

THE PORT OF NEWPORT

MASTER PLAN 2015 – 2035





Ships docked in South Dock at the Port of Newport

Foreword

by **Matthew Kennerley**



The Port of Newport is Wales' largest general cargo port and the UK's second largest conventional steel handling port. Its ability to handle deep sea vessels together with its location, enjoying first class road, rail and sea links, enables it to operate as a gateway port, servicing global trade routes throughout Europe, North and South America and the Far East, as well as UK-wide national needs.

The Port of Newport is part of the ABP Group, the owner of 21 ports across England, Wales and Scotland. As a group, we, together with our customers, handled 94.5 million tonnes of cargo in 2014. The Port of Newport plays a dynamic and vital role in the local, Welsh and UK economies. It supports some 3,000 local jobs and contributes £186 million to the Welsh economy every year.

Those who constructed the original North and South Docks more than 100 years ago had a great deal of foresight as these same facilities continue to serve the port well today. From the time it established itself as a major global port supporting the South Wales coal industry through to the present day handling a wide range of general cargoes to complete the supply chains of key local and national industries, Newport has a proud history. The port's ability to diversify and meet the challenges of a fluctuating commercial market, both at home and abroad, means that it is able to keep pace with an ever-changing marketplace. The port is of great strategic importance to Wales and the rest of the UK and will continue to be so going forward.

As part of its corporate strategy, ABP is committed to long-term investment to secure and enhance the port's future, focusing on the needs of its customers with a view to providing facilities that meet today's trading needs and anticipate customer requirements for the years to come. We have invested more than £19 million in the Port of Newport in the last two years alone. As a result, Newport has some of the UK's finest and most efficient port facilities, ensuring that our customers remain commercially competitive and are able to serve the local, national and international market.

Well thought-out strategic investment in the port's infrastructure means that Newport can continue to remain flexible, enabling it to meet the challenge of fluctuating markets and to capitalise on evolving and growing market demands, supporting the increasingly global supply chain.

ABP has laid out its plans for the port's future in this Master Plan and is committed to working with local, Welsh and UK governments and the wider business and local communities to achieve this vision. This Master Plan identifies what we need to achieve between now and 2035 to ensure that the Port of Newport is in a position to capitalise on the many commercial opportunities that will arise over the coming years in the context of three principal objectives:

- the continuing need to enhance the port's facility and serve its customers;
- the continuing need to attract inward investment and create jobs;
- the overriding need to operate in a safe, healthy, environmentally friendly and economically sustainable way.

The port's underlying ethos has always been to support the Welsh and UK economies and to play a vital role in keeping Britain trading. We are confident that our Master Plan for the Port of Newport sets out a clear vision for the port's sustainable and prosperous future and provides a basis on which government, business and our local community can work together to turn this vision into reality.

Thank you for your continued support.

Matthew Kennerley
Regional Director, ABP South Wales



A ship berthed in the South Dock with the Port of Newport's first wind turbine in the background, one of ABP's many investments in renewable energy schemes at the port

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Chapter 1

Executive summary

About ABP

1.1 Associated British Ports (ABP) is the UK's largest ports group. It owns 21 ports in the UK and, together with its customers, handled 94.5 million tonnes of cargo in 2014.

1.2 All of ABP's ports, including the Port of Newport, are vital transport hubs, characterised by a highly-skilled, flexible workforce and modern cargo handling facilities.

The Port of Newport today

1.3 Located on the Severn Estuary, the Port of Newport is a major UK port, handling in excess of 1.85 million tonnes of cargo during 2014. Each year, it contributes £186 million to the Welsh economy and supports around 3,000 local jobs¹. The port mainly operates in the steel, construction, agriculture, recycling, manufacturing and power generation sectors.

Master Plan key objectives

1.4 The Port of Newport is classified as a 'major sea port' by the Department for Transport², in that it handles in excess of one million tonnes of freight a year. In 2008, the Department for Transport published guidance on the preparation of port master plans, recommending that all 'major' ports should "produce Port master plans, and consult on these with local stakeholders including planning authorities ... in order to help co-ordinate medium-term planning"³.

