

## **The North's Freeports**

The 2021 Budget announced the locations of eight freeports in England. The Freeports of Humber, Liverpool City Region and Teesside are in the TfN area. The benefits of the other freeport arrangements will be felt within the North as the other freeport areas play a significant role in the economy of the North by trade activity.

The eight locations are:

- East Midlands Airport;
- Felixstowe & Harwich;
- Humber;
- Liverpool City Region;
- Plymouth and South Devon;
- Solent;
- Teesside; and
- Thames.

As more clarity on the arrangements emerge TfN will support the delivery of initiatives where this sits within the remits we have agreed with Government. The current Freeport policy has three objectives set out below:

- establish Freeports as national hubs for global trade and investment across the UK;
- promote regeneration and job creation; and
- create hotbeds for innovation.

The policy areas above are reliant on good transport links to enable their delivery so we will continue to articulate the priorities set out within our STP and associated Investment Programme to aid delivery.

A range of benefits will be available to freeports in the following policy areas:

- Customs
- Tax. This includes measures on:
  - Stamp Duty Land Tax (SDLT) Relief
  - Enhanced Structures and Buildings Allowance
  - Enhanced Capital Allowances
  - Employer National Insurance Contributions Relief
  - Business rates
- Planning
- Regeneration and infrastructure: successful bidders will be able to access a share of £175 million of seed capital funding, depending on the submission of an outline business case (OBC).<sup>19</sup>

- Innovation

Now the successful freeport areas have been announced by the Government, the identified locations will draw together an Outline Business Case for the regeneration funding available in line with the Green Book. Transport for the North commits to add value and support to this process where this sits within our role.

Where the ports of the North have not been awarded freeport status, we will continue to champion the infrastructure needs and any development opportunities that sits within TfN's remit to do. The Government's approach to Freeports is that they generate opportunity for economic growth. We do not want to see the decline of other port activity if companies are indeed swayed to move to such a port by the tax and other economic benefits freeports offer. This is an issue we will watch with great interest.

We also note that at the time of consultation Freeports at TeesPort, Humber and in London are progressing and are indeed launched. This is an exciting development and as they develop further we will build relationships with the teams operating them and ensure we continue to capture their wider infrastructure needs in our work.

### **The North's Port network**

Short Sea Shipping (SSS) is the maritime transport of goods over relatively short distances on routes, such as Liverpool to Dublin and Immingham to Rotterdam, whereas Deep Sea Shipping (DSS) refers to the maritime transport of goods on intercontinental routes, crossing oceans.

The primary driver for growth in terms of shipping is intermodal container freight on both SSS and DSS routes. This is reflected in the 2050 forecast although the more predominant intermodal flows are focused on the southern ports, such as London Gateway, Southampton and Felixstowe, where extensive facilities for handling large container vessels have been created.

The Port of Liverpool has however invested over £400 million in the creation of a new deep-water container terminal that will enable two 13,500 TEU vessels to call at one time and hopes to attract regular container ship calls to boost the port's intermodal throughput.

SSS transports the larger volume of cargo into the Northern ports with imports exceeding exports. DSS tend to be focused on large vessels making one call in the UK on global loop routes. Currently some of intermodal freight brought into Europe by DSS services is fed into ports such as Rotterdam with smaller feeder vessels and SSS services

transporting it as both accompanied and un-accompanied freight to the Northern ports. The intermodal freight that is transported via the southern UK ports generally travels to and from the North of England by rail into and out of intermodal terminals such as Trafford Park in Manchester for onward “last mile” distribution by road.

The Humber ports dominate the shipping volumes mainly because there are three significant ports (Hull, Immingham and Grimsby) located on the Humber Estuary. The majority of the freight handled by the Humber ports arrives via SSS routes. There is however also significant DSS services into and out of the Humber.

The Mersey ports are evenly balanced between SSS and DSS with aspirations of future growth in DSS services via the new container berth known as “Liverpool 2”. Liverpool has developed a strong network of short sea shipping routes and is a major short sea shipping hub for the Irish Sea area with ro-ro ferry services to the Isle of Man, Dublin and Belfast (key operators including Stena Line, Seatruck Ferries, P&O Ferries and Isle of Man Steam Packet) and lo-lo container feeder services to Dublin, Belfast, Cork and Glasgow and from English Channel Ports (including Southampton, Rotterdam, Antwerp and Le Havre) for example. These feeder services to the English Channel Ports connect Liverpool to deep sea container services to the Far East, India, Africa and South America. Peel Ports also operate the innovative container ship service from the Port of Liverpool along the Manchester Ship Canal.

