

Written evidence submitted by the British Ports Association (MAR0024)

The British Ports Association is the national trade body for UK ports and terminals. We represent over 100 port members who own and operate over 400 ports, terminals and port facilities across the UK. Our members handle 86% of UK port tonnage.

We are pleased that the Transport Select Committee is scrutinising Maritime 2050 and welcome the opportunity to contribute to the inquiry. The Committee's call for evidence asked three primary questions:

a) whether and how the ambitions and objectives described in Maritime 2050 support the maritime sector

The British Ports Association welcomed the publication of Maritime 2050 in 2018 along with the majority of the maritime sector. Maritime has long been the 'Cinderella' transport mode at the Department for Transport (DfT), with a hardworking maritime directorate but ultimately one which was a lower political and administrative priority for government. This is in large part because the maritime sector is primarily concerned with freight and operates, for the most part, independently of government in its administration and funding.

Maritime 2050 was an ambitious undertaking which clearly covers a very broad range of issues. It is the first time something on this scale had been attempted for our sector. Broadly, our understanding of the strategy was that it would be implemented through more detailed 'roadmaps', such as the Clean Maritime Plan for the Environment part of Maritime 2050.

Broadly, Maritime 2050 is supportive of the maritime sector. It is worth noting, however, that a large part of the increasing regulatory burden falling on ports does not come from the Department for Transport but other departments, such as the Department for Environment, Food and Rural Affairs (DEFRA) and the Home Office and its agencies. Whilst some of the officials we have worked with at DEFRA and other departments have worked hard to understand the ports sector, our view is that the role of ports and government policy and approach towards ports is not generally well understood outside of DfT and its agencies.

b) progress towards the ambitions and targets set out in Maritime 2050, including the effectiveness, pace and priority of the strategy's implementation

The BPA enjoys a close and productive relationship with the Department for Transport. We recognise that since the publication of Maritime 2050 the Coronavirus pandemic has severely hampered the government's capacity to pursue day to day issues. The UK's withdrawal from the EU also created unusually high workloads for officials at several points. This has understandably meant that parts of the strategy have not progressed as quickly as expected. Our members have also seen tremendous pressures put on their time which has in some cases limited their ability to engage directly with government.

Infrastructure

The BPA's port investment tracker shows that UK ports invested over £1bn in infrastructure in 2021. The ports sector operates independently of government both in its governance and funding. The Government's approach to ports policy, as set out in the National Ports Policy Statement and other policy documents, is to support a commercially operated, market-led sector. This has been the case for three decades and has produced a ports sector that is highly competitive and resilient: our trading gateways continued moving goods in and out of the country throughout the entirety of the pandemic, dealing with unprecedented volatility and challenges that have rocked global supply chains. UK ports policy has resulted in a large number of ports investing efficiently in people and infrastructure with a variety of ownership and business models.

We have been disappointed with the progress on the infrastructure pillar of Maritime 2050. The BPA welcomed the DFT's 'port connectivity study' in 2018 which reviewed the status of rail and road connections to English ports and made recommendations for future improvements. There has been no official follow-up to this or any public statement from government as to what happens next. We would like to see a plan for port connectivity in England and similar work undertaken across the rest of the UK, as well as further consideration of the role of coastal shipping in reducing road freight miles, thereby reducing GHG emissions.

Maritime 2050 committed to establishing a network of Port Economic Partnerships. The first was established with ABP in Southampton, but we have not heard of them since. We were interested in how these partnerships might work in facilitating closer cooperation between government, ports, and wider industry. We had assumed that these had been dropped in favour of other mechanisms of engaging and supporting industry.

The BPA is supportive of the DFT's development of a forthcoming *Future of Freight* strategy that will look at new ideas such as freight corridors. We hope

that DFT will take a fresh look at supporting modal shift – moving more freight by water – in this or another appropriate opportunity. Shipping is by far the most efficient mode of transport (in terms of tonnes of CO₂e emissions per freight tonne mile) by which to move freight. The UK's well developed port industry and geography are well suited to move more goods by water and save many thousands of tonnes of CO₂e in the process.

Environment & Clean Maritime Plan

The BPA is a member of the DFT's Clean Maritime Council – an industry group that advises officials and Ministers on environmental matters pertaining to the maritime sector. We welcomed the £206m funding for UK SHORE and a multi-year follow-up to the successful 2021 Clean Maritime Demonstration Competition. We look forward to planned engagement with officials on how UK SHORE will operate and interact with ports in the near future.

