Mersey Ports Master Plan

Executive Summary

June 2011

PEEL PORTS

Executive Summary

Welcome to the Executive Summary of the Mersey Ports Master Plan – a 20 Year strategy for growth for the Port of Liverpool and The Manchester Ship Canal. It is important that you have your say upon the Consultation Draft by submitting your comments either electronically or in writing to our address or by completing and returning the enclosed questionnaire. A number of local events are also being held to inform interested parties of our growth aspirations. All views will be carefully considered and will help to shape the final version of the Master Plan.

Gary Hodgson - *Managing Director, Mersey Ports*

About Peel Ports

For more than a century, the Port of Liverpool and The Manchester Ship Canal were arch rivals competing with each other for cargo going to, and arriving from, every corner of the globe. The Port of Liverpool celebrated its 800th Anniversary in 2007, with The Manchester Ship Canal a relative newcomer which celebrated its 100th Anniversary in 1994.

In September 2005 these two great undertakings were brought together "as one" under the banner of Peel Ports. The acquisition of Mersey Docks and Harbour Company transformed Peel's ports sector from a group handling 20 million tonnes of cargo a year into the UK's second largest port operator handling 65 million tonnes.

With some 40 million tonnes of freight a year moved through its docks,

Figure 2.1 – Peel Ports

Mersey Ports represents almost two-thirds of Peel Ports' trade. The other ports in the Group are Clydeport in Scotland, the Lancashire Port of Heysham and Medway Ports in the South East of England.

About Port Master Planning

As part of the Government's Interim Ports Policy Report of July 2007, it was recommended that all major ports produce Port Master Plans, and consult upon these with local stakeholders, including planning authorities, in order to help co-ordinate medium-term planning. The subsequent "Guidance on the Preparation of Port Master Plans", published in December 2008, indicated the threshold for preparation of such plans to be those ports handling at least a million tonnes throughput per annum. The Port of Liverpool and The Manchester Ship Canal both exceed this threshold, handling 32.2 million tonnes and 7.4 million tonnes respectively in 2008.

The Guidance sets out the main purposes of Port Master Plans, which are to:

- **Clarify the port's own strategic planning for the medium to long term.**
- **Assist regional and local planning bodies and transport network providers in preparing and revising their own development strategies.**
- **Inform port users, employees and local communities as to how they can expect to see the port develop over the coming years.**

Strategy Overview

Our location at the heart of the British Isles is a key driver of our growth strategy. The integration of the Port of Liverpool and The Manchester Ship Canal means that we can offer a unique opportunity to drive transformational shift in the behaviour of supply chains that trade beyond the UK, by developing a key logistics platform allied to the development of water freight solutions.

The strategic development of Mersey Ports is focused upon driving growth across all our sectors, as diversity in the products we handle continues to be a core part of our plans and we see real opportunities to add value.

Ports have the unique advantage of "seeing" the whole supply chain from end to end, and by utilising this knowledge of the total chain we believe we can add significant value to our customers and partners.

The days of a port being a simple transit point are now firmly in the past. To survive and drive economic development we need to encourage more "added value" business to our facilities through a number of initiatives which include:

- Development of single and multi user port centric warehousing.
- Development of new processing facilities for imported commodities.
- Development of more customer-focused operating practices.

In addition to driving more added value activities across the Port, there are a number of key strategic business drivers within the period of this Master Plan, including:

- The planned Seaforth River Terminal a deepwater container port expansion planned for 2014.
- The development of a number of multi-modal inland ports upon The Manchester Ship Canal – Port Wirral, Port Bridgewater, Port Ince, Port Warrington and Port Salford.
- The wide diversity of Port operations both now and into the future.
- Entry into new sectors – including biomass energy, offshore wind, waste to energy and recycling.

The 44 miles of the combined Port of Liverpool and The Manchester Ship Canal will incorporate over 10 rail-linked terminals and with 10 motorways within 10 miles of our operational port assets.

The North West is already home to many distribution

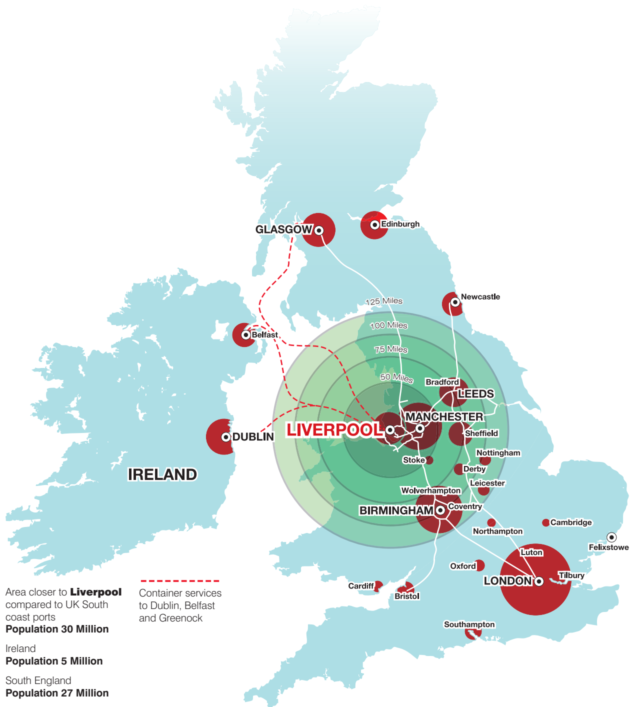


Figure 2.2 – Mersey Ports Hinterland

centres for large high street multiples, online retailers and home delivery companies who recognise the region as being ideally placed to serve all parts of the UK on a next-day basis.

Policy Context

The ports sector operates within an extensive policy framework encompassing planning, transport and marine matters at a national, regional, and local level. The policy context is critically important to the ongoing operation and future expansion plans of Mersey Ports, as policies set the framework against which specific development projects are evaluated, and the funding decisions in respect of surface access transport improvements are made.

