‘DELIVERING VALUE, CREATING PROSPERITY’

A blueprint for ports policy
Ports connect consumers, businesses and exporters to the world.

Our economy and energy security depend on ports.

Ports are delivering prosperity.
95% of the nation’s trade in goods moves by sea. As an island nation, ports are fundamental to our economy.

Ports support 344,000 jobs and contribute over £19 billion to the economy every year.

Over the past 5 years alone ports have invested over £2 billion in new infrastructure at no cost to the taxpayer and helped create 50,000 new jobs.

The nation’s ports are a major success story and are delivering prosperity.

Ports provide a route to more sustainable growth – supporting the development of offshore renewable energy and rail freight and other sectors that benefit the environment.
The UK is heavily reliant on the ports industry. Each year our ports handle over 500 million tonnes of freight and over 60 million passengers, making the UK ports sector the largest in the EU.

Ports are products of their locations. They vary widely in size and type of activity, and can have local, regional and often national significance. As well as handling a wide variety of goods and passengers, ports carry out many important statutory duties, ranging from ensuring navigational safety to the operation of sophisticated security and environmental regimes. Ports also support a variety of related businesses and activities, for example, offshore energy, tourism and fishing.

In the UK, ports do all this acting commercially and independently of government. There are three models of port ownership in the UK; private, trust and local authority owned. All exist side by side and each contributes to the mixed ownership structure that is one of the industry’s strengths.

UK ports policy is based on financial and strategic independence. Unusually within the EU, UK
ports are not subject to any form of systematic financial support. This makes them particularly competitive and user focussed. Operations and new developments are all funded from port returns and private investment.

Ports policy in England and Wales is currently the responsibility of the Department for Transport (DfT) whereas in Scotland and Northern Ireland it is the responsibility of the respective devolved governments. The National Ports Policy Statement sets out the policy and planning framework for the sector in England and Wales. This policy is characterised by a competitive, market led approach. Alongside this the DfT and the port associations have created a ‘Ports Sector Strategic Partnership’, which brings together ports and the range of Government Departments, Agencies and organisations which impact on the industry.
There are 6 ways government and industry can work together to help ports deliver even more…….

1 Make the EU work for ports not against them

Unlike many other member states in the European Union, the UK’s ports operate on a commercial basis and largely without subsidy. The EU needs to do more to promote fair and unsubsidized competition between major international ports, not least by enforcing Maritime State Aid rules consistently and fairly. EU measures such as the proposed EU Port Services Regulation would impose red tape, cause uncertainty and put investment and jobs at risk. These must be fought off.

2 Make better road and rail links to ports a priority

Parliament believes that better road and rail links to ports should be a priority. We agree. Better road and rail links to ports make it easier for businesses and exporters to access global markets, helping to boost trade, increase growth and create more jobs.
3 Foster a single strategy for ports

Ports are essential for trade, competitiveness and growth. That’s why a joined-up approach across government and between different parts of the UK is important. Government departments and devolved administrations must continue to work together and with the industry to maximise the benefit of ports for the nation.

4 Create a planning system that backs investment

A better land and marine planning system will allow ports to invest when and where it is needed. It can also help unlock ports’ full potential to help re-balance the economy, support local communities, and drive export-led growth. Ports can be ideal locations for new manufacturing industry and distribution centres. At local level there needs to be better co-ordination between authorities and more recognition of the growth benefits that good connections to and from ports can bring, not just locally, but for the economy as a whole.
5 Invest in people and enhance safety

To meet the demands of the future, the ports industry is investing in its existing people to enhance skills and knowledge in the same way that it invests in operations. Port safety has improved dramatically in recent years but more still needs to be done, especially if the industry is to create more employment opportunities for our young people. To make a real difference, the Government can contribute through support for training and apprenticeships and strong partnership working on health and safety.

6 Create a well protected border which does not impede travel and trade

Protecting the border is important. To facilitate legitimate international trade, which is essential for the UK’s growth, secure border controls need to be balanced with the needs of passengers and businesses.
A level playing field in the EU

Around 50% of the UK’s international trade is with the EU. The EU ports sector as a whole has prospered thanks to a relatively light EU economic regulatory regime which has recognized the wide differences in geographical location, ownership type and governance structures. The Commission has promised to do more to clarify the application of state aid rules. This currently disadvantages UK ports which do not receive systematic state aid. However it has failed to take action and instead has proposed introducing unnecessary red tape in the form of a proposed Port Services Regulation which would make it more difficult for ports to be run on business like lines. Though some of the proposal’s deficiencies have been addressed during the EU legislative process to date, UK ports remain concerned about the potentially adverse effects on highly efficient ports. This could add to costs and damage investment. We are calling for the proposal to be defeated or withdrawn.

