



BRITISH PORTS
ASSOCIATION



Election 2024

Boosting UK Ports' Competitiveness

Manifesto

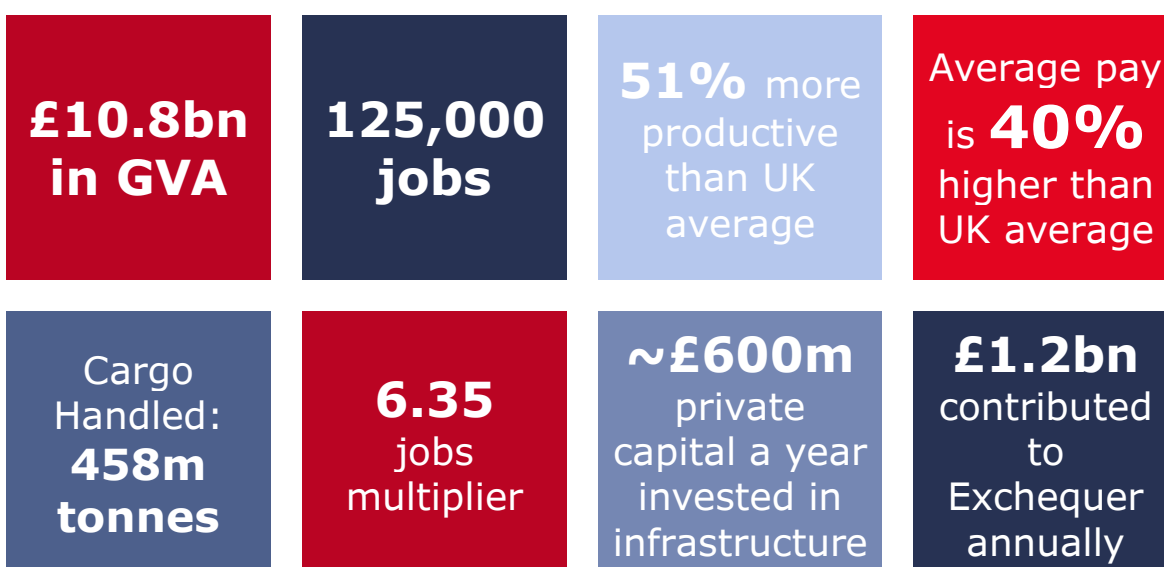
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The Ports Industry

Ports are fundamental to the UK's economy and overall prosperity. The industry operates independently of government in its ownership, governance and funding, investing over £600m a year in infrastructure and contributing £1.2bn a year to the Exchequer. The success of the sector is a result of a three-decade consistent and sound policy consensus. Whilst the industry is optimistic about the future and the challenges it faces around the transition to net zero and meeting the UK's ambitious offshore wind targets, there are a number of actions we need from the next government to support the sector's continued growth and competitiveness.

UK ports handled 458 million tonnes of cargo in 2022, including over half of the food and energy consumed across the country. Ports handle 95% of the UK's trade in goods, valued at £891 billion in 2022. As well as being critical to UK logistics, ports also underpin the wider marine economy, including offshore energy, fishing, marine leisure and tourism, and more.

Ports are fundamental to the UK's prosperity



Beyond its national economic significance, the ports industry is integral to local and regional communities, providing 125,000 jobs and contributing £1.9 billion to the Exchequer annually. Ports invest around £600 million in infrastructure each year, underpinning the growth of marine industries, including the burgeoning offshore energy sector. This investment not only sustains economic activity but also fosters innovation and development in renewable energy, positioning the UK as a leader in this field. The industry's robust infrastructure and economic contributions ensure it remains a foundational pillar for the UK's future growth and sustainability.

Our Priorities for the Next Administration

Sustainability

- Commit to expanded UK SHORE funding, as recommended by the House of Commons Environmental Audit Committee's report on Net Zero Shipping. This must include funding for mature technologies such as shore power, which will be innovative in the size and scale of the likely roll-out.
- Launch a plan for freight energy connections by the end of 2024, setting out funding and pathways for how ports, as key energy hubs, will be able to access energy networks for the power they need in future as well as being able to supply the clean energy they are generating.

Regulation and targets surrounding the twin challenges of biodiversity loss and mitigating and adapting to climate change are the most significant facing the sector and require close and ongoing partnership between government and the ports and other industries.