1.5 This guidance also states that the main purpose of port master plans 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; and
- **inform** port users, employees and local communities as to how they can expect to see the port develop over the coming years."⁴

1.6 Given the Port of Newport's significance, ABP recognises the benefit of laying out its vision for the future development of the port and the importance of sharing it with key stakeholders in a way that best encourages their participation in shaping the port's future, including:

- Welsh and UK government politicians and officials;
- shipping companies/ship-owners;
- existing and potential tenants;
- importing and exporting businesses;
- ABP's employees;
- other wider stakeholders, e.g. the UK Border Agency;
- the local community.

1.7 Reflecting government guidance, the key objectives of this Master Plan are therefore to:

- describe the port's strategic plan for the medium to long term;
- identify how land may be developed as appropriate to handle growth in maritime trade and set out the approximate timescales for development;
- inform port users, employees and the local community about what they can expect to see in terms of development at the port in the coming years;
- raise awareness of the current context, infrastructure, activities and capabilities of the Port of Newport among stakeholders;
- work alongside and within extant and emerging Local Development Plans and relevant regional/national economic strategies to support local development and inward investment.

1.8 ABP is committed to ensuring that Newport remains a world-class port and a gateway to international trade. Inevitably, trade and market demands fluctuate in the short and medium term, but, over the long term, the pattern is for sustained growth in the UK port industry. This makes it vitally important to take a long-term view when it comes to planning port development. The Master Plan will be reviewed from time to time, and at least every five years, to ensure that it remains relevant and appropriate.

1.9 This Master Plan, therefore, sets out ABP's requirements and intentions for the future of the Port of Newport in relation to its on-going development, trade demand forecasts, the environment, planning and the port's socio-economic impact for the wider South East Wales region, to ensure the port's prosperous and sustainable future.

1.10 In this context, ABP has also undertaken a 'shadow' Strategic Environmental Assessment and a 'shadow' Sustainability Appraisal of the Master Plan. Documented within a combined Strategic Appraisal and Assessment Report (SAAR), the assessment and appraisal undertaken has considered the environmental impact and sustainability of the Master Plan's strategy. The SAAR is produced separately and available online at <http://www.southwalesports.co.uk/consultation>.

1 2013 Arup economic impact study

2 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/456045/port-statistics-technical-note.pdf

3 <http://webarchive.nationalarchives.gov.uk/tna/20100927131008/http://dft.gov.uk/pgr/shippingports/ports/portspolicyreview/portmasterplans/guidanceportmasterplans1>

4 <http://webarchive.nationalarchives.gov.uk/tna/20100927131008/http://dft.gov.uk/pgr/shippingports/ports/portspolicyreview/portmasterplans/guidanceportmasterplans1>



ABP staff loading steel coil at the Port of Newport

Chapter 2

ABP and the Port of Newport

Contents

2.1 This chapter first looks at the development of the Port of Newport from its earliest origins to the present day. It then describes current operations in the port today.

Introduction

2.2 Newport has operated as a port since Roman times and was founded in its current location in 1865 after the old town dock became too small to accommodate increasing volumes of trade. Following the denationalisation of the British Transport Docks Board in 1982, ABP was created, assuming ownership of and operational responsibility for the Port of Newport.

2.3 For the purposes of this Master Plan, the port should be viewed on two levels. First and foremost, the Port of Newport is a major deep-sea port, which in broad terms includes both the quays and wharves on the River Usk, as well as the North and South Docks within the port. The two docks and the surrounding port estate are owned and operated by ABP and references in this Master Plan to the Port of Newport should be read as being references to the Port of Newport docks, unless otherwise stated.

