MODERN PORTS

A UK POLICY

FOREWORD

The UK's ports are vital gateways for trade and travel. Over 388 million tonnes of international freight and 177 million tonnes of domestic freight moved through UK ports in 1999. Thirty-two million international passengers use UK ports each year. Another 38 million use them for domestic journeys, including river crossings. Our national economy needs a thriving ports industry.

Yet despite the overwhelming importance of ports, their role in transport policy has been neglected: a comprehensive assessment of ports policy is long overdue. That's why we have published this paper which sets out the broad policy aims of the Government and the devolved administrations for the UK's ports. These reflect an integrated approach to transport and recognise the relationship between transport and other important policies. We will implement the policies set out in the pages that follow, but we will also review them jointly as they progress. You can find a list of the specific initiatives on which we will review progress at Annex 1.

We have also included a group of case studies at the end of the paper. These were chosen from others to illustrate a variety of the integrated transport issues discussed in the paper.

The Government and the devolved administrations believe that this paper maps out a future for UK ports that will ensure they meet the demands of our economy and of our role as a trading nation.

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1.1. A NEW PORTS POLICY

1.1.1. The ports industry has experienced a bracing climate of change in recent years. That climate is set to stay. World trade continues to shift - global markets and production lines make new demands on transport systems, and on ports in particular. We also travel more. The UK economy depends upon international trade. Our competitiveness relies upon quick, easy, economical, and safe movement of people and goods.

1.1.2. Ports serve the national interest, supporting the competitiveness of national and regional economies. It is in the national interest that our ports remain able to handle current UK trade and its potential development efficiently and sustainably. They must succeed not only to meet the immediate demands of their customers, but also to invest in new facilities, in safety, and to safeguard communities and the environment.

1.1.3. Our economy therefore needs a thriving ports industry. Customers moved over 388 million tonnes of international freight through UK ports in 1999 – 95 per cent of the UK's international freight tonnage movements and 75 per cent by value. Another 177 million tonnes of domestic freight moved through UK ports. Thirty-two million international passengers used UK ports in 1999. Another thirty-eight million use them for domestic journeys, including river crossings.

1.1.4. The industry faces rising expectations, not only from users, but also from local communities and the wider public. People are looking for a more open and accountable approach from those entrusted with legal duties and powers to run our ports. They demand ever higher safety and environmental standards. As workplaces, ports have changed unrecognisably. Tonnage rises year by year, but far fewer dockers handle it, doing different jobs and using new technology.

1.1.5. Britain has such a diverse ports industry because local people developed it to serve their needs. Some ports have since grown to regional and national significance, but all remain rooted in their local communities. Change has brought success and expansion for some ports. Others need a new role to replace trade which has diminished or disappeared. The Government did not create it, but the network of ports has always had a key role in the national economy, and our transport system.

1.1.6. Unlike some of our European partners, the UK has a long tradition of allowing free access to our shipping trade to vessels from all nations. We benefit in return from a major historic role in shipping trade between other countries, and in the shipping business itself - whether or not our shipping companies' vessels are registered in this country. As a counterpart, access to our ports is also open, subject to payment of reasonable port tariffs. There is a long-standing principle that customers may choose which UK port they use - not the other way round. So ports must compete by offering long-term value, and must be allowed to do so - domestically and internationally - on level terms.

1.1.7. Ports have been developed and managed on the principle that users pay for the facilities. This has served the industry well. Port founders accepted and have risen to the challenge of discharging their duties from the dues they raise without subsidy. They looked ahead, treating port assets as an heirloom which increases in value as it is passed on.

1.1.8. It is a strength of the ports industry that each undertaking has statutory powers suited to its needs. Commercial decisions, as well as responsibility for port operations, lie with those who have these powers and the duties that go with them. This continues to be fundamental. It is not Government's job to run the ports industry.

A UK policy

1.1.9. The devolved administrations share the same broad aims for their ports. This paper sets out a UK ports policy. Where a distinctive approach is being taken by a devolved administration, for example on the issue of planning guidance, that is noted in the paper. Some matters are reserved, for example shipping policy and marine safety. In these cases, the Government will take the same approach throughout the UK. The role of Government will develop in Scotland, Wales and Northern Ireland through the devolved administrations working with the industry where they now have responsibilities. Ports' businesses, and their place in the community and environment, can be developed in line with the devolved administrations' needs and priorities.

The role of Government

1.1.10. Historically, Government's relationship with the ports industry has been confined largely to the endowment of duties and powers. There has been a strong recent emphasis on de-regulation in the industry, aiming to stimulate it by exposure to market forces. The need for an integrated transport policy has been neglected in the last twenty years, and the role of ports in such a strategy has not been adequately considered.

1.1.11. Integrated transport policy aims to meet the needs of port customers sustainably. Customers want not just port facilities, but good connections to their destinations – whether by road, rail or sea. Many ports have good connections to all three forms of surface transport.

1.1.12. Transport policy is now firmly based on a partnership between the public and private sectors to improve transport, and to deliver a better quality of life for everyone. In July 2000, the Government published *Transport 2010: The 10 Year Plan*, which set out plans for substantially increased spending of £180 billion over the next ten years to modernise the transport system. Apart from provision for railways and road safety, the Plan focuses on land transport in England, including improvements in surface access to ports and airports. It does not cover the role of shipping, which was set out in *British Shipping – Charting a New Course*. Nor does it look in detail at private investment in the ports industry. It does, however, take account of likely future trends in the use of ports when considering surface access issues.

1.1.13. The Government and the devolved administrations are looking for practical and achievable ways to help the ports industry to help itself, and to rise to the challenges it faces. We need to involve those who use and work in ports, local authorities, and other interests. Our aim is to build on - and not replace - the many

sound and well-established working relationships between the industry and Government.

Focus on ports

1.1.14. Strategic transport planning must address the role of ports, including Regional Planning Guidance, the Regional Development Agencies' strategies, local transport plans and the policies of the devolved administrations. Regional strategies must be based on some assessment of the national context. A background document, *Focus on Ports*, being published alongside this policy paper, aims to meet this need.

1.2. KEY POINTS

1.2.1. The Government and the devolved administrations share policy aims for ports which promote -

- UK and regional competitiveness;
- high nationally agreed safety standards;
- the best environmental practice.

1.2.2. The Government and the devolved administrations will work with the industry, its users and other interests, to achieve these four key objectives -

- to make regulation add value rather than unnecessary cost, ensuring that different regulators co-ordinate their overall demands;
- to promote agreed national standards and good practice for port management and port operations alike, without detracting from the legal responsibilities of harbour authorities and other port interests;
- to promote training and the recognition of skills for those who work in the ports industry at all levels - not just those engaged by harbour authorities;
- to maintain a balanced policy on development which aims to makes the best use of existing and former operational land, secures high environmental standards, but supports sustainable projects for which there is a clear need.

Key points

1.2.3. Responsibility for these matters is both devolved and reserved. The Government and the devolved administrations will each pursue these policies:

- We will apply standards and other regulatory requirements efficiently and consistently, with the object of avoiding unnecessary burdens.
- We will help the ports industry to help itself by setting standards and promoting good practice.
- We will build on well-established partnerships with the industry and other related interests, welcoming their practical contribution to the development of policy.

- We are issuing a wide range of planning policy guidance which identifies the needs of ports, and the environmental standards required of those planning port developments and managing port operations.

- Ports should be encouraged to redevelop former operational land for purposes which exploit its transport connections to reduce traffic.

- We will support sustainable port projects for which there is a clear need, with each looked at in detail on its merits.

- We will take full account of the need for good access to ports in developing policies and programmes for the various forms of transport, and encourage the use of ports by coastal and short sea shipping services.

- We will encourage ports to realise opportunities, and support constitutional changes to that end.

On reserved matters -

- The Government will promote the highest standards of health and safety, and the development of training and qualifications for all those who work in ports.

- The Government will help harbour authorities to develop and implement standards to meet their responsibilities for marine safety.

- The Government is committed to counter marine pollution, and to be ready – with the ports industry to deal with incidents so as to minimise damage to our coastline.

2. FACING THE FUTURE

This part of the paper reviews the contribution ports make to the economy, and to national and regional competitiveness. It looks at the need for capacity, and at the potential need for new port development. It then describes the relationships between the ports industry and the planning system, and the need for high environmental standards - whether for port development or port management. Finally, it considers the needs port customers have for sea, road and rail connections.

2.1. PORTS AND THE ECONOMY

2.1.1. About 100 ports are commercially active. –Of these, 36 handle over two million tonnes per year. The four biggest estuary ports - London, Tees and Hartlepool, Grimsby and Immingham, and Forth - handle over 200 million tonnes between them. Oil and oil products account for half the tonnage handled by UK ports and seven ports handle over 25 million tonnes annually. These products make up over half the tonnage through eight of the top ten. Sullom Voe was built in the 1970s and now handles over 30 million tonnes per year of North Sea and North Atlantic oil. Felixstowe has grown in just over 30 years from a little fishing haven to a major port, handling 1.8 million containers in 1999 - 40 per cent of the UK total. Dover has grown over a similar period to handle 17 million tonnes of freight in 1999 - the bulk in 1.5 million lorries. Dover also handles 24 million passengers.

2.1.2. In many traditional ports, coastal traffic has been replaced or now moves by other forms of transport. For example, coal shipments required a number of large ports near the coalfields. This trade has gone and some commercial ports have gone with it. Overall port tonnage grows slowly. This reflects shifts in the economy towards trade in relatively higher value but lighter manufactured goods. Tonnage is not rising at every port. Some will continue to decline in importance. Diversification will be the key to regeneration in these communities.

Containers and trailers

2.1.3. Containers and trailers have taken the place of loose cargo shipments. But they have done more than displace traditional, labour-intensive, methods. Rapid growth in these sectors is linked to the globalisation of trade. Many companies now treat the whole world as their market and their production line. Recently the container and trailer sectors have been growing at 8 per cent a year and some customers' forecasts are ahead of this figure. Major retailers, for example, are making buying decisions which may double their use of containers in a single year. UK container ports are well served by direct deliveries from international lines. Shipping companies also use them for transhipping goods to or from other countries. Over 30 per cent of containers handled at Felixstowe are in transhipment. This in turn increases the range of markets available to UK customers, bringing competitive benefits to our industry and maintaining our attractiveness for inward investment.

2.1.4. Container ports which cannot meet the demands of these global shipping alliances stand to lose not only the future growth of their business, but substantial sections of their existing custom. This is because transhipments are important to the liner operations' economics and the lines look to consolidate their operations at hub ports. Competition among container ports is fierce. The stakes are high, especially given the public state aids that some continental rivals get at the moment. Gateway ports have become increasingly important to their local and regional economies as their business has grown. If they were to lose this business it would have correspondingly substantial adverse consequences. This consideration is of national interest.

Bigger ships

2.1.5. Some ports have lost trade because bigger ships cannot use them. The growth of super-tankers is a familiar story. It is matched in other sectors where bigger and more sophisticated vessels make ever-more exacting demands on port services. Ports are now needed to handle bulk carriers in excess of 300,000 gross registered tonnes (grt). Container vessels have breached the limits imposed by the Panama Canal. 'Post-panamax' vessels carry boxes 19-abreast; and the industry talks of new giants with more than 8,000 containers in 22 rows.

2.1.6. These ships work to very demanding year-round liner timetables. They need reliably efficient port-handling - hours count. They also need deep approaches, with the widest possible tidal window. Only a few major facilities can meet these demands. Providing enough space and maintaining channels without damaging the environment is a major challenge for port operators. Shippers want to send and receive goods 'just-in-time'. There is constant pressure on the ports' handling capacity.

Ferries and the Channel Tunnel

2.1.7. Growing continental trade and travel led to the development of short-sea ferry services from several south and east coast ports. The Channel Tunnel has transformed this market. Most customers now make a straight choice between the quickest crossings - the Tunnel and the ferries from Dover. They can choose at the last minute, as the services are turn-up-and-go, offsetting the uncertainty of road congestion on the way. Dover still handles 25 and 38 per cent of road vehicles and international passengers respectively. The Tunnel has about the same share of passengers and half the share of road vehicles. So there is only a fraction left for competing services and some have stopped running. South East England has to face the consequences of this concentration and of continued rapid growth in this market.

2.1.8. The recent surge in the Irish economy has brought substantial new trade for ports in all four parts of the United Kingdom - Liverpool and Heysham in England; Holyhead, Fishguard, Pembroke and Swansea in Wales; Stranraer, Cairnryan, and now Ayr in Scotland; as well as Belfast and Larne in Northern Ireland. This trade has revived traffic through Liverpool and is bringing substantial former port sites back into use without any development on new land.

Serving the customer

2.1.9. There is a public right to use our ports for the shipping and unshipping of goods and the boarding and landing of passengers. It is called the 'open port duty'. It is a long-standing principle that customers may choose their ports in this country - not the other way round. Parliament has charged harbour authorities with ensuring that port users are able to exercise this right safely and efficiently. There is a wide variety of arrangements for the use of particular facilities, including exclusive use. Those operating port facilities must be allowed to compete on level terms. The Competition Act 1998 ensures that - in common with all other businesses - those who run ports, or provide services in them, do not abuse any dominant position.

2.1.10. Customers look to the transport system as a means of adding value, not just cost. They want more than a terminal where goods are switched from one form of transport to another. Many ports are potential distribution centres. Customers value viable rail connections as an alternative to congested roads.

Paying for ports

2.1.11. Government does not run the shipping industry or the ports industry. Government does not decide the ports industry's commercial strategy, or direct or fund its investment; nor does it manage port operations. These are matters which Parliament has entrusted to local statutory authorities, who fund their investment and operations from levies on users. In general, port infrastructure can and should be commercially financed. Commercial funding for development is unlikely to be a problem where a port's business is growing.

2.1.12. The Government and the devolved administrations retain powers to set dues when port users appeal against them. This is because the public right to use a harbour depends upon payment of dues. If they are not paid, the use is not by right. On the other hand, the right could be practically extinguished if dues were unfair or unreasonable. We believe that dues must be fair and equitable. It is wrong for some users to have special treatment, and even to be exempt from dues altogether, when their competitors are paying the going rate. Harbour facilities cannot be

maintained unless the users contribute properly. Harbour authorities are obliged to publish the dues tariff. These are important safeguards.

2.1.13. We believe that port developments and port operations should not in general need public subsidy. Public money is not well spent distorting competition between ports - for example, where a port is seeking to win business to replace lost traffic and use surplus capacity. Subsidy tends to spread the problems caused by excess capacity. It can be damaging to otherwise healthy neighbouring ports.

Sustainable distribution

2.1.14. The Government followed the white paper *A New Deal for Transport: Better for Everyone* by publishing a comprehensive, integrated strategy for the distribution of goods and services, *Sustainable Distribution: A Strategy*. The Government aims to ensure that the future of the distribution industry - of which ports are a key part - does not compromise the needs of our society, economy and environment.

2.1.15. The Government has proposed a national policy framework for major freight interchanges. Its four objectives are to -

- promote their contribution to national and regional competitiveness;
- improve their operational and environmental performance;
- encourage the full use of existing interchanging facilities; and
- promote best environmental standards for new developments.

2.1.16. It is important to make the most of the transport infrastructure we already have and to ensure that it works effectively. This also applies to major interchanges, where freight is transhipped from one form of transport to another - including ports. The performance of these hubs is vital to promoting greater use of inland freight and the use of rail for trunk haulage. It is equally vital to efficient trading links with continental neighbours.

2.1.17. Sustainable development must recognise the importance of meeting economic, social and environmental objectives at the same time. Government has a crucial role in balancing conflicting interests. Development can threaten the delicate natural environment of shorelines and tidal estuaries, or expose many people to noise disturbance. That is why Government regulates port development, for example through the Environmental Impact Assessment, Wild Birds and Habitats Directives. On the other hand, sustainable development may safeguard jobs, reduce long-distance road haulage and cut costs and journeys to market. The Integrated Transport White Paper, *A New Deal for Transport*, published in May 1998, set four key aims for policy on ports:

- promote UK and regional competitiveness by encouraging reliable and efficient distribution to markets;

- enhance environmental and operational performance by encouraging the provision of access to markets by different forms of transport;

- make the best use of existing infrastructure in preference to expansion, wherever practicable; and

- promote best environmental standards in port design and operation, including where new development is justified.

2.2. DEVOLVED PORTS POLICY

2.2.1. Devolution in the UK provides a major opportunity for innovative policies. Ports policy is now shared between the Department of the Environment, Transport and the Regions, the Scottish Executive, the Welsh Assembly and the Department for Regional Development in Northern Ireland. The devolution settlement provides a legislative framework and associated concordats for the Departments to work effectively together. They will do so on the basis of the policies in this paper. They will liaise regularly on matters of policy and legislation.

2.2.2. Integrated transport policy recognises that Government cannot treat any element of the transport network in isolation. There are other related policies, some of which are devolved and some reserved. The Government and the devolved administrations are committed to working closely on policy development in both areas. The reserved areas are:

- shipping;
- carriage of goods by sea;
- marine safety;
- marine accident investigation;
- salvage;
- navigation;
- lighthouses;
- coastguards;
- marine pollution; and
- occupational health and safety.

Scotland

2.2.3. Before 1 July 1999, the Secretary of State for Scotland was responsible for fishery harbours and marine works. The Scottish Executive is now responsible for all ports in Scotland. The Executive deals with:

- administering provisions in the Harbours Act and related local legislation;
- policy on and appointments to trust ports;
- designating harbour authorities under the Pilotage Act; and
- relevant powers in the Ports Act 1991.

The Scottish Executive is accountable to the Scottish Parliament. It will develop policies on ports and harbours which suit Scotland's needs.

2.2.4 The Scottish Parliament now has competence to legislate on ports and transport in Scotland. The Scottish Executive also continues to be responsible for financial help to Highlands & Islands passenger ferries and Scottish Ministers are the shareholders in the ferry operator Caledonian MacBrayne. The Executive is considering future arrangements for the subsidy of lifeline ferry services currently operated by Caledonian MacBrayne to ensure compliance with European state aid regulations. It will take full account of the role of the key ports serving these lifeline routes in the west coast, and to the Northern Isles.

2.2.5 The Scottish Executive's transport policy draws from its integrated transport white paper *Travel Choices for Scotland*. It highlights the importance of ports as part of Scotland's transport system and trading links. It also describes strategies for improving freight transport. *A Partnership for Scotland* set out the principles for developing policies for Scotland, and *Making It Work Together* sets out the Executive's commitment to sustainable development. Ports policy in Scotland will develop from these key strategies. The Executive will measure progress against its objective of delivering a sustainable, effective and integrated transport system.

