

Supplementary written evidence submitted by Mersey Maritime (MAR0027)

Additional information following oral evidence session on 11 May 2022

'State of the Maritime Region' – updated Centre for Economics and Business Research (Cebr) analysis, May 2022 (covers the period of 2019)

LCR Cebr analysis - 2022 report			
Headline figures			
	2019 report (to 2017)	2022 report (to 2019)	Change
Direct impacts			
Domestic output (through business turnover)	£1,980,000,000	£2,743,000,000	£763,000,000
GVA	£650,000,000	£796,000,000	£146,000,000
Jobs	7899	8527	628
Compensation of employees	£244,000,000	£322,000,000	£78,000,000
Direct Exchequer contribution (1)	£164,000,000	£174,000,000	£10,000,000
Contribution through exports	£540,000,000	£706,000,000	£166,000,000
Wider impacts			
Domestic output (through business turnover)	£4,200,000,000	£5,000,000,000	£800,000,000
GVA	£1,700,000,000	£1,900,000,000	£200,000,000
Jobs (2)	43,542	48,200	4,658
Compensation of employees	£570,000,000	£808,000,000	£238,000,000
For every £1, GVA contributed (3)	£2.64	£1.39	N/a
For every £1, business turnover generated (3)	£2.10	£0.83	N/a
Miscellaneous			
Productivity of workers - LCR	£77,358	£93,301	£15,943
Productivity of workers - UK average	£54,330	£56,670	
Compound annual growth rate (4)	2.80%	4.60%	1.80%

Notes

- (1) VAT, Corporation Tax, Income Tax, NICs, Business Rates
- (2) Every job generated in 2019, 4.65 jobs supported in the wider economy
- (3) Comparison between 2019 (2017) report and 2022 (2019) not possible as the 2019 report considered the LCR economy and the wider UK economy
- (4) Referred to the period 2018-23 for the 2019 report / period 2021-25 for the 2022 report. Real terms (cumulative nominal growth) of 7.2% for 2021-25.

Net Zero / Decarbonisation opportunity example – Bibby Marine 'WaveMaster Zero C' project

Mersey Maritime member, Bibby Marine Services, is committed to improving and innovating their long established WaveMaster fleet and scope of services.

As part of a vision to move proactively from fossil fuels to zero carbon fuels on-board, they have been leading a feasibility study into the fuel of the future for Walk-to-Work SOVs which support off-shore windfarms for up to 25 years during their operational phase. The “WaveMaster Zero C” project has evaluated five alternative fuels for use on-board their future WaveMaster fleet. These five fuels - hydrogen, ammonia, methanol, biofuel and battery power - have been evaluated from both a vessel and a port operations perspective, scoring each on their technical, environmental, and commercial viability.

This project is coupled with a 2021 Department for Transport award from Round 1 of the ‘Clean Maritime Demonstration Competition’ (CMDc) with Bibby Marine as lead, has partners in Expleo, Lloyds Register, Houlder, ORE Catapult, Damen Shipyard, EFC Energy Solutions and Ricardo to name a few. The outcome will form the basis of future build and delivery of decarbonised SOVs and other larger vessels, with a view to putting a WaveMaster Zero C in the water within the next 2-3 years. In doing so it would fulfil both ‘DfT Operation Zero’ and the UK Government’s net zero ships aspiration outlined in the ‘10 Point Green Industrial Revolution’ document, and COP26 North Sea commitments.

This is an exciting project to be a part of in working towards a greener, more sustainable future with tangible immediate benefits both at a decarbonisation level but also a great opportunity to support the recently refreshed UK National Shipbuilding Strategy along with marvellous levelling-up opportunities across the whole of the UK (see attached Critical Futures White Paper Exec Summary). Bibby Marine are now exceedingly keen to build on the desktop theory work and move to actually building a first in class clean SOV as part of the CDMC Round 2 DfT / UKSHORE department.

The above projects, coupled with additional work undertaken by Bibby and its partners, expands its R&D beyond just new vessel builds, but also retrofitting marine assets which is good for the wider marine industry as a whole.

Further details regarding the work of Bibby Marine can be found here:

<https://www.bibbymarine.com/>

Liverpool City Region Freeport

Key points from the ‘full business case’ submitted in April 2022 regarding impact

