

WIRRAL COUNCIL

CABINET

21ST JULY 2011

SUBJECT:	PEEL MERSEY PORTS MASTER PLAN CONSULTATION DRAFT - COUNCIL RESPONSE
WARD/S AFFECTED:	
REPORT OF:	INTERIM DIRECTOR OF CORPORATE SERVICES
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR PHIL DAVIES
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

1.1 The port/maritime sector remains an important part of Wirral's economy. Peel Ports have issued the "Mersey Ports Master Plan – a 20 year Strategy for Growth" for a period of public consultation between June and September 2011. This report outlines the key 'headlines' from the Master Plan document and outlines the key issues which it is proposed should form the basis of the Council's response to Peel Ports.

2.0 RECOMMENDATION/S

2.1 That the Director's Comments set out in section 5 of this report form the basis of the Council's response to Peel Ports.

3.0 REASON/S FOR RECOMMENDATION/S

3.1 To secure Cabinet endorsement of the proposed response to Peel Ports.

4.0 BACKGROUND AND KEY ISSUES

4.1 The Peel Ports Masterplan has been issued in response to national Policy which strongly encourages their production. Current Government policy is set out in "Modern Ports – A UK Policy" (November 2000) and the "Ports Policy Review Interim Report" (July 2007) issued by the Department for Transport. The consistent approach in all three documents is that it is the commercial port operators who are best placed to make decisions in respect of infrastructure capacity and investments, responding to market circumstances.

4.2 The 2007 Interim Report recommended that all major ports should produce Port Master Plans and this was followed by a separate guidance document produced by the DfT on the preparation of Port Master Plans (December 2008)

which suggested that these should be produced by ports whose annual throughput exceeded a million tonnes (which includes both the Port of Liverpool and Manchester Ship Canal). The preparation of a Master Plan for the Mersey Ports follows the preparation of a Master Plan for Liverpool John Lennon Airport (published in November 2007) and can be seen as part of the framework for Peel's Superport concept. In due course the Port Masterplan will be a material consideration in decisions taken on relevant planning applications and will be read alongside the Council's Core Strategy development plan.

Overview of the Master Plan Strategy

- 4.3 The draft Mersey Ports Master Plan runs to 128 pages plus appendices. An executive summary has also been issued as part of the consultation alongside a questionnaire, which seeks agreement with a series of statements on issues such as the contribution of the Ports to the local and regional economy, job creation, environmental impact and surface transport access to the port
- 4.4 The Strategy overview in the Executive Summary states that the strategic development of Mersey Ports is focused on driving growth across all sectors. Encouragement of more "added value" business is a key element, including development of port-centric warehousing, new processing facilities for imported commodities and development of more customer-focused operating practices. In addition several key business drivers are identified for the Master Plan period (to 2030):
- The Seaforth River Terminal (planned for 2014)
 - The development of a chain of multi-modal inland ports on the Manchester Ship Canal – Port Wirral, Port Bridgewater, Port Ince, Port Warrington and Port Salford.
 - The diversity of port operations, both now and in the future
 - Entry into new sectors- including biomass energy, offshore wind, waste to energy and recycling

The Master Plan in Detail

Introduction and Context – (chapters 1-3)

- 4.5 Following an introduction (chapter 1), the main body of the draft Master Plan begins with a history of the Port of Liverpool and the Ship Canal by way of historical context (chapter 2). A number of key trends are then identified which will potentially influence the strategy over the next 20 years:
- The need to accommodate the new generation of larger 'post-Panamax' container vessels;
 - Increasing land requirements for unitised (container/ro-ro) traffic (bulk items such as grain, coal, oil and chemicals etc are non-unitised);
 - The need to add value through attracting processing facilities, energy generation, wind turbine manufacture, waste-related initiatives and port-centric logistics
 - Climate change impacts and adaptation; and
 - Regulatory changes, environmental compliance and stakeholder engagement

- 4.6 Chapter 3 of the draft Master Plan includes a comprehensive review of the planning, transport policy and marine context along with an explanation of the Permitted Development Rights applying to the Port relating to the use of operational dock land for shipping and for dock, pier or harbour related activities and also to the use of land for the spreading of dredged materials. This section also includes a brief summary of the relevant Local Enterprise Partnerships, Future North West, the Atlantic Gateway, Liverpool SuperPort, the planning strategies of the local authorities in the Mersey Ports area and emerging Marine Policy.