2.2.6. Now that the Executive has responsibility for ports policy for the first time, it has an opportunity to develop an integrated ports and transport policy with other key issues including the environment, economic regeneration, fishing and Highlands and Islands matters.

Scotland – Integrated transport

2.2.7. Integration is central to transport policy across the UK. The Scottish Executive's Transport Bill paves the way for an integrated transport strategy and ports policy for Scotland. Ports are expected to contribute towards, and benefit from, policies to improve freight transport.

2.2.8. Ports make a vital contribution to local and regional economies in Scotland. Scottish ports are diverse, serving the oil, fishing and passenger transport industries. Ports must also support the Executive's objectives for developing the rural economy especially in peripheral and remote areas. They must respond to the changing economic structure of the Scottish central belt. Scottish Enterprise, Highlands & Islands Enterprise, their network of local enterprise companies and the relevant local authorities will contribute to both transport and economic objectives.

2.2.9. The ports industry and potential shipping operators must maximise opportunities for Scotland's sea transport and trading links. The Executive's integrated transport policy leads by setting integrated transport and sustainability objectives. It is a framework for ports to develop new links to and from Scotland's east coast, where a possible ferry service is being examined, and links to Northern Ireland and the south west of Scotland and Firth of Clyde. However, Government cannot determine which ports should be used for shipping routes.

Sustainability

2.2.10. Sustainable development is central to the Executive's policy on transport and the environment. The Executive will develop policies on ports that recognise both the economic and social needs but do not threaten the environment. The Executive looks to the ports industry to work with the Scottish Environment Protection Agency, Scottish Natural Heritage, local authorities and others within that policy framework.

Assistance to Scottish Transport and Fisheries Harbours

2.2.11. Ports and harbours in Scotland are subject to the same constraints and opportunities for public sector finance as in the rest of the UK. The Scottish Executive plans to retain the responsibility for fishery harbours within the fisheries group of the Scottish Executive Rural Affairs Department (SERAD), but will keep the position under review.

2.2.12. The Scottish Executive recognises the vital importance of the ports and many smaller harbours serving the lifeline passenger ferry services throughout the Highlands & Islands. The lifeline ferry service is a major part of their business for many of these ports and the Executive will take full account of these special needs in its port policies. Scottish Ministers also have powers to provide grants for the improvement of piers, harbours and boatslips that serve the Highlands & Islands.

2.2.13. Capital grants are available to improve transport facilities so that ferry services are more efficient and economical. Local authorities in the Highlands & Islands support some projects and, along with some independent harbour authorities may also access the Executive's piers and harbours grant scheme. In recent years, local authorities and independent harbour authorities have received just over £1m annually. The Highlands and Islands may want to have a more direct say in the management of the lifeline and other transport services. The Scottish Executive, the local authorities, and Highlands and Islands Enterprise have jointly commissioned a study of the issues involved.

2.2.14. Local authorities also provide valuable ports infrastructure in Scotland. There is a significant contribution in Orkney and the Highland Council area. Local authority ports and harbours are particularly important in the Highlands and Islands area. Local authority owned ports and harbours fall within the Scottish local government financial control system.

Ports in Wales

2.2.15. Ports policy for Wales (other than for small fishery harbours) is reserved. However, the National Assembly views the development of ports in Wales as a key element of its integrated transport policy, and its broader aim of improving economic and social cohesion. Wales is well endowed with ports. There are four ferry ports with services to Ireland:

- Holyhead (to Dublin and Dun Laoghaire);
- Fishguard (to Rosslare);
- Pembroke Dock (to Rosslare); and
- Swansea (to Cork).

They are on the Trans European Road, Rail and Rail Freight Networks, linking Ireland with Great Britain and mainland Europe. Ports and ferries have been upgraded in recent years, and Irish Sea traffic has been growing at around 6 per cent a year. Wales also has a number of other cargo handling ports, such as Cardiff, Port Talbot (one of only four deep water ports in the UK), Milford Haven and Mostyn.

2.2.16. In July 1998, the Welsh Office published *Driving Wales Forward*, a strategic review of the Welsh trunk roads programme. The core network serves all the major ports in Wales. The strategic east-west trunk roads have major port destinations. A central aim of Assembly policy is to ensure that these ports can take full advantage of the continuing growth in passengers and traffic, especially increased use of short sea freight shipping.

2.2.17. The Assembly has recently funded development of a European railfreight terminal at Wentloog. This will be well placed to handle freight travelling through South Wales ports. It supports studies by the Welsh Development Agency and the

port operators to identify potential markets for ports along the South Wales coast. The studies are also looking at what infrastructure (including rail gauge enhancements and road traffic interchanges) they might need. Similar market analysis has also been undertaken in North and Mid Wales, sponsored by the Welsh Development Agency and Railtrack. This has confirmed the key role of Holyhead in generating freight flows in and across this Region and beyond, and that infrastructure needs to be improved to encourage further growth.

2.2.18. The Assembly looks to local authorities to take full account of the potential role of ports in their local transport plans. The Assembly guidance looks to provide a seamless interface between sea journey and onward travel. It is willing to fund local authority minor infrastructure developments to improve integration through transport grant. The Assembly is also responsible for administering freight facilities grant where port development needs railhead infrastructure. It expects this funding to be complemented by operators, Railtrack and the Strategic Rail Authority. It has encouraged local authorities, such as the Isle of Anglesey in respect of Holyhead, to work closely with these potential investment partners to support sustainable port development.

2.2.19. The Assembly is keen to work more closely with the Government of the Irish Republic, to predict and meet future demand for travel between the two countries. Many of the Welsh ports (both in west Wales, and Holyhead in Anglesey) fall within the Objective One region, as well as being eligible for funding from the EC's regional budget. Their further development may feature within wider projects to capitalise upon the opportunities for growth offered by the Welsh-Irish sea corridor.

Ports in Northern Ireland

2.2.20. The Department for Regional Development is responsible for ports policy and the legislative framework within which ports operate in Northern Ireland. The statutory framework is distinct; ports are regulated by the Harbours (Northern Ireland) Act 1970 and the Ports (Northern Ireland) Order 1994. Northern Ireland's ports are crucial because of its separation from the rest of the UK. They serve as vital gateways, both for trade between Northern Ireland and Great Britain and further afield, as well as for passenger and tourist traffic.

2.2.21. *Shaping our Future* (published in December 1999) provides a regional strategic framework for Northern Ireland. Its policy objectives include strengthening the economy, tackling social disadvantage and protecting and enhancing the environment. Northern Ireland's limited home market makes its major ports vital gateways. *Shaping our Future* highlights the importance of ports for:

- integrated sea and land transport infrastructure;
- sustainable freight distribution centres;
- tourism development; and
- world-wide links.

2.3. THE EUROPEAN CONTEXT

2.3.1. Many of our ports carry continental trade and have close links with ports there. Some have continental rivals. Few other EU member states have anything like the number and variety of UK ports. Ports are an integral part of the economies of many national and local member states, as they are of ours, but some other

countries use this to justify substantial state aid. Such distortions of competition are unfair to UK ports.

Ports and maritime infrastructure in Europe

2.3.2. The Government welcomed the European Commission's green paper, *Ports And Maritime Infrastructure*, published in December 1997. It supports applying the user-pays principle to port and maritime infrastructure to bring about fair competition. The green paper correctly identified the major issues and trends facing the ports industry. They include moves towards trade liberalisation and a developing globalisation of the world economy, containerisation and concentration of traffic. Europe needs efficient, integrated port and transport systems to compete successfully in world markets, and to encourage sustainable freight distribution.

Port services regulation

2.3.3. The green paper also considered the possible development of a regulatory framework aimed at removing barriers to the port services market. Conditions of market access should be limited to those needed to maintain open and accountably managed safety standards and related matters. The Commission is developing more specific proposals on access to port services. Once these are public the Government will consult widely and fully on them.

Transparency on financing

2.3.4. The Commission is also considering ways of promoting transparency on port infrastructure financing. In principle, the Government supports initiatives on funding and charging to create free and fair competition in the port sector. However, it is important that any Commission initiative should avoid unnecessary regulatory burdens. The Government is opposed to complex and inappropriate interference in the ports market.

European Regional Development Fund (ERDF)

2.3.5. We must take the same approach to public finance of port projects for both domestic and European sources of funding. The Department of the Environment, Transport and the Regions co-ordinates ERDF applications for ports infrastructure in England and Wales. This function is devolved in Scotland and Northern Ireland. Each case is considered on its merits.

2.3.6. In general, commercial ventures in buoyant markets need no public funding. It is important that new trade anticipated in ERDF applications should not be relocated from other ports. Using public funds to move business in this way is unsound. Better proposals have included research into new traffic flows which promise to take more lorries off the roads. The Government and the devolved administrations will not support funding proposals if they are likely substantially to distort competition in the UK ports sector.

Trans-European networks.

2.3.7. The Council and European Parliament have agreed Community guidelines to establish a trans-European network (TEN) throughout the Community. The network will be established by 2010 and will integrate land, sea and air transport networks. In December 1997, the Commission published proposals to amend the guidelines, clarifying the position of seaports. They also included some inland ports and terminals where people and freight can transfer from one form of transport to another. The Transport Council agreed the revised proposals in 1999 and they are

now subject to co-decision with the European Parliament. Any inclusion of ports and terminals should limit Community funding to projects of common interest that meet specific criteria. These might include promotion of short sea shipping or links to peripheral regions, avoiding general support for port infrastructure.

2.3.8. UK ports have made little use of the TENs budget allocated to port and port-related feasibility studies. The UK will continue to participate in the programme for the maritime sector and the Government intends to apply a more rigorous sifting assessment to future schemes. Government support for anything beyond initial studies for schemes will generally depend upon a quality-assured business case. Projects that pass this test should not need substantive public funding at the development stage. There may be special cases, however, for example where there are overriding social reasons for a project in peripheral maritime areas.

2.4. PORT CAPACITY AND DEVELOPMENT

2.4.1. It is not easy to measure port capacity, or whether it will meet expected growth in demand. Even within any one sector, capacity can be difficult to define. Demand shifts as trading patterns change, leaving some operational capacity not fully used and creating pressure for expansion elsewhere. Demand for port capacity may have strategic effects. These can relate to, amongst other things:

- the extent of further port activity concentration;
- policies to encourage greater use of water transport; and
- co-operation between ports.

Increasing efficiency

2.4.2. Which port customers use may depend not only upon ease of access to consignments and the speed with which these pass through the ports, but also upon external considerations, including the quality of transport links to inland destinations. A port works most efficiently if it can service a steady flow of large vessels. That way, the workforce and handling equipment is fully used. Expansion generates inland traffic, and - particularly with deep-sea container developments - may require major development in sensitive estuaries.

2.4.3. Some traditional ports have declined, but competition and flexible use of resources have absorbed growth in the industry overall. Ports have worked hard to become more efficient and have invested in new equipment. At the moment, only a few ports plan significant expansion. Ports find it difficult to identify acceptable new sites for expanded capacity. Environmental controls make exploiting new sites more challenging. They also favour redevelopment or more intensive use of existing capacity.

New uses for surplus port sites

2.4.4. Where a port itself has surplus operational capacity, port operators need to find new, economically productive uses which meet the needs of port communities and are consistent with the wider planning and regeneration strategy for the area. This is a challenge for port management - especially in the trust sector where traditional ports predominate. Proposals in this paper for more open and accountable management address this challenge.

2.4.5. Ports are most likely to be regenerated if some resources are used for some other purpose. Integrated transport policy provides a framework for assessing such uses. Port sites have special assets, including typically good access to road, rail and sea transport. The infrastructure may need to be revived, but port operators should consider new uses for port sites which exploit these connections first. Factories and distribution centres could be located on sites alongside working ports .

Growing pains

2.4.6. This paper does not identify the ports where expansion should be authorised. The pressure for expansion is greatest at ports handling container and roll-on roll-off traffic. The main players in these sectors feel it most. Forecasts point to a prospective shortfall in freight ferry and container port capacity, although they do not tell us how it must be met - or where.

2.4.7. Some ports need to increase capacity to meet future demand. This may require substantial new port development in a relatively small number of cases. Where there is a clear need, we will support sustainable port projects, but each case must be looked at in detail on its merits. Particular cases must be considered within the strategic context provided by regional planning guidance and the regional transport strategy. We will follow established approval procedures - including hearing any objections.

2.4.8. Expanding ports face the challenge of sustainably accommodating demands for extra capacity. A proven strength of the ports industry is that capacity is flexible. The efficiency and intensity of facility use and ship turnaround times can substantially influence the throughput possible with the same infrastructure. The industry must exploit this flexibility.

2.4.9. If the port industry fails to meet demand - or is prevented from doing so, shipping lines may divert primary services to overseas ports. This would make it harder to meet some objectives of integrated transport policy. The primary services would no longer collect and deliver UK trade to UK ports, adding the cost of transhipment in a foreign port to UK trade. A higher proportion would arrive in or depart from this country on road trailers. There would be a significant effect on the cost of UK trade, and thus on competitiveness, as well as on the volume and pattern of road traffic.

Better facts and figures

2.4.10. It is important to have a clear overall picture of trends affecting the ports industry, and especially of the potential need for new port development. This also has implications for transport networks. We aim to make the best use of existing capacity in preference to new transport infrastructure. Opportunities include:

- greater productivity from existing and new infrastructure;
- more intensive use through, for instance, non-exclusive berths;
- rearranging parking and stacking areas and introducing new practices;
- speeding up onward transportation through improved connections to different forms of transport; and
- greater use of information technology.

These improvements are a high priority, especially as there are environmental constraints on expansion at the ports facing the greatest pressures. We need to

understand the scope for this. The Government will consider with the industry and other interests how to benchmark port performance and best practice methods. The Scottish Executive is also considering how to assess information and statistics on ports alongside other transport and economic indicators.

2.4.11. We expect ports planning expansion to assess whether existing facilities and increased efficiency could cater for expected demand. They will also have to demonstrate that new capacity will produce significant additional benefits. A lot of statistics are collected on the maritime industries, including ports. Recent implementation of the EC Maritime Statistics Directive will add to them. They are a valuable source of information on the trends that shape the ports industry. The Government will consult potential users of this information on making best use of it.

Sustainable development

2.4.12. *A Better Quality of Life* (published in May 1999) sets out a strategy for sustainable development for the UK. Where policy responsibility no longer remains with the UK Government, the Scottish Executive, National Assembly for Wales and the Northern Ireland Assembly have the opportunity to develop policies for sustainable development which reflect their own local circumstances. Sustainable development policies aim to manage new development, not rule it out. Even where sensitive sites may be affected, regulations include procedures for approving development with appropriate safeguards. These safeguards include a proper consideration of alternatives. The regulation of special sites - nationally and internationally recognised and protected - is naturally very restrictive, reflecting the importance and sensitivity of our coastline. This is a challenge to port operators under expansion pressures, but it is one they should rise to.

Project appraisal criteria

2.4.13. *A New Approach To Appraisal* (NATA) sets out criteria for all transport projects, including new port developments. The Government will consult the ports industry and other interests about developing more detailed guidance specifically for ports. Guidance for all forms of transport covers five over-arching objectives:

- environment;
- safety;
- economy;
- accessibility; and
- integration.

Within each of these objectives there is a number of subordinate objectives with their own indicators.

Weighing the options

2.4.14. NATA was developed to ensure that decisions reflect sustainable development principles. NATA also ensures that we examine the effects of projects comprehensively and appraise them clearly and consistently. The NATA indicators are a mixture of monetary values, physical units and non-quantifiable elements. The framework does not give implicit or explicit priority to any one. It provides information about each of the options appraised, but does not provide a single overall indicator which can be used to rank options. Decisions on cases are matters of judgement, not pre-determined weightings.

2.4.15. Promoters of port developments will have to show that they have considered a range of options. There is a presumption in favour of making the best use of existing infrastructure where possible. Promoters will have to show how they have sifted options using the NATA framework criteria and indicators. They must apply the NATA criteria to the performance of the most promising option and they will have to include a base case which covers the current infrastructure and any approved changes. Port developments have to be demonstrably commercially viable, regardless of the status of the port. Operational considerations may also be relevant, for example draught constraint, effect of tides and surface access limitations.

Economic appraisal

2.4.16. The economic impact of port developments can be described in terms of the different users affected - cargo interests, passengers, transport providers, Government, and non-users affected by surface access and wider economic aspects. However, Government does not make or endorse forecasts of port traffic as for roads and airports. There are no models to estimate changes in the distribution of cargo and passengers using ports as a result of infrastructure development. Proxy measures of economic effects will be needed.

Environmental assessment

2.4.17. Development can affect the built and natural environment and human health. It can make noise and affect local air quality. Development can affect biodiversity of habitats in sensitive areas, and it can affect water quality. There is some guidance on measuring these effects. Mitigation is also an important consideration at the design stage of a project. There is also a statutory requirement to prepare an environmental impact assessment for projects likely to have a significant effect.

Accessibility and integration

2.4.18. How easy a port development is to reach can be described by either costs or times for different forms of transport. It is a policy objective is to improve access by forms of transport other than road vehicles, and by public transport.

Sensitive sites

2.4.19. New transport infrastructure which would adversely affect environmentally sensitive areas must pass special tests. Sometimes an overriding public interest may allow a development which will have an adverse effect on nationally or internationally designated sites. Such proposals will not go ahead unless developers can show that net benefits - including other environmental benefits - clearly override the environmental disadvantages. They will also have to show that there is no other, better option and that they have taken all reasonable steps to mitigate the effect. Port developers must recognise the need for assessments at an early stage of project preparation if they are not to limit their ability to respond quickly to new customer demands.

2.4.20. Each such case will be considered on its merits, taking account of the answers to these questions:

- how important is the site?
- how serious is the likely effect on it?

- are there better alternatives which avoid the impact (including not carrying out the project)?
- would the alternatives serve the purpose and at reasonable cost?
- if not, are mitigation or compensatory measures feasible?
- are they likely to succeed and are the costs reasonable in the circumstances?

2.4.21. As part of our commitment to the environment, the Government will carry out its full legal obligations to implement EU environmental directives. These do not rule out development, but apply demanding tests which reflect the importance of the sites they protect. If there is no alternative to a particular development, the developer will have to show imperative reasons of overriding public interest before it is allowed to go ahead. If a development is then permitted notwithstanding a negative assessment, the developer must take compensatory measures to ensure the overall coherence of the network of protected sites.

2.4.22. One possibility is that the developer could create a replacement habitat. However, this may be costly, difficult or ecologically untried. We would expect the developer to pay for compensatory measures. If creating a new habitat is specified as a compensatory measure, the quality of the area concerned would be expected to become good enough to safeguard the coherence of the network of protected sites. This would be expected to happen within a clear timescale.