2.4 ABP is the Statutory Harbour Authority for the Port of Newport and is also contracted to carry out harbourmaster duties and separately, pilotage services for the Newport Harbour Commissioners, the neighbouring Statutory Harbour Authority. As such, ABP is required to comply with and fulfil numerous statutory duties and obligations in the context of its port operational responsibilities. These extend beyond the port's strict geographical boundaries to the broader Severn Estuary, encompassing environmental obligations, the management of the movement of vessels between other local ports and related marine services.

2.5 In formulating this Master Plan, therefore, while concentrating principally on the commercial growth and operational expansion of the Port of Newport in terms of the North and South Docks and the port estate generally, ABP has also taken fully into account, where appropriate, its extended statutory duties and obligations.

About ABP

2.6 ABP is the UK's largest port operator, with a network of 21 ports across England, Wales and Scotland. In 2014, ABP and its customers handled 94.5 million tonnes of cargo, supported 84,000 direct and indirect jobs and contributed £5.6 billion to the UK economy.

2.7 The UK is reliant on ports for the movement of around 95% of the total volume of UK trade and around 75% of its value⁵. ABP's ports, including the Port of Newport, are vital transport hubs enabling local and national businesses to trade with the rest of the world.



ABP'S 21 PORTS

Newport's history

Entrance to the Town Dock, Newport



1842

Newport Dock Company opened the Town Dock, Newport's first enclosed Dock, which was then extended in 1858.

1865

Due to congestion at the Town Dock, the Alexandra Dock (Newport) Dock Company was formed to construct the Alexandra Dock closer to the mouth of the River Usk.



The North Dock in 1930 showing new ferro-concrete wharf

Presentation medal commemorating the opening of the Alexandra Dock



1875

Developed at a cost of £500,000, the 28 acre Alexandra Dock (now known as North Dock) and lock to the River Usk was officially opened on 13th April.

1882

The two dock companies amalgamated to become the Alexandra (Newport & South Wales) Docks & Railway Company (ANDR). The Company subsequently obtained Parliamentary powers for the construction of the South Dock.



The lock entrance of the first section of South Dock, now sealed off



1893

The first section of the South Dock, with an entrance lock to the River Usk was completed. This lock, which later became known as East Lock, was sealed off in 1937 and is now an operational berth.

1907

The second section of the South Dock was completed.



Flooding the new extension

Memorial of the disaster situated in St Woolos Cemetery



1909

On 2nd July disaster struck during the construction of the third section and new entrance lock when a trench wall collapsed and 39 workmen lost their lives.

1914

The third and final section of the South Dock including the South Lock Entrance to the Channel, was officially opened on 14th July by HRH Prince Arthur of Connaught. On the outbreak of war on 4th August the German cargo ship "Belgia" arriving at Alexandra Docks was the first arrest of World War one.

Volunteers discharging potatoes during the General Strike of 1926



1922

Ownership of Newport Docks passed to the Great Western Railway Company. A record 8 million tonnes was handled in 1923, followed by a period of diminishing trade and industrial disruption between the two World Wars.

1930

The Town Dock closed and attention was directed to maintaining the facilities of the Alexandra Docks.



Discharging coils of wire and steel bars with electric cranes at Alexandra Docks

Loading tanks 1942



1939 – 1945

Throughout the Second World War the general cargo handling equipment proved invaluable in loading vast quantities of war materials.



Raw sugar discharged from S/S Nicaragua August 1947



Raw sugar discharged from S/S Nicaragua August 1947

Discharging aluminium direct to road vehicles in May 1960



1963

BTC was succeeded by the publicly owned British Transport Docks Board (BTDB).

1967

The construction of a new quay was completed on the North Side of the South Dock for the use of timber products, containers, and imported cars. The timber terminal was officially opened by Prime Minister Harold Wilson.



Harold Wilson inspecting the new quay.

All work completed ready for re-opening the lock on the 14th November 1970



1970

Serious damage to the concrete sills at the base of the South Lock resulted in the closure of the lock from 1st August to 4th December whilst repair work was undertaken. Traffic was diverted to the other South Wales ports during this period.

