

# Ports Policy - your views invited: summary of responses

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## 1. Introduction and general summary [and 2. Principles for Government involvement]

1.1 This is a summary of the responses received by the Department for Transport to its discussion document for the 2006-07 Ports Policy Review. The views represented are those of consultees, not (unless clearly indicated) those of the Department; and nothing in this summary should be taken to imply that decisions have been taken on any aspect of the Review.

1.2 In all, some 210 responses were received. We also received some other related correspondence; further points were made in the seminar events held at London, Cardiff, Leeds and Belfast, which are summarized elsewhere on the DfT web-site, and in *ad hoc* discussions.

1.3 An organizational and territorial analysis is as follows:

| By type of respondent                 | Number | By region/territory  | Number |
|---------------------------------------|--------|----------------------|--------|
| Private Port                          | 12     | National (UK)        | 67     |
| Municipal Port                        | 5      | England (all)        | 3      |
| Trust Port                            | 13     | Wales                | 9      |
|                                       |        | Scotland             | 4      |
| National Government/Government Agency | 10     | Northern Ireland     | 9      |
| Regional Government Body/RDA          | 20     |                      |        |
| Local Government Body                 | 43     | Eastern England      | 18     |
|                                       |        | East Midlands        | 2      |
| Shipping/Ferry Operator               | 4      | London (as region)   | 0      |
| Import/Exporter                       | 4      | North East           | 20     |
| Trade Association (inc. ports ind.)   | 23     | North West           | 9      |
| Other Private Sector Interest         | 18     | South East           | 38     |
|                                       |        | South West           | 16     |
| Trade Union                           | 4      | West Midlands        | 2      |
| Environmental NGO                     | 8      | Yorkshire/Humberside | 10     |
| Other NGO                             | 14     |                      |        |
|                                       |        | Europe               | 3      |
| Academic/Consultant                   | 14     |                      |        |
| MP/MEP                                | 3      |                      |        |
| Member of the public                  | 12     |                      |        |
| Overseas other                        | 3      |                      |        |
|                                       |        |                      |        |

|       |     |       |     |
|-------|-----|-------|-----|
| Total | 210 | Total | 210 |
|-------|-----|-------|-----|

1.4 Although the number of responses was not large overall, especially when compared for example with the response to our earlier consultation on air transport policy, the general standard was particularly high. Most respondents identified the questions of most relevance to their situation and interests, and answered thoughtfully and pertinently. The Department is grateful to all those who gave the time and effort to contribute.

1.5 Because of the nature of the questions and detailed responses, it would be misleading to present a simple numerical analysis of most of the responses on a "yes/no" basis. In a great many cases, the responses were more qualified and nuanced than this, and so a descriptive summary is much more appropriate.

1.6 The ensuing summary follows essentially the chapter ordering of the discussion document, with the questions repeated for ease of reference.

1.7 We occasionally refer in this summary to individual respondents, and in places have quoted directly from their responses. We wish to reassure those - the great majority - not referred to by name, or whose arguments may not be specifically referred to here, that every response has nevertheless been read and considered. **In progressing the Review, we will continue to study and take account of the responses themselves and will not rely on this summary alone, which for reasons of brevity cannot encompass every point raised.**

1.8 At the conclusion of the Review, the responses will be placed in the DCLG/DfT Library and will be available for public inspection. No respondents made any stipulation as to confidentiality.

**Q1-1 Do you agree with the main focus of the review and the main issues to be covered by it? If not, what other aims or issues should be covered?**

1.9 The majority of those respondents, who expressed a clear-cut view, thought that the main focus of the review was appropriate. However, a substantial minority found that there were areas of shortfall, and others qualified their responses.

1.10 Among the other issues raised or points argued were:

- the desirability of taking a high-level, cross-modal view of freight and economic strategy;
- skepticism as to the merits of an approach grounded in what were argued to be inherently unreliable traffic forecasts;
- arguments for a greater degree of regional orientation of policy;
- desire for greater weighting on the role of ports as 'gateways to the UK' in the logistics chain;
- arguments, especially from environmental groups, for a greater environmental emphasis including on climate-change matters;
- desire for a greater emphasis on non-unitized traffics, and/or on ports outside the Greater South East of England;
- desire, particularly from Trade Union representatives, for a greater emphasis on employment issues and for a more directive coordination of ports policy from national level;
- arguments for a greater focus on emerging EU policy in the ports sphere.

1.11 Those agreeing with the main focus often qualified this - some for example emphasizing the market-led approach and others giving greater weight to market failure, while agreeing that this should be the main prompt for policy interventions.

### 3. Forecasting demand

3.1 This chapter discussed the MDS Transmodal forecasts of traffic demand, and went on to consider the same consultants' transshipment study, prepared in association with DTZ Pieda. Both studies were summarized in Annex 3 to the discussion document.

3.2 The forecasts were broken down by traffic sector and region/territory (including Scotland as well as Wales and Northern Ireland) and high/low ranges were given in the case of unitized goods. They were presented not as a definitive official view, but inviting comments from respondents.

3.3 Understandably, many respondents to this chapter went beyond the validity of the unconstrained demand forecasts to discuss their implications, for port capacity and other infrastructure requirements, and for the environment.

**Q3-1 Do you consider that the MDS freight forecasts represent a sound basis for the policy review? Have you views specifically in respect of:**

- **Q3-1a lo-lo containers?**
- **Q3-1b ro-ro traffic?**
- **Q3-1c bulk traffic, including energy products?**
- **Q3-1d trade (imported and exported) cars?**
- **Q3-1e other commodities?**

**[Please give reasons for your agreement or disagreement.]**

3.4 Among those who expressed a view on this set of questions, the majority view was that the forecasts represented reasonable orders of magnitude for the main sectors at least, allowing for the inevitable uncertainties of forecasting up to a time horizon of 25 years or so.

3.5 A substantial minority disagreed, for various reasons. Very broadly, on the unitized side, some ports, shipping lines and industry groups took the view that central traffic forecasts, particularly for lo-lo containers, were under-estimates. Other respondents argued that they may be *over*-estimates, particularly as regards deep-sea traffic given for example the possibility that new, very large container vessels from the Far East may omit a UK call.

3.6 Several respondents questioned the proposition that import and export movements of trade cars would stabilize from 2010 as the forecasts implied. This was seen by critics as a dynamic and volatile market, subject to cyclical economic fluctuations; and some pointed to emerging manufacturing bases in Eastern Europe and China, suggesting a greater preponderance of import movements (with continuing need for land on or close to port estates for PDI<sup>1</sup>/finishing).