Port Forecasts to 2020 and 2030 (Chapter 4)

- 4.7 In 2008, the Mersey Ports handled 39.64 million tonnes of cargo which represented 7.8% of all ports traffic via UK major ports. The Mersey Ports serve several key sectors, including bulk liquids (principally oil and chemicals), grains and animal feeds, general cargo and unitised traffic including (including lift-on lift off containers (lo-lo) and trailers driven on and off vessels (ro-ro). Crude oil and grain importation and container trade with North America are nationally significant flows.
- 4.8 The forecasts for Mersey Ports indicate a growth in tonnage in excess of 70% from 39.64 million tonnes in 2008 to 68.58 million tonnes by 2030. This is a compound annual growth rate (CAGR) of 2.52% compared with 1.1% within the national growth forecasts. The out-performance against Government forecasts is tied to a stronger growth in the unitised lo-lo and ro-ro sectors, opportunities associated with handling biomass, palm oil and other dry bulks and a potential redistribution of market share to the Mersey Ports from elsewhere particularly associated with steel and metals, forest products and trade cars.

Land Strategy and Areas of Change (Chapter 5)

- 4.9 The forecasts in chapter 4 are translated into potential future land needs. The combined land requirement is substantial: 193 HA to 2020 with a further 141 HA to 2030 giving a total land requirement of 344 HA over the Master Plan period within an area from Manchester, along the Ship Canal and including all the port within Merseyside. The largest individual requirements are for port-centric warehousing (112 HA), containers (52 HA); and ro-ro traffic (34 HA). Additional potential requirements are identified for offshore windfarm support/manufacturing (30 HA) biomass (18 HA) and processing/value added uses (56 HA).
- 4.10 The draft Master Plan then assesses how these requirements would be distributed across the port estate and identifies key “areas of change”. In relation to port assets in Wirral, Wirral Waters is recognised as a key regeneration project which will require the rationalisation and phased relocation of existing port businesses from the East Float in Birkenhead docks (para 5.94). The Masterplan intends that a programme will be put in place to ensure that the overall effect of Wirral Waters does not limit activity within the dock estate. A combination of reuse of derelict/vacant land at West Float, relocating businesses that do not require a port location, relocating businesses from East

to West Float and freeing up land for redevelopment is proposed to ensure that the necessary planning requirements can be satisfied. For the purposes of the port decant strategy, the former Mobil site and land at Beaufort Road (now also identified by Peel for the International Trade Centre proposals submitted to the Council as W/OUT/11/00645) are specifically identified for relocating businesses from East Float and a small parcel of land adjoining Morpeth Wharf is also identified for further possible expansion of the Twelve Quays ro-ro terminal.

- 4.11 In relation to Cammell Laird (para 5.91), the ongoing success of the ship repair business is noted, including that the construction hall has now been re-integrated into the wider operations. Surplus land to the immediate south of the construction hall extending to the boundary with Tranmere Oil Terminal (13.7 HA) is identified, but its use for port purposes - including offshore wind farm activity - would require assessment of the potential to deliver further in-river infrastructure taking advantage of the deep water in this location.
- 4.12 At QEII Dock, Eastham (para 5.97), the draft Master Plan highlights adjoining expansion land of 6.9 HA and notes that further development projects for storage purposes could be undertaken within the Permitted Development powers. Alternative uses would be assessed on their merits in conjunction with the Local Planning Authority.
- 4.13 The Port Wirral project (para 5.101) is highlighted in the context of the need to accommodate forecast growth in throughput and the need for modern efficient infrastructure to replace outdated facilities at Ellesmere Port and Runcorn docks. Port Wirral proposes a new modern port and port-centric distribution facility at the entrance to the Ship Canal, to be implemented in phases over a 20 year period. The project would accommodate a phased transfer of port activity from Ellesmere Port Docks and Runcorn Docks with commodities handled including dry and liquid bulks, steel, forest products and trade cars. The Master Plan proposes that it would include the provision of a new quay wall and potentially 10,000 sq m of covered operational floorspace. A feasibility study is proposed to evaluate the opportunity to create a direct link between the QEII dock and Manchester Ship Canal which would enable larger vessels (such as car carriers) to enter the Ship Canal via larger locks direct from the Mersey. The Master Plan notes in para 5.106 that the proposals for Port Wirral will require planning consent and will be planned to ensure that potential impacts on Eastham Village residents will be assessed and appropriately mitigated.
- 4.14 There are similar assessments of the Mersey Ports assets on the Liverpool side of the Mersey and existing and potential assets further upstream along the Ship Canal, including Port Ince, Port Warrington, Irlam Container Terminal and Port Salford. Overall, the Master Plan indicates that around 300 hectares of land is potentially available to meet the growth requirements previously identified (although in many cases further consents and land acquisition would be required) , leaving a shortfall of approximately 44 hectares on land yet to be identified. The Master Plan aims to show that existing assets are fully utilised and that alternative ways of meeting demand have been considered (an issue where environmentally protected sites are affected).