1980

A terminal was constructed at Middle Quay with temperature controlled facilities to handle imports of fresh fruit.



Handling boxes of bananas



1982

The BTDB was denationalised and became known as Associated British Ports (ABP).

1995

Warehousing facilities were opened on 10th March for the handling and storage of animal feed. Throughout the 1990s there was significant investment in the port with facilities built or extended for various cargoes including steel, fertiliser, and timber.



Storage of animal feed

Loading scrap metal



2004

The Port of Newport became a recycling hub with the installation of shredding and screening equipment at the scrap metal terminal.

2006

The port handled a total of 3.155 million tonnes of cargo, the highest recorded tonnage at Newport post World War Two.



Aerial view of Alexandra North and South Docks looking out to the channel

Wind turbine in operation



2014

ABP Newport installed a wind turbine and solar panels to generate sufficient electricity for the port's requirements.

2.8 ABP invests heavily in its ports to ensure its cargo handling, warehousing and distribution facilities are of the highest quality so that goods are stored effectively and securely before onward transportation, for both imports and exports. ABP as a Group has an £837 million five year investment plan and will increase its contribution to the UK economy by £1.75 billion to £7.35 billion each and every year.

2.9 ABP's Board oversees the strategic direction and activities of the 21 ports in the group, with the responsibility for duties as Statutory Harbour Authority delegated to Regional Directors.

2.10 For the Port of Newport, local strategy is directed by the South Wales ports management team, made up of the Regional Director who is responsible for all five South Wales ports, two Port Managers (one covering Newport and Cardiff and the other for Barry, Port Talbot and Swansea) and the regional management team, which includes representatives from the Health, Safety and Environment, Operations, Commercial, Property, Engineering, Finance, Marine and HR teams. The South Wales regional headquarters are located in the Port of Cardiff, supplemented by operational offices at each of the port locations.

2.11 ABP is the owner of and Statutory Harbour Authority for the Port of Newport, and is, therefore, a statutory undertaker. In addition, ABP is the Competent Harbour Authority for five ports within the Severn Estuary, meaning that it manages the movement of vessels between local ports and to and from port facilities in the area. ABP is also contracted to carry out harbourmaster duties and pilotage services for the Newport Harbour Commissioners, a neighbouring Statutory Harbour Authority responsible for safe navigation on the River Usk and its approaches.

Location and Access

2.12 The Port of Newport is ABP's most easterly port in South Wales. With direct rail connections and excellent links to the local and national road network, coupled with its ability to handle deep sea vessels, Newport's location allows it to service the UK's major industrial heartlands, including South Wales, the Midlands and the M4/M5 corridors.

2.13 The Port of Newport encloses a water area of 137.5 acres (55.7 hectares) and occupies a non-tidal land area of 483.8 acres (195.8 hectares). Located within the Severn Estuary, which has the second largest tidal range in the world with a rise and fall in excess of 14 metres, the Port of Newport has an enclosed dock system with a maintained water level. Shipping movements to and from the port operate within 'tidal windows' around periods of each high water, with deep draught vessels being able to enter the port during spring tides. Indeed, having the largest sea lock in Wales, the port's ability to handle fully-loaded deep sea vessels from all over the world of up to 40,000 deadweight tonnage (DWT) together with its ability to provide flexible cargo handling and port storage space for both current and future markets, makes it a crucial hub for Welsh and UK industries needing to access deep sea markets worldwide, including China and the Far East, Russia, Southern Europe, Africa and the Americas.



Newport is key for the import of railway locomotives, where units are discharged directly onto quayside rail facilities.