3.7 Further detailed criticisms included:

- possibility that coastal, rather than continental, transshipment may increase the overall container traffic;
- reference to the potential effects of road and rail capacity constraints, and of road pricing (in some form), where some respondents (*e.g.* The Northern Way) considered both were likely to tend to favour ports outside the Greater South East (GSE);
- a suggestion that the Working Time Directive was also likely to favour northern/western ports, beyond anything assumed in the forecasts;

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<sup>1</sup> pre-delivery inspection

- the fact that the Great Britain Freight Model (GBFM), used in MDS's modelling suite, used a 1991 base of origin/destination data within GB;
- need to take account of emerging energy policy, following the Energy Review, with a realistic view on timing prospects for the commissioning of new nuclear generating capacity (and consequent changes in coal or gas import needs).

3.8 Below this level of generality, a range of detailed views was expressed. These included (not exhaustively):

- a suggestion that **leisure** traffic forecasts should have been prepared, to help inform future requirements for smaller/leisure-oriented port facilities;
- some regarded the forecast methodology as closer to **trend** extrapolation than statistically-grounded forecasting;
- an argument (*e.g.* by Milford Haven) that the combined LPG and **LNG** forecasts were understated;
- some, *e.g.* UK Maritime Pilots' Association, suggested that new coal or other power stations requiring imported fuel should be developed at ports, to minimize inland transport needs;
- Belfast Harbour Commissioners sought more detailed forecasts for **Northern Ireland** traffic, based on a premises of achieving average UK GVA/head by 2025;
- on **ro-ro**, Dover Harbour Board pointed to their own port-specific Master Plan forecasts, suggesting a higher than average ro-ro growth at least in the first part of the period to 2030;
- some respondents, especially from Humber and Tees interests, argued that strong growth in Baltic and East European markets would tend to favour ports in those areas and could result in higher than projected ro-ro growth overall;
- importance of the distinction between accompanied and unaccompanied vehicles/trailers, and the relative potential of perishable and non-perishable commodities to switch to longer sea crossings;
- PLA cautioned that planning authority housing priorities could limit the ability of London ports to accommodate projected ro-ro growth;
- arguments for greater investment priority for principal ro-ro inland routes, perhaps engaging EU TENs support;
- some foresaw further increases in the export of scrap, accelerated by the WEEE<sup>2</sup> Directive;
- importance of grain, rice and timber within the 'other' category was highlighted;
- suggestion that passenger forecasts should have been produced.

3.9 Although the MDS forecasts were explicitly for unconstrained demand, and it was not their immediate purpose to examine the availability of capacity to meet that demand, several respondents to this set of questions took the opportunity to comment on capacity issues. For example, Residents Against Dibden Bay argued that the productivity potential of existing ports had been understated, and alluded to plans for the expansion of capacity at Southampton (which ABP has now announced publicly). And Friends of the Earth interpreted this approach as "a return to the discredited planning model of predict and provide".

3.10 A further point raised, related to the consequences of accommodating traffic growth rather than the forecasts themselves, was the environmental/land-use consequences of the need to accommodate increased numbers of empty containers awaiting re-export.

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<sup>2</sup> Waste Electrical & Electronic Equipment

3.11 Several respondents argued that the Department should go on to publish official forecasts on a regular basis, and some suggested that these should go into greater detail, particularly on the bulk sectors, and/or that they should include passenger (ferry and cruise) forecasts.

**Q3-2 Do you consider the pattern of varying growth rates by region to be sustainable?**

3.12 Views expressed in response to this question were divided fairly evenly. Several comments centred on and reflected the respondent's views about the inevitability or otherwise of the bulk of lo-lo and ro-ro traffic passing through the GSE, and whether Government could or should do anything specifically to influence the proportions.

3.13 It should be noted that *proportionate* growth rates forecast by MDS are not always highest in the SE. For lo-lo containers, for example, Wales had the highest forecast growth rate (4.95% averaged over the period, albeit from a low base) and London among the lowest at 3.14%. And forecast proportionate growth in unitized road-tonne-km is highest in the South-West. (That said, the consultants advise that less reliance should be placed on the regional than the national forecasts.)

3.14 Thus, some environmental and regional interests described as 'unsustainable' the MDS forecasts for growth in the GSE, while others commented that the forecasts *were* sustainable in a literal sense - and shares in reality would primarily be determined by the shifting global economic context - provided that suitable capacity expansion would be provided; but that price signals (*e.g.* through input costs such as wages, or road pricing) might nevertheless support objectives to divert traffic away from the GSE region.

3.15 Responses were thus closely linked to the views expressed in response to Chapter 4 on national, regional and local impacts - *q.v.* Those who considered the forecast patterns of growth untenable were more likely to support policy measures aimed at diverting growth away from the GSE - but differed as to whether prescriptive planning requirements or HGV charging schemes (or both) would be the best way of achieving this. Some (*e.g.* ABP) suggested that increased coastal feeding could represent a win-win for regional port growth without unattractive inland traffic consequences.

3.16 BPA (for example) observed that pressure on regional arteries from port traffic was a consequence of the accretion of traffic growth from all sources - this they saw as a manifestation of historical underinvestment, which should be alleviated by direct investment rather than by singling out port users for *dirigiste* policy intervention.

3.17 Others (*e.g.* Bristol Port Co.) also suggested that an increasing say by shippers over the port of entry for their cargoes would help militate against further increases in concentration of lo-lo and ro-ro traffic in the GSE.

**Q3-3 What comments do you have on the transshipment study's findings?**

**For example:**

- **Q3-3a Is it right to believe that deep-sea services from the Far East are reluctant to make direct calls outside the Greater South East? If not, why not?;**
- **Q3-3b In what circumstances would there be step change in coastal transshipment from the GSE to other UK ports?**

**[If you are involved in the container logistics industry, you may wish to illustrate your views by reference to your own recent experiences in dealing with ports.]**

3.18 The transshipment study provoked a wide range of often well-informed and detailed comment. Views were nuanced, but clear differences could be identified between those who agreed with the report's conclusions on the propensity of deep-sea services, based on the report's assumptions on maritime and inland costs, to call directly at ports outside the GSE.

3.19 A substantial body of respondents disagreed with the report's conclusions on this matter, and hence on the likely patterns depending whether, when and how far capacity in the GSE is constrained. To a considerable extent, though not infallibly, views on this matter tended to polarize along GSE/non-GSE lines. Some shipping lines had pointed out that they would seriously consider making direct calls at such ports if market conditions proved favourable.