Permitted development rights

2.4.23. Harbour authorities, along with other statutory undertakers, have permitted development rights under the General Permitted Development Order 1995 (the GPDO)[1]. These rights enable statutory undertakers to carry out certain development without needing to make a planning application.

2.4.24. The Government has recently altered permitted development rights so that statutory undertakers do not avoid the requirement for environmental assessment. Local planning authorities and statutory undertakers believe the existing system of permitted development rights is broadly satisfactory. Guidance to statutory undertakers makes it clear that whenever they consider that their proposal is likely to have a significant effect on amenity and the environment, they must consult the local planning authority.

Building regulations

2.4.25. Harbour authorities enjoy a similar freedom in relation to building regulations. This too is on the understanding that it remains good practice for the building inspector to be consulted even where the regulations do not apply.

2.5. BETTER PLANNING FOR PORTS

Introduction

2.5.1 Land use planning can help ports to develop sustainably. It balances the economic advantages of development with its social and environmental implications, and promotes consistent, predictable decision-making. Port development can present significant planning issues, since it tends to use significant amounts of land in itself. It may also bring with it a need for commercial development, transport

[1] Scotland: The Town and Country Planning (General Permitted Development) (Scotland) Order 1992, Classes 29 and 35

infrastructure and housing for employees and their families. In some cases, heritage issues and clashes with recreational interests arise. Poorly planned ports can also damage the environment significantly, both in terms of land use and marine life.

2.5.2 The Government has published a range of planning policy guidance which is relevant to port development proposals. Some is currently under revision. The devolved administrations have their own separate national planning policy guidance in place which covers the matters discussed in this chapter.

2.5.3. The Government has recently issued updated guidance on regional planning in England in Planning Policy Guidance note 11 (PPG11). It advises on how to plan the land-use aspects of regional development. The Government recommends a similarly integrated approach in new planning guidance on transport (PPG13), which the Government is reissuing before the end of the year. It includes specific advice on planning for port development.

2.5.4. The Scottish Executive is promoting regional transport partnerships to improve co-ordination across local authority boundaries. Its Transport Bill includes proposals for Scottish Ministers to be able to direct local authorities to co-operate on reports on specific transport problems. Ports should liaise with the national economic development agencies, Scottish Enterprise and Highlands & Islands Enterprise, and their supporting network of local enterprise companies in framing locally led economic development and promotion of public/private partnerships.

2.5.5. In Wales, planning authorities have formed four voluntary groupings to identify strategic planning issues in the preparation of unitary development plans. The groupings have been encouraged to produce agreed strategic transport policies and proposals, including where appropriate policies and proposals on ports, to be included in unitary development plans and local transport plans. This work will also inform the preparation of a National Spatial Planning Framework for Wales which is a commitment in the National Assembly's first strategic plan *Better Wales*.

Regional planning in England

2.5.6. Regional planning guidance (RPG) is being up-dated for each English region outside London. The Mayor will be preparing a new Sustainable Development Strategy for London. Regional planning guidance is essential to sustainable port development, because it is at this level that planning the broad patterns of new development and infrastructure can be undertaken most effectively. This guidance aims to integrate the land-use aspects of economic planning with transport, housing and services to inform development plans, local transport plans and other plans and programmes.

2.5.7. Each region's RPG will include a regional transport strategy (RTS). This will offer guidance on the role and future of ports in the region and will integrate their needs with the transport infrastructure. The RTS will need to assess how port traffic fits in with the capacity of road and rail networks and the priorities for developing them.

2.5.8. The views of public/private partnerships concerned with port development will be important in assessing port needs, opportunities and constraints in each region. Partnerships should include representatives from major ports. They help bring together private capital and expertise, to get better value for public money. The

RDAs in particular may be able to assist in encouraging such partnerships to happen.

2.5.9. The RDAs can advise regional planning bodies which ports have or expect pressure on capacity. They can also identify others where there may be surplus capacity and a need for regeneration. It may not be realistic or helpful to attempt to keep uneconomic ports going or to try to win back traffic. Nor do port hinterlands necessarily conform neatly to regional and other boundaries. Interests in neighbouring areas need to be considered.

Development plans

2.5.10. Development plans have an important role in setting out priorities for land use and creating certainty over use, for example over which port land could be re-used. Local authorities should, where appropriate, work with the ports and shipping industries when preparing development plans and should identify and, where appropriate, protect sites and routes which could be critical in developing ports infrastructure. However, plans should only include proposals which are firm, with a reasonable degree of certainty of proceeding within the plan period; which are identified in the local transport plan; and ideally which are programmed and finance committed. Local authorities are advised to consult transport infrastructure providers early in plan preparation.

2.5.11 Local authorities should promote the role of ports in sustainable distribution, by promoting viable interchange facilities, wharves and harbours; encouraging sustainable access and full use of existing facilities; and ensuring rigorous appraisal of new facilities or expansion. They should avoid developments incompatible with nearby port operations; and for sites no longer required for port uses, they should first consider sustainable transport uses, and then uses which will promote regeneration. Applications for planning permission must be determined in accordance with the development plan unless material considerations indicate otherwise. National policy on ports is an important material consideration.

Natural and historic heritage

2.5.12. Port development and port operations can affect both the natural and historic environment, as well as other users and local communities. Parliament has placed duties on harbour authorities to consider this in carrying out their work - whether managing and maintaining a harbour, or planning a new development. Government and local planning authorities have similar duties. Port modernisation must respect environmental safeguards such as the designations of estuaries and shores.

The natural heritage

2.5.13. The coastline is one of our natural treasures. Even developed stretches of coast retain much of their traditional beauty and importance to wildlife. Experts have reliably estimated that three quarters of the total area of our estuaries (including bays and inlets) is of international significance for nature conservation. Coastal habitats have been protected because they are under pressure. The most sensitive wildlife sites now being identified under the wild birds and habitats directive and the Ramsar Convention on the protection of wetlands include many alongside ports.

2.5.14. We are committed to conserving biological diversity. We published a maritime volume of biodiversity action plans in October 1999 which included action plans for

coastal habitat types and species. The ports industry makes a positive contribution, especially to local plans. We will encourage ports to provide for conservation in their environmental management systems and will work with them to develop good practice.

2.5.15. Ports have been created to take advantage of deep water. These deep water environments are still of high importance to wildlife, showing that port operations need not be incompatible with nature conservation. We commend those ports that take this aspect of their duties seriously, setting a good example to the rest of the industry.

2.5.16. Nature conservation and natural heritage objectives can be a significant material consideration in determining planning applications. Planning policies help to conserve the abundance and diversity of British wildlife and its habitats, or minimise adverse effects on wildlife where conflict is unavoidable. The Government will meet its international commitments and obligations for nature conservation.

2.5.17. Planners should take account of nature conservation activities. We advise local planning authorities to consider the relative significance of international, national and local and informal designations in weighing up nature conservation interests.

2.5.18. Planning Policy Guidance note 20 on Coastal Planning (PPG20) (1992)[2] identifies the key policies which deal with:

- conservation;
- risks, including flooding and erosion;
- development requiring a coastal location; and
- improving the environment.

It encourages the imaginative re-use of disused commercial docks.

The historic heritage

2.5.19. Britain's coast is rich in archaeological and historical heritage, tracing the history of our developing relationship with the sea. The sea shaped our identity as a major mercantile, industrial and imperial nation. Ports and harbours hold traces of the movement of people, goods and ideas between this country and the wider world. Port defences are also an important part of our history. Port gateways give visitors their first impressions of this country. They make an important contribution to tourism. Developments may lie beyond the seaward limit of the planning system, but planners should still apply the principles of policy guidance to other approvals and consents.

2.5.20. Many ports have seen centuries of human activity. Besides visible features of historic interest and submerged archaeological remains, ports and harbours are almost bound to hold historic wrecks. The National Monuments Records still does not contain details of all wrecks. Wrecks and other remains are vulnerable to a wide range of activities, including construction and maintenance above and below high water, and dredging.

[2] Scotland: NPPG 13: Coastal Planning (1997); Wales: Planning Guidance (Wales) Planning Policy First Revision (1999)

Sport, tourism and recreation

2.5.21. Local planning authorities are encouraged to allocate adequate land and water resources for both organised sport and informal recreation. Local planning authorities should recognise that the re-use, redevelopment or expansion of ports is a potential leisure resource.

2.5.22. Regeneration projects can have potential for tourism, where schemes can offer opportunities for land reclamation and environmental improvement. This applies to development proposals in and around ports, especially where commercial activities have declined.

Environmental management

2.5.23. Harbour authorities have a general duty to take account of nature conservation and to protect public access to features of natural beauty or historic interest. The habitats directive requires harbour authorities to take part in preparing management plans for European sites. These plans are the best way of bringing together those with interests in port activities and conservation, whether there is a European site in the harbour or not.

2.5.24. In England and Wales, the Countryside and Rights of Way Bill will place a general duty on public bodies to further the conservation, enhancement and management of sites of special scientific interest (SSSIs). Where a public body proposes to exercise its functions or to authorise operations which are likely to damage or destroy the special features of a SSSI, it first has to tell the statutory nature conservation agency and follow its advice. This means that all public bodies, including harbour authorities, will have to commit themselves to better protection and management of these nationally important sites.

Coastal zone management

2.5.25. There is a wide variety of interests and a range of regulators in the coastal zone, including harbour authorities. An integrated approach to estuary and coastal management brings regulators together. Many harbour authorities are committed to these partnerships and we welcome their contribution. Others may be constrained by a lack of resources, but coastal management in their area is impaired if they do not contribute.

2.5.26. Harbour authorities are very experienced in managing coastal activities and are primary regulators of some uses of coastal waters. Involvement brings them better communications with the local community. It should help to reconcile conflict with commercial activities. In some ports, especially where recreation is a main activity, commercial interests and harbour authorities reinforce one another.

2.5.27. Harbour authorities can seek additional environmental duties and powers, including powers to make environmental byelaws. None has done so, suggesting that existing powers are broadly adequate. The Government is considering proposals by the ports industry that would make it easier for them to assume additional environmental duties and powers.

2.5.28. Sometimes resources are a genuine problem - for example where a harbour is inactive and there is no revenue. In these cases, another authority might be able to act. At the moment, a local authority cannot make byelaws where another

authority has the power to do so. We will examine with the ports industry and local authorities how to manage the environment in inactive harbours.

Environmental management standards

2.5.29. Environmental duties need standards, just like navigational safety. Indeed, the two subjects overlap. We will work with the ports industry to develop appropriate standards. We will do so in consultation with the nature agencies and other interests. European Commission funding has helped conservation and research bodies to establish a joint initiative to promote implementation of the habitats directive by setting up management schemes. The project will develop guidance and good practice for practitioners across Europe, including the UK. Studies have included a high quality UK project on port and harbour operations.

2.6. INTEGRATED PORT FACILITIES

2.6.1. Our integrated transport strategies look at ports as transfer points between different forms of transport. They are therefore an important means of integrating inland and marine transport networks. Ports have always provided integrated transport facilities and centres for distribution. Efficient inland transport networks in turn allow integrated ports to serve regional and national markets. Customers nowadays are less likely to rely on their local port. More and more goods and people use roads to and from larger ports.

2.6.2. Customers want speedy access to ports, to deliver goods just in time. A port with good road and rail access, handling equipment, skilled staff and storage capacity can tranship goods from sea or road to rail. Flexible working practices create more scope for integration.

2.6.3. Many industries within or close to docks rely on commodities delivered through the same port. Sites close to ports no longer needed for operational purposes - including as railheads - are natural locations for industry. They would otherwise need to send bulky freight by road.

2.6.4. *Transport 2010: The Ten Year Plan* recognises the importance of port hubs. A programme of multi-modal studies is under way in England, looking comprehensively at transport problems, and at the contribution that all modes of transport can make. Planned studies relevant to ports include the South Coast (Folkestone to Southampton), London to Ipswich (including access to Harwich), London to South Midlands (including Felixstowe), and Hull. The plan provides the resources to implement the results of the studies.

Freight grants

2.6.5. Freight facilities grant (FFG) can help meet the costs associated with moving goods within ports. Track access grant (TAG) can help with the access charges when traffic transfers from road to rail, as long as the environmental benefits justify it. Over the last two years, spending on freight grants in England and Wales has doubled to almost £60million in total.

2.6.6. When the Strategic Rail Authority (SRA) is formally empowered in January 2001, it will take responsibility for administering all rail freight grants in England, for TAG in Wales, and for the criteria for issuing rail freight grants in the whole of Great Britain. The grant rules are currently tied closely to lorry mileage saved, but the SRA

will have greater freedom to make strategic grants for rail development. Scottish Ministers will continue administering FFG and TAG for Scottish projects. Since July 1999, they have awarded around £13million of freight grant with more awards currently in the pipeline, and a number of these awards have supported the development of port railheads.

2.6.7. FFG can help tip the balance in favour of waterborne freight over less environmentally friendly road transport. The Government and the Scottish Executive aim to improve the rules for water freight grants. They are bringing forward legislation to extend FFG to coastal and short sea shipping, and will consult on the details of the scheme. Options include grants covering non-capital as well as capital costs (as for rail), and paying grant directly to inland navigation authorities for providing freight infrastructure.

A new course for shipping

2.6.8. *A New Deal for Transport: Better for Everyone* identified four broad aims of shipping policy:

- encouraging shipping as environmentally friendly transport;
- fostering an efficient UK shipping industry;
- maintaining the skills base by promoting employment and training; and,
- encouraging UK ship registration.

There are clear connections with ports policy.

2.6.9. Shipping is one of the most environmentally sustainable means of transport. Although port expansion is not always straightforward, shipping has the added advantage of being subject to fewer capacity constraints. Government shares with the ports industry a natural interest in exploiting the potential of shipping on coastal and short-sea routes. This would help to relieve pollution and congestion on the roads. There may be scope for operators to route ships to ports nearer the origin or destination of goods. There may also be potential for bulk and unit loads to shift to coastal highways.

2.6.10. The Government set up a shipping working group in late 1997 to identify ways of reviving the merchant fleet, including fostering greater use of short sea and coastal shipping. The Government published a policy paper, *British Shipping: Charting a New Course*, in December 1998. We will lead discussion with both the shipping and ports industries to explore how the ports industry might contribute to our aims for shipping.

Inland waterways

2.6.11. Freight traffic on the inland waterways has been falling for many years. In terms of tonne km, it now accounts for less than 1 per cent of domestic freight moved. This is partly because of the increasing competitiveness of other forms of transport, and partly the decline in markets suited to waterborne transport. Much of the network is unsuited to carrying significant volumes of freight. Most canals were built two hundred years ago. Narrow canals will accept boats no wider than seven feet and historic broad canals about 14 feet. These canals carry a negligible amount of freight. We cannot expect them to be a significant part of the UK's distribution network, though they remain suitable for niche markets.

2.6.12. In contrast, some larger canals and river navigations still carry some freight and might be able to carry more. They are particularly suited to low value, bulk cargoes whose origins and destinations are directly accessible by water. Most of the freight carried on what are classified as inland waterways travels on the major tidal rivers. A large proportion of that moved on the non-tidal waterways travels to and from tidal waters. Allowing freight to move easily between the two types of waterway is crucial to increase freight movements.

2.6.13. Commercial traffic is still an important source of income for British Waterways. It exploits commercial opportunities when they arise and is involved in a number of projects designed to move more freight by inland waterways. For example, British Waterways recently re-opened the Caldaire terminal at Goole. It provides storage for freight brought in by sea-going vessels. This offers potential for increased onward shipment by inland waterway. British Waterways has also carried out a pilot study with private and public sector partners, looking at the demand for freight on the Trent, Aire and Ouse. British Waterways is also evaluating waste transportation on the River Lee Navigation in London.

2.6.14. The Government will sponsor an inland waterways freight study group. It will include representatives of:

- British Waterways;
- other members of the Association of Inland Navigation Authorities;
- commercial operators;
- waterway user groups;
- local authorities; and
- the private sector.

The group will examine cost-effective and practical ways to increase freight transport on inland waterways. Scottish Ministers will take over Government sponsorship of British Waterways' activities in Scotland.

Roads to ports

2.6.15. Customers using roads to connect with ports need three things:

- good access to port facilities;
- clear connections from the port to the main road network; and
- good access through the network to and from their businesses and markets.

2.6.16. Gateway ports in fast-growing sectors, such as, containerised cargoes in boxes and trailers and some ferry ports, are likely to attract considerable extra traffic. Delays and congestion in the port significantly affect customers' business. They compound working time restrictions and disrupt deliveries. Ports aiming to provide a modern service will invest to solve this problem. Growing ports must work with local authorities to ensure sufficient capacity and traffic flows. Road congestion damages port town communities.

Trunk road investment

2.6.17. Trunk roads to ports are vital arteries for our international trade. Some key routes carry heavy volumes of lorries and face substantial increases as port traffic grows. They need to be integrated into the wider transport network. All the major ports - and more - are already well served by the strategic road network. There are

currently few new schemes directly linked to port traffic. The road network in England and Wales is also vital to the movement of Irish trade, which depends upon our Irish Sea ports for access to a continental market. Growth at these ports relies upon the continued prosperity of the Irish economy on both sides of the border.

2.6.18. In November 1999, the Scottish Executive published its review of the trunk road programme in *Travel Choices for Scotland – The Strategic Roads Review*. The review recommended no changes to the network and it continues to serve key ports. The review used a new appraisal method, which recognises the need for good trunk road connections to ports. Three out of five major trunk road schemes proceeding to construction (on the M77, A78 and A830) will strongly benefit Scottish ports.

2.6.19. Port traffic growth will contribute to pressures at key points in the road network, but we do not expect it to have a significant effect on the network as a whole. Nevertheless, port customers are affected by general congestion. They plan their distribution centres to minimise these problems. If these centres are not in a port they use, it becomes even more vital that they can retrieve goods from port storage without difficulty. These companies are considering rail and coastal shipping as alternatives, but they still depend upon such services having good port facilities.

44 tonne lorries

2.6.20. There has been long debate about increasing the general maximum lorry weight limit for six axle vehicles to 44 tonnes. These vehicles have been allowed for combined road/rail transport since 1994. In January 1999 the general weight limit in the UK was increased from 38 to 40 tonnes for five axle vehicles and from 38 to 41 tonnes for six axle vehicles.

2.6.21. In March 2000 the Commission for Integrated Transport (CfIT) completed its study of the effect of allowing 44 tonne vehicles. It concluded that these vehicles would produce a net annual saving of 100 million lorry kilometres, with consequent fuel savings and cuts in CO_2 emissions. CfIT recommended that these vehicles be allowed provided they have road-friendly suspension and engines that meet Euro 2 emission standards. The Government has a target of 1 February 2001 for this change.