The Government published a draft National Policy Statement (NPS) for Ports for consultation in November 2009 and it is anticipated an approved version will be adopted during 2011. A Marine Policy Statement was published in March 2011. With respect to Ports and Shipping Para. 3.4.1 states:

> *"Ports and shipping play an important role in the activities taking place within the marine environment. They are an essential part of the UK economy, providing the major conduit for the country's imports and exports. Ports also provide key transport infrastructure between land and sea. Ports and shipping are critical to the effective movement of cargo and people, both within the UK and in the context of the global economy".*

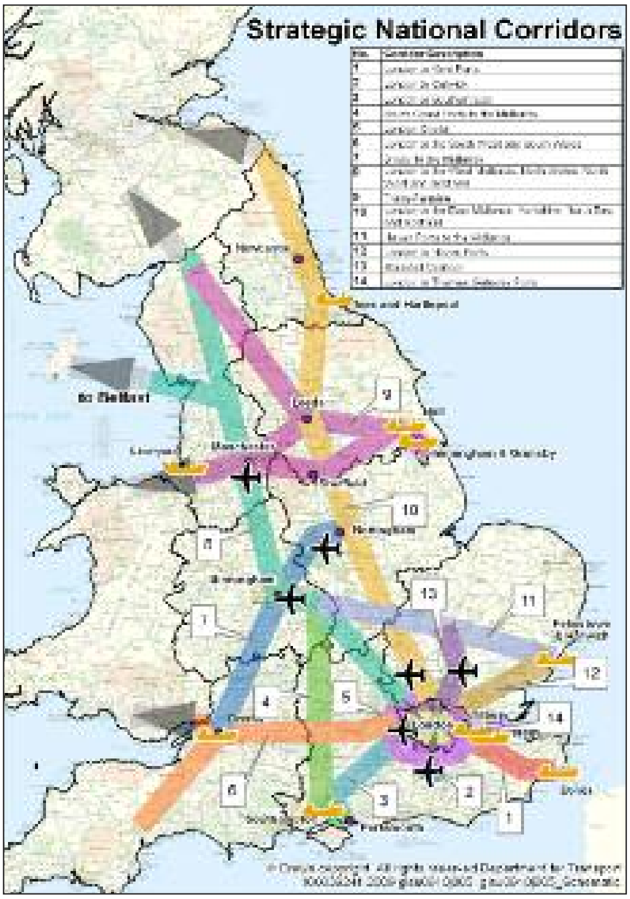


Figure 3.1 Strategic National Corridors

The Mersey Ports form one of the ten largest port complexes in the UK and are linked by a number of strategic national corridors.

At a local level the relevant policy context for the consideration of ports and their future expansion is a matter for the Local Authorities particularly within their emerging Local Development Frameworks (LDF's).

Port Forecasts (2020 and 2030)

The Mersey Ports serve several key sectors, including bulk liquids, such as liquids for food manufacturing and petrochemicals, grains and animal feeds, general cargo, such as steel and unitised traffic – including containers that are lifted on and lifted off ships (lo-lo) and trailers that are driven on and off vessels (ro-ro).

Forecasts for the Mersey Ports indicate a growth in tonnage in excess of 70% from 39.64 million tonnes (2008 base year) to 68.58 million tonnes (by 2030). This represents a Compound Annual Growth Rate (CAGR) of 2.52% - when compared with a 1.1% CAGR within the Government's national ports forecasts. (SeeTable 4.3)

This outperformance related to Government forecasts is allied particularly to a stronger anticipated growth in the unitised lo-lo and ro-ro sectors, the opportunities associated with handling biomass, palm oil and other dry bulks, and a redistribution of market share to the Mersey Ports particularly associated with steel and metals, forest products, and trade cars.

These forecasts will inevitably impact upon existing physical infrastructure and in this context such implications are explored under the headings of "Land Strategy & Areas of Change" and "Transportation".

Commodity	2008	2020	2030	CAGR (%)
Containers (Teu)	4.85 (672,000)	14.43 (2,000,000)	21.65 (3,000,000)	7.04
Ro-Ro (Units)	6.82 (513,000)	10.07 (757,000)	13.92 (1,047,700)	3.30
Trade Cars (Units)	0.036 (36,000)	0.20 (200,000)	0.20 (200,000)	8.11
Grain	1.25	1.25	1.25	0.00
AFS & Biomass	1.34	2.40	2.90	3.60
Coal	2.38	2.38	2.38	0.00
Other Dry Bulks	3.85	4.57	5.28	1.45
Steel, Metals and General Cargo	0.80	1.00	1.35	2.41
Forest Products	0.26	0.60	0.75	4.93
Petrochemicals	15.80	15.80	15.80	0.00
Other Bulk Liquids	2.26	2.70	3.10	1.45
Total (Million Tonnes)	39.64	55.40	68.58	2.52

Table 4.3 Mersey Ports – Summary Port Forecasts 2020 & 2030

Land Strategy & 'Areas of Change'

The methodology for producing forecasts for Mersey Ports potential land requirements is based firstly on forecasting the growth in various traffics handled at the Ports and then estimating future land requirements based on key assumptions with respect to the amount of land required for any particular trade or traffic. In addition, the development of other complementary or other Port-related activities will create further demand for land.

Three aspects to the future land requirements have been considered:

- Amount of land needed to serve the Port's traffic growth;
- Amount of land required to serve the needs of port centric distribution;
- Amount of land required to serve complimentary sectors (energy, waste, off-shore wind sector, processing activities).

Our calculations indicate the delivery of a forward land requirement of 851 acres to support our 20 year growth strategy. Whilst some 746 acres can be identified not all of this land is readily available and/or deliverable without further activity, notably consenting and in some cases site acquisition. A further land requirement of 105 acres relates to as yet to be identified land parcels. (See Table 5.1)

A series of future land use plans have been drawn up for Liverpool Docks, Birkenhead Docks and The Manchester Ship Canal, and which are noted within the Appendices.