Port energy needs

Both Maritime 2050 and the Clean Maritime Plan emphasised the need for Government to “work to better understand the capacity of the UK's energy networks to support an increase in demand for green energy from our ports and shipping sectors”. It also said there is a need to consider “the role the maritime and offshore renewables sectors can play in decentralised energy generation”. In April 2022 the BPA called for a detailed study into future port energy needs as it has become clear that there is a gap in detailed understanding here and no clear strategy to ensure that the necessary investment in energy networks is made in time.

Air Quality

The ports industry in England worked hard with Government, at pace, to agree and then deliver Clean Air Strategies in 2019. These were developed by industry on a voluntary basis but on the strong expectation of compliance from all ‘major’ ports (considered to be any port handling more than 1 million tonnes of cargo a year, regardless of the local air quality). These strategies were a significant undertaking for most ports, despite not having had opportunities to budget for them, and were delivered to Government during the pandemic. We worked closely with officials on developing the policy framework and guidance for this work and appreciated their collaborative approach. However once the government guidance was finished and ports delivered the strategies, our members who were in scope of this work expressed frustration that they received no feedback on these at all from Government. We hope that a better planned approach will be taken to air

quality in and around ports in future and that appropriate resource will be dedicated to any new projects by DFT and DEFRA.

Clean Maritime Plan

DFT published the Clean Maritime Plan soon after Maritime 2050. More recently, the DFT published the broader Transport Decarbonisation Plan which advanced some of the Department's published thinking. The Clean Maritime Plan remains the detailed roadmap for the environmental pillar of Maritime 2050 and is expected to be refreshed alongside a new 'course to zero' that will set decarbonisation targets. The BPA is closely engaged on the DFT's work to support maritime decarbonisation. We co-chair the industry infrastructure/shore power task and finish group that reports to the Clean Maritime Council and recently responded to the DFT's call for evidence on shore power. We expect to continue working closely with officials and industry partners on these challenges and expect this to move quickly.

COP26

The BPA is supportive of Operation Zero and we have sought to bring together ports that might be interested in joining as well as offering thoughts on the programme as it developed. We have also facilitated discussion around the Clydebank Declaration and acted as a conduit between government and industry as this has developed.

Technology

The Government's ambition to establish a maritime innovation hub was quickly met, with the Port of Tyne opening a facility in 2020. Other ports have invested in new technologies, offer testbeds for innovation, and host institutions such as Catapults. The UK's network of freeports is also expected to boost innovation.

c) the effect of Maritime 2050 on Government policies and regulation, maritime sector decision making and economic and environmental outcomes, including the Clydebank declaration agreed at COP26.

Maritime 2050 is a useful reference for understanding the Government's plans for the sector and broad policy approach. It is, and should be, a high-level document with detail left to the individual roadmaps.

We have not noted any particular impact on wider government policy or regulation. Many of the biggest Government policies affecting ports since Maritime 2050 were barely mentioned in the strategy, such as freeports, or dealt with elsewhere such as Brexit. Other impacts have been fiscal, such as

the Treasury's decision to remove the entitlement to use red diesel for all landside port activity. This had added tens of thousands of pounds in costs *per day* to some port operations. The BPA devotes a significant amount of time and effort into engaging with government on regulatory issues not mentioned in Maritime 2050 particularly on environmental and security matters. Other government and industry priorities have also emerged since or taken on greater weight, such as adaptation and resilience.

Other pertinent comments

Government Ports Policy

We would welcome a review of the National Policy Statement for Ports, which was last published in 2012. We continue to support a market-led, competitive ports sector but would welcome clarity on the Government's view on the role ports play. We are concerned that the Government has sought to use ports to deliver policy outcomes in a number of areas where ports traditionally do not have core competency. This includes the enforcement of sanctions, the enforcement of minimum wage legislation, and in some cases the regulation or incentivisation of port customers' environmental actions.

We would also welcome clarity on the Government's approach to funding for ports and port infrastructure. The BPA's long-established position is that direct Government funding to ports should generally be avoided as it can distort competition and is not necessary. Exceptions to this are for fisheries funding and for shoreside power. Where government funding is made available directly to ports, it should be on a competitive basis, transparent, and with appropriate timelines and with clear guidelines for what it is trying to achieve. We note an increasing appetite from Government to intervene with direct funding (such as for offshore wind port infrastructure) and other incentives (such as for freeports) and would appreciate a clearer understanding as to the policy framework or strategy underpinning these.

Ministerial engagement

We note that since Maritime 2050 was published, the Department for Transport has combined the aviation and maritime Ministerial portfolios into one job. We have found the current Minister (and his predecessors) to be engaged and enthusiastic but ultimately we would welcome one Minister being solely responsible for maritime so as to have more time to champion and support the sector.

May 2022