Illustrative map showing cargo destinations for the Port of Newport (imports and exports) over the last two years:

- | | |
|--------------------------|----------------------------|
| • Algeria | • Italy |
| • Belgium | • Latvia |
| • China | • Malaysia |
| • Denmark | • Morocco |
| • Egypt | • Netherlands |
| • England | • Poland |
| • Estonia | • Portugal |
| • Finland | • Russia |
| • France | • Spain |
| • Germany | • Sweden |
| • Greece | • Tunisia |
| • Iceland | • Turkey |
| • India | • Ukraine |
| • Ireland | • United States of America |
| • Port of Newport | |



Chapter 3

The Port of Newport Today

Contents

3.1 This chapter provides an overview of the Port of Newport's business operations and looks at the port's position in a local, regional and national context.

Introduction

3.2 The Port of Newport is a major UK port and is Wales' leading general cargo port. It handled in excess of 1.85 million tonnes in 2014. It contributes £186 million to the Welsh economy annually and supports around 3,000 local jobs⁶ directly through the port's activities and indirectly through supply chains that span the steel, construction, agriculture, manufacturing and power generation sectors, as well as other specialist sectors and project cargoes.

3.3 As an island, the maritime sector has played a crucial role in the UK's history and continues to make a vital contribution to the UK economy. According to the Department for Transport, 95% by volume of the UK's imports and exports currently arrive and depart by sea⁷ and so ports are critical for supplying the UK's needs.

3.4 While there are inevitable fluctuations in cargo volumes at the Port of Newport when reviewed in a year-on-year context, there has been a 40% increase in cargo handled at the port over the last 20 years, up to 2014, which was the last full year of audited account figures. This period includes a global economic downturn since 2008/09 which in itself emphasises the need to consider and plan for port development in the long term, rather than in reaction to market fluctuations year-on-year.

Year	Port of Newport Tonnage (million)
1995	1.32
1996	1.46
1997	1.72
1998	1.44
1999	1.36
2000	1.60
2001	2.15
2002	2.17
2003	1.99
2004	2.35
2005	3.00
2006	3.15
2007	2.33
2008	2.71
2009	2.17
2010	1.29
2011	1.20
2012	1.62
2013	1.54
2014	1.85

PORT OF NEWPORT HANDLES

1.85M 

**TONNES PER YEAR
OF GENERAL CARGO**

 **SUPPORTS
3,000**

LOCAL JOBS

CONTRIBUTES

£186M 

TO WELSH ECONOMY



**WORKS WITH STEEL, CONSTRUCTION,
AGRICULTURE, MANUFACTURING AND
POWER GENERATION INDUSTRIES**

RECEIVED

 **£19M**

**OF INVESTMENT FROM
ABP IN THE LAST TWO YEARS**

The port estate and its facilities

3.5 The Port of Newport has three principal operational areas supported by two integral active docks. The principal operational areas are the south side of South Dock; the east side of the port extending from the Cement Terminal in South Dock past Junction Cut (see plan on page 25) up to the eastern side of North Dock and, finally, the west side, an extensive part of the port which, in marine terms, is served by the north side of South Dock as well as the west side of North Dock. Entry to the South Dock is from the River Usk via the port's entrance lock. The North Dock is accessed from the South Dock via what is known as Junction Cut. Quays within the two docks are supported by three mobile harbour cranes which are deployed around the port, as required, as well as fixed quayside cranes. The port provides a number of warehousing and open storage facilities for handled cargoes. Distribution is supported by an established road and rail network that links to the main national networks, including the nearby M4 and A449.



LHM 180 mobile harbour crane with a height of 48.8m at the Port of Newport

3.6 The local economy has faced a number of challenges in the last few decades, including the cessation of steel production at Llanwern and the decline of coal fired power generation with the consequent loss of employment within the local community and the loss of some key customers at the Port of Newport. Through continued investment and a flexible approach, however, ABP has attracted new customers from different sectors, ensuring that the Port of Newport continues to flourish. For example, the former Jamaica Producers warehousing facility which used to handle bananas and fresh produce from the Caribbean has been repurposed to house long steel products. Today, Newport is recognised as being of major importance to the local, Welsh and UK economies and is the UK's second largest conventional steel handling port.