The land strategy includes the utilisation of existing

Port Warrington (Formerly Acton Grange)

Port Traffic	2020	2030
Containers	40	90
Ro-Ro	40	45
Trade Cars	30	0
Grain	3	3
AFS & Biomass	8	0
Coal	0	0
Other Dry Bulks	5	5
Steel, Metals & General Cargo	5	5
Forest Products	10	10
Petrochemicals	0	0
Other Bulk Liquids	6	6
Port Centric Warehousing	140	140
Complementary Sectors:		
Off-Shore Wind Farms	75	0
Biomass Energy	45	0
Processing & Valued Added	70	70
Total (Ac)	**477**	**374**

Table 5.1: Mersey Ports – Summary Land Requirements 2020 & 2030

Code	Site Description	Area (Acres)
L1	Seaforth River Terminal	42
L2	Seaforth Area B	78
L3	Hornby/Alexandra Dock	24
L4	LIFT Zone Phase 2	19
L5	Regent Road/Derby Road	92
L6	N3 Canada	10
L7	Huskisson Dock Complex	20
B1	Twelve Quays	4
B2	Beaufort Road	27
B3	Former Mobil Site	23
B4	Cammell Laird	34
M1	Land at QEII Dock	17
M2	Port Wirral	146
M3	Former Bridgewater Paper Mill	46
M4	Port Ince	10
M5	Wigg Wharf	2
M6	Port Warrington Phase 1	11
M7	Port Warrington Phase 2	24
M8	Irlam Container Terminal	6
M9	Port Salford	111
	Total Land Identified	**746**
	Unidentified land	**105**
	Overall Land Requirement	**851**

Table 5.2: Mersey Ports - Land Availability

land and premises, safeguarding, and those areas of the Port most likely to see change over the requisite 20 year period. In circumstances where the Port boundaries are likely to change, we have demonstrated the effective utilisation of existing assets. In considering major development upon environmentally protected sites, it is acknowledged we will have to demonstrate what alternative ways of meeting demand have been considered in the context of the Habitats Directive.

Transportation

The success or otherwise of a port is inextricably linked to the ability for freight to be moved in or out in a congestion free and efficient manner and therefore port access routes (be they road and rail links or inland waterway) are of paramount importance. The choice of transport mode is principally driven by commercial factors however there are other determinants for some supply chains that include reliability and speed and minimising carbon emissions as some transport modes are more sustainable than others.

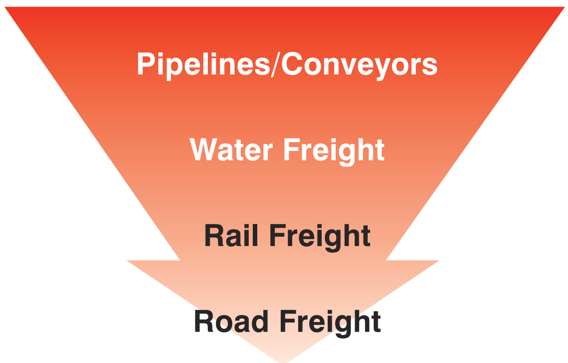


Figure 6.1: The Hierarchy of Sustainable Transport (linked to carbon emissions/km)

The Mersey Ports neither own freight nor take decisions on the mode of transport to be employed. However our strategy is to promote choice for our customers, and hence it is vital that the necessary infrastructure is available to effect modal shift where required.

We are prepared to invest in this infrastructure to allow the movement of containers and other commodities by different means, and our growth strategy is about encouraging shippers and logistics operators to look at the full "Ship-to-Door" supply chain costs, identifying the value that the Mersey Ports' location can deliver to all.

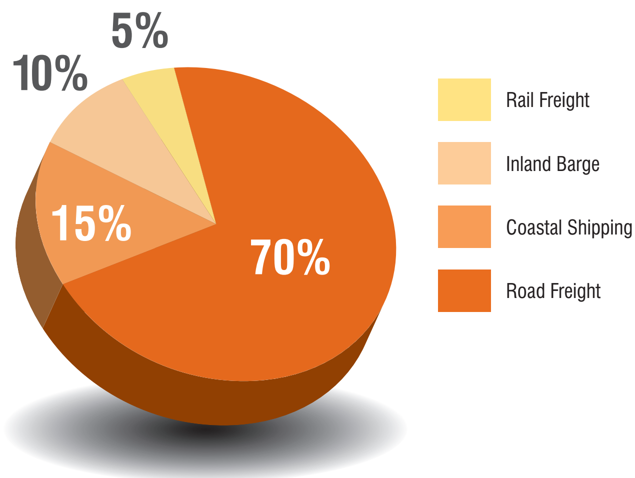


Figure 6.3 – Modal Shift for Containers 2020 & 2030

Supply chain professionals already face many challenges – including higher fuel costs, control of emissions and increasing congestion when using Southern ports as an entry point for goods destined for end users in the North. Water provides both a cheaper and cleaner mode of transport than road and rail, so it makes sense to use ships and then barges to get goods as close as possible to the ultimate consumer of those goods as well as providing access to world markets for exporters.

Socio Economic Considerations

Studies show the Merseyside maritime sector has a significant impact on the regional economy, directly employing circa 20,550 people and another 5,900 indirectly, totalling 26,450. The sector contributes some £700m to the local economy much of which will be spent with businesses in the area.

But there is more to come. Table 7.2 summerise the net additional employment and GVA which will accrue over the 20 years of this Master Plan, under the remit of the Mersey Ports investment decisions such as the Seaforth River Terminal and the Langton River Terminal.

The contributory investments of the Mersey Ports to the wider SuperPort initiative can be summarised as generating some 6,000 new jobs and an additional £1.6 billion GVA by 2020 and some further 1,500 jobs and an additional £3.3 billion GVA by 2030. In excess of 4,000 jobs are anticipated to be created as part of the Low Carbon Economy – Off-Shore Wind, Biomass Energy, and Tidal Power.

There are other gains for North-West businesses through their increased ability to secure access to supply chains and raw materials via the Mersey Ports international gateway. For example, for firms in the Liverpool City Region we have estimated the benefit in reduced transport costs as circa £16 million per annum, or in excess of £150 million over the Master Plan period.