3.20 As already noted at 3.5 above, one factor in this debate was differences of view within and beyond the industry as to the likelihood of the new generation of very large container vessels, primarily serving the Far East trades, calling in the UK. Some also commented on the manning and environmental implications were there to be a large upsurge in short-sea transshipment.

3.21 Comparably diverse views exist on the extent to which UK (including Scottish) ports might be used to tranship transatlantic traffic to destinations in the UK and in northern Europe and the Baltic. Teesport and Bristol considered themselves well placed to attract a proportion of this traffic - as in Scotland do the proponents of Scapa Flow. It was noted that Liverpool had increasingly attracted deep-sea containers, with some transshipment out.

3.22 There were differences too on the question of whether the economic benefits of transshipment through UK ports were worth seeking to capture as a matter of national policy, rather than simply as a question of commercial strategy for port operators. The balance of opinion tended to agree with MDS/DTZ's implied conclusion that the economic gains at stake were not of themselves highly significant. At the same time, many respondents taking this view also agreed with the assessment that deep-sea ports in the GSE were best placed to deliver direct call cargo more economically than by transshipment through foreign ports, and also thought that state subsidy directly and indirectly to ports and terminals in Europe was unfair and economically damaging to UK interests generally.

3.23 Among other points suggested were:

- that factors such as currency fluctuations could 'swamp' the difference in cost to the shipper between transshipment and direct call;
- need for further work to get better understanding of long term propensity of traffic to switch from lo-lo to ro-ro (or *vice versa*);
- case for further study on the local economic and environmental consequences of increased demand for transshipment-in;
- slower/less reliable delivery chain where (especially third-country) transshipment is involved;
- need to take account of the opportunity-costs to shipping lines, as well as the direct financial costs of diversion;

- some thought the study or its summary would have been easier to follow if those scenarios, which became inconsistent with planning consents while it was in progress, had been omitted.

**Q3-4 Do you agree or disagree with our assessment of the passenger ferry and cruise market prospects and their limited implications for policy?**

3.24 In response to Q3-4 a number of consultees agreed with the assessment that the passenger ferry market has been in decline in recent years, largely due to competition from low cost airlines and the loss of duty free revenues. Other contributory factors were cited, such as implications of environmental legislation, and competition from Channel Tunnel services.

3.25 However, the majority of consultees who answered this question disagreed that the passenger and cruise markets have limited implications for policy, referring to the economic benefits (both local and national) that tourism can bring.

3.26 Furthermore, some argued, the cruise market was experiencing growth, and the ferry industry may benefit in the future from any future environmental taxation that has a disproportionate impact on the aviation sector. There was, therefore, some disappointment that passenger sector appeared 'marginalized' in the review. A number of consultees felt that a future report on passenger figures and forecasts would be beneficial, and some argued that border control requirements put a significant burden upon passenger services and could be improved.

## 4. National, regional and local impacts

4.1 Here we asked about the extent to which Government should become involved in territorial, regional and local matters.

4.2 Policy in respect of Scottish ports is under separate consideration as part of the Scottish National Transport (including Freight) Strategy.

### **Q4-1 Drawing on experience from your own locality, do ports significantly stimulate wider local employment and regeneration? In what circumstances?**

- **Q4-1a When jobs are newly created in a port, do you consider that likely to be at the expense of jobs in other ports, or elsewhere in the economy? Does your answer depend on the port's locality, or on the type of traffic, or on whether public subsidy is involved?**

4.3 The overwhelming majority of respondents, from all categories and covering small ports as well as large, did believe that ports can significantly stimulate local employment and regeneration.

4.4 Answers to Q4-1a were much more diverse. A distinction was made between jobs counterfactually forgone at one port by development of another, in capturing a share of growing traffic; and existing jobs lost either through distortive subsidy or simply through normal commercial cut-and-thrust.

4.5 Some regarded the dynamics of port employment as too complex for a general definitive answer to be given. Some northern respondents implicitly or explicitly considered that port development *could* abstract jobs from other ports, but that this might be desirable - for example, if it would help to narrow the 'productivity gap' between the North and South of England, or focus opportunities in areas of high unemployment or skill availability.

4.6 The argument was put that employment in process activities, when relocated to a port from an inland destination, while displacing jobs would save lorry mileage, with associated environmental and decongestion benefits.

4.7 On the leisure side, it was argued by some that there is suppressed demand in the country as a whole for moorings and other facilities, such that the creation of these would constitute a net addition nationally.

### **Q4-2 What are the regional and territorial issues that national policy should address and how should it do so?**

- **Q4-2a For example, should a national policy set out how Government wants to see ports develop in each region? Or leave regional bodies to make the case for port development, if they wish to do so? [The latter approach might still be consistent with setting indicative and non-prescriptive regional targets (see options 4.29(d) and (e)).]**

- **Q4-2b Are the Regional Spatial/Transport Strategies and the Regional Economic Strategies already providing sufficient guidance on the role of ports in each region? If not what are their major deficiencies?**

4.8 The general industry consensus, exemplified in the responses of both the UKMPG and the BPA as well as most individual port operators, was strongly that ports should not be used as a tool of regional policy. Views among ports were slightly more mixed as to the efficacy of existing guidance and practice in the RSS/RES structure.

4.9 The Chamber of Shipping took a similar view, arguing that such policy interventions should be essentially limited to facilitating investment in infrastructure for traffic sectors where the preferred locations are strongly influenced by geography.

4.10 Regional bodies generally agreed that Government should provide a stronger framework to guide planning bodies in more detail on the treatment ports in each region. The joint RDAs' response found that RESs already generally appreciated the economic importance of ports, but RSSs sometimes underestimated it.

4.11 Environmental groups tended to favour a more spatially directive approach than at present, with greater emphasis on environmental matters such as climate change; some favoured encouraging port development away from the GSE. English Nature (now subsumed into Natural England) argued that RSSs should safeguard regional port land against encroachment by housing development, in order to avoid pressure for adopting alternative, more environmentally-sensitive sites in subsequent port development.

**Q4-2c Do you consider that port authorities (of more than a size which might be specified) should be recommended to prepare and maintain Master Plans along the lines which we have recommended for airports?**

4.12 The proposal to encourage ports to prepare Master Plans (which some already had done) met with a predominantly favourable response, with some reservations where respondents worried about introducing a new layer of bureaucracy - especially for smaller ports. And Bristol Port Co, for example, feared that the time needed for preparation could result in the Plans "following rather than leading the action" - a view also reflected in the UKMPG response. Others (e.g. ICE/PIANC) mentioned commercial confidentiality as a stumbling-block.

4.13 But a more widespread view was that voluntary Master Plans should essentially bring together strands of work already undertaken, in a convenient form. Some went further and suggested that Master Plans should be mandatory for ports above a specified size - 1M tonnes/a being one suggested threshold.

