
Meeting: Transport for the North Board
Subject: Freight and Logistics: Roundtable with Major Ports
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1. Purpose:

- 1.1 To provide the Board with a summary on the key themes from the recent Transport for the North (TfN) roundtable with senior leaders from the North's major ports. Led by TfN Chair, Lord McLoughlin, this was the first in a series of business roundtables arranged to provide insight and evidence to shape our implementation of TfN's Freight and Logistics Strategy and Strategic Transport Plan (STP).

2. Recommendations:

- 2.1 That the Board notes the key themes from the roundtable with the North's major ports and provides a steer on priorities to inform further work.

3. Context

- 3.1 The Northern Powerhouse Independent Economic Review (NPIER) was the original catalyst for TfN's work on freight and logistics, identifying the North's freight and logistics sector as a critical enabler to close the productivity gap between the North and the rest of England. Our Freight and Logistics Strategy was published in December 2022. As well as identifying key constraints and presenting overarching analysis of freight requirements for the North, the document sets out the objectives for an efficient freight network, which are then reflected in the STP.
- 3.2 Specifically, the latter includes the 'right share' metric to triple the share of freight (measured by tonne km) carried by rail to 25.5% by 2050. Since the STP was published in March, we have been engaging with the North's freight and logistics sector (directly with business, industry bodies and partners) to build evidence and options to deliver that ambition. This has included the introduction of new 'business roundtables', led by the TfN Chair, to gather first-hand insight and data on the opportunities and challenges facing the industry.

4. Major Ports Roundtable

- 4.1 The first business roundtable was held in late June with Chief Executives and senior leaders from the North's major port operators, including Associated British Ports, PD Ports and Peel Ports. UK Major Ports Group (industry body) was unable to join us on this occasion, and we are engaging separately with some of the region's other ports, including Tyne and Blyth.
- 4.2 The North's ports are important economic contributors and employers, and connect the region to international markets, making it easier for businesses to engage in global trade and expand their market reach. They facilitate the import of raw materials and goods, as well as the export of manufactured products. The connectivity of our ports across the North and beyond is fundamental to an efficient freight and logistics sector.
- 4.3 The roundtable discussion highlighted a number of shared priorities between the ports and areas where TfN could provide support to enable and accelerate

sustainable and inclusive economic growth. These are outlined below, and we would like members' feedback on the priorities for further work from the four themes that emerged.

Re-balancing between Northern and Southern Ports

- 4.4 At present, more containerised freight is arriving into England's southern ports than the North, yet the quantity of inbound cargo passing through Northern ports is less than what is being consumed within the North. Bringing more containerised freight directly through the Northern ports could mean goods arrive closer to their final inland destination. The growth in significance of the Port of Liverpool as a gateway for access to/from North America is an example of the strategic role the North's ports already play in support of the UK economy. Realising the full potential of the North's ports could serve to reduce HGV vehicle miles on the UK road network, and release north-south rail freight capacity. There were calls for a clear policy statement from the North to support this re-balance as far as possible.

Unlocking the economic opportunities of ports

- 4.5 The roundtable indicated that greater recognition and focus on ports in the national industrial planning/priorities is needed given their contribution to economic growth, and investment in decarbonisation of operations. Equally, their contribution to the communities where they are located (some of which are the most deprived in our region), provides opportunities to act as agents of change. Greater recognition within economic strategies that the maritime sector is ripe for growth and development would support growth and sustainability plans.
- 4.6 Ports tend to be the subject of long-term investors, and so need long term infrastructure investment with policy and regulatory certainty to support growth and unlock opportunity. They would welcome TfN's support (e.g. with evidence and advocacy) to UKMPG's policy ambitions, including:
- to remove regulatory drag (to unlock over £1bn of port investment)
 - deliver a 'port & trade first' modal shift for freight and logistics; and
 - secure port power and future energy needs for UK plc.

As well as building on work TfN is already doing, new local growth strategies and national industrial strategies could provide routes to elevate the opportunities from our major ports, including establishing how better connectivity can enable growth.

Enabling mode shift to rail

- 4.7 There is pent up demand for freight to travel by rail onward from the ports in intermodal containers, and potentially other goods too. The major Northern ports want to see momentum in facilitating more freight by rail, especially in the context of the national rail freight target. However, rail solutions are seen as taking too long to implement and are not cost competitive with road. Electrification of rail is extremely desirable as extra capacity on the railway would be created due to the higher speeds possible for freight services.
- 4.8 Another key requirement of the major Northern ports is to stop regulatory drag. For instance 'Grandfather rights' mean that rail freight paths can be protected even if their use is minimal. The shortcomings of the Mode Shift Revenue Support (MSRS) scheme were also discussed. This insight indicates preferred rail freight interventions, which TfN can develop for the North using its evidence base and analysis, and could be useful for political leaders to advocate for necessary investment that may unlock more mode shift to rail, supporting decarbonisation ambitions as well as unlocking growth.