Net Additional Employment Impact	2011 - 2020	2021 - 2030	Total
Seaforth River Terminal	4,270	1,586	5,856
Langton River Terminal	147	0	147
Manchester Ship Canal (Logistics Sites)	1,689	0	1,689
Total	**6,106**	**1,586**	**7,692**

Net Additional GVA (Million)	£M	£M	£M
Seaforth River Terminal	1,128	2,451	3,579
Langton River Terminal	43	70	113
Manchester Ship Canal (Logistics Sites)	432	805	1,237
Total	**1,603**	**3,326**	**4,929**

Table 7.2 - Net Additional Employment & GVA

Environmental Considerations

The Mersey Ports are monitored, inspected and vetted by the relevant statutory authorities. In recognition of the importance of environmental and emergency response matters there is regular dialogue with a number of key agencies. Such liaison seeks to ensure that the Mersey Ports are complying with all relevant environmental and safety legislation and carrying out our duties responsibly.

The Mersey Ports are committed to continuing compliance with all applicable environmental legislation and other relevant requirements in the pursuit of its duties and powers and will take these fully into account in all of its actions and decisions, alongside its pursuit of the sustainability objectives established by the Government.

In addition to these statutory requirements, as a Company we will always seek to improve the environment for our staff, customers and neighbours. We are currently working towards ISO 14001 accreditation, and as development projects come forward we will always pay attention to our environmental obligations.

The range and diversity of environmental matters applicable to Mersey Ports are illustrated below. The purpose of the Master Plan is not to go into the same degree of detail that would be necessary for an Environmental Statement accompanying either a planning or harbour application, but to signpost the key considerations.

Air Quality	Biodiversity
Climate Change	Contaminated Land
Dredging	Energy Efficiency
Flooding	Heritage
Odour	Noise
Visual Impact	Waste Management
Water Quality	

Stakeholder Engagement

“Guidance on the Preparation of Port Master Plans” (December 2008) advises that an essential aspect of the development of an effective master plan is achieved through engagement with interested parties including local and regional planning bodies and transport network providers, both during the master planning process and once the master plan has been published.

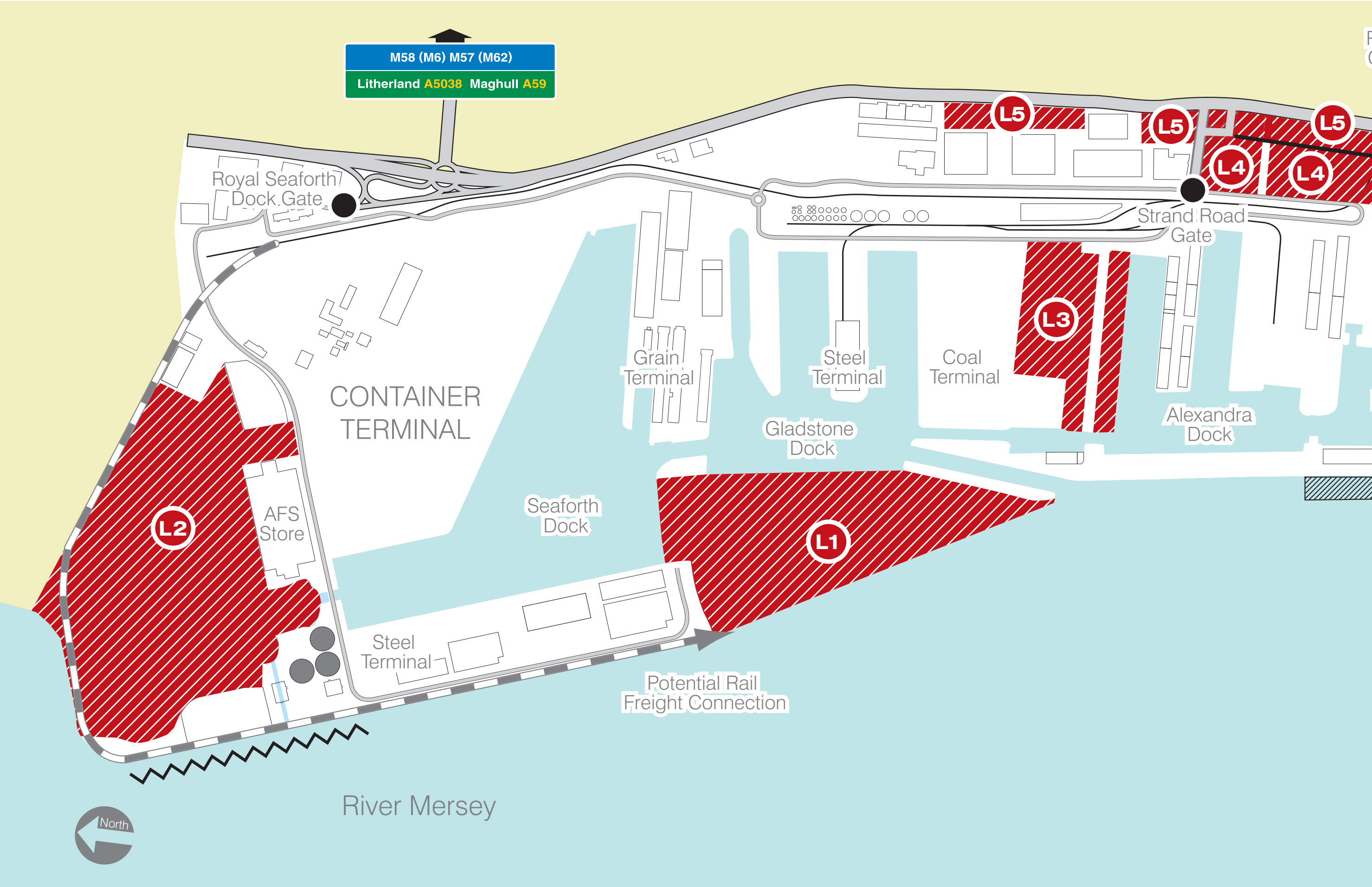
As an overarching principle we welcome active liaison and discussion with all stakeholders, and are mindful that there can sometimes be differences of opinion or approach that this should not be to the detriment of continual and open dialogue.