Ports and railways

2.6.22. Port freight is very important to the railways – dominated by bulk cargoes and containers. Customers using port rail services need the same three things as those using roads:

- good access to port facilities;
- clear connections to the main network; and
- means of avoiding congestion and bottlenecks on the network.

We want to see more freight moved by rail. Some ports could make more use of rail. Major ports are trying to do so, and the rail freight operators are keen to win more port business - especially containers. Many of these loads would otherwise travel by lorry. Rail freight operators must rise to the same challenges that face ports – providing efficient, reliable services to increasingly demanding customers. *Transport 2010: The 10 Year Plan* envisages an 80 per cent increase in rail freight, giving it 10 per cent of the domestic freight market, provided that the rail freight

companies deliver performance improvements. Winning port traffic will be a key to this target.

Port railheads

2.6.23. The original rail facilities that remain at some ports are in many cases no longer fit for purpose. The railhead track is not up to the weight or length of modern freight wagons. Access was sometimes along public roads and no longer meets safety standards. Former railyards and connections to the network no longer match the layout of berths, or have been lost to alternative development. Potential sites have been disposed of.

2.6.24. Anyone planning port development or regeneration should consider the revival of port railheads, but this is likely to be realistic in only a few cases. Gateway ports and those with large volumes of bulk traffic such as coal and iron are most likely to achieve the economies of scale needed. Some others might win niche business. Where regeneration is an option, ports should not necessarily leave it to Railtrack. Modern rail facilities win new business and belong in port investment plans, just as ports expect to provide berths and roads.

Ports and the rail network

2.6.25. Two challenges for rail freight are the network's ability to meet growing demand, and how to finance investment. Railtrack is obliged to maintain, renew, replace, improve, enhance and develop its network. It must meet the reasonable requirements of both passengers and freight, as far as reasonably practicable.

2.6.26. Railtrack, as the manager of the network infrastructure, also has a key role to play. Railtrack must work with the Strategic Rail Authority to invest in infrastructure for rail freight. Together they will agree a programme of priority freight routes, tackle capacity bottlenecks and invest in work for loading gauge enhancements to and from the deep-sea ports. *Transport 2010* envisages gauge and capacity enhancements on some specific freight routes to major ports, such as Felixstowe.

2.6.27. Railtrack's strategy for port traffic may involve partnerships with port authorities and other funders. Its Network Management Statement (NMS) includes proposals for a freight loading gauge upgrade on a number of key routes.

Regulating provision for rail freight

2.6.28. The new Strategic Rail Authority will aim to:

- promote the use of the rail network for both passengers and goods;
- secure development of the rail network; and
- contribute to the development of an integrated passenger and goods transport system.

It will look at loading gauge, track capacity and access to land. Ports must be a major consideration here, given present and planned volumes of freight traffic.

2.6.29. The Rail Regulator must also promote freight growth by ensuring that Railtrack invests appropriately. The Rail Regulator and the Strategic Rail Authority will join in the development of regional planning guidance and regional transport strategies.

2.6.30. The Rail Regulator can issue licences and enforce licence conditions to maintain consistent standards and satisfy the public interest. Licences carry obligations to other operators and end users. The Regulator can approve access arrangements and can compel access on reasonable terms. He can tackle abuse of a dominant position and anti-competitive practices. These powers can extend to port rail facilities where the British Railways Board operated or managed those assets immediately before 1 April 1994 - as it often did.

2.6.31. Port rail facilities formerly run on this basis are subject to specific public interest obligations. They are open access facilities and the Regulator can direct entry if the owner acts unreasonably. The Government supports the European Commission's proposed directive on a trans-European rail freight network. We have proposed that it should apply to all ports connected to the rail network in Great Britain. This directive will provide that railways in ports can only be restricted if viable alternatives exist. If the Commission adopts the directive, the Government will consult the ports industry about the practical aspects of incorporating it into law in the UK.

3. MODERN MANAGEMENT AND REGULATION

This part of the paper describes what we and the industry are doing to promote modern management standards, especially in the trust and municipal ports sectors, and to improve regulation of the ports industry.

3.1 MODERN MANAGEMENT

3.1.1. Over 600 UK ports have statutory powers. These are enormously diverse. Most no longer handle any commercial freight, and provide facilities instead for leisure and tourism. The fishing industry also makes wide use of port facilities.

3.1.2. Many ports were created to serve local markets and coastal shipping services. Some harbour authorities have never been concerned with commercial shipping. Ports should add value to their communities and to the wider economy, whether they are used for commercial shipping activities, for leisure activities, or both. This applies as much to publicly owned ports (trust ports and municipal ports) as it does to commercial ports.

3.1.3. The table below shows that harbour undertakings can be classified in various ways. They are either:

- companies;
- trusts; or
- municipally owned.

However a few are privately owned. Scotland has a large number of 'marine works' in all three sectors that provide vital facilities for inter-island ferries. Harbour authorities have powers conferred by Parliament and an obligation to use them accountably. Only a small minority of harbours do not have them. These powers are held in trust for the future.

COMPANY-OWNED PORTS

Most commercial ports are now in the private sector. Companies now operate all but six of the largest 20 ports by tonnage. Not all company ports are successful, but most successful ports are in this sector.

These ports are subject to the full freedoms and disciplines of the commercial marketplace. They are free to seek commercial funding for investment, on commercial terms, borrowing on their assets. They are obliged to account to shareholders for their failures as well as their successes, and they can be called to account for their performance. They are expected to generate dividends and to increase shareholder value over time. To the extent that they generate retained profits, they have wide discretion over how to invest them.

Privatised ports

Seven former trust ports were privatised between 1992 and 1997:

- Clydeport;
- Dundee;
- Forth;
- Ipswich;
- Sheerness;
- Teesport; and
- Tilbury.

Only Ipswich was compulsorily privatised, in 1997.

The effects of privatisation are hard to disentangle from other economic and regulatory changes in the same period. The privatised ports were mainly members of the National Dock Labour Scheme and they have exploited the freedoms given by its abolition. There have been windfall profits from cost cutting and mergers. The privatised companies have invested substantially, but not always in port operations. Some get a lot of their income from developing and managing their estates. Cost cutting has put pressure on prices throughout the industry. New and more vigorous management has won market share.

TRUST PORTS

Trust ports are independent statutory bodies. They have independent boards of trustees charged with acting in the interests of all stakeholders. Any surpluses are ploughed back into improving facilities.

Only about 20 trust ports now have an annual turnover above £1million. Just eight others have an annual turnover of more than £500k. Several now register negligible income, derived in some instances from activities such as tourism and car parking.

A few are important in specific markets. Dover handles almost 60 per cent of international sea borne passenger traffic, and 28 per cent of international road goods vehicles carried by ferry. Lerwick and Milford Haven have major oil facilities. Five of the biggest trust ports support the fishing industry.

MUNICIPAL PORTS

A few commercially significant ports are municipally owned. Sullom Voe and Flotta appear in the top 20 by tonnage (both because of specialised oil facilities), along

with Portsmouth. Ramsgate, Sunderland, Weymouth and Workington are the most significant of the rest. Local authorities manage over two hundred minor facilities in the Scottish Highlands and Islands. These and many other facilities operated by local authorities benefit their local communities.

Accountability

3.1.4. We look to all statutory authorities to exercise their duties and powers in an open and accountable manner. Harbour authorities now have a specific duty to exercise powers with regard to the environment and its enjoyment by the public. So authorities are not simply concerned with their customers' commercial interests.

3.1.5. Shareholders increasingly look not only at financial performance but also at companies' relationships with local communities and the environmental impact of their operations. We will promote agreed good practice throughout the industry, taking account of the different statutory arrangements for company, trust and municipal ports. Joint groups from Government and the industry will develop:

- audit and accounting standards;
- training for board members;
- model statutory provisions; and
- legal guidance.

Ports and local authorities

3.1.6. The recent white paper *Modern Local Government: In Touch with the People* says that councils have a special status and authority as local, directly elected bodies. Local authorities and the ports industry share interests in the regeneration and growth of the local economy, integrated transport, sustainable distribution and the environment. They should consult and co-operate on their plans. There is scope for a new, productive, partnership between ports and their local authorities.

Accounts

3.1.7. All ports are obliged to provide reports and accounts to the Secretary of State, or Scottish Ministers, but compliance is patchy. Public company port undertakings publish accounts but many trust ports have not taken this basic step. Some appear not even to keep proper accounts. We will enforce the requirement on every harbour authority to submit properly constructed and audited reports and accounts every year. We will consult with the industry on how to make more information public about the ways that dues are spent.

Trust ports review

3.1.8. The Government stopped the compulsory privatisation of Tyne in 1997 and commissioned a wide-ranging review of the trust sector. It recommended that trust ports be made more open and accountable. The Government has therefore developed agreed national standards, published in January 2000 as *Modernising Trust Ports - A Guide to Good Governance*. All trust ports are expected to plan to meet these standards. We have invited trust ports to audit their position. We will review their annual reports for compliance.

Board composition

3.1.9. Many trust ports need to overhaul the appointment process and the size and composition of many trust port boards. There should be an accessible, formal, transparent appointments procedure. Trustees should be appointed on merit, not to

represent special interests. We also need a wider demographic spread of candidates. The standards of the Commissioner for Public Appointments should apply.

3.1.10. Many local authorities appoint people to trust port boards. As local authorities' areas have got bigger, they have not always nominated truly local people to trust port boards. Local authority appointees should see their first duty to the trust and its stakeholders. Local authorities must use their rights to nominate to trust boards in accordance with the new standards. They must use an open selection process, as they do for their own appointments.

Northern Ireland's trust ports

3.1.11. There has been a separate review of trust ports in Northern Ireland. Ports policy is being developed in the light of the review findings. It is proposed to bring new legislation before the Northern Ireland Assembly in due course. This will be aimed at extending the commercial powers of trust ports while improving their public accountability. With the exception of one small port, the Department for Regional Development makes all the board appointments for trust ports in Northern Ireland under the Peach principles corresponding to those of the Commissioner for Public Appointments.

Municipal port management

3.1.12. Commercial municipal ports compete with private and trust ports. They should do so on level terms. Local authority discussions are characteristically more open than a trust port's. But there has not been the opportunity that trusts offer to involve other stakeholders, including harbour users.

3.1.13. The Local Government Act 1999 in England and Wales will change this. It requires local authorities to carry out Best Value reviews of all their functions over a five year period. A Best Value review must look at all municipal port facilities. In Scotland the principles of Best Value are the same as in England and Wales, although the framework for delivery is different. Scottish local authorities should look at their port facilities as part of their Best Value review. They must consult local taxpayers, service users, partners, and the wider community when carrying out the review.

Local Leadership, Local Choice

3.1.14. The Government wants municipal ports in England to benefit from the same changes being made in the trust port sector. We will review existing management structures and practices to make sure that municipal ports are playing a full and accountable part in the local and regional economy. In *Local Leadership, Local Choice,* the Government proposes a new model for local authority management. We will replace committees for most functions with a fairly small executive responsible for all functions.

3.1.15. These reforms are not specifically designed for harbours. We will review how the form of management for municipal ports compares with the standards we are setting for trust ports – in particular:

- fitness for purpose at board level;
- involvement of executive board members; and
- a role for users and other stakeholders.

In Scotland, the Executive and other bodies have been considering the recommendations of the McIntosh Report on modernising Scottish local government. This recommends the setting up of executive style councils, which has already begun in some areas.

Municipal port finances

3.1.16. Some local authorities substantially subsidise the commercial operations of their municipal ports. There are a few special cases where the harbour authority can levy a precept on local councils, where the councils in return have been very involved in the port's operation. Some other local authorities divert their ports' income and capital assets to other council uses, to the detriment of the ports' long term viability. They may do this directly or through additional charges for services.

3.1.17. Local authority subsidy to a commercial port potentially distorts competition. If a port operation is not self-sustaining, the local authority needs to look at the underlying causes. It may need to make structural changes. If a port would not be viable without subsidy because of, for example, excess capacity, then subsidy simply exports the difficulties to other communities. Subsidy also subjects the port to constant competition with other pressures on local authority funding.

3.1.18. Municipal ports, like any other, should fund provision and maintenance of facilities from dues levied on those who use them. Local authorities should not think of revenue from dues as general municipal revenues. If they do, it may lead to them not giving enough priority to investment – and even essential maintenance. Local authorities may properly seek a dividend as sole shareholder from commercial revenues, but should ring-fence dues to protect the interests of the port and its users. Local authorities must make prudent and adequate provision for development and for replacing capital assets.

Supplementary credit approvals

3.1.19. The previous Government stopped supplementary credit approvals for commercial municipal ports. They have since lapsed on fishing ports in England. This makes partnerships with private sources of finance important and local authorities should use them wherever possible. The Government has agreed an initial short-term programme of supplementary credit approvals for essential maintenance and safety measures in municipal ports. We encourage local authorities to bid for approvals for up to 75 per cent, but they must find their share. Supplementary credit approvals are not appropriate where a profitable municipal port can fund its investment from its own revenue. In Scotland, a separate method of expenditure planning and control of local authority budgets applies to municipal ports.

Realising opportunities

3.1.20. We will help trust and municipal ports to realise their full potential. We recognise that in some cases this may require significant changes to their structure and status. A port might wish to consider anything from tendering for the provision of services to outright privatisation. We have made clear in *Modernising Trust Ports - A Guide to Corporate Governance* that any such proposals would require consultation with local interests first. Where the proposals involve new powers, we will consider any proposals on their merits. Where a port's managers identify sound commercial opportunities, we will help to introduce public-private partnerships to

develop the port. This may, for example, take the form of concessions or long leases covering all or part of the port's assets.

3.1.21. In some cases it may be possible to use harbour revision orders under the Harbours Act 1964 to make whatever changes are needed. In others, new legislation may be required, and we are willing to promote these changes where justified. It may help to draw up 'model schemes' for public-private-partnerships for ports. These could be developed with the aid of specialist legal and commercial advice. The Government and the Scottish Executive will also support local authorities conducting Best Value reviews of harbour authority functions and develop good practice guidance with them.

Problem ports

3.1.22. There is no long-term benefit in having a proliferation of marginally viable ports around our coastline. Indeed, ports that fail over a long period to develop their assets can become a significant liability to local communities. They can contribute to dereliction and sap confidence in the local economy.

3.1.23. Changes in the ports industry have inevitably left some ports in difficulty. These are mainly in the trust sector, although some municipal ports have uncertain prospects. Authorities with statutory powers have the first responsibility for resolving these difficulties. Where it is clear that a port's managers are failing to grasp its potential, or standing in the way of viable commercial development, we are willing to use existing powers, or to take new ones if necessary, to reconstitute the Board and promote change.

3.1.24. A harbour maintained by a statutory authority cannot be completely closed without an Act of the Westminster or Scottish Parliaments. The exception is Northern Ireland, where a modern order-making procedure exists. Harbour authorities cannot simply abandon the duties, expenses and debts related to maintaining a port. It is therefore imperative that authorities avoid cases reaching a terminal stage.

3.1.25. Reviving the duty to submit reports and accounts will oblige all harbour authorities to take stock, and to bring difficulties into the open. The Government will look for a simpler procedure to enable ports to close where it is agreed that the statutory functions are no longer needed. We encourage those authorities which feel that their ports no longer have a viable future to consult us for early advice at national and regional level, and to consult other interested parties. We will look to the industry to help marshal practical expertise in support. We will not make decisions in these cases unless options have been discussed with all local interests first.

3.2. BETTER REGULATION

3.2.1. Government regulates port operations in a number of ways. There are statutory requirements for the safety of those who work in ports. Port undertakings now have various obligations to help in the Government's fight against marine pollution. Ports policy aims to maintain a modern and efficient system of regulation, developed in consultation with all to whom it applies.

3.2.2. Harbour authorities have powers devolved by Parliament. These come with rights and duties, and an obligation to use them openly and accountably to the same standards as Government itself. Government must help by ensuring that procedures for revising statutory powers work efficiently so that they do not become a barrier to necessary change and improvement. They must also be open and allow a proper opportunity for representations and objections. As a rule, it is for the harbour authority to change local powers and duties. This carries a duty to keep them up to date and suited to the current needs of the port and its users.

3.2.3. Each port has local legislation that has been amended piecemeal over many years. It has not always remained fit for purpose. Harbour orders provide an easier means of revising local port legislation than Private Bills, but they too require specialist expertise. New duties tend to be overlaid on existing requirements to produce extremely complex procedures that hold up development and management. Although some larger ports have modern powers that match those of any modern commercial enterprise, many others are still working round rather than within their legislation.

Enforcement

3.2.4. Byelaws and directions adopted by harbour authorities should reflect a risk assessment. They also need to be enforced effectively. Each authority needs a clear policy on prosecution. Few apply much effort to enforcement or maintenance of byelaws. Resources are a real problem and specialist advice is not cheap. Penalties are also modest for byelaw offences generally, although offences such as dangerous navigation are potentially very serious.

3.2.5. The result – not only in declining ports - is a set of powers implying obligations which those in charge no longer have any hope of enforcing or much incentive to change. Lord Justice Clarke, reporting on his Thames safety inquiry in December 1999, recommended that breaches of byelaws that regulate port navigation should be treated more seriously. The Government is considering how best to implement this. It will seek a co-ordinated and consistent approach to enforcement by both Government and harbour authorities.

Guidance and good practice

3.2.6. The Government and the devolved administrations will work with all those with interests in the industry to spread good practice. We will develop a framework and, if appropriate, model powers. This will enable harbour authorities to assess the continued fitness for purpose of their local legislation. We look to the ports industry to contribute resources for this.

Development controls

3.2.7. There are a number of regulatory regimes for controlling coastal development. Proposals which extend into the sea typically go beyond the jurisdiction of the planning system. There are also additional controls designed to safeguard other users of the marine environment. These control systems have had to adapt to reflect new environmental regulations. Protecting the marine environment is itself a complex matter and scientists are still developing some important ideas, such as managed retreat and re-charging inter-tidal zones and beaches.

Better environmental regulation

3.2.8. New environmental requirements in the planning consent procedure add cost and time to project preparation. They also limit ports' ability to respond quickly to new customer demands. Regulators must look more closely at the need for projects and at the alternatives. The Government and the devolved administrations will work with the industry and other interests to rationalise and, where possible, simplify the consent and inquiry procedures for port developments.

3.2.9. Understanding the environmental effects of a project takes a lot of research over a long period. Neighbouring proposals - perhaps from different developers - are likely to interact. All these factors render decision making difficult and the results unpredictable. This is not just a problem for developers, but for regulators and the agencies which advise them on environmental effects. As a priority, we will develop guidance for port operators on development control procedures.