4.14 Peel Ports, as part of a group with experience of master-planning in the airports context, pointed to the need to learn from experience of pitfalls there, but the company was generally positive.

4.15 Some commented that Master Plans should entail agreed commitments by inland transport infrastructure providers - this was among suggestions in the MDS report for the Northern Way. More generally, thorough consultation was widely viewed as important if Plans were to succeed.

4.16 Another suggestion was that such broadly encompassing Plans should have democratic accountability in some form.

**Q4-3 In broad terms, which of these approaches to the regional dimension do you favour most, and why?**

**Considering each level of intervention respectively:**

- **(a) What form of guidance would be most helpful?**
- **(b) How, if at all, should any special characteristics of port traffic be taken into account?**
- **(c) Where are the critical physical or other constraints on port development, especially outside the Greater South East? What should be done about these? Is the cost of doing so acceptable?**
- **(d) If you believe indicative targets would be appropriate, how should they be set?**
- **(e) If specific indicative targets should be set for each region, what criteria should be used to derive them, and how long would it take to achieve consensus across all regions?**
- **Q4-3(f) What, if anything, should Government do to help the achievement of regional indicative targets, if they are set? [Please refer to your answer to Q4-3(c) if appropriate.]**
- **Q4-3(h) [moved up] Nonetheless, we would consider views as to whether the arguments on balance continue to favour ruling out a ports strategy that is location-specific.**

4.17 The RDAs collectively supported "a market led approach supplemented by additional guidance on assessing the non-transport benefits of ports development", rejecting options for a new structure of regional targets; Assemblies which expressed a view agreed, citing the difficulty of achieving consensus across the English Regions (and Wales) in the setting of such targets, and in determining workable sanctions or response to their non-achievement.

4.18 In line with their responses described above, the great majority of ports and their representative bodies were still more strongly against a target-based approach, stressing the need to allow responsiveness to changing market conditions.

4.19 Respondents varied as to whether they expressed direct preferences for the layered options for intervention set out at 4.29 of the discussion document, but the predominant view from the ports, shipping and logistics industries was to favour (a) and/or (b) at most. ABP, for example, said that (d) or (e) would be "very damaging" to the economy.

4.20 The RDAs and RAs, as noted above, tended to favour these options also.

4.21 Other respondents were also mixed in their views. Some local government respondents, for example, were more receptive to options (c) or (d), and the RTPI for example strongly favoured indicative regional targets (e). But the balance of opinion again appeared to be against setting targets, and in favour of scope for a flexible market-led response when patterns of demand change.

4.22 In line with the flavour of responses above, most respondents to Q4-3(h) opposed a locationally-specific policy. Some drew a distinction between the operation of policy on the one hand, and its consequences on the other.

4.23 PD Ports was among those taking a contrary view, pointing to the current market concentration of deep-sea containers and the perceived inland transport consequences of that. RTPI was another, suggesting that the only reason asserted for resisting a locationally directive policy was fear of legal challenge by those who lost out. Among others who argued for a locational policy, or were potentially receptive to it following further study, inland congestion was again the main reason given.

4.24 But others (variously) argued that the Government could not know better than the market where capacity was most needed, that environmental externalities were already sufficiently addressed through the habitats, Environmental Impact Assessment and other directives, and that road congestion would be better addressed by traffic management, appropriate investment and/or eventually road pricing.

**And a further question specific to Northern Ireland:**

**- Q4-3(g) What opportunities or threats do the ports in Northern Ireland face in competition with the Republic of Ireland ports? How might any opportunities be built on and threats addressed?**

4.25 Some Northern Ireland respondents argued that public support and commercial freedom should be given commensurate with that in the Irish Republic, so that competition would be on an even basis. (This issue was linked to the question of NI trust ports, on which DRDNI had separately consulted - see also Chapter 8.)

4.26 NI ro-ro ports still enjoyed some degree of geographical advantage, and some temporary advantage over congested RoI ports; but planned investment in infrastructure south of the Border accentuated, it was felt, a need for unhindered investment in the North to preserve competitiveness.

4.27 Some thought that more explicit consideration should be given to the long term capacity needs of NI ports.

## 5. Inland Connections

5.1 Arguably, the subject of inland connections to ports, in its various forms, has prompted the most concern among respondents. In the discussion document the Department sought views, in particular, on port development and infrastructure funding; coastal shipping and inland waterways; sources of public-sector funding; and potential policy developments such as planning-gain supplement and road pricing. The following specific questions were asked:

**Q5-1 What do you consider to be the strengths and weaknesses of the approach to port development consents whereby related road and rail enhancements are identified and their funding agreed?**

- **Q5-1a Ahead of any transition to road-pricing, are the incidental (external) effects of ports adequately addressed under present policy?**

- **Q5-1b Should developing ports be required to fund the incremental road and rail infrastructure to accommodate the increased traffic expected to be directly brought about by the development? If not, how should it be funded?**

- **Q5-1c If ports pay for (a) road and (b) rail enhancement, should port users receive access on preferential terms (assuming this can lawfully be given) - for example, by priority lanes on the roads, reserved train-paths, or reduced access charges on rail?**

**Q5-2 Is Government doing enough to encourage traffic already using ports to make more use of rail and, if not, what further measures might be taken?**

**Q5-3 Similarly, could Government, at acceptable cost, stimulate a step-change in use of inland waterways and coastal shipping to reduce HGV mileage? How?**

**Q5-4 Do current evaluation methods for inland transport investment take sufficient account of the status of major ports as strategic points of entry and exit for UK trade.**

5.2 There was a general consensus among the respondents in considering the current approach to development contributions - whereby the impacts of proposed port developments are assessed, and the developer required to contribute to the necessary infrastructure upgrades - to be unsatisfactory.

5.3 This concern appeared to have several dimensions. Firstly, many respondents argued that greater recognition should be given to ports as gateways to, rather than generators of, international trade. Because of the importance of trade to the UK economy, the provision of infrastructure linking ports with inland destinations should, it is argued, be funded by the general taxpayer. In support of this claim, a significant number of consultation responses referred to the difficulty of competing on level terms with industry competitors in mainland Europe, where levels of public infrastructure-subsidy are higher.

5.4 The second principal argument deployed against the current system was that, very often, developers are required to fund infrastructure upgrades which are necessarily indivisible or 'lumpy', the addition of a new lane on a road for example. Respondents have claimed that this is unreasonable - the nature of the project often means that it is very difficult to obtain a totality of return on the initial investment, with third parties benefiting from the investment at no cost. When asked whether, in such cases, port users should be given access on preferential terms (Q5-1c), there seemed a general sense that in principle this would seem appropriate, but that its institution in practice would be difficult, and perhaps prohibitively so.