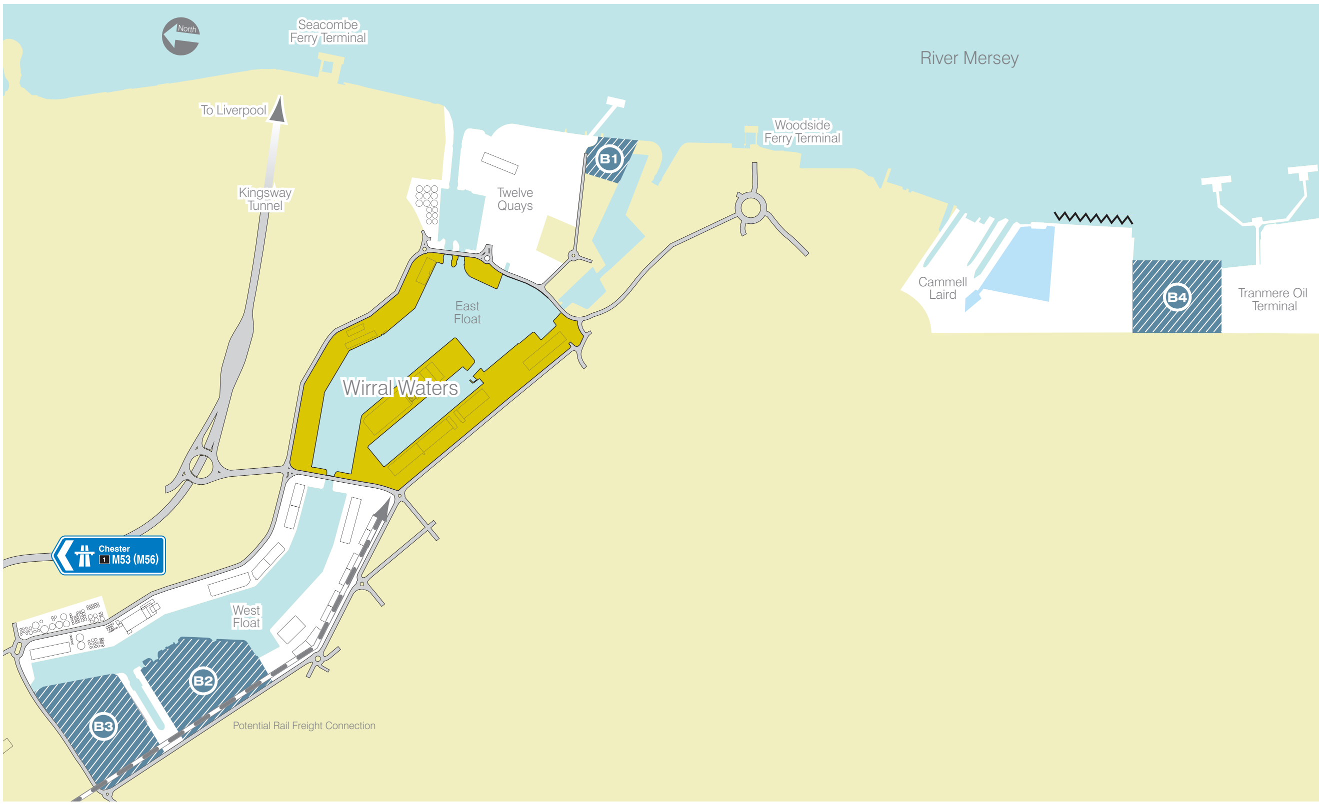
Implementation & Review

The Master Plan is not an application for planning permission and will not of itself grant approval for any works, rather it provides a framework for setting out the Port’s aspirations, including for the medium and long term, and will assist in informing the consideration of projects and planning applications made as and when necessary.

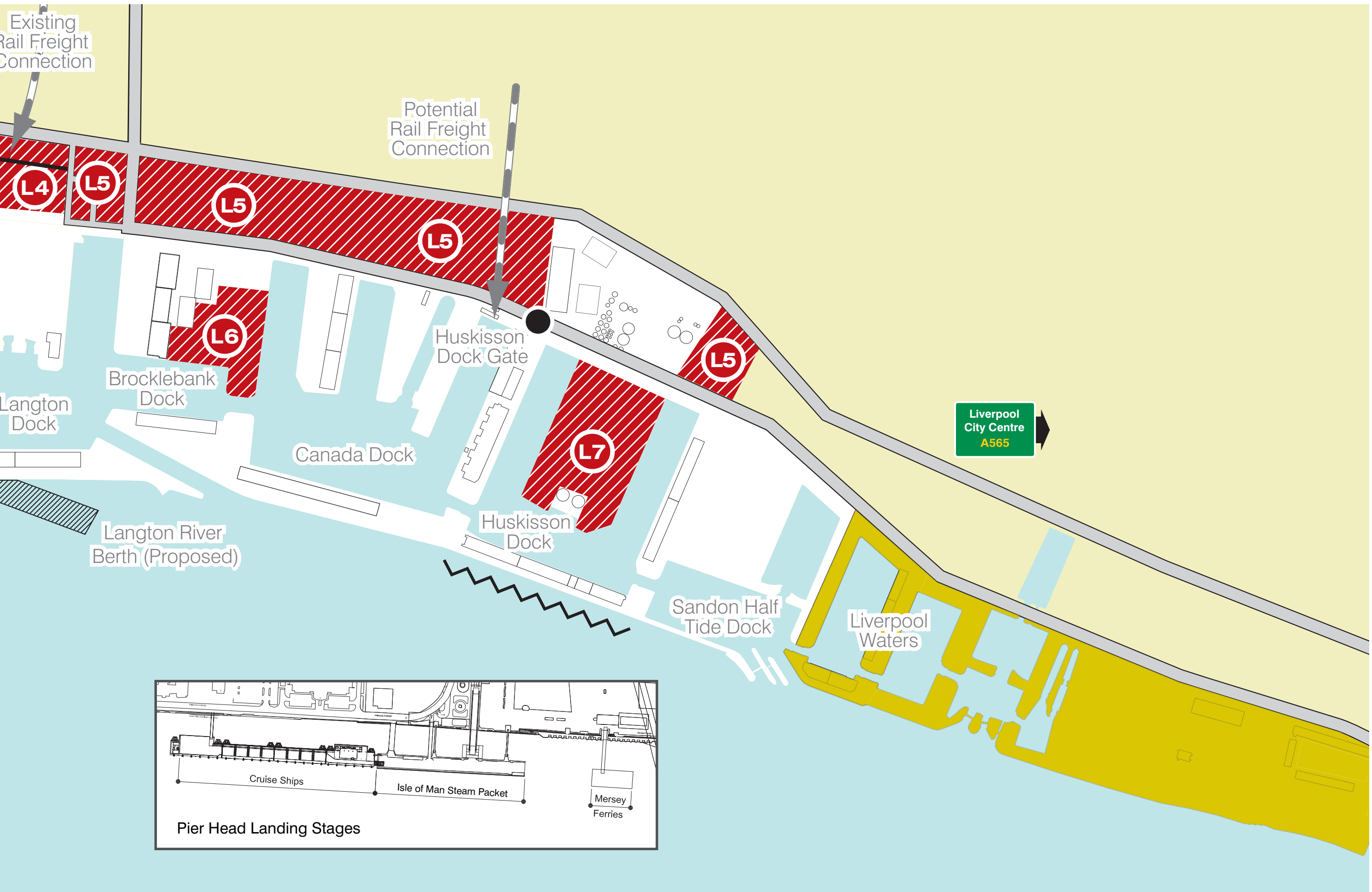
The ports industry is a dynamic sector and hence whilst the Port Master Plan looks at longer term time horizons to 2020 and 2030, it is a working document and hence it is imperative to undertake reviews of its contents. The Master Plan will be subject to regular monitoring and a formal review every five years, which will entail further public consultation.