Co-ordinating regulation

3.2.10. Port operators deal with a wide range of Government departments, including the Home Office, HM Customs and Excise and the Ministry of Agriculture, Fisheries and Food (MAFF). Regulatory changes continue to affect ports – for example new rules on immigration and quarantine. Government departments dealing with ports need to co-ordinate their activities and we are going to look at the scope for streamlining.

Fishery harbours in England and Wales

3.2.11. Since the Fishery Harbours Act 1915, the fisheries Minister has been responsible for small fishery harbours in England and Wales. There are 95 small fishery harbours in total - 74 in England and 21 in Wales. However, this list was last reviewed in 1951 and is now out of date. A number of ports on the list no longer have commercial fishing facilities. In others, it is no longer the principal activity. MAFF has had the same regulatory functions in relation to the statutory powers of these English harbours as the DETR for ports in general. However, commercial fishermen operate from many other harbours.

3.2.12. The Government will make regulation more consistent by transferring responsibility for regulating the statutory powers of fishery harbours in England to the DETR. This will be completed early in 2001. DETR's greater experience in these matters will give ports a better service. Other responsibilities for the fishing industry will remain with MAFF.

Rating for ports

3.2.13. The Government has made the rating of ports fairer. Rateable values of ports, as with those of other statutory undertakings have been prescribed using a formula which the Government reviews every five years. In 1995, ports with a turnover of less than £1million moved to conventional assessment. Larger docks and harbours have continued with prescribed assessment. There is no right of appeal against a prescribed assessment. The ports' formula has been based on a fixed percentage of turnover, but those ports with lower turnover have tended to pay a higher proportion of their profits as rates. Following consultation, the Government has prescribed a revised formula. This takes account of profits generated by the business, with upper and lower caps that phase in any otherwise substantial increases or decreases. Our aim is to assess all ports conventionally from the next revaluation, due in 2005.

Light dues

3.2.14. For well over 100 years, users have paid for aids to general navigation through the General Lighthouse Fund . They pay for local aids to navigation through port dues. The Government remains committed to this approach. Some other countries are too, although it is by no means universal for these costs to fall on general taxation. The Government accepts that the basis of charging must be fair and that collection should be cost-effective. It is open to self-financing suggestions on both principles. It is also committed to ensuring that light dues are spent as efficiently as possible.

3.2.15. International radio navigation services or systems to counter pollution in international waters should be charged for on an internationally agreed basis. Charging must clearly be applied without flag discrimination and in accordance with traditional freedoms of navigation. European action here should be accompanied by international agreement on a set of charging principles.

Satellite systems

3.2.16. The long-term need for services supported by light dues is not clear. Satellite systems may in future be good enough for general navigation within port boundaries. The Government will keep future funding arrangements under review. The decision will depend upon the continuing need to fund traditional aids, the possible adoption of a common European system paid for by users, and any funding requirement for the next generation of satellite navigation.

4. SAFER PORTS

This part of the paper describes what we and the industry are doing to make ports safer and cleaner. It also summarises some measures to make ships safer and cleaner where it affects the ports industry.

4.1. SAFE PORT WORKPLACES

Fewer jobs - different work

4.1.1. Forty years ago, up to a quarter of a million people worked in docks. Many were engaged in loading and unloading loose cargoes. Perhaps only a tenth of former numbers now have permanent employment in dock operations.

4.1.2 It has long been recognised that docks are hazardous places. Dock Regulations aimed at managing these risks go back a long way. The Health and Safety Commission (HSC) is reviewing the present Regulations and the Approved Code of Practice. It is determined to use this opportunity to do something about the unacceptable accident rate in docks.

4.1.3. The industry, the unions and Government have long been partners on dock health and safety matters. This is expressed in the National Health and Safety Committee, for which the Ports Safety Organisation (PSO) provides a secretariat. PSO was set up in 1992 and its members (currently 133) fund it. Members include not only ports, but also other companies in the industry. PSO provides a wide range of health and safety services to the industry and is widely respected for its expertise and advice.

4.1.4. The Government and HSC value such an expert organisation on health and safety matters, which is seen to be supported by and accountable to the industry. This does not reduce the importance of a full practical commitment by every employer and controller of premises to the health and safety of all port workers, whether employed directly or as subcontractors. All port employers are obliged to adopt and share good practice, and pay for training.

Modern regulations

4.1.5. Work in docks must be carried out in compliance with health and safety at work law. As well as laws of general application, requiring for example risk assessment and the preparation of safety policies, there are specific regulations on safety in docks.

4.1.6. Health and safety in docks is mainly regulated by the Docks Regulations 1988. These are based on International Labour Organisation Convention 152. The Government developed the Docks Regulations jointly with industry, along with an Approved Code of Practice, *Safety in Docks*, and guidance. There are other regulations, such as the Dangerous Substances in Harbour Areas Regulations 1987. The Management of Health and Safety at Work etc. Regulations 1999, and others, oblige employers to:

- carry out risk assessments;
- ensure workers are adequately trained; and
- consult their workforce.

In particular, the Government and the HSC support consultation with trade union safety representatives.

4.1.7. The Government and the HSC has recently published the *Revitalising Health and Safety Strategy Statement.* The strategy sets targets for Great Britain's health and safety system:

- to reduce the number of working days lost from work-related injury and ill-health by **30 per cent** by **2010**;

- to reduce the incidence of people suffering from work-related ill-health by **20 per cent** by **2010**;

- to reduce the rate of fatal and major injury accidents by **10 per cent** by **2010**; and

- achieve **half** of each improvement by **2004.**

4.1.8. Key aspects of the strategy statement and action plan of particular relevance to ports are:

- promoting better working environments;
- promoting the contribution of a workforce that is 'happy, healthy and here';
- improving occupational health;
- motivating all employers to improve their health and safety performance;

- encouraging the small firms in particular to commit themselves to health and safety;
- cultivating self-regulation, particularly to promote effective health and safety management among small firms;
- developing a partnership on health and safety issues between employers and employees;
- the importance of education at all levels for improving health and safety; and
- the role of effective design in preventing risk.

4.1.9. *Revitalising Health and Safety* reflects the changing world of work, which our regulatory system must match. Docks have traditionally had a high accident rate. The HSC is considering what measures might be appropriate for docks.

4.1.10. The HSC has agreed to commission a revision of the Docks Approved Code of Practice, *Safety in Docks.* It has also agreed to review the Docks Regulations themselves. This is in response to the changing circumstances of the docks industry, in particular the growth in the use of contractors and the increase in containerised and roll-on roll-off cargo. The Health and Safety Executive (HSE) is also developing an information sheet on the use of contractors in dock work. It summarises some of the legal duties and offers guidance on key dock safety questions.

4.1.11. HSC has recently published a consultative document on its proposals to update the Dangerous Substances in Harbour Areas Regulations and aims to produce new Regulations early in 2001. The update will take account of changes in technology and working practices and will help the UK to comply with international obligations. The proposals include replacement Dangerous Goods in Harbours Regulations, along with an Approved Code of Practice and Guidance. The consultation period ended in September.

Employers' responsibilities

4.1.12. Under the Health and Safety at Work etc. Act 1974, employers have prime responsibility for ensuring the health, safety and welfare of those who work for them. They also have responsibilities towards contractors working for them. All the many different employers in ports have to consider that their activities may affect the health and safety of other port users, including seafarers, passengers and other visitors. Employers should consult accredited trade union and employee safety representatives where they have been nominated.

Control of premises

4.1.13. Under the Health and Safety at Work etc. Act 1974, organisations in control of premises have duties to ensure that the premises are healthy and safe. Harbour authorities have some control throughout their jurisdiction - for example through byelaws regulating harbour use. Other organisations may well have a more direct responsibility to those who work for them or use their premises - including for example the public using ferries. Those who have formal control of dock premises – including the harbour authorities - are responsible for ensuring their safe condition, and for passing health and safety information to any who may be affected.

4.1.14. Anyone who controls access to a dock site is obliged to ensure that it is safe. It is not always possible for ports - especially small ones - to be physically closed to the public. Harbour authorities may be able to regulate access through byelaws. It is their duty to take reasonably practicable measures to protect the health and safety of those using or visiting such sites.

Other employers and employees

4.1.15. Many different types of job are undertaken in dock areas, including on ships. All employers and their workers have a duty to make sure the work they do does not expose others to unacceptable risks. Employees have the right to make their concerns about health and safety known through accredited representatives.

Risk assessment

4.1.16. Health and safety legislation requires employers to conduct risk assessments. These must take account of the whole workplace to be fully effective. Where, for example, dock workers and ships' crews work alongside each other, they must co-operate on health and safety matters, as must all employers and self-employed persons.

Accidents

4.1.17. The recent accident record in the ports industry is unacceptable. Reliable estimates of the numbers of workers employed by labour agencies and their accident record are difficult to obtain. This makes comparisons difficult, but the overall picture is clear. Despite improvements over recent years, the docks industry remains one of the most dangerous in the UK. The current reported injuries rate is over four times the average for all industries, twice that for construction and about the same as for mining and quarrying. Although containerisation and roll-on, roll-off cargo have brought new hazards, new working methods can make them safer.

4.1.18. The causes of accidents are very diverse. The National Health and Safety Committee has recently drawn industry's attention to contributory factors in recent fatal accidents. They included:

- inadequate induction training and supervision;
- inadequate risk assessments and weak monitoring arrangements;
- failure to apply safe systems and lack of management control;
- complacency by experienced workers and fatigue;
- commercial pressures;
- a need for more inspections.

We are not suggesting that these failures exist throughout the industry. But there is ample scope for reducing accidents by making established good practice universal. We firmly believe that nobody should do any work in a dock if they have not been properly trained for it. Indeed, it is illegal under the Health and Safety at Work Act 1974 to allow people to do jobs that involve significant risk if they have not been trained for them.

4.1.19. The HSC and the Government are determined to improve the record and are working with everyone in the industry to this end. They must all, individually and collectively, regard better safety as urgent. At the same time, the HSE is adopting a vigorous approach to enforcement and will draw public attention to those who allow or fail to prevent dangerous practices at work.

4.1.20. The HSE has made dock safety one of the top objectives of its field operations directorate. The management of dock users and their subcontractors has been a key issue in their *Services Sector Strategic Plan for 1998 - 2000* and is one of their key objectives for 2000/1. Inspectors will make extra visits to several substantial ports, concentrating on management and training issues, particularly in relation to port users and their subcontractors. These visits will be in addition to their normal programme of inspection and investigation.

4.1.21. The Government looks to the review of *Safety in Docks* to identify practical ways of improving the record. We will consider whether the existing Docks Regulations are sufficient, or whether we need new regulations. There is no shortage of regulation and legal duties aimed at making docks safer, but too many accidents are still happening. It is vital to continue to develop and promote a strong health and safety culture. We look to all those who employ people in docks, or have responsibility for dock users, to work together more actively to raise standards and spread good practice.

Employment Relations Act

4.1.22. The Employment Relations Act 1999 modernises workplace relations. It promotes partnership at work and underpins a flexible and efficient labour market. It follows other steps the UK has taken, including signing the EU Social Chapter and introducing the Working Time Directive and the National Minimum Wage. Reforms are aimed at extending good practice so that all employees enjoy decent basic standards.

4.1.23. The Act sets fair minimum standards for:

- paid leave;
- rest on and after work;
- minimum days off; and
- weekly working time.

It deals with union recognition, individual rights, unfair dismissal and parental leave. The Act will change some dock work practice. However, the Government has rejected unnecessary burdens on business and the Act will cost good employers little.

Employment agencies

4.1.24. Employment agencies and businesses are important to our labour market and a key contributor to its flexibility. They are active in dock work, where the use of casual labour has increased substantially. There is justified concern that non-permanent dock workers are not properly trained and supervised. This leads to accidents. These agencies must only supply properly trained people for dock work, and take all reasonable steps to select suitable people for particular jobs. Nobody should be employed for work for which they are untrained. Nobody should be put to work in unsafe premises or where unsafe working practices or equipment either on the dockside or on board ship affects them. The Government is introducing new regulations to ensure that people supplied by employment agencies are trained and competent for the jobs they do. We strongly support the industry's scheme for assuring the standards of contract for casually employed dock workers.

Competent contract workers

4.1.25. Employers should already have records of their permanent employees' training, competence and appointment. HSE inspectors are already able to check these. It has been difficult to ensure adequate training and competence in the contract dock labour market. In May 1999, the trade union and port safety officer representatives for Mersey Docks proposed to the National Health and Safety Committee that non-permanent employees on dock work should carry proof of their identity, qualifications and/or training. This would be, in effect, a health and safety "passport" scheme. PSO and the industry's trade associations are introducing a national scheme with the support of the unions.

4.1.26. The Health and Safety Executive strongly supports this initiative. It is a way of ensuring that those employed on any given task have the basic fitness, training and competence to do it. Documents will be issued by participating employers only to those with proof of training. If there is no document, there will be a presumption that the worker is not appropriately trained for the job. The HSE could act against the employer or agency if it finds that training is inadequate. Currently the national scheme will only cover safety induction training and is not a replacement for full-scale training and qualifications throughout the ports industry. HSE will be encouraging the extension of the 'passport' scheme to all work where safety is critical.

International standards

4.1.27. The Government complies fully with EC directives relating to the health and safety of dock workers. It does so through health and safety legislation and associated codes of practice. The Government fully supports the International Labour Organisation and is working towards ratification of its Convention 152 concerning occupational safety and health in docks. The HSE originally drew up the Docks Regulations 1988 with this objective, legislative changes have since been made to satisfy the requirements of EC directives which will have to be reconciled with those of the ILO Convention 152.

Working time directives

4.1.28. The EC working time directive covers dock work. However, there have been anomalies where similar jobs to dock workers may be done by seafarers. The Government will implement a separate maritime working directive for seafarers by June 2002. This will apply to any person who is employed in any capacity on board a seagoing ship that is ordinarily engaged in commercial maritime operations.

Safety on ships

4.1.29. Merchant shipping regulations govern the health and safety of workers on ships. These broadly apply the same requirements as HSE legislation for land based workers. The Health and Safety Executive, the Maritime and Coastguard Agency, and the Marine Accident Investigation Branch (MAIB) have a memorandum of understanding to manage the interface between their respective responsibilities. The Maritime and Coastguard Agency's functions include promoting and enforcing high standards of marine safety and minimising loss of life among seafarers. The Government looks to the ports industry to co-operate with the Agency by reporting ships on which people have to work in dangerous or unhealthy conditions.

4.2. PORT MARINE SAFETY

4.2.1. We have promoted a new approach to safety management in port waters. Port marine operations are most likely to be safe where port authorities have assessed the risks and put integrated systems in place.

4.2.2. Harbour authorities have duties and powers to enable the public to use the harbour and to safeguard the wider public interest. Their Boards are accountable for setting standards, allocating resources to safety, and for adopting effective systems. The public interest includes local communities and the natural environment. Dues fund these obligations. Harbour authorities must manage commercial pressures so as to carry out their duties effectively and safely.

Port Marine Safety Code

4.2.3. Ships make hundreds of thousands of visits to our ports each year without incident but there have been some serious accidents. Some have caused death and injury as well as pollution and damage to property. Harbour authorities have clear legal duties and powers to ensure the safety of their waters. Following the Sea Empress grounding in Milford Haven in 1996, and the report on it from the MAIB in July 1997, the Government developed a *Port Marine Safety Code* with all sides of the industry. We published the code in March 2000. We welcome the strong support for the proposals. The code is a national standard and a guide to best practice. It also offers a framework for harbour authorities preparing policies and plans in consultation with local users and other interests.

4.2.4. The code applies the well-established principles of risk assessment and safety management systems to port marine operations. It will apply to all harbour authorities with powers to direct shipping and to regulate navigation. It will also apply to local lighthouse authorities. Harbour authorities must be openly accountable for their legal duties and powers. The code will hold them accountable for the outcome of their policies, their procedures, their allocation of resources to safety management and their management of personnel.

Consultation

4.2.5. Harbour authorities should work closely with local interests. They must involve all those who work in the port and those who represent them. The safety of the port depends upon them not just observing and enforcing the regulations but contributing to the assessments on which they are based.

Use of statutory powers

4.2.6. Ports have rules. The public may exercise a right to use a port if they keep them. Authorities will not achieve effective safety management systems unless they use their rules more than most do now. Shipping should expect to be directed in our ports. The code requires the use of passage planning - proposed by the Marine Accident Investigation Branch (MAIB) - as a means to this end. The aim is to use such measures practically, depending upon the risks.

Competent harbour authorities

4.2.7. A separate review has looked at harbour authorities who may not need powers to provide pilotage services. About 20 of the authorities that gained these powers under the Pilotage Act 1987 do not use them. They lack the need and in some cases the resources. If an authority thinks the code is inappropriate to them, they may not need to keep their powers. The Government will tackle the clear need for a more straightforward way to take an authority off the list of pilotage authorities.

Reserve power

4.2.8. The Government plans to seek reserve powers to use if a harbour authority is failing to discharge any of its legal functions, and a risk of loss of life or injury, or a serious danger to navigation or marine pollution was likely. In these circumstances, the Government could give the authority appropriate directions after consulting the harbour authority and others.

Good practice

4.2.9. *A Guide to Good Practice on Marine Operations* will support the *Port Marine Safety Code*. This is a long-term commitment which the Government will undertake jointly with the industry and other interests. We are grateful for the considerable help offered by senior professionals in the industry.

4.3. TRAINING

4.3.1. The ports industry has a long record of high-quality training for employees. There are many examples of good practice. However, some companies seem unaware of their training obligations. Others cannot provide satisfactory training. Many people working in the industry have no formal recognition of their competence. There is an imminent shortage of qualified people for port positions that need marine skills.

4.3.2. The British Ports Industry Training organisation (BPIT) was set up in 1994. It is now an accredited national training organisation for the ports industry. Subscribing organisations aim to make BPIT more widely recognised as a source of advice. They will not be able to unless all the major ports contribute properly to BPIT's management and cost. BPIT's core funding comes directly from port subscriptions, with Government grants. PSO and BPIT work together. They published a training code of practice for the ports industry in 1994, and over 120 organisations are committed to it.

4.3.3. National Training Organisations use Government funding to develop national occupational standards with a national framework. Their primary aim is to develop job competence. BPIT are promoting the standards and framework in the ports industry, although they are not a training establishment. PSO lead on health and safety training and run courses for safety advisors. The code of practice for employment of temporary dock workers, developed with the PSO, will make an important contribution to safety induction. It will help to stop the use of untrained people in dock work. Operators that do not use the national standards must be ready to show that theirs are as good.