Road, Electric HGVs and decarbonisation of operations

- 4.9 Roundtable attendees highlighted that they would welcome clearer direction on the national policy framework for the road network, including a stable regulatory environment to enable investment in road infrastructure, fleets and alternative fuels infrastructure. A key message from the roundtable was the need for Government to provide clarity quickly.
- 4.10 Timely grid connection and additional grid capacity were also seen as current blockers in some cases, especially given the ports are wanting to press ahead with decarbonisation their operations with significant investment plans. Private sector investment opportunities can more readily be unlocked if policy and regulatory clarity and stability can be provided. Further co-ordination and leadership are also required on HGV driver facilities.
- 4.11 TfN is already undertaking work to help Local Authorities, and make the pan-regional case for investment in alternative fuels, including identify commercial opportunities, for example through our Electric Vehicle Charging Infrastructure Framework and recent work to create a hydrogen re-fuelling visualiser tool. We continue to engage with government on these matters, not only to support a fair and just transition to our decarbonisation ambitions for transport, but because of the economic growth opportunities for our region.

5. Next Steps

- 5.1 Identifying and then delivering the investment required to support the North's ports as global gateways is central to realising the economic prize for the North identified in the NPIER. As enablers of economic growth, the future prosperity of the ports aligns with the Government's missions.
- 5.2 The freight and logistic networks that support the North and wider UK economy extend across the North as well as beyond into the devolved administrations and adjoining English regions. As well as the ports, we are engaging with the region's airports, major freight and logistics operators and industry bodies to assemble the evidence and insight to support investment that will unlock the ambitions for the North's economy, as captured in the recently adopted STP.
- 5.3 Subject to feedback from members on the themes identified above, we will develop our work programme for 2025/26 as part of the Business Planning work now underway. Our current activities include:
- Convening and advocacy at pan-regional level, recognising that freight and logistics works fundamentally across boundaries and uses our national networks, to unlock opportunities and make the case to remove barriers to sustainable and inclusive growth,
 - Enhancing our technical capability and modelling of the North's freight and logistics sector, to support better case making, and in particular to help identify a pan-regionally significant freight network that could form the basis of an updated National Networks National Policy Statement,
 - Developing an evidence base that can be used by MCAs in support of their Local Growth Plans and by Local Planning Authority partners in the land use plan making process for freight and logistics uses,
 - Working with partners to use the available evidence and analysis of future rail growth and freight routing, to identify likely infrastructure interventions required to accommodate growth arising from economic growth in line with our STP ambition and national rail freight target,
 - Undertaking research and analysis identified by MCA/LTA partners of pan-regional relevance; currently, officers have asked for work to consider the criteria needed to support consolidation centres.

The Board's views on the proposed activities set out above would be welcomed.

5.4 We will continue to engage with MCA/LTA officers and other key stakeholders, such as the DfT, to shape our priorities for the year ahead. And through our STP monitoring and evaluation framework and dashboard, we will be able to monitor progress against our regional ambitions.

5.5 We will maintain a regular dialogue with the major ports and intend to hold a follow up roundtable in spring 2025.

6. Corporate Considerations

Financial Implications

6.1 Resources to deliver freight and logistics work set out in this paper is provided via current 24/25 business plan. Subject to Board feedback, future work may have resource implications, and those will be subject to our business planning process and governance.

Resource Implications

6.2 As above.

Legal Implications

6.3 There are no immediate legal implications arising from this paper and 24/25 planned activities. This will be reviewed as work progresses.

Risk Management and Key Issues

6.4 There are no direct risk implications as a result of this report. Corporate risk 880 is being managed which relates to delivery of the STP vision ambitions and strategic transport investment priorities.

Environmental Implications

6.5 This report does not constitute or influence a plan or programme which sets the framework for future development consents of projects listed in the Environmental Impact Assessment (EIA) Directive and therefore does not stimulate the need for Strategic Environmental Assessment or EIA. All proposed freight infrastructure developments will be subject to screening for the need for EIA by the relevant development authority as part of the design development and consenting process.

Workstreams related to the decarbonisation of freight through electrification, alternative fuels and modal shift will be essential for achieving the ambitions of our decarbonisation strategy and STP.

Equality and Diversity

6.6 Equality and Diversity assessment will be carried out as and when appropriate for individual freight and logistics workstreams.

Consultations

6.7 No consultations are required.

7. Background Papers

7.1 This report should be read in the context of TfN's [Freight and Logistics Strategy](#) and [Strategic Transport Plan](#).

8. Appendices

8.1 There are no appendices for this report.

Glossary of terms, abbreviations and acronyms used

a)	<i>NPIER</i>	<i>Northern Powerhouse Independent Economic Review</i>
b)	<i>STP</i>	<i>Strategic Transport Plan</i>
c)	<i>UKMPG</i>	<i>UK Major Ports Group</i>
d)	<i>MSRS</i>	<i>Mode Shift Revenue Support</i>
e)	<i>EIA</i>	<i>Environmental Impact Assessment</i>
f)	<i>HGVs</i>	<i>Heavy Goods Vehicles</i>
g)	<i>LTA</i>	<i>Local Transport Authorities</i>
h)	<i>MCA</i>	<i>Mayoral Combined Authorities</i>