Mersey Ports Master Plan





Liverpool Docks and Birkenhead



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KEY:

- Areas of Port Estate Unchanged
- Areas of Change (refer to Table 5.2)
- Rail Freight Connection (Existing/Potential)
- Potential In River Capability

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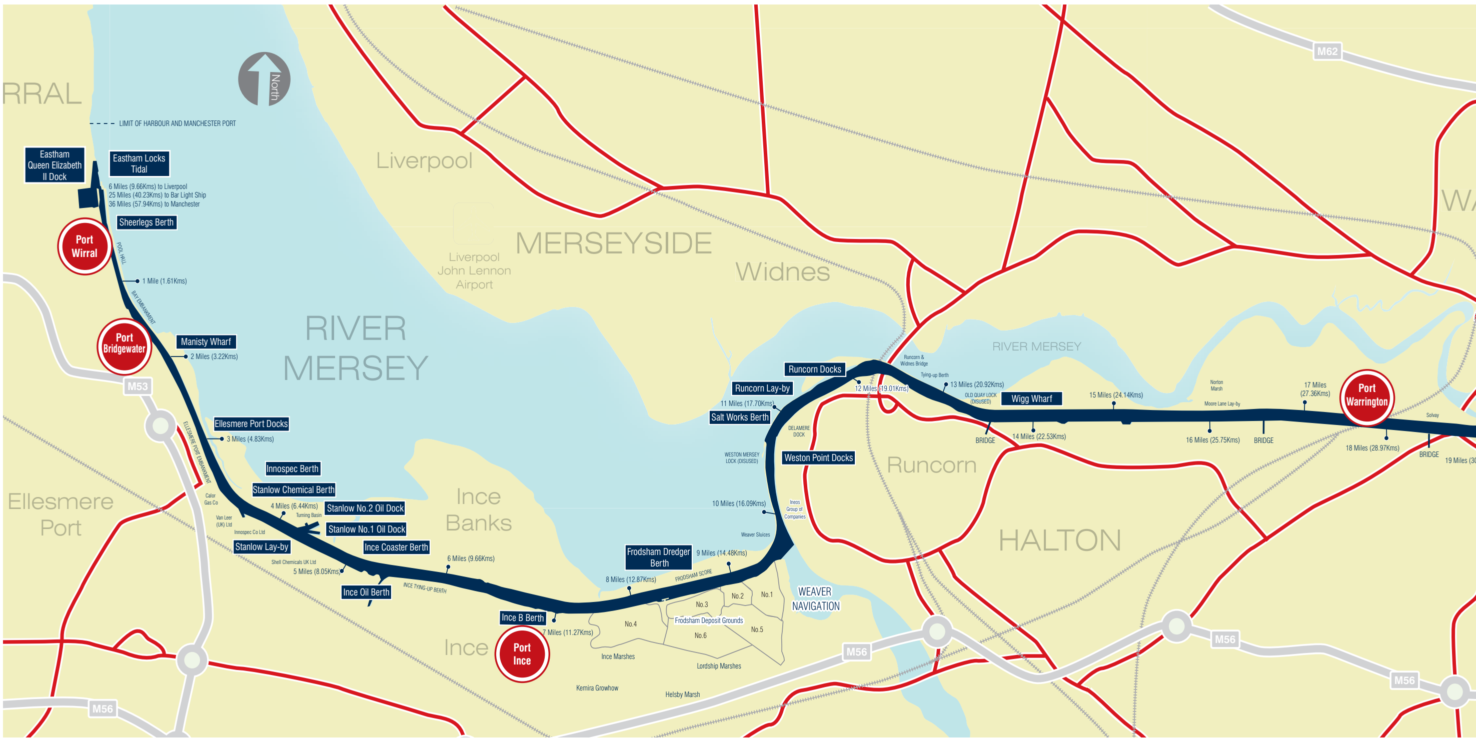
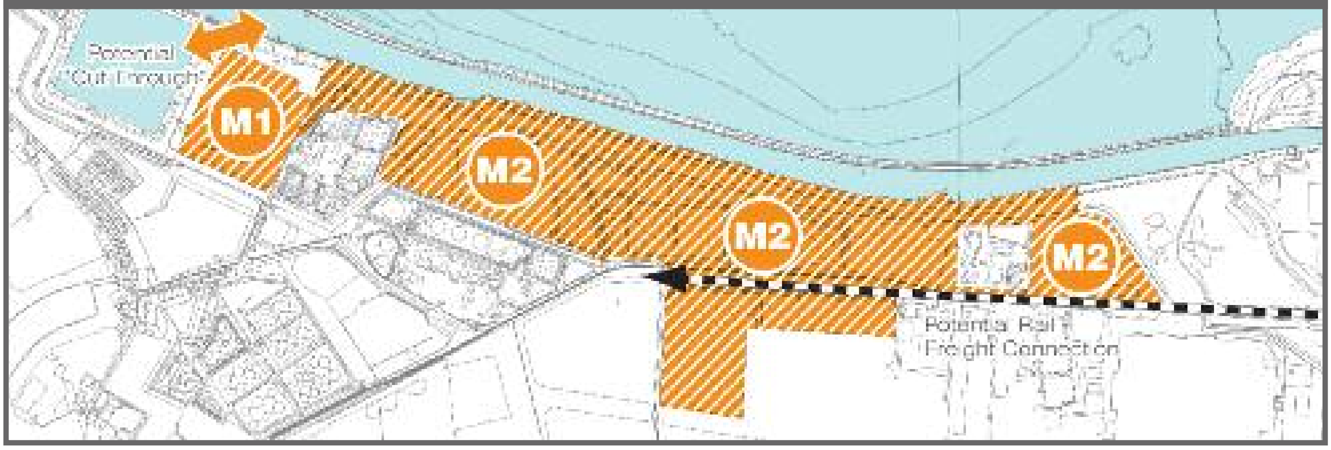
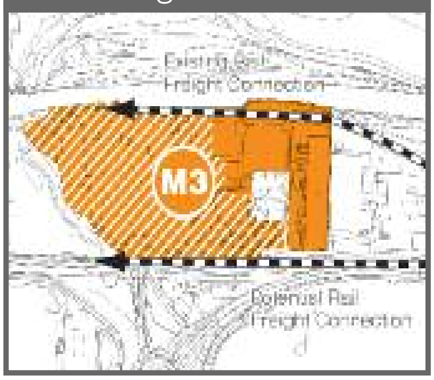