Qualifications for dock workers

4.3.4. Standards are important, not only so that jobs are done safely by properly qualified people, but to recognise their training and experience. We support the industry's target that all those working in the industry should be able to show that they are competent and have had the relevant training. BPIT is working with the Qualifications and Curriculum Authority and its Scottish counterpart to provide nationally recognised qualifications for port workers. They are now extending them across the whole industry. The Qualifications and Curriculum Authority will accredit qualifications for supervisory staff later this year, followed by an investigation of port management qualifications. The Sea Fish Industry Authority, which is the national

training organisation for the sea fishing industry, is also targeting port market workers.

Port marine professionals

4.3.5. Ports are one of the main industries using former seafarers. They work as harbour masters and pilots, and in other positions. There is little evidence of an immediate recruitment shortage. However, changes in the shipping industry and a long period of under-recruitment and training of UK seafarers, mean that ports may soon be less able to rely on experienced seafarers transferring to jobs on shore.

4.3.6. MAIB's report on the Sea Empress proposed national standards of pilot training and examination. The Government has accepted and extended this recommendation. The Government will develop national standards for all port marine personnel alongside the *Port Marine Safety Code*. Some already exist. We welcome the industry's support for this project. BPIT has developed a standard for marine pilots with Government funding. It will soon complete another for harbour masters. BPIT will also write national guidelines for pilotage exemption certificates.

4.3.7. Accredited national qualifications for port marine professionals are a way of recognising their special skills. In time, they could underpin harbour authorities' recruitment, authorisation and pilotage exemption standards. The Government will continue the work on competence standards to include:

- assessment criteria;
- accredited training courses; and
- examinations.

The industry may come to recognise qualifications specifically developed for port positions as more appropriate than the seafaring certificates used widely in their absence. While seafaring experience will remain very important, professional jobs in ports might then be open as a first career..

Seafarer training

4.3.8 *British Shipping: Charting a New Course* highlights the need for a pool of seafaring skills and experience for jobs in shore-based maritime sectors, including ports. The Government's August 1999 announcement of a shipping tonnage tax regime linked to a minimum training commitment will strongly support these aims. It will broadly mean that after two years, there will be one cadet in training for every five serving merchant navy officers.

4.3.9. The Government has brought together training support schemes for training of officers and ratings for service in merchant ships. The support for maritime training (SMarT) scheme, with a budget in 1999/2000 of about £6.4million, has made a good start. The industry is also funding a Maritime Training Trust. This will co-ordinate the wider industry's financial contribution to seafarer training. We look to the ports industry to reflect their substantial interest with financial and practical support. Along with interested bodies, we will consider with industry whether the scope of SMarT and the Maritime Training Trust could be extended to include port marine careers.

4.4. PORT STATE PARTNERSHIP

4.4.1. The Government is committed to controlling the standards of ships calling at our ports, responding to oil pollution, and planning port waste management. The Government is responsible for enforcing internationally agreed standards for ships' seaworthiness and operation. The Maritime and Coastguard Agency works with port authorities to achieve this.

Sub-standard ships

4.4.2. Most shipowners run quality ships but a significant number do not. The Government cannot tolerate sub-standard shipping. It is a problem for the Government, the 'port state' and port authorities alike. The Government is tackling the problem through a rigorous port state control programme. We inspect 25 - 30 per cent of foreign ships using our ports. Improved targeting on flags with poor safety records helps to optimise our resources and we have made significant progress.

4.4.3. The UK is working with like-minded countries to develop a system whereby flag states assess their performance. Ports would like better information about sub-standard ships likely to visit them. The Government is working with our port state control partners to make inspection data clearer and more widely available – including to port authorities.

4.5. OIL POLLUTION RESPONSE

Command and control

4.5.1. The Sea Empress grounding highlighted the importance of effective command and control when there is a port incident. Even when we cannot prevent accidents, we should try to minimise the pollution that they cause. The Government published Lord Donaldson's review of these matters in March 1999.

4.5.2 Lord Donaldson recommended that Ministers should have a specially trained official for such incidents, to be known as the Secretary of State's representative (SoSRep). When an incident has developed to the point at which the statutory intervention powers become available, SoSRep will control the whole operation. This may simply involve ensuring that the wider public interest, including the environment, is being safeguarded. Alternatively, SoSRep may actively control the operation by giving directions.

National contingency plan

4.5.3. The Maritime and Coastguard Agency maintain a national contingency plan for marine pollution from shipping and offshore installations. This has been reviewed after two reports by Lord Donaldson. *Safer Ships, Cleaner Seas* was published in May 1994], following the loss of the Braer off the Shetlands. *Salvage and Intervention and their Command and Control* was published in March 1999 following the grounding of the Sea Empress. The plan was developed in partnership with port and local authorities and a wide range of other interests. The revised plan was issued in January 2000. The plan sets out how the MCA will respond to a major incident, and provides a framework for ports and local authorities to prepare their responses too. Associated guidelines on port plans will be issued.

Port preparedness

4.5.4. Harbour authorities and terminal operators must have port preparedness and response plans. The national contingency plan reflects the new arrangements for

command and control and the Government will review local port plans accordingly. The plan makes clear that the harbour authority and SoSRep must prepare together. Port authorities now have a statutory duty to respond to marine pollution on their waters. Local authorities have accepted a similar obligation in relation to the shoreline, although it is not in statute. Both should assume that shoreline clean-up, including the inter-tidal zone, will be a matter for the local authority, unless the harbour authority owns the land.

4.6. PORT WASTE RECEPTION

4.6.1. The UK is at particular risk from marine pollution from shipping. It has the third largest coastline of any European state. Under the International Convention for Pollution from Ships (MARPOL), states are obliged to ensure that their ports provide adequate waste reception facilities for ships' wastes. Determining "adequacy" has always been a problem. The UK has promoted the concept of port waste management planning. Port administrations liaise with users, either directly, through their agents, or through representative groups. This makes it easier to determine what facilities they need and to make them convenient.

4.6.2. The Government has led the introduction of port waste management plans - both nationally and internationally. We will continue to promote the proper discharge of ship wastes in port. UK ports now have a statutory duty to provide adequate waste reception facilities that do not unduly delay ships. From January 1998, we have required ports, harbours, terminals, installations, marinas, piers and jetties to report on how they plan their waste management facilities.

4.6.3. Ports need an integrated approach to reducing pollution from all kinds of shipping, through improved regulation and enforcement. Ports must improve facilities for the legal disposal of waste. The Government is increasing penalties for illegal discharge and at the same time reducing disincentives to legal discharge. Maximum fines for pollution offences have risen by a factor of five. Prosecutions are now better co-ordinated, since the Maritime and Coastguard Agency set up a special enforcement unit. The Government 'names and shames' those it successfully prosecutes.

4.6.4. The Government will keep under review the effectiveness of port waste reception arrangements. Each port operator must decide what waste reception capacity to provide. Port operators need to talk to their customers. A flexible approach has been taken to charging. The Government is not convinced that cost recovery through port dues will be fully effective for all types of waste. Port operators should ensure that cost is not a disincentive to use the facilities.

4.6.5. Port operators should not disturb the arrangements many users already have with waste contractors. Some users, such as ferry operators, were opposed to indirect charging. This is partly because they need to control all aspects of the waste disposal process, including timing and reliability. However, ships' garbage does tend to be collected on an indirect charging basis for normal quantities.

Shore waste reception facilities directive

4.6.6. Port waste management planning will become mandatory throughout the European Union within the next two years. The Government welcomes the Commission directive on port reception facilities for ship generated wastes and

cargo residues. The directive endorses the Government's approach to port waste management planning, and adds valuable requirements for prior notification. These will ensure that arriving ships have in turn planned their waste disposal requirements. Other member states have now recognised the value of this approach. The International Maritime Organization, drawing on this experience, asked the UK to co-ordinate work on port waste management planning. This has led to international guidelines on ensuring adequate reception facilities for ships' wastes.

Marine pollution advisory group

4.6.7. The Government has set up a marine pollution advisory group to support policy development and implementation on pollution from maritime activities. It is made up of representatives of:

- shipping;
- fishing;
- yachting;
- port;
- waste management;
- local government; and
- other environmental interests – including the devolved administrations, relevant Government departments and agencies and non-governmental organisations.

4.6.8. The group helped to develop the port waste management planning process. It will also help to take forward policy on marine environmental high risk areas. The group played a lead role in developing the UK's case to the International Maritime Organization to have all the waters around the British Isles and north west Europe declared a special area. This should significantly restrict the scope for legitimate oil discharges from ships.

4.7. PORT SECURITY

Immigration and asylum

4.7.1. We need effective facilities in ports to regulate immigration and those seeking asylum. The Immigration Service is committed to working with the port authorities on this. The Immigration and Asylum Act 1999 widens previous powers requiring ports to provide essential accommodation and facilities needed to control immigration. The Immigration Service will develop arrangements that:

- honour existing commitments to provide immigration controls at ports at public expense;
- provide control arrangements that secure the best use of publicly-funded resources; and
- match resources to maximise the effectiveness of entry controls.

Security

4.7.2. The Government is committed to the security of the travelling public. To this end, it works with the maritime industry to put measures in place protecting ships and harbour areas against acts of violence by terrorists, criminals and the insane.

4.7.3 Millions of lorries enter the UK through ports each year. The Government is committed to high safety standards for all road vehicles. Lorry checks at ports are

important because unsafe vehicles can be dealt with before they reach the roads. The Vehicle Inspectorate maintains a programme of inspections on lorries arriving in ports. The Government will work with ferry ports to ensure that this work fits as efficiently as possible into the running of the port operation.

Public health

4.7.4. We have regulations to prevent the spread of infection by any person or ship entering or leaving the country. They are designed to meet the requirements of the World Health Organisation's International Health Regulations. These rules are enforced by 44 port health authorities in England.

4.7.5. There is a new pilot system to allow dogs and cats to be brought from certain destinations without quarantine. Ferry companies using Dover and Portsmouth are taking part in the pilot. The Government plans a full scheme by April 2001. It is imperative that the UK remains properly protected against rabies. The Government is determined that, as far as possible, users of the new system will pay for it.

Port police

4.7.6. Twelve ports have their own police forces:

- Belfast,
- Bristol,
- Dover,
- Falmouth Docks,
- Felixstowe,
- Harwich International,
- Larne,
- London (Tilbury),
- Manchester Ship Canal,
- Mersey,
- Milford Docks, and
- Tees & Hartlepool.

They have between five and about 100 members. The trend is for numbers to decline.

4.7.7. Port police forces are a surviving example of special, or private, police forces established mainly during the nineteenth century. They do not come within the scope of the Police Act. They have full constabulary powers (usually within the port area and a mile outside it). There are a number of special features about port police. This paper has outlined the Government's plans on the accountability of harbour authorities. Those with port police are not accountable as county police are for the exercise of their powers. The Government will discuss with the authorities concerned how this might be addressed.

4.7.8. Small private police forces do not have the size or facilities to ensure that constables are highly trained. It is questionable whether port forces any longer need full constabulary powers. Their range of duties is generally limited to routine patrolling and protecting property. Access to terminals and movements within them must be controlled, and vehicles directed, but constabulary powers are not needed for this. Most ports - including some very similar to those with police forces - manage without them. The Government is unlikely to agree harbour orders to create

new forces in any port, or make significant extensions to the powers of existing forces.

ANNEX 1

SPECIFIC INITIATIVES

Para ref	
2.4.11.	review the use made of available facts and figures on the ports industry
2.4.10.	develop performance indicators for the ports industry
2.4.13.	develop project appraisal criteria for port developments
2.2.4.	review subsidy arrangements for island ferry services currently provided by CalMac to ensure compliance with European requirements
2.5.27.	consider legislation giving easier access to environmental duties
2.5.28.	review environmental management in moribund harbours
2.5.14.	develop environmental management guidance
2.6.7.	develop rules for the extension of freight grants
2.6.10.	involve ports in shipping policy initiatives
2.6.14.	sponsor an inland waterways freight study group
3.1.5.	develop guidance and standards for accountability
3.1.7.	agree with ports on publishing more financial information
3.1.8.	implement the trust ports review
3.1.14.	complete a study of municipal ports
3.1.25.	legislate to secure an easier way of closing problem ports
3.2.6.	promulgate good practice on ports' duties and powers

Para ref	
3.2.9.	develop guidelines on environmental regulation of marine development
3.2.10.	improve co-ordination of overall Government regulation affecting the ports industry
3.2.12.	transfer responsibilities for fishery harbours from MAFF to DETR
4.1.10.	review Docks Regulations and Code of Practice
4.1.11.	review of Dangerous Goods in Harbour Areas Regulations
4.1.20.	review effect of additional health and safety inspections in docks
4.1.26.	review implementation and extension of passport scheme for non-permanent employees in docks
4.2.3.	implement the Port Marine Safety Code
4.2.7.	legislate to allow removal of pilotage powers
4.2.8.	legislate for a reserve power to safeguard port marine safety
4.3.7.	complete national occupational standards for port marine professionals
4.3.9.	discuss with industry extending SMarT to ports
4.5.3.	complete National Contingency Plan guidelines for ports
4.6.4.	review waste management plan requirements
4.7.7.	review arrangements for port police

ANNEX 2

CASE STUDIES

1. ABERDEEN

Aberdeen Harbour is one of the busiest in the United Kingdom. It serves Scotland's third largest city and its extensive hinterland, the Northern Isles of Orkney and Shetland, the offshore oil and gas industry and international markets. It is a centre for traffic in forest products and is a major fishing and ferry port. Aberdeen Harbour has remained a bastion to the local community in a period of fundamental change.

A record-breaking start

We don't know when the Aberdeen area first saw use as a port. However, according to the *Guinness Book of Business Records*, Aberdeen Harbour is Britain's oldest recorded business. The claim is based on a reference to the port in a royal charter of 1136.

Over the next eight centuries, the harbour's importance to north-east Scotland increased. In the late 18th and early 19th centuries, the famous engineers Smeaton and Telford began to develop the modern port. Further developments and a gradual rise in trade continued into the 1960s.

The Modern Era

In the late 20th century, the port underwent a complete transformation, leading to remarkable growth in activity. Cargo first passed 1 million tonnes in 1924 and broke the 4 million tonnes barrier in 1991. The number of vessels using the port has reduced substantially from around 15,000 in 1960 to under 9,000 today, due mainly to the decline in fishing. However, tonnage has increased markedly as ships have got bigger. In the 1990s, the Aberdeen Harbour Board built deep-water berths which have helped to bring further increases to record levels of over 13.5 million tonnes of shipping.

The Harbour Board and development

The Aberdeen Harbour Order Confirmation Act 1960 entrusted Aberdeen Harbour Board, an independent statutory body, with administering, maintaining and improving the port. Following further modifications to the constitution, the Board has 13 members, representing:

- local businesses and port users;
- Aberdeen City Council;
- Aberdeen Chamber of Commerce;
- the Scottish Trades Union Congress; and
- the General Manager.

The Harbour Board is committed to reinvesting all profits in developing and maintaining the port. The Board also has a policy of accountability. It has invested more than £100 million in its modernisation programme so far. The private sector has also invested considerable sums.

The Board's emphasis on competitiveness is reflected in its port charges, which have increased by significantly less than inflation. Abolition of the National Dock

Labour Scheme meant the port could compete more favourably with its neighbouring non-Scheme ports.

As the offshore industry began to explore for oil and gas in the central and northern sectors of the North Sea in the 1960s, the Harbour Board acted to meet the needs of an industry that operates around the clock. The Board removed bridges and dock gates to give 24-hour access. It rebuilt quays and established nine oil support bases, some dedicated and some multi-user.

When Aberdeen's last shipyard closed in the early 1990s, the port invested £12million in redeveloping the area. This increased deepwater berthing by 10 per cent. Telford Dock also provided transit shed facilities, extensive quaysides and a heavy lifting capability. It has been a major factor in developing oil-related activity and the trade in forest products.

While much investment has been directed at the offshore industry, the Board targeted other sectors in the mid 1980s. Recognising that there are a number of paper mills in the Aberdeen area, the Board looked in particular at the forest products trade and the paper industry. Wood pulp imports have increased from just a few consignments to more than 200,000 tonnes annually. There has also been a growing complementary trade in exporting finished paper products.

The Harbour Board has also actively helped the local fishing industry. The fish market was rebuilt in the early 1980s and has been upgraded to create a food hall environment and encourage landings. The Board has deepened fish market berths and approaches to attract larger boats and upgraded the ship repair pontoon dock. The Board has leased land to a consortium that has developed the port's first quayside ice factory.

Shipping services have expanded including, in 1998, additional sailings to Norway and Holland by roll-on, roll-off ferry and a new container service to Holland and Belgium. Considerable investment has also gone into modern equipment and a dedicated grain terminal. The port benefits from excellent road, rail and air links.

Environment, Education and Community

The Harbour Board follows an established environmental policy and meets the required standards for environmental care in all its operations. It also works closely with all relevant organisations, including the Scottish Environment Protection Agency, Scottish Executive Rural Affairs Department, Scottish Natural Heritage, Aberdeen City Council, European Sea Ports Organisation, Sea Watch Foundation and the Grampian Environmental Forum. The Board commissioned a three-year study that is setting scientific benchmarks to help in the environmental management of the port.

The port also has a close relationship with the community. It works with schools and supports tourism through its sponsorship of the Aberdeen Maritime Museum and membership of the Aberdeen Beach Consortium.

The future

The versatility of Aberdeen Harbour's facilities and the diversity of its traffic stand the port in good stead if the offshore oil industry experiences a downturn. The Harbour Board is encouraging the evolution of the port's role and is targeting other sectors. Initiatives to secure the future of the fishing industry continue.

The Harbour Board will invest over £30million in a major five-year maintenance and development programme to 2004. The opening of the redeveloped Matthew's Quay in 2000 at a cost of £10million will significantly enhance the port's capabilities. This will be one of the catalysts for growth in general cargo and oil related activity in the 21st century.

2. BRISTOL

Origins, growth, decline and renewal

Bristol Docks began where the Rivers Frome and Avon met to form a peninsula. Quays were built along the Frome in 1239 in the area that now forms the city centre. The city's industry and trading connections grew rapidly from the 13th century. The increase in the size of ships trading into England, however, led to a relative decline of the city centre docks. To combat this, the Royal Edward Dock was built at the end of the 19th century. The addition of an oil basin for the refined petroleum trade and the provision of grain berths extended the dock.

This new port flourished until the 1950s. But since the development of containerisation in the mid 1960s , the port saw a gradual reduction in trade. From handling 9 million tonnes in 1965, the port handled 3.5 million tonnes in 1986.

The benefits of being able to handle larger vessels led to plans for the Royal Portbury Dock on the south side of the Avon, to accommodate Panamax and Cape size ships. The development was not an immediate success. In fact by the late 1980s the dock was making a significant loss. This was made worse by the authority's inability to cut the workforce to match the shrinking trade. Strikes cost the dock customers. The city council did not have the means to develop the sort of facilities that potential customers wanted. Many remained unaware of the potential of Royal Portbury Dock.