Transport and Accessibility (Chapter 6)

- 4.15 In relation to transport and accessibility the strategy of Mersey Ports is to promote 'choice' and ensure the infrastructure is in place to enable modal shift to take place. A series of assessments of each of the port sites are included.
- 4.16 In relation to Birkenhead Docks (para 6.21), the significance of Bidston Moss Viaduct and Kingsway Tunnel is noted, as is a recent proposal by the Department for Transport to formally recognise links through the Wallasey Tunnel to Twelve Quays as part of the Strategic National Transport Corridors because of the strength of its freight and passenger connections with Belfast. It is also noted that there is some coastal shipping activity attributable to Birkenhead. The presence of the now defunct rail connection to Birkenhead docks is also noted.
- 4.17 In relation to Eastham the Master Plan (para 6.27) notes that the main access for the oil terminals is via Bankfield drive which links directly to Junction 6 of the M53. However QEII Dock is accessed from Ferry Road and the draft Master Plan notes that: "although wherever possible this access is intended solely for use by staff and visitors. Mindful of the proximity of Eastham village, HGVs in particular are discouraged from accessing from this direction".
- 4.18 In relation to Port Wirral (para 6.28) the Master Plan notes that the project would be multi-modal with vehicular access taken from both Junction 6 and Junction 7 of the M53, reinstatement of the rail freight line from Ellesmere Port, in addition to the new quay and other measures. A green travel plan and traffic routing protocols would also be appropriate (para 6.89).
- 4.19 Similar assessments are included for all the Mersey Ports sites. Locally the main implications outside Wirral relate to Ellesmere Port and the Liverpool side of the Port Estate, especially in relation to access to Seaforth Docks from the M57/M58.

Socio-Economic Benefits (Chapter 7)

- 4.20 Previously commissioned work by Mersey Maritime (The Maritime Sector on Merseyside – Economic Impact Study (January 2007)) estimated that the maritime sector on Merseyside is estimated to have contributed £913m in Gross Value Added (GVA) in 2004/5, of which £710m is a direct effect and the remainder induced/indirect GVA. There are around 1,000 limited companies involved in the maritime sector and the total local employment in the sector was estimated to be 20,543 direct and 5,898 indirect/induced jobs. The delivery of the Seaforth River Terminal is seen as delivering significant cost savings for firms in the Liverpool City Region (through avoidance of the need to import via ports in the south east) in the region of £16m per annum or £150 million over the Master Plan period. The recently issued SuperPort Action plan estimated that the contributory investments of Mersey Ports to the wider initiative could be 6,000 new jobs and an additional £1.6 bn GVA by 2020 and an additional £3.3 bn GVA by 2030. A further 4,000 new jobs are estimated to be supported as part of the low carbon economy.

- 4.21 Other work referred to is The Mersey Partnership Liverpool SuperPort Economic Trends Study (August 2009) and Low Carbon Economy Action Plan (February 2011). Reference is also included to tourism benefits arising from the ro-ro ferry services, the Mersey Ferries and cruise ship calls.
- 4.22 Reference is also made to sport and recreation activities in the Mersey, coastal access and rights of way, health and safety, the Port Marine Safety Code and port security and policing – noting the requirements in relation to the planning system for fencing, security lighting, CCTV and that tree planting and other heavy landscaping within the Port is not conducive to unhindered visibility and surveillance.

Environmental Considerations (Chapter 8)

- 4.23 This section outlines the environmental considerations relating to the current and future operations of the Mersey ports. It considers matters such as the Environmental Management System and measures being undertaken to reduce energy consumption as part of the CRC (formerly Carbon Reduction Commitment) Energy Efficiency Scheme legislation. The regulatory and voluntary requirements and arrangements relating to air quality, biodiversity, contaminated land, flood risk, heritage, odour, noise, visual impact, waste management, dredging and water quality are highlighted. In relation to biodiversity, the national and international nature conservation designations on the coast and in the Mersey Estuary are highlighted and considered in relation to port development, dredging and water quality. The intention is that this section highlights the issues which would then need to be examined in more detail in environmental and Habitats Regulations Assessments prepared in connection with individual development proposals.