5.5 A third objection made against the developer contributions policy was that it creates an atmosphere of uncertainty, in which developers are unable accurately to predict the cost of proposed developments. Claims that such uncertainty, not to mention the eventual cost itself, could act as a deterrent to development were numerous. Furthermore, argued some, the precedents set by larger

companies could imbalance the market considerably, by raising expectations of (especially smaller scale) developers' ability to fund infrastructure upgrades.

5.6 In response to Q5-2 the majority of consultees, recognising the benefits for congestion and the environment, believed that more could be done to encourage greater use of rail for the transportation of freight to and from ports. Various suggestions of how this might be achieved were forthcoming, with many responses citing a need for greater provision of grant funding, in a similar vein to the Freight Facilities Grant (FFG) for example. Among further recommendations was the safeguarding of existing (but sometimes unused) railheads at ports, shorter lead-times for minor track remodelling works, and an overhaul of the Sensitive Lorry Miles (SLMs) method of benefit appraisal. Several respondents claimed to detect a bias in current rail policy towards passenger travel and suggested that greater emphasis should be given to freight.

5.7 When asked whether Government could facilitate a step-change in use of inland-waterways to reduce HGV mileage, opinion was divided. Numerous respondents indicated a belief that inland waterways had a significant role to play in moving port freight around the country, and encouraged the use of incentives and grants to make the most of the UK's network of canals and rivers.

5.8 However, this view was not unanimous, with several consultees raising doubts about the extent to which inland waterways could realistically relieve road congestion, given the perceived inflexibility of the mode. This divergence of view appears to correlate to some extent with the respondents' situations, including their relative proximity to existing networks.

5.9 In respect of coastal shipping, most respondents acknowledged that extensive benefits could arise from an increased level of coastal shipping. Of these, nearly all were optimistic about the mode's potential viability. However, they cited the need for investment (such as through an extension of Company-Neutral Revenue Support) in order to encourage an initial shift to a mode which, some argued, has historically suffered from neglect. Typically, support was given to schemes that would provide incentives to (rather than those that would penalise) existing road-users. That said, there appeared to be a wide acceptance that road-user charging will necessarily play an important role in the future.

5.10 While there was very widespread support for encouraging a modal shift away from long-distance road haulage, a large number of respondents queried what an 'acceptable cost' might be (as referred to in Q5-3). Several respondents suggested that the subject would need further research so as to identify in more detail the most effective way forward.

5.11 On general investment, many felt that current congestion problems were the result of historical under-investment and that the status of ports as strategic entry and exit points to the UK should be recognised by the centrally-funded provision of inland infrastructure, in particular a main line rail network that is W10-gauge-compliant (capable of accommodating 9'6" 'high-cube' containers without need for specialized wagons, on diversionary as well as primary routes), and a trunk road network specifically able to serve port traffic without day-to-day congestion.

5.12 In this context, some respondents raised particular concerns about the current classification of certain roads, and a lack of specific train paths. The Transport Innovation Fund was widely supported, and used as an example of how future investment could be made.

5.13 Specifically regarding rail, Network Rail drew our attention to its draft Freight Route Utilisation Strategy (RUS), out to consultation at the time of writing. In the response and the RUS, gauge requirements for container traffic (especially through ports in the Greater South East), and bulk (energy) traffic through North-Eastern ports, were identified as the most significant traffics likely to induce rail investment in the medium term.

5.14 The Highways Agency has not been classified as an external respondent for the purpose of this summary, but is represented on the Department's governmental project board and has commented in that context. It notes for example the potential impact of the transshipment scenarios and ro-ro growth on lorry traffic, and identifies routes potentially subject to resultant congestion up to 2030.

## Ports Policy - your views invited: summary of responses

The importance of traffic management measures is highlighted, consistent with wider DfT and HA policy.

## 6. Safety, Security and the Environment

6.1 The discussion document outlined the broad policy and administrative background to issues of safety and security in ports, and asserted that there appeared to be no fundamental issues at stake around the general approach (see para 9).

6.2 However, the consultation actively sought views on both the impact of ports on the environment, and the impact of environmental regulation on ports. The document considered the relationship between environmental constraints and port development, and the requirements imposed on port operations in respect of local air pollution, noise and waste. The following specific questions were asked:

**Q6-1(summary list) From your own experience, have regulators found the right balance between human and natural environmental impacts?**

**Q6-1 (body) Air pollution in or around ports, relating to shipping or road traffic, can be a cause for concern. Do you have any suggestions for further action to tackle the problem at local, national or international level?**

**Q6-2 Are ports adequately meeting their general environmental duties and if not, in what ways are they not doing so?**

**Q6-3 Do you have any suggestions for further areas where Government might facilitate practical compliance with environmental duties?**

- **Q6-3a Are marine environmental effects sufficiently taken into account, and where necessary remedied, when decisions are taken through the Harbours Act and general planning systems on port and port-related development?**

- **Q6-3b Do those ports with which you are familiar take appropriate steps to limit the effects of noise arising from (i) construction work and (ii) ongoing activities?**

6.3 In response to Q6-1 (summary list), many respondents actually discussed whether or not the right balance had been struck between the need to permit port development for economic and social reasons, and the need to protect the environment and habitats.

6.4 Many appeared, therefore, to characterise these needs as being in direct competition with each other. Of these, the majority felt that the balance is currently weighted too far in favour of environmental interests, with several raising concerns that the interpretation of EU legislation in the UK is too strict, and places an excessive burden on the ports industry. Several criticised an apparent 'assumption against development'. These fears were especially apparent in responses from port operators themselves, and in some cases it was suggested that the 'three pillars' of 'sustainable development' - economic and social as well as environmental - should be given more equal weight in planning policy and legislation.

6.5 Many also argued that current requirements of environmental legislation (such as the Habitats Directive and the Environmental Impact Assessment Directive) can act as a deterrent to small scale development. Several consultees attacked the complexity of such legislation and its imposition of the same requirements on all developments, regardless of their size and scope. There was concern in some quarters lest the requirements of the Water Framework Directive, once fully transposed, could accentuate this perceived problem.

6.6 However, a number of respondents took a markedly different stance and suggested that environmental interests should be more deeply embedded in ports policy, and in particular that the threat of climate change was not given due attention by the industry and Government. The benefits of increased modal shift were near-universally recognised.

