

SUBMISSION FROM FORTH PORTS PLC

Subject: Procedure by which Ports Policy for Scotland is to be determined, and insufficient evidence provided in relation to statements within the Framework relating to Ports Policy.

Introduction

Forth Ports PLC welcomes the Proposed National Planning Framework 2 (NPF2), and in particular its focus on economic growth, and reference to the importance of Grangemouth as Scotland's largest port and main freight distribution centre, which currently services over 50% of Scotland's container capacity. As well as Grangemouth, Forth Ports PLC also operates the Ports of Rosyth, Leith, Dundee, Methil, Burntisland and the Port of Tilbury, London. Our ports play a crucial role in the economy of Scotland, and provide an efficient and effective service in container freight, commodities and other bulk cargoes.

The purpose of this submission is to encourage the Communities Committee to explore questions that arise around the role of NPF2 and its relationship to Scottish Ports Policy. This is an issue of procedure, rather than a specific comment on the content of the document. We do, however, propose that the document should be modified, as it contains a number of proposals relating to Scotland's overall Port capacity, without the open exploration of evidence to back up these proposals.

The need for transparent and full assessment of Scotland's port capacity

In the rest of the UK, there has been an overall assessment of Port availability and capacity, undertaken by the Government, using a transparent procedure. The output of this review has been used to inform subsequent decisions around investment in facilities and the best means to achieve expansion. One of the main findings of the process is that it is generally most sustainable to focus on incremental expansion of existing capacity, rather than the creation of wholly new ports.

In order to continue to serve our customers efficiently and effectively, Forth Ports PLC has undertaken research assessing the projected growth in the amount of cargo and also the growth in the size of ships likely to serve European markets. Forth Ports PLC is confident that its facilities are capable of handling Scotland's requirements in the short to medium term, along with the existing facilities offered by our competitors, and that in the longer term, capacity can be expanded incrementally through investment in new infrastructure, where necessary.

Research in 2008 by MDS Transmodal for Forth Ports PLC estimates average growth in container traffic at 4.6% per annum between 2007-13, taking into account very limited growth in 2009 and 2010. Grangemouth is able to handle this level of growth, and higher levels beyond 2013 with additional investment, on an existing container handling site. This research also suggests that increasingly in the future, larger deep sea vessels will make one European call and a number of ports are equipped or in the process of being equipped to cope with these vessels including Amsterdam, Rotterdam, Le Havre, Zeebrugge, Felixstowe and London Gateway. The effect of this will be more short sea calls to Scotland, which Grangemouth is

geographically well placed to serve. To date, whilst we have pressed for a Scotland-wide review of capacity, this has not taken place.

NPF2 makes recommendations for new port facilities, most notably at a specific location in Rosyth, where it has been suggested by the landowner, Babcock International Group PLC (Babcock), that there is a lack of container handling capacity on the Forth. The information provided by Babcock to back up their assertion that there is a lack of capacity is being withheld by Scottish Government officials as it is 'commercial in confidence'.

We favour an open and transparent Government review of Ports Policy for the whole of Scotland, to inform future National Policy.

The effect of National Development designations in NPF2

The powerful effect of the designation of a National Development is clearly set out at paragraph 103, where NPF2 states that:

“Designation in the Framework is the mechanism for establishing the need for these developments within Scotland’s overall national interest.” (page 28).

The importance of information-based policy making has been clearly recognised in relation to other parts of the document.

- NPF2 is explicit that policy in relation to *transport* reflects the outcome of the *Strategic Transport Projects Review*, based on the analysis of constraints and opportunities in 20 strategic corridors, the urban networks of Glasgow, Edinburgh, Aberdeen and Dundee and the strategic nodes of Perth and Inverness (paragraph 112, page 30).
- In relation to *air transport* proposals, NPF2 refers to the UK Government’s Air Transport White Paper, *the Future of Air Transport*, which provides a strategic framework for the development of air transport to 2030 (paragraph 116, page 32).
- In relation to *ferry services supporting the islands and rural communities*, NPF2 indicates that the Scottish Government is undertaking a comprehensive review to identify improvements required to meet future needs, and has commissioned a further study to establish the most efficient and effective structure for a Road Equivalent Tariff Scheme (paragraph 133, page 36).
- NPF2 also indicates, in relation to *railways* that it will pursue the implementation of the medium term electrification identified in *Scotland’s Railways* (paragraph 141, page 38).
- In *renewable energy*, the Scottish Government is reported to be consulting on a framework for the development and deployment of renewable energy technologies prepared in co-operation with the Forum for Renewable Energy Development in Scotland (paragraph 143, page 30).
- With respect to *waste*, NPF2 acknowledges the forthcoming revised *National Waste Plan* and indicates that the outcomes of this may give rise to future National Developments in the next National Planning Framework (paragraph 168, page 46).