Customers needed to be convinced that Bristol was an excellent location close to major shipping lanes and that inland distribution costs are lower as the port is closer to the majority of the population than its major competitors. Motorway access is the best of any port in the country, there are excellent rail connections and the port can handle ships of 130,000 tonnes deadweight - larger than those handled by London, Southampton and Liverpool. There is also room to locate distribution at the port, avoiding double handling of goods through inland distribution centres.

Regeneration

The story of Bristol shows what can be done to regenerate a port if it can tap into new sources of finances. In August 1991, First Corporate Shipping leased the Port of Bristol from Bristol City Council for 150 years. The new owners renamed it The Bristol Port Company, and £260million has been invested in Avonmouth and Portbury Docks.

The largest single investment is an £80million joint venture between the Bristol Port Company and National Power. This is the bulk handling terminal built on two berths at Royal Portbury Dock and linked by a conveyor to a 25 hectare open storage area. Coal is transported via a tunnel to Avonmouth for rail loading.

The Bristol Port Company has set up a terminal for animal feeding stuffs and fertilisers next to Portbury's deep water. The facility can handle 30% of the country's animal feed imports. It has two 100,000 tonne capacity warehouses for fast and efficient discharge of all bulk agricultural feedstuffs. The company has also completed a grain export terminal.

The company has built over 1 million square feet of covered storage for forest products in the last eight years. The port is now established as a major car import/export facility and is attracting further business. Several car companies have set up facilities covering an area of 400 acres. The port will handle over 500,000 cars in the year 2000.

At Avonmouth, the Bristol Port Company established new terminals for metals, dredged aggregates and vegetable oil. It also extended the domestic coal terminal. The company is now operating a short sea routes container terminal with services to Ireland, France, Spain, the Mediterranean and Scandinavia. It has recently connected this facility to the rail network.

Training

The company has also been investing in its workforce, setting up a port operative apprenticeship scheme, believed to be first of its kind in the ports industry. Over 50 young men have undertaken the two-year scheme, designed to supply highly trained port staff. The workforce is now full time and multi-skilled, offering unprecedented flexibility.

The future

In 1990, the port handled 4 million tonnes of cargo and had a turnover of £22million. In 1999, it handled 8.6 million tonnes of cargo with a turnover of £50million.

The company is drawing up ambitious plans to provide the port with multi-purpose rail terminals that should take many thousands of heavy goods vehicle movements off the roads. The company plans a rail link for Portbury that will be operational by autumn 2001.

The company now intends doing for Avonmouth what it has already done for Royal Portbury. It has begun demolishing outdated sheds and warehouses and building new warehousing. The first phase of a rail terminal for Avonmouth is already complete. The facility will expand over the next five years and the company will steadily remodel the Avonmouth estate.

3. HARWICH

The Harwich Haven Authority

The Harwich Haven Authority was set up by Act of Parliament in 1863 as the Harwich Harbour Conservancy Board to manage, regulate, improve and maintain the harbour and its seaward approaches. The Authority is a public trust with a non-executive board comprising 10 members. The Authority's only source of funding is from dues and pilotage charges levied on all commercial vessels over 50 gross tons entering the harbour. As a public trust no profits are distributed and all surpluses are put back into the business. The Authority provides pilotage services to the five Haven ports of Felixstowe, Ipswich, Mistley, Harwich International and Harwich Dock Company.

The Harwich Harbour Act 1974 gave the Authority the power to dredge the seabed to maintain and improve navigation. The Authority must respond to the changing needs of shipping arriving at the ports within the harbour and use its powers to carry out dredging and other improvements to navigation. Power to dispose of the arising material from dredging is, with certain exceptions, subject to the Secretary of State's consent.

Expansion of Felixstowe

The Port of Felixstowe entered the container trade in 1967. In response to the needs of the vessels serving that trade, the approach channel to the Port was deepened to 7.3 metres below Chart Datum (CD) being normally the level of the Lowest Astronomical Tide. This principally involved dredging within the harbour. Further deepening took place in 1981 in response to the expansion of Felixstowe during the early seventies and progressive increases in ship sizes. Unlike the earlier work this deepening involved significant dredging within the seaward area. The continued expansion of Felixstowe and a steady increase in shipping size during the first half of the eighties again led to a further channel deepening. This involved significant dredging throughout the length of the channel out to the line of the Cork Sand. Again the progressive development of Felixstowe in conjunction with the increasing draft of container vessels led to two further channel deepenings. The latest was in 1999, to a depth of 14.5 metres below CD and extending the deep water channel out to the Sunk Light Vessel.

Minimising Environmental Damage

The dredging takes place near the internationally important Stour and Orwell estuaries. In 1976 the Authority began a policy of long term monitoring and research, which has led to a better understanding of the estuary system. In 1991 a liaison group was set up with the relevant statutory bodies and environmental groups, to discuss the impact of dredging on the environment and consider the beneficial uses of arising sediments. As a result, the group has developed a number of environmentally beneficial uses for the sediment, including a variety of sea defences.

The Authority obtained consent for a channel deepening project in 1993-4, following negotiations with objectors. It went ahead on the basis that research would continue into the potential impact on the environment. If environmental damage was likely, the Authority would put reasonable and practical mitigation measures in place.

The 1998-2000 dredging proposals were subject to the Conservation (Natural Habitats etc) Regulations 1994. Regulators investigated the likely effects of the further channel deepening on the estuary system. Discussions began in spring 1997 and the regulators gave their consent in October 1998.

The consent required the Authority to put mitigation proposals fully in place. It also required it to create additional wetlands adjacent to the estuary as compensation for the loss of a special protection area (SPA) and as 'insurance' in case mitigation measures were not immediately effective. The principal mitigation measure now being implemented is 'trickle charging' of sediment into the estuary to replace material trapped in the deep dredged areas of the lower harbour which cannot be moved into the estuaries.

At least 12 beneficial uses of sediments are going ahead, some to protect and enhance designated sites and others to provide sea defence. The Authority is carrying out these projects in partnership with the Environment Agency and district authorities.

The impact of the disposal of capital dredgings has been mitigated by placing a stiff clay bund around the disposal site to contain the material and then capping the surface with gravel to create a stable habitat for crustacea.

To prevent damage to existing and newly created crustacea habitats, maintenance dredgings are taken to a new dispersive disposal ground further to seaward. Dispersion of fine silts avoids impact on the seabed and distributes the material using natural forces.

Securing suitable land for the creation of inter-tidal mudflats has been the most difficult aspect of the consent for the Authority to comply with. The contract is now almost complete and all mitigation and compensation measures are going ahead. The Authority is carrying out extensive monitoring under the consent conditions and reporting annually to the regulators.

4. THE HUMBER PORTS

The main challenge faced by the Humber ports is the need to accommodate competing development pressures while safeguarding the internationally important environment of the estuary.

A Vital Centre for Trade and Shipping

Adequate port and wharf facilities in the Humber are fundamental to the continued prosperity of the local, regional and national economy. As well as supporting the region's industrial base, the port facilities of the estuary, based at Goole, Grimsby, Hull and Immingham, handle some 13 per cent of UK trade. This has risen from 58 million tonnes in 1989 to 74 million tonnes in 1998. The Vessel Traffic Service Centre at Spurn Head manages over 50,000 ship movements per year. The volume of ship traffic in the Humber is predicted to grow in response to the extension of the European Union, increasing trade with the North Sea and Baltic countries and greater competitiveness within the UK's port industry. Continued port development will be needed in the Humber to accommodate projected increases in trade and changes in trading patterns.

Working to Protect the Environment

A large part of the Humber Estuary has been designated a Special Protection Area (SPA) and Ramsar Site. The Estuary is also being considered for submission to the European Commission as a Special Area of Conservation (SAC). The harbour authority, Associated British Ports (ABP) have adopted a strategic approach in response to this designation and recent environmental legislation and proposed port developments. It has provisionally identified the waterfront developments at each of its Humber ports which are essential for continued port prosperity over the next 20 to 25 years. These developments may evolve in their scope or time-scale, but identifying them all provides the foundation for considering their effects and environmental mitigation needs as a whole.

Together with English Nature, the Environment Agency and the Wildlife Trusts, ABP has begun to consider where habitat creation schemes may be possible. Such schemes have focused on managed retreat and intertidal recharge using maintenance dredged material. It may also be possible to replenish intertidal areas subject to erosion.

Managed retreat involves deliberately setting back the line of actively maintained defence to a new line inland of the original. Such schemes help to restore saltmarsh and increase the intertidal area. This creates valuable wildlife habitats and such land provides additional flood defences, sometimes removing the need for them altogether.

Intertidal recharge involves placing marine sediments on the shoreline in the intertidal region. In estuaries this often consists of muds and silts dredged from navigation channels. This practice has a number of benefits, including decreased erosion rates, the provision of additional intertidal areas for wildlife and the increased protection of sea and flood defences. Preliminary studies have been undertaken to assess the long-term sustainability of a number of mitigation options. These have

established which schemes may be suitable and which should be discounted within the Humber.

Local Conservation Initiatives

ABP has already been involved with a number of conservation initiatives around the Humber. These include the Habrough Marsh Drain conservation project at Immingham Docks, which aims to enhance the area's wildlife and amenity value. This project has been set up by Lincolnshire Trust for Nature Conservation, with the support of ABP and the North-East Lindsey Drainage Board.

For some years, ABP has leased the Royal Society for the Protection of Birds (RSPB) a site at Blacktoft close to the confluence of the Trent and Ouse. The RSPB has developed this large reedland site into a signficant wetland reserve for birds. Discussions are also taking place with the RSPB for the further development of a site at Tetney.

APB has recently bought 46 acres of farmland at Kilnsea with the aim of improving nature conservation on the site. It is situated within the Spurn Heritage Coast and is adjacent to the Special Protection Area.

Planning for the Future

The Humber Strategy allows the port to service growing UK trade, while meeting environmental and resource goals. It will highlight sustainable development needs, which can be taken into account in the scheme of management required under the Habitats Regulations 1994. Various authorities are required to work together to produce a consistent management scheme and on other plans which may have an environmental impact. This is currently the only statutory framework for achieving integrated coastal zone management. Although its scope is primarily limited to the features for which the site was designated, it is the first major attempt to achieve consistency between the many plans that exist in the coastal zone.

The authorities which manage activities in the coastal zone will work with the authorities which grant consents for plans and projects.

The Coastal Habitat Management Plan (CHaMPs) programme now under development will address habitat creation issues relating to long term coast protection and flood defence. It will create a register of environment gains and losses, a mechanism for long term prediction and a set of rules by which creation of new habitat in advance of need for development can be controlled. CHaMPs, together with the scheme of management, will help in the development of long-term plans for the Humber.

5. IPSWICH

The Port of Ipswich is 10 miles inland at the head of the River Orwell. It is in a prime position for the agriculturally important hinterland of East Anglia. The fortunes of this community port have been revived by new management.

Origins

Ipswich has been a trading centre for over 1,000 years. In 1805, an Act of Parliament vested the conservancy of the River in a public commission, the River Commissioners, who took over from the town authorities the duties of deepening, widening, cleansing and otherwise improving the river". An Act authorising the construction of an enclosed dock to cater for foreign trade was approved in 1837. Rail facilities to Griffin Wharf were provided in 1848 and extended to the dock the following year. Port facilities were improved further over the years. In 1973 the Dock Commission was reconstituted by statute and Ipswich Port Authority superseded the old Ipswich Dock Commission.

Changing patterns of trade

Development at the port during the 1970s reflected the changing pattern of Britain's trade. Facilities were provided to serve ships handling unitised cargo on short-sea routes. An Act in 1971 authorised reclamation on the West Bank of the river. In 1973 the first stage, covering some 15 acres, was completed to accommodate a roll-on roll-off service. Further expansion was completed in 1977 and 1979 and in 1998.

Investment by new management

In 1997 the port was sold to Associated British Ports (ABP). Over £14million has since been invested in commercial and leisure activities. Trade has been encouraging with new business attracted, and lapsed business returning.

Ipswich is the principal dry bulk handling port in East Anglia. The main commodity is grain, but large volumes of animal feed, fertiliser and aggregate are also handled at the port. There are two fully equipped container terminals and a roll-on/roll-off terminal for the handling of all types of unit loads.

Recent developments

In 1998 the port built and opened a 90,000 square feet grain facility known as the Sentinel Terminal. The port handles large imports of Baltic, Scandinavian and Canadian timber. That year a 4,635 square metre shed was constructed for the storage of weather-sensitive forest products, such as kiln dried timber. £0.5million was invested in high-specification forklift trucks. Each has a lifting capacity of 4 tonnes. Agreement was also reached for an exchange of land between the port and Ipswich Borough Council. This provides additional operational land and potential quayside for the port, whilst giving the council a site at the heart of the Wet Dock waterfront regeneration area. Another site was acquired from National Power for further port activities.

A state of the art Timber Treatment Centre was opened in 1999 on the West Bank to provide a fast and high-quality service with the added benefit of a no-cost transfer from import berth to treatment plant. The port donated £50,000 towards a scheme

to pave Stoke Quays and the regeneration of the Wet Dock has continued with a further paving scheme being undertaken along the northern quays adjacent to the Old Custom House. The port has also committed considerable financial support to this project. Five acres on ex National Power land at Cliff Quay were used for a £2million investment incorporating a 7,500 square metre bulk storage shed with equipment for bagging and blending of fertilizers and other bulk products. A £1.9million agribulk storage facility was opened in 2000 on the same site. The 10,000 square metre warehouse is used for fertilizers and other bulk commodities

A twice daily ferry service linking Ipswich with the Port of Ostend commenced in February 2000. The fully equipped roll-on/roll-off terminal is situated on the port's West Bank. Regular container traffic has returned to the port. There is a thrice weekly service from Ipswich to Wilhemshaven. Two new container lines commenced sailings from Ipswich this year. The container terminal is equipped to handle all types of containers and can also accept out-of-gauge and heavy lift cargoes. Although the port is unable to accept deep-sea container ships it is ideally located and fully equipped to accommodate short to mid-sea operations with either pure load-on/load off or combi-service vessels. The Old Custom House, the headquarters of the Port of Ipswich, has been fully refurbished and restored to its former glory. The former bonded warehouse on the ground floor has been turned into the Waterfront Conference Centre fitted with state of the art equipment. Over £1million has been invested installing automated lock gates which were officially opened in 2000. The new lock gates acted as the catalyst for the 180 berth Ipswich Haven Marina, also opened in 2000.

The future

The face of the Wet Dock and surrounding area is undergoing vast changes. The new marina is complemented by a development of luxury apartments. Planning permissions have been sought by other developers to provide further residential/hotel developments in this area. The Wet Dock, located in the heart of the town, will enable the people of Ipswich to benefit from the new and improved open and public space and the high quality waterside pedestrian route that links the various redevelopment sites. This gradual change to a softer use of the area, will live in harmony with the commercial activities of the Port which continue to prosper and grow beyond the lock gates on both the east and west banks of the River Orwell.

6. MERSEY: TWELVE QUAYS

For many years prior to its closure in 1967, the Twelve Quays site at Birkenhead had provided a berth for cattle boats bringing in livestock from Ireland. When this traffic ceased, the site and the adjoining lands at Wallasey Dock became disused. These sites were eventually acquired by the Merseyside Development Corporation (MDC) in 1988. The story of Twelve Quays shows how booming trade can be exploited to regenerate derelict port facilities.

Regeneration

The MDC attempted to promote non-port related uses, such as residential and leisure projects, for this prime waterfront site for many years. However the Port of Liverpool's Irish Sea trade, which had virtually disappeared in the early 1980s, began to show signs of revival. The Mersey Docks and Harbour Company (MHDC), which is responsible for the management and operation of the port, identified the Twelve Quays site as an ideal location for a river berth.

In 1997 the MDHC acquired the rights to develop the northern end of the site for a roll-on/roll-off facility. A comprehensive environmental study for the proposed development was undertaken and the Secretary of State approved a Harbour Empowerment Order in April 1998. The MHDC has completed a public tendering procedure and detailed contract negotiations are in hand with the preferred developer.

The outline scheme comprises vehicle marshalling and passenger handling facilities, hardstanding for unaccompanied trailers and trade cars, customs inspections areas and the marine installation. This will comprise a pontoon with two loading ramps, connected to the shore by a linkspan and piled bridge. The pontoon will be located approximately 140 metres off the river wall and ferries will berth against robust mooring dolphins, designed to accommodate vessels of up to 200 metres in length.

The total cost of the project is estimated at over £20million. MHDC expects to let the contract in 2000 and that the works will be completed the following year.

Location and access

There is good access to and from the Twelve Quays site. It is about one mile from the M53 and the wider motorway network. The dock estate in Birkenhead is also connected by rail, although it is several years since freight trains were handled there. The MDHC, Railtrack, English Welsh and Scottish Railway (EWS) and Wirral Borough Council are undertaking a joint feasibility study on re-establishing rail services. The study will look in particular at the potential volumes to be generated by Irish Sea ferry services.

Developing markets

The Port of Liverpool currently has three Irish Sea freight and passenger services and two dedicated passenger services. They are operated by P&O, to Dublin, Merchant Ferries to Dublin and Norse Irish Ferries (NIF) to Belfast. The latter two operators have recently come under common ownership and both services will be offered the use of the Twelve Quays facility.

For the past decade there has been consistent and strong growth in Irish Sea freight volumes through the Port of Liverpool. The volume of roll-on/roll-off units (excluding trade cars) has risen from 94,000 to an estimated 426,000 in 1999, aided by strong growth in the Irish economy over recent years. There has also been a significant gain in market share, boosted by two trends. Firstly, ferry operators have steadily increased vessel sizes to reduce unit costs. Several Irish Sea ports have restrictions on both the length and draft of vessels they can accommodate, but Liverpool and its connecting ports, Dublin and Belfast, are capable of handling the largest of ferries. Secondly, sea freight costs have been driven down by operators, making the inland haulage costs from destination ports ever more important in the overall cost equation. Liverpool, with its central location on the west coast of Great Britain and its proximity to the main centres of consumption and production, has shorter average inland hauls and lower costs than rival ports, giving it a major advantage.

The future

The advantages which ferry operators currently enjoy through the Port of Liverpool will be further enhanced with the availability of in-river berths.

The elimination of locking-in and locking-out from vessels' schedules will save approximately 1½ hours on each round trip. This will enable ferry operators to save costs and to achieve better ship fills by staying on berth later to attract premium traffic. In the case of the longer Belfast route, the time saving will allow 30 per cent improvement in the use of ships' assets.