3.7 The area of the Port of Newport, excluding tidal areas outside the enclosed dock system, covers approximately 621.3 acres (251.5 hectares) of land and water. The major land use allocations within the port today comprise operational port land, strategic development land banks and non-port related land (see land use plan on page 25).

3.8 The land use is deliberately diverse and reflects the essential variety of tenants and trades that operate from the port. The land use plan (on page 25) illustrates that the port estate is well developed, but still has the critical commercial flexibility required to accommodate additional large-scale port-related development and sector growth. This is considered later in this Master Plan.

South Dock

3.9 The South Dock accommodates fully laden ships of up to 40,000 DWT with a beam of 30.1 metres and a draft of 10.4 metres. This dock can also accommodate part-laden vessels of up to 47,500 DWT. With the exception of the Port of Port Talbot, which is a specialist dock facility servicing Tata Steel, Newport has facilities capable of accommodating larger vessels than elsewhere in South Wales, including Cardiff, Swansea and Barry. Combined with its prime location this means that the Port of Newport services markets far beyond South Wales alone, making it a direct competitor with ports right across the UK, including Liverpool, Bristol, Tilbury and Tees.

Steel coil being handled by a gantry crane at one of the Port of Newport's specialist steel warehousing facilities



3.10 The South Dock currently comprises:

- a steel terminal which consists of 31,000 square metres of storage facilities fitted with gantry cranes and direct rail access for handling steel coil under-cover. It is also equipped with open quayside storage and a state-of-the-art, real time stock control system. Newport is regarded as the market leader in import steel;
- a coal and minerals quay which offers storage for more than 80,000 tonnes of cargo with direct rail access. It is equipped with specialist grabbing cranes and a dust suppression system, drainage interceptor, fencing and an environmental bund wall;
- a sand terminal which brings in marine dredged aggregates;
- a bulk and general cargo terminal with direct quayside access for a range of industries, supported by fertiliser bagging facilities, more than 17,000 square metres of Trade Assurance Scheme for Combinable Crops (TASCC)

approved storage, an 8,190 square metre steel warehouse fitted with two rail-mounted cranes and open and covered storage for break bulk cargoes, such as forest products, steel and project cargoes;

- a dedicated berthing, storage and distribution facility for cement cargoes;
- a metal reprocessing terminal with direct rail access for imports and exports and a fridge recycling plant;
- a recycled wood terminal and 5,000 square metres of warehousing for long steel products;
- two berths with licences for specialist cargo types.

3.11 In addition, the South Dock has a number of planned and prospective developments that will be taken forward in line with customer requirements, commercial need and market demand. These will be explored in chapter 5.



North Dock

3.12 The North Dock has facilities in place to handle cargoes in a range of sectors and accommodates ships up to 8,000 DWT with a beam of 17 metres and a draft of 8.2 metres. The size of vessels that can currently enter the North Dock is restricted by the width of the Junction Cut, although there are plans to widen this (see chapter 5). North Dock consists of approximately 1,000 metres of high-quality gravity quay wall and a small area of quayside made from timber staging that is currently not in use. The quayside in the North Dock is utilised for loading and unloading vessels with cargo stored both in adjacent terminals as well as throughout the whole of the port estate.

3.13 The North Dock is currently made up of:

- a steel terminal with 7,000 square metres of storage facilities supported by a crawler crane and mobile harbour cranes to discharge cargo;
- a number of specialist timber businesses which utilise berthing, storage and distribution facilities in North Dock, as well as running value-added processing operations from the port estate for national operations;
- a dry dock facility for the repair or maintenance of vessels up to around 8,000 tonnes;
- berth and discharge facilities to accommodate a range of bulk cargoes, including animal feed, fertiliser and aggregates, which utilise storage facilities around the port.

3.14 There are a number of strategic development plans for the North Dock and its surrounding area, many of which are scheduled for commencement within the next five years. These are vitally important for the Port of Newport's future growth and will be outlined in chapter 5.