The Tees ports handle mainly SSS services and primarily import freight with Tyne & Wear ports handling smaller mixed volumes. Lancashire ports handle only SSS services and the ports in Cumbria handle a small amount of SSS services.

Regional ports are also vitally important in supporting the local economy and providing capacity and capability for the north. Improved connectivity is also vital for their role. In Cumbria for the Port of Barrow, road improved connectivity on the A590 through to the M6 is vital and for the Port of Workington both “last mile” road connectivity from the A66 and improved capacity on Cumbria Coast Line is considered important in supporting their role.

### **The North’s Port surface access**

The landside facilities for the distribution of goods to and from the Northern Ports is imperative to increasing their attractiveness and ensuring freight is moved efficiently across the network.

Many of the Northern Ports are located in urban areas such as Liverpool within the city itself and therefore any increase in vehicle flows in

particular on the local road network will have a negative impact on air quality with resulting congestion impacting on the operational cost of transport.

Many of the ports feature both road and rail access, however, often routes to join the major transport networks are slow and unreliable. Again, this reduces the competitiveness of the Northern ports.

Providing infrastructure to allow freight to be transported to and from the ports effectively is imperative. A good example of where the North falls short in this regard currently is the Biomass traffic that is brought into the UK through the Port of Liverpool for onward transport by rail to the Drax site at Selby. The route that trains take between the two points is not direct and often takes a considerable amount of time at low speeds due to capacity concerns (related to train weight and pathing constraints) on the east-west routes between Liverpool and Yorkshire. Delivery of a gauge cleared route for full sized containers by rail on standard wagons and capable of carrying longer heavier trains is what we are looking to see delivered on the TransPennine Route Upgrade on an East West basis. Delivery of the programme would save over 170 miles for a return road journey which will benefit the environment as well as the freight industry.

The Port of Hull's rail connection has recently been upgraded to W10 gauge clearance to enable the movement of containers by rail to and from the port. Immingham, Teesport and Liverpool (restricted train lengths) also have the ability to handle containers by rail.

Similarly the gauge cleared route from Immingham to the East Coast Mainline along the South Humber rail line has been delivered. This was jointly funded by the Humber LEP, North Lincolnshire Council and Network Rail – a very successful project working across many partners. ABP are working closely with their customers to attract trade activity into the area and a significant draw for companies is the ability to put containers onto the railway. The challenge is accommodating additional freight capacity onto the East Coast Mainline in a timely and sustainable manner.

### **The North's Inland Waterway Network**

There is a network of inland waterways within the North of England. The major waterways concerned with the movement of freight are the Manchester Ship Canal and the Aire Calder Navigation which also includes the River Humber and River Ouse.

The Manchester Ship Canal stretches from the Mersey at Liverpool up towards Salford in Manchester. Ships and barges regularly use the Manchester Ship Canal to transport goods to and from ports at Runcorn, Warrington, Irlam and Salford.

There are proposals for new and enhanced port terminals along the Manchester Ship Canal such as Port Wirral (Eastham / Ellesmere Port Docks), Port Cheshire (Bridgewater Paper Mills), Port Ince (Protos Energy Park), Port Weston, Port Runcorn, Port Warrington, Port Irlam and Port Salford.

There are challenges in terms of infrastructure on the route with key crossings being closed to vehicles as ships pass through the canal. This can often lead to localised congestion.

The Aire and Calder Navigation is accessed from the Humber Estuary and River Ouse at Goole and runs west towards Leeds. There are numerous barges in use on the canal that transfer bulk goods from the Ports on the Humber such as Immingham and Grimsby.

Development is underway on the Aire and Calder Navigation, focused around providing more space for the deliveries of bulk materials related to construction, however there are infrastructure constraints on the canal in terms on bridge heights for example, which limit the size of vessels that can use it. The opportunities this presents the owners and managers of the waterways are being explored. The Humber Ports and the Canals and Rivers Trust (CRT) are continuing to investigate the potential to increase traffic on the Aire and Calder Navigation to generate more freight to and from the Humber.