6.7 In response to Q6-1 on air pollution, many consultees commented that land-based congestion was the principal causal factor, and that significant improvements could be engendered by encouraging modal shift away from road haulage, by improving inland infrastructure, and by investing in cleaner fuels and other innovative technology. Where air pollution from ships in port was discussed, a number of consultees from shipping and related industries cited fears over the extent to which over-regulation could impact upon the success of UK ports.

6.8 There was a widespread acceptance that, broadly speaking, ports are meeting their environmental duties, and this was thought to be especially the case when compared with ports on the Continent. The high proportion of UK members in the EU's ECOPORT scheme was cited as evidence that, in some cases, ports were actually willing to go beyond their duties, although a number of respondents contradicted this point directly, and perceived a will among developers to satisfy only the minimum requirements.

6.9 When asked about the specific issues of marine environmental effects and noise, most respondents who commented were similarly positive about ports' compliance with current legislation. In the case of marine environmental effects, many had provided comments to the Marine Bill consultation. Where noise and light pollution has occurred in ports, the general response, with a few exceptions, was that such problems had been dealt with effectively under existing regulations.

6.10 In practical terms, a number of suggestions were made for how Government and the industry might enhance the fulfilment of ports' environmental obligations. In the context of ongoing operations, these included the release of more comprehensive guidance, the compilation of a manual of best practice, and the encouragement of added investment in data recording and management. In terms of new development, a number of responses suggested that ports should begin to consider the environmental impact of any proposed works much earlier in the process, and many argued that the process itself could be more streamlined.

6.11 The very small number of responses that were received on issues of safety and security appeared, at least partly, to validate the premise that there were no fundamental issues at stake in this area. However, there was not unanimous agreement on this point, which was particularly contested by The Transport and General Workers' Union (TGWU) and the National Union of Marine, Shipping and Transport Officers (NUMAST - now NAUTILUS).

6.12 Among arguments advanced in this context were that accident rates were currently underestimated, that health conditions on [some] ships were poor, and that the industry safety body, Ports Skills Safety Ltd (PSSL), was insufficiently independent from employers. Recommendations included greater investment in training programmes to counter an expected shortfall in the numbers of skilled and experienced workers.

6.13 In terms of security, which did not attract a great deal of comment, several respondents mentioned the potential benefits of using increased technology in border control, and referred in particular to the e-borders project. The benefits of agency-coordination were also stressed.

## 7. Securing Fair Competition

7.1 Consultees were asked to consider the extent to which the ports industry operates in a competitive environment. The discussion document acknowledged that certain factors, such as geographical constraints and requirements of specialist traffic, can combine to prevent the industry from ever being a perfectly competitive market, but enquired as to whether any more could be done to enhance existing levels of competition. Views were sought on both international and domestic competition. The following specific questions were asked:

### **Q7-1 Is effective competition secured by current arrangements?**

- **Q7-1a With reference to any experience you may have had in dealing with ports, do you consider there is a need for more specific economic regulation provisions for the UK ports industry? If so, what do you think would be appropriate?**

**Q7-2 Do you believe that the UK's views on application of state aid to the ports sector are appropriate?**

- **Q7-2a Is there any justification for the UK to amend its domestic stance on the application of public funding to UK ports? If so, in what way?**

**Q7-3 Should Government take measures to help ensure resilience of national ports capacity to major natural or human interruption?**

- **Q7-3a If so, how, and in which traffic sectors?**

- **Q7-3b Is there a more general public interest in avoiding risks of under-provision of port capacity, in order to ensure that ports operate in a strongly competitive environment?**

7.2 The majority of respondents who answered Q7-1 agreed (though not unreservedly) that effective competition within the UK is adequately secured by current arrangements. Many cited competitive pricing regimes and high efficiency levels as evidence of a thriving sector. Some respondents had concerns about the increasing trend towards fewer and larger commercial port operators, especially in the deep-sea container sector where, they argued, too few alternatives exist to offer true competition.

7.3 However, others countered that as long as shipping lines retain the ability to withdraw their custom and move elsewhere, pricing will be necessarily competitive.

7.4 Certain consultees argued that the current planning and consent processes, particularly on the environmental side including habitats, represented a significant barrier to would-be market-entrants, and that this could potentially undermine levels of competition in the long term. The need for a uniform approach to funding by all the regions was also discussed.

7.5 While respondents were generally confident about levels of domestic competition, some had considerable reservations about UK ports' ability to compete on level terms with their counterparts on the Continent. In particular, respondents sought to highlight the disparity between the UK and other European countries in public funding of inland infrastructure and, to a lesser degree, ports themselves.

7.6 Some respondents also claimed to detect a less strenuous enforcement of environmental directives in mainland Europe. With consequently lower capital investment costs, they argued, European ports are able to levy lower charges on shipping lines, thereby putting UK ports at a commercial disadvantage.

7.7 On the subject of state aid, there was widespread support for the UK Government's non-interventionist position on public subsidisation of port development, as set out in *Modern Ports* (2000). A large number of consultees suggested that the European Commission should be pressed to

publish guidance on state aid to ports, and to generally increase transparency of its policies in respect of state aid, including clarification of what constitutes public infrastructure.

7.8 Some commented, more generally, that they would have wished to see more extensive discussion of the prospects for EU ports policy and the UK's negotiating strategy in relation to it.

7.9 Many consultees restated Chapter 5 claims that costs of providing sufficient road and rail infrastructure should be met by the public purse. Furthermore, some argued, current grant regimes were not satisfactory, and more could be done to provide company-neutral support for programmes that are pursuant to Government objectives, for example those that encourage modal shift away from road use. A number of respondents also suggested that ports should not have to finance port facilities for use by Government bodies, such as HM Revenue and Customs.

7.10 When asked whether there was a need for more specific economic regulation in the UK Ports sector, the majority of respondents showed little appetite for any additional measures. Generally speaking, consultees considered that current rules, as enforced through various channels including the Office of Fair Trading, were sufficient in regulating competition in the industry, though some considered that these methods could be improved upon - for example the Harbours Act procedure for appeal against unreasonable charges could be made more efficient.

7.11 The Chamber of Shipping suggested that DfT should rule in the first instance on allegations of unfair competitive practice in port service provision, rather than relying purely on the OFT's complaints mechanisms.

7.12 Also suggested was the commissioning of a study to analyse in depth the movement of (port) freight within the country. Others recommended a tightening of time-limit stipulations in development consents, to prevent developers exploiting capacity constraints by charging higher rates and 'sitting' on development plans.