Stakeholder engagement (Chapter 9)

- 4.24 The Master Plan sets out the proposed consultation arrangements during the 3 month period and outlines the role of the Master Plan Stakeholder group which it is proposed should meet at least annually. In relation to the port's Permitted Development (PD) Rights it is noted that Mersey Ports has given a voluntary undertaking to local planning authorities to inform them of any projects (covered by PD Rights) seeking comments and where possible amending the scheme to meet local concerns. However, where development is needed to meet urgent safety, security, environmental, regulatory or operational requirements the port would notify the local planning authority retrospectively of any works which had been undertaken. In relation to environmental and emergency response matters reference is made to dialogue with regulatory bodies and local authority Environmental Health Officers. A number of marine-related forums and user groups are highlighted, along with the development of SuperPort by the Mersey Partnership.

Implementation and review (Chapter 10)

- 4.25 While non-statutory, it is suggested that the finalised Master Plan would be regarded as having material "weight" through a combination of the effect of public consultation and through its interaction and integration with local

planning strategies, notably Local development frameworks. It is noted that the Master Plan does not remove the need to obtain consents such as planning permission. Following consultation, it is the intention to issue the finalised Master Plan later in 2011. It is expected to be subject to formal monitoring and review (and public consultation) every five years.

Appendices

4.26 A series of plans are included as appendices – these include an overall context map showing all the main facilities existing or proposed in the Mersey docks and on the Ship Canal, supported by a series of larger scale indicative plans which identify the “areas of change” sites discussed in section 5.

5. Director’s Comments

5.1 Government Guidance on Port Master Plans (December 2008) identifies three key purposes for port master plans:

- Clarify the port’s 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

5.2 Overall the Mersey Ports Master Plan is considered to have addressed these three purposes. Given the significance of the Mersey Ports in terms of their land holdings and contribution to the economy on Merseyside, the production of a Master Plan for Mersey Ports is to be welcomed in principle.

5.3 The main implications for Wirral’s interests arising from the draft Master Plan have been highlighted in the main section of the report above but these can be summarised as follows:

The implications of Wirral Waters/the International Trade Centre (ITC) proposal for the Birkenhead Dock system:

5.4 The draft Master Plan was finalised before the submission of the planning application W/OUT/11/00645 for the International Trade Centre and identifies the application site for the purposes of the port decant strategy required to facilitate the Wirral Waters proposals in East Float. The ITC planning application indicates that two of the four intended units for the ITC could be used for B2 (general industrial) or B8 (storage) purposes (as part of the decant process).

5.5 While there is reference in paragraph 2.39 of the draft Master Plan that there are “very few” non-port related activities within the operational areas, there is a reference in paragraph 5.123 of the draft Master Plan to an active campaign to “manage out” tenants and activities not dependent on port infrastructure and shipping. However, the actual extent to which port land is taken up with uses

and tenants who do not require a port location is not quantified. This is a key consideration in Birkenhead docks where a number of uses are expected to fall within this category and for which other land outside the port would have to be assembled. With the ITC application now submitted, an important issue for the Council is ensuring that adequate alternative land and premises are available for tenants displaced by the Wirral Waters proposals if the identified decant sites are to be taken up by the ITC. It will be important for the Port and Development arms of the Peel Group to agree a consistent approach on this issue.

The proposals for Port Wirral at Eastham:

- 5.6 The level of detail on Port Wirral adds relatively little to information already in the public domain. While the reference to proposals being planned to ensure that potential impacts on residents of Eastham Village are assessed and mitigated appropriately are welcome, there remains concern about the nature of the port activities and other uses which could be transferred to Eastham and the finalised Master Plan should provide more detail on this, likely environmental safeguards and a clearer indication of timescales. In a related issue, the references in paragraph 6.27 of the draft Master Plan to discouraging HGV traffic from accessing QEII Dock via Ferry Road and Eastham Village should be replaced with a firmer indication of how this to be achieved and managed in practice and preferably by a commitment to remove HGV traffic altogether from the village, given the availability of access from the M53.

The future expansion of the Twelve Quays Ro-ro

- 5.7 While the Council has been supportive of the development of the Twelve Quays ro-ro, it will need to be convinced that the use of land on the Mersey Waterfront for further expansion (highlighted in paragraph 5.96 of the report) is justified, particularly in light of the recent contraction in services operated from the terminal and the potentially limited additional benefits in terms of job creation which would arise from the expansion of trailer parking on to this otherwise attractive waterfront site.