Emissions and Climate Change

Ports have ambitious net zero plans, with most major ports targets a decade or more ahead of the Government's 2050 target. There are some major barriers facing the sector that we need government to address, however.

The industry needs some targeted support in the journey to reducing emissions, particularly around ensuring that ports can access energy networks as demand for and generation of electricity at ports will scale quickly in coming years. The grid needs to be able to support ports' ambitions in this area. On shipping emissions at berth and alternative fuels, government will need to remain technologically neutral and be ready to support ports with their long-term plans.

Climate change is already affecting UK ports, which are on the front lines of the impacts of more extreme weather and rising sea levels. We need government to ensure that the infrastructure our industry depend on is as resilient as the ports themselves and that the information needed to make decisions about adaptation are available and accessible.

Biodiversity

Ports support the principle of net gain (or net benefit) to tackle the biodiversity crisis. Industry can help reverse biodiversity loss through development, but for this to be effective there is a fine balance between ensuring ports remain competitive and attractive to developers and investors and ensuring that the regulatory framework delivers for nature. We do not think this balance has been achieved and need government to ensure that we are able to build and expand ports to deliver the additional port capacity we need for expected growth in logistics and to capture the jobs and prosperity from the energy transition.

Connectivity

- Set out a long-term capital investment plan for both road and rail connections to ports, building on work done following the port connectivity study and freight corridors.

Ports invest hundreds of millions of private capital in infrastructure, skills and services every year. We do however depend on government to deliver public investment in resilient road and rail connections to keep ports competitive.

The UK government published the 'port connectivity study' in 2018 and more recently has been working on plans for freight corridors and prioritising port connectivity projects for investment. This work needs a long-term capital expenditure plan instead of ad hoc announcements on transport infrastructure. Since we left the EU, UK ports are no longer eligible for structural and connectivity funding so the sector could be disadvantaged against our nearest trading competitors.

Ports also need connections to energy networks for both increasing demand and generation delivered at greater speed and a cost that is not prohibitive. The government recently launched two action plans on grid connections but more will be needed to deliver a system that is faster, fairer, and at a reasonable cost.

The UK has a large number of ports and most of the population live relatively close to the coast. Modal shift – moving more freight by water – offers environmental benefits as well as other advantages such as reducing congestion and easing haulage driver shortages. Government should redouble efforts to encourage modal shift with a new long-term strategy.

Finally our international connectivity to the world needs a boost to overcome recent policy changes that have introduced new interruptions to the flow of goods and passengers through our ports. This includes new border processes for goods following our departure from the EU as well as the forthcoming European visa systems that could affect critical routes in and out of the country.

Offshore Wind

- A successor to the 'FLOWMIS' scheme (floating offshore wind manufacturing and investment scheme) is needed. It must deliver funding much more effectively than the current scheme and its predecessors, which are slow and difficult to engage with.
- Government can do more to help make UK ports more attractive to investment and 'ready' for floating offshore wind, including beefing up UK content rules, squeezing more power from sites that have been consented already, and helping de-risk investment.

Ports are critical to the development of offshore wind. The sector is optimistic about the opportunities the transition to renewables will bring. It is vital that government is ready to offer the support necessary to ensure UK ports are competitive so that the jobs and prosperity associated with the transition stay in the UK.

The ports industry welcomed the Floating Offshore Wind Manufacturing and Investment Scheme (FLOWMIS), which is designed to anchor the floating offshore wind industry firmly in the UK, but it has been too small and too slow to deliver. Previous iterations have failed to deliver any funding at all. The scheme, which was heavily oversubscribed, should be expanded and improved to ensure that UK ports remain attractive to investment and viable for projects which can often carry a high degree of risk.

UK ports are competing with each other as well as European ports for investment. The types of activities ports will facilitate will be extensive, covering manufacturing, assembly, storage, installation and maintenance. We want the UK to be the home of the offshore wind industry in the same way it is for North Sea oil and gas, so we capture as much of the jobs and prosperity that accompany the energy transition, as well as the emissions benefits.