7.13 Those who responded to Q7-3 generally agreed that Government should take measures to help ensure resilience of national ports' capacity in the face of major natural or human interruption, though many believed there was a limit to the steps that could be taken. The majority were opposed to the prospect of deliberate and significant over-supplying, believing that the market will naturally supply a degree of surplus capacity, but a small number of respondents believed that such provision could, and should, be ensured as part of a national region-specific ports strategy. Some respondents also highlight the inherent threat to resilience in having few, congested, surface access routes. Dover, in particular, was referred to in this context. Moreover, congestion - at sea, in the port and on the roads - was seen by some as deleterious to effective competition between ports, and ultimately to national productivity.

7.14 Other recommendations included the enhancement of contingency plans, improvements to inland infrastructure and the planning regime, and the use of high-end forecasts as a way of insuring against chronic capacity constraints in the event of a significant interruption.

7.15 Several respondents highlighted the threat posed to ports by flooding, which many expected to increase as part of a general rise in sea levels. Where respondents had addressed Q7-3a specifically, ensuring resilience of fuel and food traffic was stressed as a priority.

## 8. Accountability and opportunity in a diverse sector

8.1 This chapter raised a series of questions, some technical in character, about the means to encourage especially smaller ports to make the best of their opportunities, and about governance and accountability issues.

### **Q8-1 What steps should the Government take to help realise the potential of smaller ports, and to aid transition away from port activity if and where necessary?**

- **Q8-1a Should Government be more active in removing obstacles to the change of use of existing moribund ports?**
- **Q8-1b Should the Secretary of State be given powers to close a harbour through an Order under harbours legislation?**

8.2 Around a third of respondents commented specifically on these questions. Many thought the role of small ports in local economies had been underestimated, though some detected an improvement in this regard since *Modern Ports*.

8.3 The potentially greater role of small ports in facilitating coastal and inland transshipment was noted. Increasing ship size, on the other hand, was a challenge to which small ports may need to respond by amending berth capacity.

8.4 There was a range of views on questions of change of use. Several thought that Government should (through planning guidance) encourage or require the safeguarding of 'strategic waterfront sites' against alternative development, which was seen by many as essentially irreversible in practice. Others believed that the market should prevail, allowing conversion to higher-value uses where viability of operational use had declined.

8.5 Some saw a role for Government to intervene where they perceived [trust or municipal] harbour authorities as too inflexible and lacking in commercial energy. There was a strong majority in favour of the general proposition at Q8-1a.

8.6 Of those who commented on the question of closure powers (Q8-1b), there was again a majority in favour of these being granted to the Secretary of State, some adding the rider that there should first be consultation or that the power should be limited to small facilities, and that there should be guidelines for the disposal of the assets. A larger minority than for Q8-1a disagreed, suggesting that there should always be some viable use for some part of any port, and that total closure should not be an option.

### **Q8-2 Is there evidence of a widespread 'accountability deficit' in the trust port sector?**

#### **Q8-2a How far might that problem be addressed through enhancing existing voluntary measures within the trust sector?**

#### **Q8-2b Should those trust ports, which currently have powers to precept on local authorities, continue to have such powers?**

#### **Q8-2c Is there a case for an external regulatory function, either through providing the Secretary of State with new powers to direct trust ports, or by bringing the trust ports under some independent regulatory regime?**

8.7 The majority view of those who responded to these questions was that there was no serious accountability deficit, but a substantial minority thought there was.

8.8 Trust ports themselves, perhaps unsurprisingly, saw little problem - some indeed arguing that trust ports were more accountable to their stakeholders than were private or municipal ports. They argued that most trust ports operate in an open and accountable manner, consistent with the guidelines

in Modernising Trust Ports, publishing accounts and other information and engaging in regular consultation.

8.9 Those perceiving a 'deficit' pointed to the fact that management was legally accountable only to the port's Board, and not to shareholders or electors. Dispute resolution procedures were seen as deficient, and inherently weighted against small complainants (including private individuals).

8.10 Some private ports saw a lack of commercial accountability as prejudicial to fair competition between the ownership categories.

8.11 The question of precepting (Q8-2b) was directly relevant to only a limited number of respondents. The majority of those who did comment thought that the precepting powers should be retained. Arguments in favour included use of funds for non-port functions such as flood defence, which it was appropriate that local chargepayers rather than port users to fund; and linkage to the community through the local authority. Some thought precepts could be appropriate but only if there were a management plan agreed with the authority. Arguments against included unfair competition with those lacking such powers.

8.12 Opinion was fairly evenly divided on the case for an external regulator (the Secretary of State, an ombudsman or other arrangement). Some suggested, as an alternative to regulation, introducing democratic selection of harbour commissioners. UKMPA argued that regulation was particularly needed in the matter of pilotage.

8.13 Most of those opposed argued that it had not been demonstrated that any problems of accountability were such that the costs and bureaucracy of regulation would not outweigh any benefit.

- **Q8-3a Is there any reason not to disapply the compulsory privatisation powers in the Ports Act 1991 ... by harbour revision order (HRO), given the present Government's assurances that those powers would not be used?**
- **Q8-3b Is the planned outcome of the proposed HROs - trust ports as bodies operating outwith Government influence but accountable to local stakeholders through existing mechanisms - a durable status for the six trust ports?**
- **Q8-3c Can the six ports, once reaffirmed in this status, operate fairly alongside competitors constituted as private-sector companies with shareholders?**
- **Q8-3d Should the 'HRO process' be extended to the (further six) much smaller ports?**

8.14 Again from a limited field of interested respondents, only Peel Ports was unequivocally opposed to using the HRO route to disapply compulsory privatization powers, primarily on an argument of principle that primary legislation should not be repealed by secondary. Some others were ambivalent: Bristol Port, for example, believing the trust ports' position to be anomalous as non-private-sector commercial entities; but not registering a strong objection to removal of compulsory powers in response to the narrower question.

8.15 The majority in support of this course included Milford Haven Port Authority, who argued *inter alia* that UKMPG's earlier objections had been based in part on a misunderstanding of the terms on which investment at that port was being taken forward.

8.16 Responses to Q8-3b and c were along similar lines. Most also agreed with the extension to smaller ports (d). Of those that did not, Chichester HC has to seek borrowing approval under local legislation and would not wish to incur the expense of an HRO. West Sussex regarded the status quo as appropriate for Chichester and Littlehampton.

**Q8-4 Do the recommendations in the Municipal Ports Review satisfactorily address the range of governance issues and enable municipal ports to perform to their full potential?**

8.17 The municipal ports review, *Opportunities for ports in local authority ownership*, was generally welcomed. There were reservations. The BPA, which had participated in its preparation, endorsed the recommendations but regretted the time it had taken to complete.