QEII Dock and Port Wirral

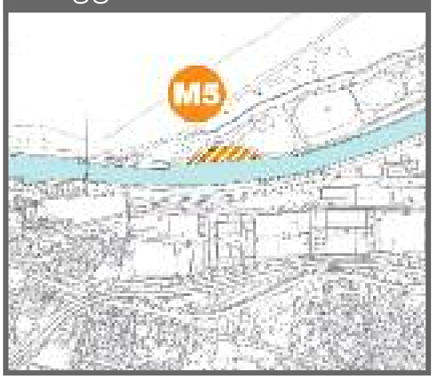


Port Bridgewater

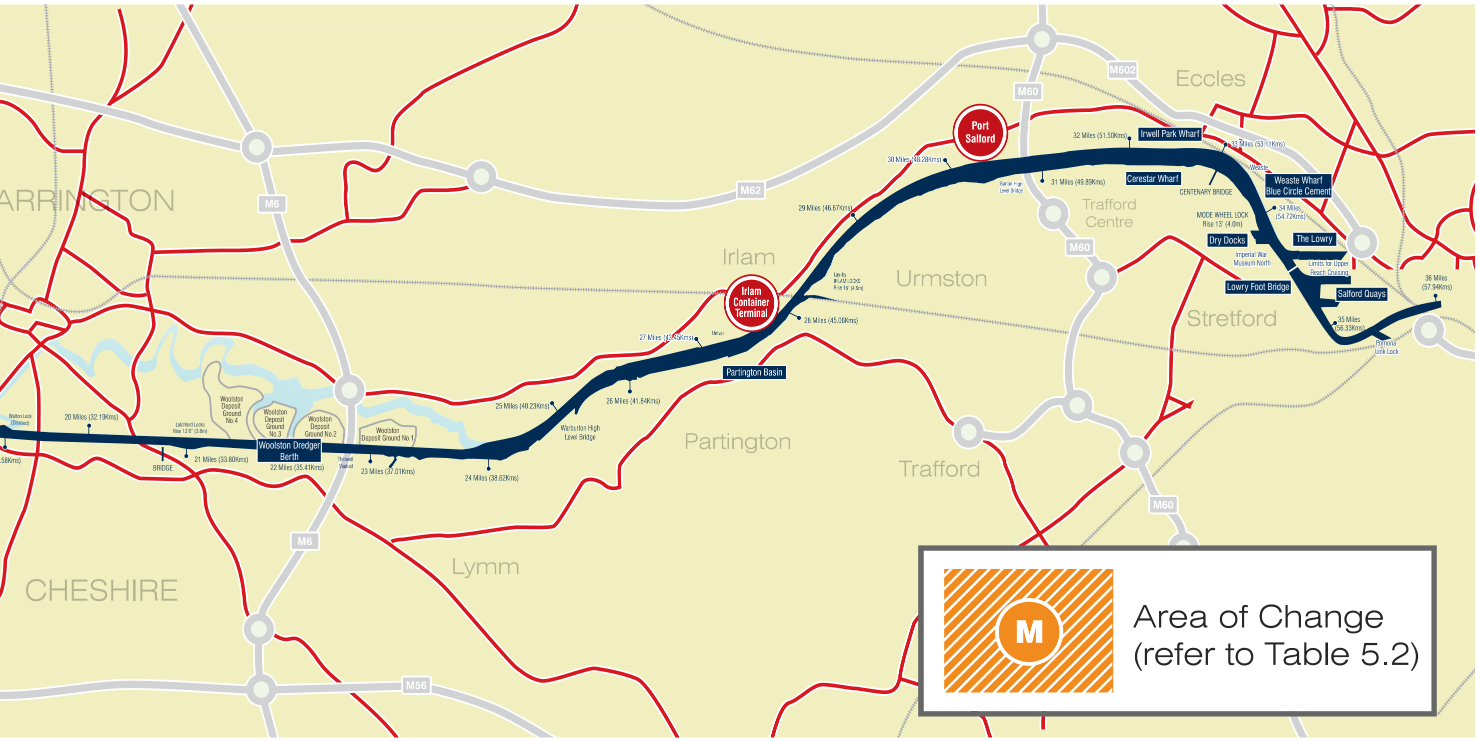


Port Ince

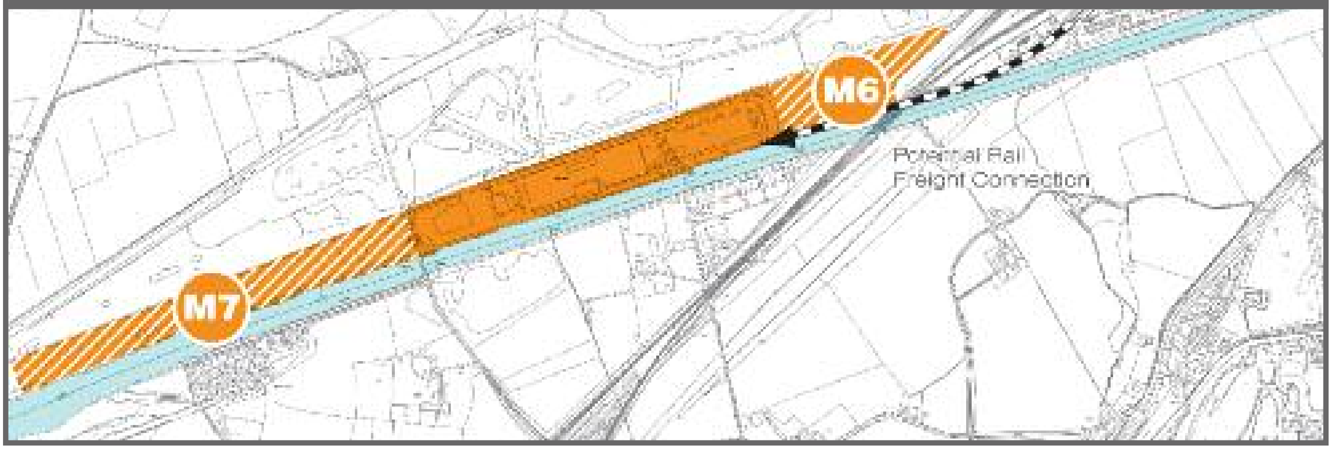
Wigg Wharf



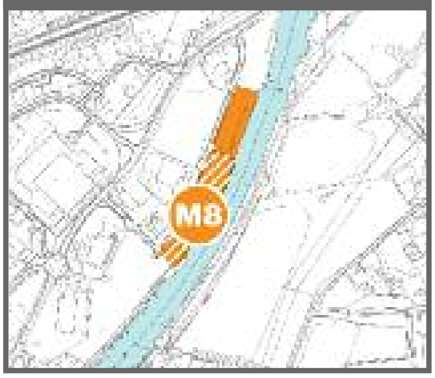
Manchester Ship Canal



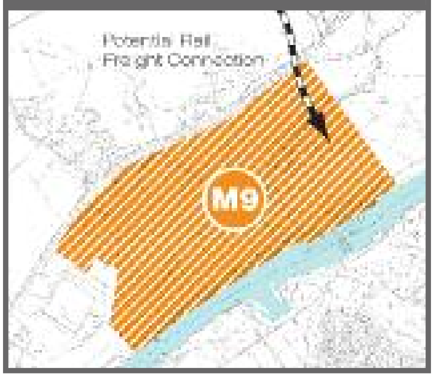
Port Warrington



Irlam Container Terminal



Port Salford



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M9	Port Salford	111

Public Consultation

"Guidance on the Preparation of Port Master Plans" advises that an essential aspect of the development of an effective master plan is achieved through engagement with interested parties including local and regional planning bodies and transport network providers, both during the master planning process and once the master plan has been published.

In this respect consultation upon the Mersey Ports Master Plan is taking place during a 13 week period from **Monday 6th June – Monday 5th September 2011**.

The Master Plan is published on-line at **www.portofliverpool.co.uk** or **www.manchestershipcanal.co.uk** and is available for download. Copies will be made available for inspection at the offices of the local planning authorities.

Local Events

A series of exhibitions to publicise and raise awareness of the Master Plan are being held throughout the geographical area as follows:

Wednesday	**15th June**	-	Crowne Plaza, Pier Head, Liverpool, L3 1QW
Thursday	**16th June**	-	Halton Stadium, Widnes, WA8 7DZ
Tuesday	**21st June**	-	Crosby Civic Hall, Crosby Road North, L22 0LQ
Thursday	**23rd June**	-	Pyramid, Palmyra Square South, Warrington, WA1 1BL
Tuesday	**5th July**	-	Wallasey Town Hall, Brighton Street, Wallasey, CH44 8ED
Thursday	**7th July**	-	Boat Museum, South Pier Road, Ellesmere Port, CH65 4FW
Tuesday	**12th July**	-	Eastham Lodge Golf Club, Ferry Road, Eastham, CH62 0AP
Thursday	**14th July**	-	Digital World Centre (opp. The Lowry), Salford Quays, M50 3UB
Thursday	**21st July**	-	Bootle Town Hall, Oriel Road, Bootle, L20 7AE

All events will take place between 3.30pm and 7.30pm.

How to Respond

Stakeholders are invited to provide feedback in writing or electronically to: Mersey Ports Master Plan Consultation, Maritime Centre, Port of Liverpool L21 1LA or merseymasterplan@peelports.co.uk or alternatively by completing and returning our questionnaire and comments form.

Next Steps

All written responses submitted will be collated and assessed and will be summarised within a Consultation Report. Appropriate comments and amendments will be incorporated within the final master plan which we intend to publish for adoption by December 2011.

PEEL PORTS

Mersey Ports Master Plan Consultation

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