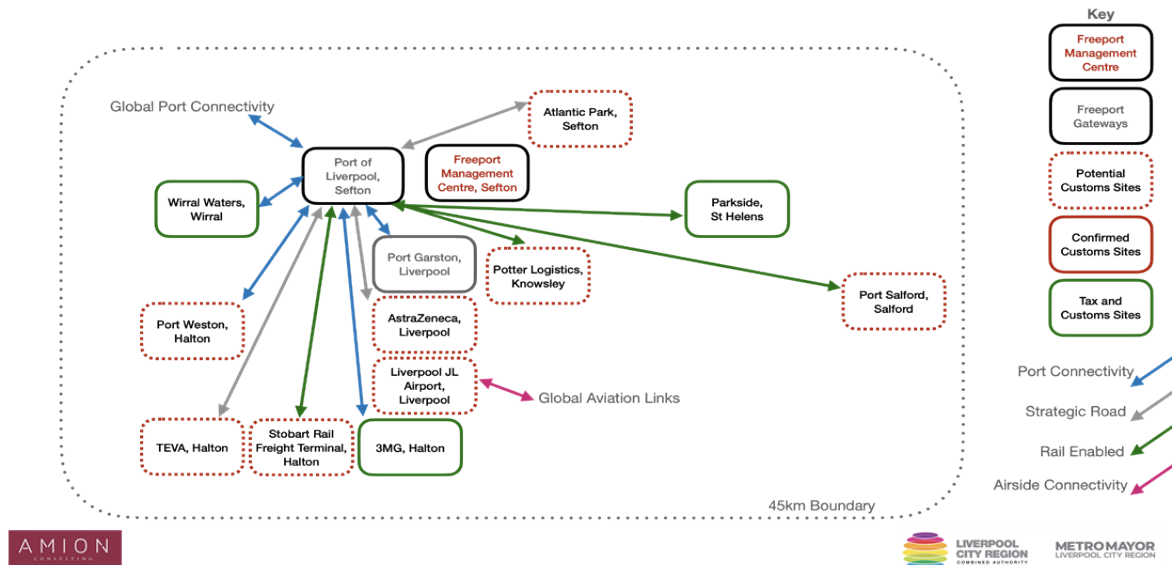
- Expected to deliver 10,628 FTE jobs c30% of unemployed people in LCR
- £1bn of public and private investment across LCR largest development sites
- £1.3bn of GVA over the period of the Freeport
- £25m of seed investment in key infrastructure projects
- Primary Customs Zone at Liverpool John Lennon Airport
- Significant contribution to the priorities around ‘net zero’ via smart investment, freight and innovation
- Social value + environmental focus
- £450,000 annual Freeport Team (£150,000 in kind from LCR CA)
- £143m off new investment from retained rates to accelerate delivery
- Supports wider major initiatives, including Mersey Tidal project (<https://www.liverpoolcityregion-ca.gov.uk/its-time-for-tidal/>)

LCR Freeport focus:

- **Aerospace, Maritime, Green Energy & Automotive:** focus on transition to low carbon technologies.
- **Bio Manufacturing and Chemicals:** focus on pandemic resilience, vaccine supply chains, advanced chemicals manufacturing.
- **Food and Drink:** focus on packaging and population centric logistics.
- **Innovation:** Freeports are ideal platforms to facilitate cross-border e-commerce, facilitating production of products for export without tariffs and taxes, and create e-commerce data storage centres.

LCR Freeport – overview diagram:

Liverpool City Region Freeport - Overview Diagram



Commercial opportunity from inland waterways - Port Salford example

Further details available here: <https://peellandp.co.uk/our-expertise/port-salford/>

Port Salford is a £138 million development, led by Peel L&P in partnership with Salford City Council which will create a new port and warehousing facility in Barton, next to the Manchester Ship Canal. It will be the UK's first inland tri-modal port facility and distribution park, served by rail, road and short sea shipping. This ground-breaking development is to include an inland port, rail link, container terminal facility and 1.5m sq ft of logistics floor space. It will support 16 trains a day and has the capacity to support full European 775m-long trains. It will have good rail access to the Port of Liverpool and to the West Coast Main Line north and south.

Port Salford forms part of Ocean Gateway, a redevelopment strategy for the North West focusing on opportunities across the Peel Group portfolio in the corridor between Greater Manchester and Merseyside. Planning permission for Port Salford, including 154,500 square metres of distribution warehousing, highways works, new rail link and wharf was granted by Salford City Council in 2009. The highway works are known as the Western Gateway Infrastructure Scheme (WGIS) and include works within the boundaries of both Salford City Council and Trafford Borough Council. To date the first phase of WGIS works have been completed and constitute a £48m investment, these improvement works to key junctions at 10 & 11 of the M60, new dual carriageway lifting bridge and Bridgewater Circle improvements in Trafford have significantly improved traffic flows in the area, whilst connecting the Port of Salford, Trafford City, MediaCityUK, Manchester Waters into the heart

of Manchester City Centre. We currently have the first 26,300 sq m warehouse built and operated by Great Bear distribution. This is operating at full capacity and providing 220 jobs.

The next crucial stage of delivering Port Salford is the 28-acre £60m rail freight terminal which will be linked to the Chat Moss line then onto the West Coast Main Line and beyond. Now that the viability gap funding has been sourced from the Getting Building Fund this project can progress through into more technical approvals for the rail permission with Network Rail and work with their scheduling team in Milton Keynes to agree train access/egress to Port Salford. The early enablement package (funded by the grant package) will allow for works on the rail freight terminal to progress at pace once the institutional funding for the wider terminal is agreed in the coming months. It is anticipated that the Port Salford terminal will commence operations in 2023.

Supported by Salford City Council, Regional Growth Fund, the Department for Transport and Trafford Borough Council.

How will Port Salford make a difference?

Port Salford is hugely important for the North West as it will bring imports and take exports to and from the heart of the region via new sustainable transport connections. It will also:

- Create hundreds of new job opportunities for local people.
- As part of the Port Salford development the improvement works to the A57 dual carriageway will create more direct access routes to local employment and commercial destinations, and enable quicker access to the motorway networks.
- Reduce the cost of import and export for UK businesses, with particularly high savings for Northern businesses.
- Save millions of tons of carbon by reducing lorry miles, reducing congestion and increasing the use of the Manchester Ship Canal as a more sustainable transport connection linking the Port of Liverpool and beyond.

Should the Committee wish to discuss this example further, Mersey Maritime will be pleased to facilitate the necessary introductions.

May 2022