7. POOLE

Poole is a major recreational port on the south coast with substantial commercial shipping activity. Poole Harbour is an internationally important wildlife site which the harbour authority is charged with managing. This case study shows how commercial and leisure interests can be successfully managed in a sensitive environment.

Background

Poole is a trust port. The harbour authority is entirely self-supporting financially. The port of Poole is situated in one of the world's largest natural harbours, with an area of some 3,800 hectares. The extensive mudflats around the harbour are of exceptional ecological value. Residents and visitors alike value the scenery in and around the harbour.

Activities in the harbour are varied. Commercial activities include fishing, boat building and the Wytch Farm Oil Field. There are ferry services to Cherbourg, the Channel Islands and St Malo. The port has a thriving import/export trade and handled over two million tonnes of cargo in 1998-9. Recreational activities include sailing, motor boating, and sea angling from charter craft. It is estimated that 2,400 leisure craft may be on the water in good weather and at weekends. A Royal Marine base for amphibious training also uses landing craft and high-speed craft within the harbour.

The need for a co-ordinated approach to the management of the harbour was recognised as far back as 1976. A non-statutory body, the Poole Harbour steering group, evolved. It consists of statutory bodies, including those with environmental responsibilities, and representatives of other organisations. The Group is run by the Harbour Commissioners and includes English Nature, the Environment Agency, the Southern Sea Fisheries District Committee, Dorset County Council, Poole Borough Council and Purbeck District Council. This group published the *Poole Harbour Management Policies* in *1987* to present a co-ordinated policy for the harbour and harbour shore-line. These policies have been reviewed twice, the last time in 1998, and now form a consultation document when planning decisions affecting the harbour are required.

The Poole Harbour Aquatic Management Plan

The rapid growth of water-borne recreation in the harbour in the 1980s raised concerns about its ability to cope with the pressures from a variety of users. The Harbour Commissioners had a special concern about the general standards of behaviour in the Harbour and particularly about powerboats travelling at high speed. The steering group concluded that the harbour needed a management plan for the water area. After consulting with harbour users, and with EU funding through the Atlantic Arc programme, the steering group published the *Poole Harbour Aquatic Management Plan* in 1995.

The plan aims to promote the sustainable use of Poole Harbour, balancing the demands of its natural resources and resolving conflicts of interest. The objectives are to protect and maintain the special natural features of the harbour; to promote its sustainable and wise use for commerce, recreation and amenity; and to provide a framework for the co-ordinated management of the harbour and improve communications between its users and managers.

The *Poole Harbour Aquatic Management Plan* uses zoning of water-borne activities in the harbour to separate incompatible activities where speed is the ruling factor. These areas are marked on the water and publicised through signs and leaflets as appropriate. The zoning is made effective by using the speed limit byelaw. This introduced a speed limit over the whole harbour for the first time. Established practices were incorporated into the management plan where possible. These include water-skiing and windsurfing zones. New uses such as personal water craft have been accommodated in the most suitable area available.

The conservation interest is served by designating the large shallow area south of Brownsea Island as a quiet area. Harbour users are asked to reduce their speed to six knots in this area. Harbour authorities monitor the numbers of craft using the harbour through the peak season to measure changes in levels of use. Indications are that levels of various forms of activity are more or less stable.

The key to the success of this management plan is the involvement of as many interests as possible – not just in its initial development, but through repeated consultation every year. Comments or suggestions from harbour users and othersare invited at a forum and any changes to the detail of the plan can be considered in good time for the following season.

8. SULLOM VOE

The Port of Sullom Voe was established on a greenfield site within a pristine environment in Shetland almost 25 years ago. It shows how a modern port can be designed and operated in a way that safeguards the environment and traditional local industries dependent on clean water.

Choosing the site

In the 1960s and 1970s the North Sea oil fields began to be opened up. Both the Government and the oil companies operating in the East Shetland Basin needed an onshore facility as close as possible to the oil fields to handle very large quantities of high quality crude oil and gas. A landfall was needed for two 36-inch pipelines at a terminal which could stabilise and store the crude oil, process and store the gas, and then export the product in vessels which would include ultra large crude carriers (ULCCs). The Government needed a properly regulated site adjacent to an established harbour area. The local Shetland community wanted to be sure that industrialisation of the area made the least possible impact on a very sensitive environment. The basic requirements of the project were therefore a large area of deep sheltered water close to relatively flat land immediately available for development, with the whole enterprise under local control.

The site at Sullom Voe met these requirements, and the Government provided the control mechanisms in the Zetland County Council Act 1974.

The Effects on Local People

The local community recognised the opportunities. However they remained extremely apprehensive about the impact of oil on their way of life. The traditional industries of agriculture, fishing and tourism depended on an unpolluted environment, but the large number of merchant seamen with tanker experience knew the inevitable consequences of tankers arriving at a terminal without a ballast reception facility. Tank cleaning before arrival could cause chronic pollution. Even if a reception facility were provided, it was expected that old habits would still lead to pollution even if a major accident could be avoided – and that could not be guaranteed.

Enlightened Legislation

The Zetland County Council Act of 1974 is an enlightened piece of local legislation. It gives extraordinary powers to the local authority and as a result a measure of confidence to the community. It allowed the council to acquire the land on which the terminal was built, and to take equity with the industry in the port and terminal development. It provided the council with the harbour powers necessary to establish and regulate the Port of Sullom Voe. Taken together, the provisions of the Act obliged the council and the industry to work together. The result, some 25 years later, is a successful operation within an environment which remains pristine.

During this period a major new industry has emerged in the form of aquaculture producing very high-quality seafood. The proximity of these two industries demonstrates real confidence in the regulatory system and the current relationship with the oil industry.

Maintaining a Clean Environment

As a result of the various agreements between the Shetland Islands Council and the industry, protection of the environment is one of the operation's highest priorities. As a first step, and before the terminal became operational, all the environmental baseline data were established. Over the years the same criteria have been used to measure current circumstances against the baseline data. Annual contracts with UK universities produce information which shows that there has been no measurable impact apart from limited Tri-butyl tin (TBT) contamination near the tanker jetties from anti-fouling paint.

Traffic and Pilotage

From the outset the council, as the statutory harbour authority, determined that it would enforce a transparent regulatory regime on the tanker traffic to Sullom Voe, rooted mainly in international conventions. There are very few special Sullom Voe rules – but strict enforcement of best industry practice. Outside the council's area of jurisdiction, proper standards of operation are achieved through commercial contracts and co-operation with the industry.

The council employs the usual range of byelaws, directions and regulations to control traffic within the harbour area. It is also the competent harbour authority for pilotage purposes and uses these powers in close conjunction with the harbour powers.

The council has placed pilotage and vessel traffic services (VTS) at the core of its safety management system and ensured that senior management is experienced in this field. The VTS uses the delegated powers of the harbour master to regulate traffic whilst the duty officers, acting as assistant harbour masters, are also authorised pilots for the area. Pilotage and VTS are both provided by one group of well-qualified, highly trained and experienced professionals directly employed by, and accountable to, the council. The council ensures that the passage of every tanker trading to Sullom Voe is planned from a position approximately 200 miles from the pilot station to the berth.

Setting Limits

The limits of operation are set pragmatically, following risk assessment and consultation with industry and representatives of service providers. These limits are established with reference to standards developed by the Oil Companies International Marine Forum and mathematical analysis of factors relevant to ship size and tug availability. The towage service is provided by a company wholly owned by a council-controlled trust, which operates under contract to the oil companies. This results in a seamless relationship between harbour control, pilotage, towage and mooring at the jetties. Any changes to working practices are hammered out at meetings where each interest is represented.

New developments such as the import of crude oil in shuttle tankers and the development of active escorting techniques have been managed through the system outlined above. The aim is always to provide a cost-effective means of ensuring a smooth flow of traffic, to sensible limits of operation, without new or unusual burdens upon the vessels. At the same time the margins of safety must be sufficient to properly protect the environment and reassure the community.

9. TYNE

There has been a port on the Tyne for almost 2,000 years. The earliest trades were in grain and forest products, but coal became the port's principal product. This case study shows how the port has adapted to the decline in the coal industry and other traditional trades and sought out new business to the benefit of the port and the local community.

The decline of traditional industries

When the productivity of the coalfields in Durham and Northumberland was at its peak, some 23 million tonnes of coal was shipped through the port in one year. Trade based on local shipbuilding and other heavy engineering industries also provided significant income and there was a substantial traffic in forest products in the 1970s and 1980s.

A number of factors led to the long term decline of much of the traditional trade. Containerisation, the abolition of the dock labour scheme and the development of the non-scheme ports led to the loss of much of the non-containerised cargo trade otherwise known as break bulk goods. The non-scheme ports were more suitably located and equipped to handle such traffic. A coal terminal had been developed in 1984, but the decline of the coal mining industry and changes in the purchasing policies of the power generators caused a virtual end to the trade in coal. The export of coal and coke fell from 3,450,000 tonnes in 1989 to 1,518,000 tonnes in 1994 and in 1996 exports ceased completely.

Regeneration

The port authority responded to this decline in traffic by making substantial efforts to develop new business and replacement traffics.

The most notable new business development was the Tyne car terminal. The port authority built the terminal in 1994 to Nissan's requirements. It consists of three berths, capable of accommodating one deep sea carrier and two short sea carriers simultaneously. It also has a paved area for the parking of vehicles in transit through the port. In 1998, 324,000 cars went through the terminal.

The car terminal has helped to attract further business to the port and the region. The port authority recognised the potential for new container business and developed a new container berth and storage compounds in 1991. Roll-on/roll-off (ro-ro) passenger and freight ferry services have been operating from the port of Tyne to Scandinavia since 1967. This business has developed significantly in recent years, with excellent port facilities being provided to encourage the growth in traffic. Both DFDS and Fjord Line now operate regular services to Norway, Sweden and Holland.

The authority has invested substantially, extending and refurbishing the terminal in 1999 at a cost of just under £2million. The construction of a new pontoon and linkspan bridge for ro-ro berth three at a cost of £2.2million will double the capacity of the berth, enabling it to accommodate the next generation of passenger vessels. The authority also launched a marketing campaign to attract cruise lines.

The port authority has spent £1.2million converting the former grain loading conveyor and the coal terminal site into a new multi purpose bulk terminal. This terminal is now connected to rail and will be used for loading bulk commodities such as aggregates, limestone, grain and coal. The new rail terminal has been developed to allow alternative forms of transport and as a catalyst for new business. The £1.3million project was constructed with the help of a freight facilities grant from central government. Cars and containers are currently using the terminal, and there is a proposal to use it for unitised traffic shortly. The authority has also invested in a subsidiary haulage company so that the customer can be offered transport by road, sea or rail.

The Changing Role of the Port Authority

In the past the port authority's attention was directed towards the river and port users only. Over the last few years its role in the region has changed and is now much more pro-active. The authority understands its responsibilities to the community and is now investing in the region, particularly in helping individuals to develop, personally or in business. The authority has set up a technology suite bringing basic PC training to local residents and schools. It has developed a CD-ROM with information about the River Tyne for use in schools and colleges. It is helping to fund a new business centre to provide units for smaller manufacturing businesses.

Responding to the decline in the coal trade and traditional trade has been challenging. The other cargo and bulks are now showing signs of improvement and there is a steady rise in volume in all other areas. With £23million of capital investment in the last five years, the authority is now seeking to consolidate that investment and improve returns.

10. WHITEHAVEN

Whitehaven was once a major port, but its former commercial trade has gone, with serious consequences for the local community. Its story shows how local interests have worked together to give the port a new future.

From fishing village to boom town

From humble beginnings as a small fishing village, Whitehaven grew during the 18th century to become one of the largest ports in England. Much of the town's past glory stemmed from coal, iron and shipping, and the port was at its heart, handling exports of coal from local mines. There was also a significant ship-building facility, connected to the slave trade. Links to the West Indies made rum a major commodity handled in the port.

Whitehaven is one of the earliest and most complete post-medieval towns in England. It also has many elegant Georgian buildings. The magnificent harbour is both a listed structure and scheduled ancient monument. It remains today in good structural condition, a tribute to its builders.

Decline

Whitehaven has, however, fallen on hard times. The mines closed in the 1980s. The port lost its trade and, despite a thriving fishing industry, entered the 1990s close to bankruptcy. In 1992 the town's major employer changed their manufacturing operation. They stopped importing phosphate rock through the port, and now use instead phosphoric acid imported through the port of Workington. Total tonnage through the port declined from 483,607 tonnes in 1986 to just 5,100 tonnes in 1996. The town has suffered too, with some housing rendered uninhabitable due to the decline in the fabric of properties, persistently high levels of unemployment and social deprivation.

The harbour is tidal, so that at low tide even fishing vessels and leisure craft are left high and dry for periods of up to six hours. The only permanent water available to commercial vessels is in Queen's Dock. Vessel size within the dock is limited to only 2,500 tonnes capacity. The fishing industry remains very important, but the port infrastructure has become generally inadequate. Hygiene standards failed to comply with UK and EU regulations. Studies showed there was no prospect of attracting new commercial business to the port.

Regeneration

The Whitehaven Development Company (WDC) was formed to regenerate the town by refocusing the economy on tourism and service sector employment. A key element has been the renaissance of the port. The WDC is a true partnership of private and public sectors in which local interests have a stake. The shareholders are British Nuclear Fuels, English Partnerships, Copeland Borough Council, Cumbria County Council and Whitehaven Harbour Commissioners. Plans were made in conjunction with the Whitehaven Harbour Commissioners for a fishing and leisure facility in the harbour. A business plan promised financial support until things got off the ground.

The installation of a new lock and the creation of 10 hectares of waterspace was the catalyst for Whitehaven's regeneration. The port now has a marina, full for the 2000 season, with demand still growing. WDC plans to provide an additional 50 berths. Investment in restaurants and cafes has meant that a more vibrant and sophisticated nightlife, enjoyed by all sections of the community, is emerging.

Following completion of the sea lock and the provision of permanent water within the inner harbour, the WDC organised a festival of the sea in 1999 which attracted 80,000 visitors. This brought £480,000 into the Town and Harbour which in turn supports 14 permanent jobs.

With the support of the Millennium Commission, the WDC upgraded the harbour environment and created a £3m visitor attraction based on the unique story of rum. In the 18th century, the Jefferson family were mariners and shipbuilders. They acquired estates in Antigua and opened up the United Kingdom rum trade. The story of rum exhibition occupies the Jefferson family's original buildings, constructed in 1785. The Jefferson family was in business until the last two surviving family members, finding it difficult to cope with the demands of a disparate group of 18th century listed buildings, decided to retire. WDC bought the premises from them in 1997. The exhibition has a restaurant, cafe, corporate hospitality suite and the exhibition on the story of rum and the Jefferson family.

The story of rum will attract some 70,000 visitors annually. Upgrading of the harbour and its quays, together with the infrastructure improvements to the town and investment in buildings and commercial floorspace will attract a further 300,000 visitors.

Unemployment levels in West Cumbria are some of the highest in the country. The WDC has created some 360 jobs within the town, has safeguarded over 420 more and provided a further 22,000 man weeks of temporary construction work. The harbour has directly employed an extra nine people over the past two years, with further job opportunities being planned. The level of vacant retail floorspace within the town is at its lowest for a decade, while enquiries from developers are at their highest level.

It is early days, but first signs are promising. Business in the port has improved, with an increased turnover of 250 per cent between 1999 and 2000. Work is in progress on new fish-handling facilities. The WDC aims to increase this business by 300 per cent.

11. WORKINGTON

The port of Workington lies at the mouth of the River Derwent, facing the Irish Sea. It has good inland connections and is now exploiting its rail access.

Seventeenth Century Origins

The first recorded shipments of coal from Workington to Ireland were in 1604. At the beginning of the 19th century, the Earl of Lonsdale and the Lord of the Manor of Workington both spent considerable sums on improving the harbour. An Act of 1840 regulated and preserved the harbour. Further Acts were passed over the years transferring responsibility to Lord Lonsdale and then to various bodies, and also giving powers for construction of a new dock which was later to be enlarged and become the Prince of Wales Dock. British Steel operated the port mainly for its own business. The steelmaker exported 80,000 tonnes of steel products worldwide and imported one million tonnes of iron ore.

The Workington Harbour Act 1974 transferred ownership from the British Steel Corporation to Cumbria County Council. When the council took over, imports of iron ore ceased. The port was in a very precarious position with a run down infrastructure, chronic labour problems, and an annual deficit of between £150,000 and £200,000.

In 1982 £3.5million was spent on a new automated facility to export industrial coal in bulk to Ireland and Spain. This facility never reached more than half its full potential of one million tonnes per year. It was eventually sold for scrap, for £85,000, when mining in Cumbria stopped in 1992.

Regeneration

Commercial traffic at the port was revived by a local chemical company, Albright and Wilson, which decided in 1992 to import 320,000 tonnes of phosphoric acid. This had previously been the main business at Whitehaven. The port has since made a profit of £500,000 on a turnover of £2.2million every year for the last four years.

The port now has a totally integrated workforce with no demarcations and a flexible working agreement that allows the port to work 24 hours a day, seven days a week without charging any overtime premiums.

As a result the port has secured business with British Gypsum of 100,000 tonnes a year. Their vessels are being turned round in record time. British Steel is now exporting around 80,000 tonnes of rail track worldwide annually. A new rail shunting operation is used, whereby the port's locomotives go to the British Steel site to collect the product and deliver it to cranes at the dockside.

The port has a comprehensive internal railway system. All the berths and adjacent land are served by a connection to the West Coast line. For some years the rail infrastructure was only lightly used, mainly by British Steel. However the whole network, including two locomotives, was retained and maintained on a very low budget. English Welsh and Scottish Railways approached the port in 1996 to use its rail network as a railhead. Trains now come from Tilbury and the Medway carrying pulp, paper and calcium carbonate along with raw timber from Scotland and the north of England.

In December 1996 the first mainline goods train for 10 years entered the port and, up to March 2000, it has handled 219,567 tonnes. In September 1998 the port established a new container facility, handling containers brought in by rail from Teesport.

All this rail traffic replaces road haulage, mainly along the A66. It is estimated that some 27,774 lorry movements have been removed from the already heavily congested Cumbrian roads.

Future plans

A major local manufacturer is now considering moving much of its current road hauled business onto rail at Workington.

Plans are well advanced to move 400,000 tons of coal off the road and onto rail, resulting in a further reduction of lorry movements between West Cumbria and Carlisle.

Workington was awarded a freight facilities grant this year to improve its rail infrastructure. British Gypsum imports desulphurised gypsum, and at present the product is transported in road wagons to their factory at Kirby Thorpe. Improvements to the rail infrastructure will mean that the desulphurised gypsum can be unloaded at the Prince of Wales Dock and taken straight into their factory by rail. This will relieve congestion on the roads and take traffic away from local villages.