Newport is home to a number of customers with value-added processing facilities, including for several large-scale timber organisations

Promoting the port

3.15 As noted above, the Port of Newport is the largest general cargo port in Wales, with excellent road and rail links to key UK markets in the Midlands and further afield. Although there are a number of port facilities in South Wales, Newport's ability to handle deep sea vessels of around 40,000 tonnes cargo carrying capacity makes it essential in both a South Wales and UK-wide context. Shipping trends are increasingly favouring the use of larger vessels travelling longer distances and carrying substantial



The MV 'Fri Karmsund' ship with an air draught of 28m and a length of 89.75m discharging timber in the North Dock of the Port of Newport

cargoes. Newport's combination of location, depth of water, available quayside and facilities gives it a vital commercial and strategic advantage over many other ports.

3.16 In addition, many of the customers that ABP seeks to attract to its ports undertake value-added activities, such as manufacturing and processing on the port estate, thereby bringing greater benefit to the local jobs market and economy.

3.17 ABP actively promotes the Port of Newport and the South East Wales region in order to maintain existing strong links and to seek to attract new inward investors to South Wales to expand on existing links. This is achieved by continually looking to improve and enhance the port's resources, investing to ensure that facilities are modern and fit for purpose, and by working with ABP's commercial and specialist trade industry teams.

Security and Health and Safety

3.18 The UK ports industry operates in a highly regulated environment with multi-agency input into the safety and security of operations and to the development of facilities and services. The regulation of port safety involves:

- The Health and Safety Executive (HSE);
- The Maritime and Coastguard Agency (MCA);
- UK Borders Agency;
- Department for Transport;
- The Office of the Rail Regulator;
- Newport City Council.

3.19 ABP ensures strict compliance with UK, EU and international safety legislation and guidance in order to secure the safe management of the array of activities that take place within its ports. ABP has established clear systems, structures and specific objectives across all its operations and employs dedicated health and safety professionals in each of its regions. ABP takes its health and safety responsibility extremely seriously and sees it as central to its operations and the effective management of its facilities.



Inside the cab of a mobile harbour crane operating in North Dock as timber is being discharged at the Port of Newport

Chapter 4

Trade demand forecasts

Contents

4.1 This chapter looks at the likely demand for port traffic in Newport through to 2035.

Introduction

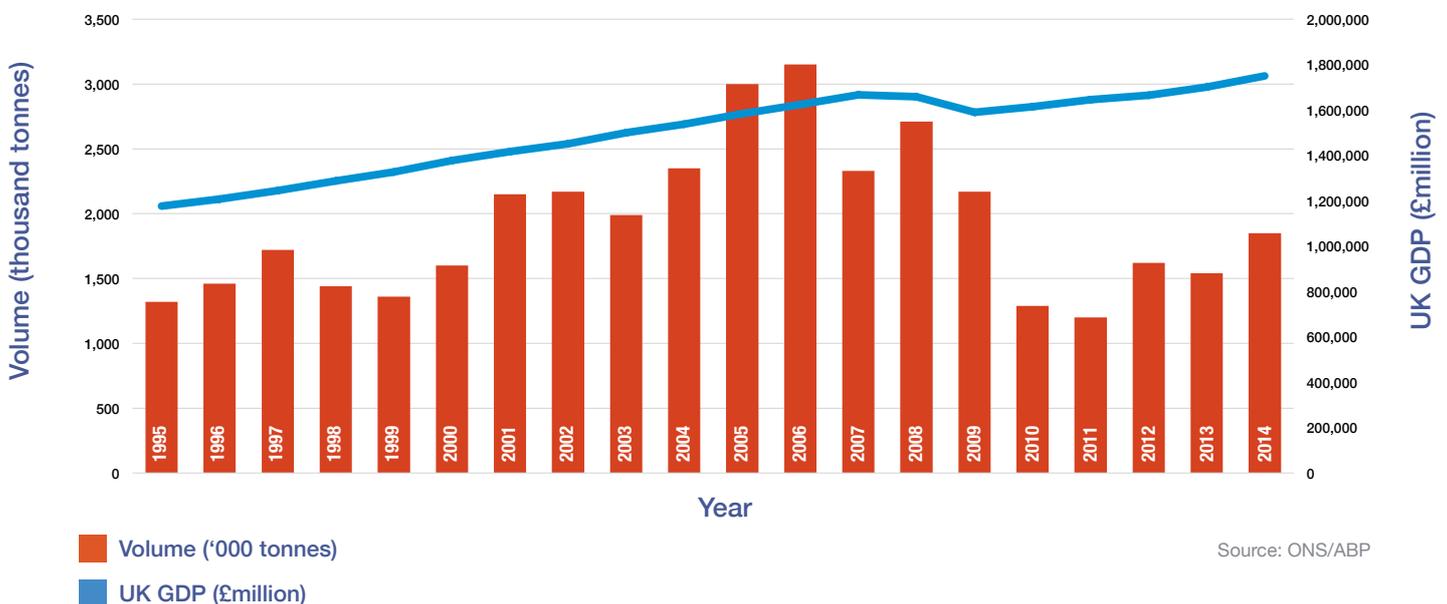
4.2 Over the last century the Port of Newport has evolved and grown alongside market demands. It has experienced significant growth to become Wales' leading general cargo port and the second largest conventional steel handling port in the UK. Between 1996 and 2014, total cargo volumes increased by 27% despite a period of global economic recession. Customer requirements have been met through ongoing investment in port infrastructure and equipment.

