

TORBAY COUNCIL

Report No: **144/2006**

Title: **Ports Policy Review**

To: Harbour Committee on 19 June 2006

1. **Purpose**

- 1.1 To advise the Harbour Committee of a Ports Policy Review consultation exercise launched by the Department for Transport, Ports Division.

2. **Relationship to Corporate Priorities**

- 2.1 Tor Bay Harbour and the Council's statutory port/harbour functions have strong links to the Community Plan themes of Improving Torbay's Economy, Valuing our Environment, Developing Torbay's Culture and Creating Sustainable Communities.

3. **Recommendation(s)**

3.1 It is recommended that:

- i) **Members note the Ports Policy Review document published by the Department for Transport and**
- ii) **that Members consider how the Council may wish to respond to the Ports Policy Review consultation process.**

4. **Reason for Recommendation(s)**

- 4.1 Torbay Council is the statutory harbour authority for Tor Bay Harbour. Ports Division of the Department for Transport (DfT) oversees the exercise of this statutory function at a national level. The DfT are also the government department that leads on national ports policy. Government policy on ports is directed at and includes ports and harbours of all sizes, whether they are in the private, trust or municipal sector. The DfT's recently released consultation paper in the form of a discussion document is seeking views to inform the Review of Ports Policy in England, Wales and Northern Ireland.
- 4.2 The views of the Harbour Committee will be needed if it is decided that Torbay Council should send a response as part of the Ports Policy Review consultation exercise.

5. **Key Risks associated with the Recommendation(s)**

- 5.1 There are no risks associated with these recommendations.

Likelihood	6	6	12	18	24
	5	5	10	15	20
	4	4	8	12	16
	3	3	6	9	12
	2	2	4	6	8
	1	1	2	3	4
		1	2	3	4
		Impact			

 Low risk  Intermediate risk  High risk

The "x" in the above matrix denotes where the author has assessed the level of final risk to fall

6. Alternative Options (if any)

- 6.1 Not to note the Ports Policy Review and not to consider a response to the consultation exercise.

7. Background

- 7.1 The Government's white paper 'Modern Ports' (published in 2000) distilled the Government's ongoing ports policy. In particular, it sets out three key aims for the UK ports industry:

To encourage UK and regional competitiveness;
To attain high nationally agreed safety standards; and
To promote the best environmental practice.

Modern Ports also included a series of port case studies, which illustrated the diversity of ports around the UK coastlines. Traditionally, the Government's relationship with the ports industry has been limited to outlining the duties and powers of the ports themselves. However, the Government's focus on creating an integrated transport policy has meant that the emphasis has shifted in the last few years. Also, some six years on the Government has decided that subsequent and current developments in the maritime world mean that it is not too soon for a systematic review of ports policy.

- 7.2 Existing ports policy (Modern Ports – A UK Policy) clearly states that ports serve the national interest, supporting the competitiveness of national and regional economies. It is in the national interest that ports remain able to handle current UK trade and its potential development efficiently and sustainably. They must succeed not only to meet the immediate demands of their customers, but also to invest in new facilities, in safety, and to safeguard communities and the environment.
- 7.3 Ports and harbours face rising expectations, not only from users, but also from local communities and the wider public. People are looking for a more open and accountable approach from those entrusted with legal duties and powers to run ports and harbours. They demand ever higher safety and environmental standards.
- 7.4 Britain has such a diverse ports industry because local people developed it to serve their needs. Some ports and harbours have since grown to regional and national significance, but all remain rooted in their local communities. Change has brought success and expansion for some ports. Others have adapted to meet new roles to replace trade that has diminished or disappeared. The Government did not create it, but the network of ports has always had a key role in the national economy, and the national transport system.
- 7.5 Ports have been developed and managed on the principle that users pay for the facilities. This has served the industry well. Port founders accepted and have risen to the challenge of discharging their duties from the dues they raise without subsidy. They looked ahead; treating port assets as an heirloom that increases in value as it is passed on. UK government policy is generally to not fund ports except in exceptional circumstances such as regeneration of local communities. As previously stated, ports are expected to finance their own operations and develop their own strategies.
- 7.6 The House of Commons Transport Committee Inquiry into Ports (2003) was generally supportive of the policy approach outlined in 'Modern Ports'. However, it recommended "planning at an integrated national rather than individual level". In the Government's response, in 2004, it was stated that commercial decisions, which underlie port development, should remain, as far as possible, free from Government involvement. It supported 'Modern Ports' as providing a clear and stable policy framework that enables the industry to make sound and sustainable investment decisions. Overall, the government

believes that the current market-led approach to the provision of port capacity is meeting the key challenges in port development. It is the Government's view that imposing some form of national plan would not meet objectives any more effectively and would be an unnecessary burden that would affect investor participation in the ports industry.

- 7.7 It is a strength of the ports industry that each undertaking has statutory powers suited to its needs. Commercial decisions, as well as responsibility for port operations, lie with those who have these powers and the duties that go with them. This continues to be fundamental. It is not Governments job to run the ports industry.
- 7.8 The central theme running through the Ports Policy Review paper is whether the Government has got it right in following a 'light touch' to ports policy and whether there are areas of 'market failure' where more Government intervention is required (e.g. road congestion, planning system, wider regeneration and/or environmental impacts, etc.).
- 7.9 The DfT's discussion document for the Ports Policy Review can be found on the DfT website at: http://www.dft.gov.uk/stellent/groups/dft_shipping/documents/divisionhomepage/611692.hcsp and a copy is also available in the Members' Room. An Executive Summary from this document is attached to this report as Appendix 1.
- 7.10 Given the size, ownership and operational nature of Tor Bay Harbour, the sections that are probably most relevant to Torbay Council, from the Ports Policy Review discussion document, are :-

Section 4 National, regional and local impacts

4.14 to 4.16 Ports as contributors to regional and local economic development

Section 8 Accountability and opportunity in a diverse sector

Issue (i) Making the most of the opportunities at smaller ports

Issue (iv) Aligning supervision of municipal ports with changed local government structures

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Appendices

Appendix 1 Executive Summary of the DfT's discussion document for the Ports Policy Review (DfT, May 2006)

Documents available in Members' Room

- Ports Policy – your views invited. DfT's discussion document for the Ports Policy Review (DfT, May 2006)
- Modern Ports – A UK Policy (DfT, November 2000)

Background Papers:

The following documents/files were used to compile this report:

- Ports Policy – your views invited. DfT's discussion document for the Ports Policy Review (DfT, May 2006)
- Modern Ports – A UK Policy (DfT, November 2000)