **notified** about **sale** of any river work
- For balconies totally **inappropriate & unnecessary**; PLA has either been **paid upfront** or is being **paid annually** and can easily **obtain details** of transferee from **Land Registry**
- PLA **cannot be trusted** to fairly **prosecute** criminal offences:
 - **thinks** it's a "**public authority**" for prosecution when it's **not**; and
 - **record keeping** is **appalling**; frequently loses key documents, such as RWLs & related correspondence - effectively it's prosecuting Cubitt Wharf because it has lost our long term RWL

6. MORE POWERS TO REMOVE BALCONIES

- PLA wants to give itself even more **powers to remove** balconies
- Ignores:
 - **safety & practical** issues;
 - balcony RWLs only relate to **overhanging portion** of balconies; and
 - many buildings with balconies are **Grade II listed**

7. DISAPPLYING LANDLORD & TENANT LAW

- PLA is proposing **disapplying landlord & tenant law** to any leases it grants and says this is required so it can **terminate leases** “...*in the interests of... safe navigation...*”
- Re balconies, this is **nonsense**; balconies don't affect safe river navigation in any way
- Unclear whether applies to **existing** balcony **RWLs**, particularly those with related **long term** airspace leases?

8. EXTENDING LAW OF “ADVERSE POSSESSION” BY 48 YEARS

- PLA seeking to **extend** period required to obtain “*adverse possession*” of its land by **48 years**
- **Outrageous** attempt by **unregulated unaccountable** body to override courts and change law to its own benefit
- Judge in *Mendoza* case stated **public navigation** not affected by “...*slight narrowing of the river...*” caused by moored 100 year old Portsmouth-Gosport ferry; clearly **balconies** have **no effect** whatsoever!

LACK OF CONSULTATION - A MORAL FAILURE

- PLA **failed to consult any balcony RWL holders** during “consultation” periods in 2019 and 2021, even though would have been **easy** to do so - there are fewer than 100 licensees, it has all their names and addresses and it regularly sends bills to many of them!
- Met bare minimum **legal** requirements for HRO consultation, but **ignored moral obligations - unacceptable**

SOLUTION - REFORM & TRANSPARENCY

- Current **Port of London Act** outdated and **not** “fit for purpose”
- DfT should consider replacing PLA with **new body** to manage Thames in central London or **devolving its powers** to **GLA** as proposed by last Mayor
- Otherwise or in interim, DfT should consider:
 - putting it within remit of **ombudsman**; and
 - creating **regulator** for all UK ports
- PLA's **RWL charging system** needs to be both **transparent & fair**; all charges should be published & justifiable

CALL TO ACTION - REJECT HRO

- **Reject HRO** in current form
- **If not** completely rejected, should be subject to thorough **re-consultation**, taking into account concerns of **all affected residents**
- PLA's **abuse of its powers** must be **stopped** - until that happens it should **not** be given any **more!**