Connecting industry

Ports are major gateways for road and rail traffic. Traffic needs to flow easily and predictably if the
UK’s trade is to be internationally competitive. Links to and from ports should be given priority at national and local level in order to promote growth, and be recognized in the strategic objectives for the successor body to the Highways Agency. The current policy under which port developers are expected to make a financial contribution to road improvements many miles inland discourages port investment and puts UK ports at a disadvantage with continental competitors. It must be abandoned forthwith.

Critical to these links is the level of funding not only to create new infrastructure, but to maintain it. Funding from a number of sources underpins the strategic road network and local roads. We are concerned that local funding will be particularly squeezed as the Local Enterprise Partnerships (LEPs) in England compete for funding from the Local Growth Fund. Although the great majority of goods are transported to and from ports by road, rail connections are also critical and a greater focus on freight rather than passenger requirements is strongly encouraged. Overall, the UK compares poorly with levels of investment in other EU member states (the amount of new
motorway building in France since 1990 is equivalent to the entire UK network). Port needs here are entirely consistent with broader economic needs, as the adequacy of the transport system is one of the pre-conditions of a successful economy.

Navigating the planning system

Like all businesses, ports require a planning system which is efficient, transparent and accessible. The planning system for ports is multi-layered, combining a need for both land and marine consents. Critical to port growth is the efficiency of the Marine Management Organisation (MMO) and its counterpart organisations around the UK in processing Harbour Revision Orders and marine licence applications. This will require proper resourcing. Planning is carried out within the framework of the National Ports Policy Statement, the UK Marine Plan and, increasingly, the various regional coastal plans. Environmental legislation creates its own planning regime. Apart from Regulations which assess environmental impact, there is the need to comply with the Habitats Directive, the Water Framework Directive, the Marine Strategy Framework Directive and the requirements of emerging Marine Conservation
Zones (MCZs), currently the subject of consultation in England, Scotland and Northern Ireland. The system is complex. There needs to be continual monitoring of its ability to deliver well grounded, speedy decisions in harmony with the need for ports to move quickly in responding to markets.

Investing in people and raising safety standards

In recent years the UK ports industry has established its own body to promote safety and skills in ports, an industry which had traditionally had a high accident rate. The port landside accident rate has reduced by over 50% over the last decade and remains on a downward trend. This improvement has been facilitated by better and faster data collection with fuller analysis so main trends are analysed and acted upon, by detailed safety guidance covering key topics, and by a comprehensive suite of skills standards and qualifications for port staff. In addition, the industry recognises the need to reach out to the wider community, to enhance career prospects for young people in what is a vibrant and very progressive sector of the UK Economy. But there
is still more to be done. We need an even closer working partnership with safety regulators (HSE and MCA) to achieve this, as well as support from right across Government to promote training and apprenticeships, as well as to support progressive and sustainable safety improvement programmes for the whole industry.

Making border controls work

As an island, the UK is particularly susceptible to a range of border controls. Most of these controls are located at ports and the challenge is to ensure that they can be conducted without a disproportionately adverse effect on throughput and costs. Ports provide facilities for Border Force, customs and immigration controls, Special Branch, security checks and a range of health checks. It is vital that ports are consulted on any changes and pragmatic solutions negotiated based on trade facilitation principles. Preparations for the introduction of embarkation checks in the UK from 8 April 2015 has demonstrated the need to produce a planned implementation programme which recognises the likely operational practicalities at the UK’s main ferry ports. The industry will also continue to seek action through the EU in removing
some of the extra bureaucracy surrounding ship movements which do not apply to road or rail movements. Wherever possible, inland checks away from borders should be considered as a viable alternative.

Devolution in action

The increasing momentum of devolution and the influence of the devolved Assemblies has produced changes in the way in which ports policy is delivered throughout the UK. Ports policy is already devolved in Scotland and Northern Ireland and there is the prospect of ports policy being devolved to Wales as a result of the Silk Commission proposals. This means that from a single base ports policy can start to diverge. This allows each part of the UK to play to its strengths, although there is also the possibility of competitive distortions. Underpinning all devolved port policies should be a commitment to ports to have financial and strategic independence, fully subject to market forces and highly responsive to port users. Recognising the pace of change, the industry has set up port groups in each part of the UK which can represent the industry’s interests and talk directly to respective governments.
Representing the ports industry

This manifesto has been produced jointly by the British Ports Association and the UK Major Ports Group, which represent the overwhelming majority of ports in the UK.

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