The sector needs focussed, quantified, front-loaded investment to accelerate collective improvement in port infrastructure across the UK. This will ensure an industrial ecosystem capable of delivering the quantum of offshore wind required by the mid-2030's. Investment is needed several years before projects begin to accrue revenue so the sector is looking for support to help encourage certainty. This means there is a requirement for some public sector intervention which could include "de-risking" funding models.

High-Level Delivery

There are several overarching areas in which reform and prompt delivery will support several sector priorities at once.

Planning Reform

Ports want to develop and grow but do need an agile and responsive planning and consenting system. The BPA has published a working paper on terrestrial planning reform and is working on a marine equivalent and we are keen to explore the implementation of these pieces of work through a new government working group which we co-chair. At the heart of our recommendations is a system that is fast, easy to understand and consistent.

Targeted Funding

The ports industry is independent of government when it comes to funding and governance, and this independence has underpinned the success of the sector for thirty years.

It is clear, however, that Government support will be needed to support the maritime industry's net zero ambitions, the electrification of ports, and the energy transition.

The next government must, at the earliest opportunity, set out its funding plans for UK SHORE, the next round of FLOWMIS, fishing ports, and freight and energy network connectivity.

Regulatory Capacity

Expertise and experience at key regulators has been hollowed out, resulting in licensing bodies and regulators that are holding back growth all across the UK. We need confident and commercially focused regulators that support ports. If that cannot be delivered, then new ways of doing things need to be found.

The Relationship Between Ports & Government

The ports industry enjoys a constructive relationship with Government. The Department for Transport holds the primary responsibility for the sector but many of the biggest challenges facing the sector fall within the remit of other Government departments. Ports policy is also devolved, although shipping, borders, security, and some environmental issues are reserved. This means that in many cases UK government makes policy for English ports (plus Milford Haven, which is reserved) only. The industry is supportive of devolution, and it has brought many benefits, but we are mindful of an increasingly diverging regulatory landscape and the impact this can have on competitiveness.

The relationship between industry and government is built around some core principles which the next administration should restate in the National Ports Policy Statement, which is expected soon after the election, and any other forthcoming policy documents:

- **Independence:** Government should maintain the longstanding consensus around the independence of the port sector, in both governance and core funding, which is the foundation of its success.
- **Delivering Infrastructure in Partnership:** Ports rely on national, sub-national, and local government to deliver infrastructure up to the port gate, from roads and rail to fibre and power grids.
- **Technological Neutrality:** Government plays an importance role in supporting innovation and the transition to net zero but must remain neutral on how goals are achieved.

Our Programme for Government

First 100 Days

- Take immediate action to clear the backlog of harbour orders holding back port modernisation and development.
- Supercharge port electrification and renewable generation with a plan for energy connectivity for ports, regulatory reform, and new funding for high TRL projects through UK SHORE.
- Unlock billions in private sector investment by announcing the next round of funding to support the offshore energy transition.
- Reverse the Department for Transport's opposition to second and third generation biofuels for maritime and allow their use specifically to meet the Renewable Transport Fuel Obligation for harbour authorities' marine assets, supporting immediate and significant emissions reductions across the whole sector and the development of a market for sustainable biofuels.

The First Year

- Boost UK ports' competitiveness by backing the industry's proposed marine and terrestrial planning reforms and putting a funding plan in place for port and freight connectivity.
- Develop the Freeports and Investment Zones programmes by expanding the benefits to more ports and regions, and for longer.
- Fundamental reform of marine licensing that enhances habitats and biodiversity whilst delivering certainty and speed for developers.
- A BPA-government partnership on offshore wind development and funding to explore how to de-risk and drive development quickly.
- Commitments to expand trade and improve the flow of goods and people through our international gateways as well as exploring how we take advantage of modal shift opportunities.
- In partnership with the our fishing ports, develop a long-term plan for ports and harbours based on increasing landings into the UK.
- Engage with BPA members on the implementation of the UK border strategy and UK single window, putting the facilitation of freight and people at the heart of UK border policy.

Over the Parliament

- Reduce border bureaucracy and boost trade by exploring a comprehensive SPS agreement with the EU.
- Introduce a Harbours Bill to reform harbour orders and introduce a general power of competence for harbour authorities.
- Establish a mandatory UK-wide registration scheme for recreational vessels and levy to help tackle the scourge of vessels abandoned in UK ports, which present environmental and cost challenges for many harbours.