All this is in stark contrast to policy for ports which is being based on confidential information provided by one party with an interest.

The procedure by which National Developments have been identified

Assuming that the outcome of a ports policy review were to be an indication that there were a need for new capacity in Scotland, the next logical step would be to investigate how best to meet that need. This would include a review of existing services, to see where they can be expanded, cost-benefit analysis of these and the alternative of building a new facility. Were a new facility to be the desired outcome, a range of alternative locations would then be identified, and assessed according to key criteria, including whether affected by the draft (height) restriction afforded by the Forth Bridge, the depth of water, need for dredging, environmental effects, onward road and rail connections and the comparative costs of upgrading these as necessary. The Strategic Environmental Assessment Regulations also require an assessment of reasonable alternatives to be undertaken, and this would appear to have been omitted in relation to the proposed new port at Rosyth.

In the case of NPF2, we take no issue with the published criteria to assess whether a project should become a National Development, however, there are clear flaws in the process by which the list of projects to be assessed was drawn up in the first place. It seems to be based on those projects that were put before Scottish Government planning officials as possibilities, rather than as part of a wider assessment procedure.

It is interesting to note that in relation to railways, another vital part of the national infrastructure, NPF2s policy is to maximise the use of existing services, stations and terminals, before considering the need for new ones (paragraph 129, page 34). This advice is consistent with our understanding of the best way to deal with any requirement for port expansion.

Specific commentary in relation to the feasibility of a container port at the Babcock Yard, Rosyth

There are a number of technical constraints that would make the building of a new container facility at Babcock in Rosyth challenging. We are able to make outline comments only, as although we are the Harbour Authority for the Forth, we have not been consulted on the proposals. Whilst there is a 24 hour berth at the South Arm, this can only accommodate one medium sized container ship, and the approach channel is only 8.3 metres, which places restrictions on the times that deep sea ships can enter the area. Were new berths to be created further to the west, they are in a highly exposed location, where pilotage onto the berths would be challenging. The water depth at low tide is also zero at that location, and a massive dredging operation would be required to create new berths. This would have to be environmentally assessed, and would normally be taken into account as part of an assessment of options under the Strategic Environmental Assessment process.

Proposals to alter NPF2 in relation to ports policy

Forth Ports PLC submits that the port policy proposals in NPF2 are premature, as they are not backed up by comprehensive research to assess need, and do not take proper account of the range of alternative locations for such facilities. We propose that the ports projects in NPF2 are amalgamated into one National Development which is designed to ensure suitable port capacity for Scotland in the long term. This can include the specific proposals in relation to Grangemouth and other working ports in terms of infrastructure improvements, accompanied by an emphasis on the assessment of the long term port capacity needs required to serve Scotland.

In this way, there can be an open and transparent assessment of the national need for port capacity and the locations best able to meet those requirements, and this can inform specific projects that may be identified as National Developments in the next National Planning Framework which is likely to be published in four years' time. A parallel may be drawn with the way that NPF2 deals with the need for waste installations, where it recognises, as noted above, that they are under consideration as part of the forthcoming *National Waste Plan*, and that where there is identified need for national installations, these can be designated as National Developments in the next National Planning Framework (paragraph 168, page 46).

Summary and further information

In summary, Forth Ports PLC has expressed concern that the procedure by which National Developments have been designated in relation to ports is flawed, and inconsistent with the approach to other major items of infrastructure throughout the document. There is no short or medium term constraint in Scottish ports, and therefore there is time for a national assessment of port capacity, which can be used to inform the need for National Developments in relation to ports in the next NPF. This also will allow an assessment and evaluation of reasonable alternatives as required by the Strategic Environmental Assessment Regulations. We believe that there are other alternative locations on the Forth which are well placed to meet the need for additional container capacity.

Forth Ports PLC will be happy to provide further written evidence on its understanding of the current and future capacity of Scottish ports, or appear before the Committee, if it would assist with an understanding of these points.

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