8.18 Some commented that it would take further time for the effectiveness of the recommendations to be assessed, and some feared that the review would not suffice to persuade councils currently using their ports as 'cash cows' to place them on a commercial footing.

8.19 The Institute of Chartered Shipbrokers opined that municipal ports should be privatized, while some, including the UKMPG, regretted that the review did not express an even stronger presumption against public subsidy. Yet others regretted any implication (*e.g.* from para 8.27 of the discussion document) that municipal (or trust) ports existed primarily to fulfil 'social' rather than commercial purposes.

**Q8-5 In your experience, are the arrangements for supervision of harbour authorities' powers adequate? If not, what changes would you like to see made?**

- **Q8-5a Is there a case for an external regulatory function, either through providing the Secretary of State with new powers to direct statutory harbour authorities, or by bringing the trust ports under some independent regulatory [or ombudsman] regime, to deal with problems caused by a statutory harbour authority's exercise, or failure to exercise, of its statutory functions?**

- **Q8-5b Do you support the suggestion of new legislation bringing in a reserve power of direction for the Secretary of State in port safety and modernising other aspects of harbour authorities' powers, including a power for them to issue general directions to shipping?**

- **Q8-5c Do you support the proposal that the Secretary of State should withdraw from his byelaw approval role?**

8.20 Responses to these questions were mixed. Of those who commented, a slight majority did consider current arrangements to be adequate in general.

8.21 There was, however, strong minority support for bringing trust, municipal or all ports into the reach of either a specialized ombudsman, or possibly the Local Government Ombudsman in the case of municipals. It was noted that ombudsmen's terms of reference usually concentrated on process, rather than the substance of decisions.

8.22 There was some support for the Secretary of State taking powers of direction in safety matters including general directions to shipping. A majority among those expressing a decided view thought he should, though members of the minority tended positively to consider that he should not, and that (following the perceived successes of PSSS's voluntary approach) safety regulation should be mainly left to HSE and MCA as the case may be.

8.23 Additional points mentioned included:

conflicts between private and public legislation: need to reconcile (PLA);

practical difficulties in removing non-navigation hazards (PLA);

case for an authority to rule on non-compliance of regulations with PMSC (UKMPA);

opposition to a right for MCA to audit systems (UKMPG);

review s.4(2) of the Pilotage Act, which requires a CHA<sup>3</sup> to employ its pilots unless a majority votes otherwise - seen as an outmoded restriction (UKMPG).

8.24 A majority of those giving opinions thought that the Secretary of State should withdraw from the role of approving byelaws, mostly with the primary aim of speeding up implementation. Opposition was either outright, on grounds of accountability and principle, or qualified: the requirement for positive approval could be replaced by a last-resort appellate function; or the opposition might be withdrawn if there were tighter arrangements for accountability.

8.25 The RYA suggested detailed amendments to the approval process to streamline it, including limiting rights of objection to representative bodies and discretion to rule objections below a threshold for triggering public inquiry.

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<sup>3</sup> competent harbour authority

## 9. Making the planning system work effectively

9.1 Here we had emphasized that ports policy could not expect to override the general planning system, and that the presumption would be that Harbours Act planning applications procedures would continue to be allied to those under Town & Country Planning legislation. Nevertheless we invited comments on ports-specific aspects, with reference to the Department's *Project Appraisal Framework for Ports* (2003) and to the particular requirements of the habitats and wild birds Directives, among other matters.

**Q9-1 Do you have any views on whether the project appraisal framework requires revision?**

**Q9-2 What more should the Government do to help applicants and other stakeholders in ports planning cases?**

**(You may perhaps wish to consider separately (i) pre-inquiry preparations, (ii) the inquiry itself and (iii) post-inquiry handling of negotiations and of new information. Please draw on any experience you may have, but avoid discussing the merits of any pending case.)**

**- Q9-2a Are environmental effects sufficiently taken into account, and where necessary remedied, when decisions are taken through the Harbour Revision Order and Town and Country Planning systems on port and port related development?**

**- Q9-2b Does the *Project Appraisal Framework for Ports* provide adequate and appropriate guidance for those involved in port development cases on how to assess alternatives? Should there be a national set of criteria, as well as existing regional and local development plan criteria, against which planning applications for port development should be judged? (Such criteria could include consideration of the full inland transport costs and impact on local labour markets, and the extent to which the port development would contribute to any regional indicative ports targets set by Government as a suggested policy option in Chapter 4.) If national criteria are not the way forward, how might the guidance be improved?**

9.2 These elicited a range of views, with a substantial proportion of our respondents offering specific comments on the general Q9-1. Some reprised planning-relevant views also covered in response to earlier questions, for example advocating safeguarding of wharves along the lines of the Mayor of London's recent initiative, or favouring Master Plans.

9.3 The majority of those who responded to Q9-2a thought that environmental factors were already at least sufficiently taken into account through the planning and regulatory systems.

9.4 But some, notably environmental groups and regulators, thought there should be a generally greater emphasis on environmental matters. Friends of the Earth, for example, argued that mitigation of adverse effects or compensatory habitat should be regarded as far inferior to prevention. And the Environment Agency commented that the framework should be updated to deal with requirements for Strategic Environmental Assessments. Others suggested that the emphasis on habitats tended to skew attention away from positive amenity considerations.

9.5 At least one respondent considered the framework "far too cumbersome", though it was not clear whether this was considered a defect solely of the guidance itself; or of the underlying European legislation which it seeks to interpret.

9.6 Some thought that the *Project Appraisal Framework for Ports* should be allowed more time to give greater experience of its application, while others thought it should be adapted, to provide for

example a less exhaustive process for small to medium-sized ports. Some considered that the current interpretation of 'IROPI'<sup>4</sup> made it almost impossible for small ports to pursue expansion plans.

9.7 UKMPG and Humber Economic Partnership, among others, sought clearer guidance as to the application of the 'alternatives' test.

9.8 On the other hand some (*e.g.* Bristol Port) thought it insufficiently detailed. The RTPI went further, arguing it was inadequate for major projects as to economic, environmental and transport aspects, and argued for consultative development of a revised framework as part of a wider national strategy. BPA (and others) advocated regular updates, to keep pace with experience and precedents derived from casework.

9.9 It was specifically suggested (*e.g.* by Northern Way) that the framework should include (at least for large developments) a full analysis of inland transport effects, and an assessment of the local labour market as context for net local job creation possibilities.

9.10 Some detailed suggestions for amending the text were suggested, *e.g.* by the Countryside Commission for Wales.

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<sup>4</sup> "imperative reasons of overriding public interest" under the habitats Directive