Options for the surplus land at Cammell Laird

- 5.8 Land to the south of the construction hall is highlighted as having potential for port purposes, but that further investigation is required: this work should be undertaken without delay so that that the long term use of this land is not blighted by uncertainty. The Joint Waste Development Plan (DPD) for Merseyside and Halton, which will be subject to a separate report to Cabinet in September, shows part of this land adjacent to the Tranmere Oil Terminal as a sub-regional site for new waste treatment capacity to maximise reuse and recycling and minimise landfill which would need to be replaced, if an alternative use was brought forward on this land. The long term intention of the port operator for the future use of this land should therefore be set out more clearly in the Master Plan. The Draft Waste DPD is currently expected to be submitted to the Secretary of State for public examination in February 2012.

Road Bridges in Birkenhead Docks

- 5.9 A significant gap in the Transportation section is any discussion of the operational issues around road bridges on Tower Road and Duke Street and the future of the now-defunct Swing Bridge on Wallasey Bridge Road. It is essential that the impacts associated with the Port Strategy on the transport network are understood in order to ensure effective network management. This should be addressed in the same way in which the impact of the operation of the road bridges across the ship canal in Warrington on local traffic are considered. Such assessment will complement the work linked to the development of Wirral Waters. During the discussions associated with the East Float application during 2010, the Director of Technical Services obtained an undertaking from Peel Holdings that they would develop a management strategy for the bridges in co-operation with the Council to consider issues around long-term sustainability, ongoing maintenance and operations.

6.0 RELEVANT RISKS

- 6.1 The main risk in not responding to the Peel Ports Master Plan consultation is that the final document is issued without the Council's views having been taken into account

7.0 OTHER OPTIONS CONSIDERED

- 7.1 The only other option is for the Council not to submit any views on the draft Mersey Ports Master Plan.

8.0 CONSULTATION

- 8.1 Peel Ports are undertaking a 13 week consultation on the Draft Master Plan including exhibitions at Wallasey Town Hall (5th July) and Eastham Lodge Golf Club (12th July) and via the web site:

<http://www.merseydocks.co.uk/masterplan/documents.htm>

9.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 9.1 There are no implications for voluntary, community and faith groups arising directly out of this report. Peel Ports are seeking to engage with these sectors through their consultation process

10.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 10.1 There are no implications for the Council's, finances, IT, staffing and assets arising directly out this report.

11.0 LEGAL IMPLICATIONS

- 11.1 None arising directly from this report

12.0 EQUALITIES IMPLICATIONS

12.1 None arising directly from this report

12.2 Equality Impact Assessment (EIA)

- (a) Is an EIA required? No
- (b) If 'yes', has one been completed?

13.0 CARBON REDUCTION IMPLICATIONS

12.1 The Master Plan sets out a number of measures to address climate change and carbon reduction issues

14.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

14.1 Once finalised the Peel Ports Master Plan, will potentially become a material planning consideration in the determination of planning applications and formulation of planning policy.

14.2 Policy EM10 – Birkenhead and Eastham Dock Estates – was deleted from the Unitary Development Plan (UDP), with the agreement of Government in September 2007 and operational port land outside the Green Belt in Birkenhead Docks and Eastham is now shown as without notation. Land to the south of the Twelve Quays ferry terminal is within the employment allocation EM3/1, which allows for B1, B2 or B8 uses. A former tourism and leisure allocation TL3/1 was also deleted in September 2007 by agreement with the Government.

14.3 Land at Cammell Laird is currently shown in the UDP as an employment development site subject to Policy EM1, which allows for B1, B2 or B8 Uses and other 'compatible uses may be allowed providing it is established that they are necessary to secure and bring forward the overall redevelopment of the site for industrial and business use, subject to all the other relevant policies of the Plan'. Policy CO1 – Development Within the Developed Coastal Zone is also applicable, setting out criteria for development in the Coastal Zone shown under Policy COA1 - Principles for the Coastal Zone. All the potential development sites in Eastham are within the Coastal Zone, as is the site to the south of Twelve Quays.

14.4 Although the Government has announced its intention in the Localism Bill to revoke all Regional Strategies, a recent Court of Appeal decision on the CALA Homes case has confirmed that the Regional Strategy is still a part of the statutory Development Plan, although the weight to be applied to it in determining planning applications may be reduced because of the Secretary of State's intention to revoke it. Policy RT6 of the Regional Strategy for the North West recommends that a Port Master Plan should be prepared and also sets out criteria for considering new development, both within the operational port and also uses displaced from within the port boundary.

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REFERENCE MATERIAL

The draft Port Masterplan, Executive Summary and consultation questionnaire can be viewed on the Mersey Docks web site via the link below:

<http://www.merseydocks.co.uk/masterplan/documents.htm>

SUBJECT HISTORY (last 3 years)

Council Meeting	Date