4.3 The current UK port demand forecasts were prepared by MDS Transmodal in 2006 looking ahead to 2030 and were published by the Department for Transport. The figures indicated that port traffic in general was expected to increase from 536 million tonnes in 2005 to 694 million tonnes in 2030.

4.4 The Department for Transport reviewed these statistics in 2012. Due to the global economic recession in 2008 and the consequential severe downturn in demand for shipping, the forecasts were not updated at that time. The UK Government and Department for Transport's view, however, is that the long-term effect on demand forecasts would only be to delay by a few years beyond 2030 rather than reduce the need for increased port capacity⁸.

4.5 The UK port sector is one of the largest in Europe in terms of the number of tonnes handled, and, as an island, shipping will continue to be a vital and effective way of carrying the vast majority of goods to and from the UK. The provision of sufficient port capacity will remain an essential element in ensuring sustainable growth in the UK economy.

A graph to illustrate cargo volume through the Port of Newport against UK GDP



⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/3931/national-policy-statement-ports.pdf

ABP's approach

4.6 In seeking to arrive at a robust view of future demand, ABP has conducted a review of existing cargo types at the Port of Newport and the percentage of overall trade that they represent.

Key cargo commodities at the Port of Newport



Cargo type

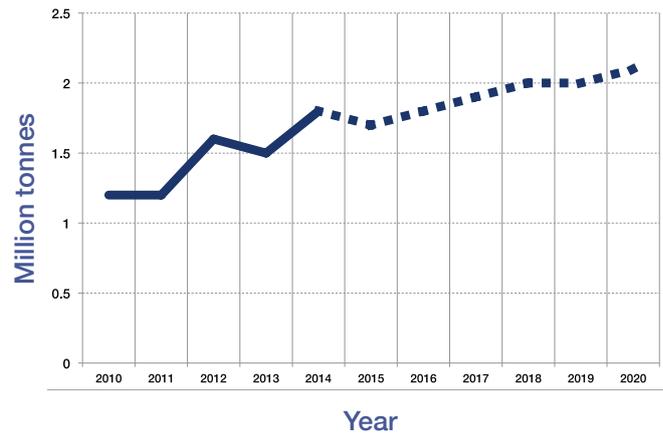
%

Coal and minerals	8.08%
Biomass & recyclables	1.57%
Metals (including steel & scrap)	63.10%
Agribulks	15.31%
Timber	3.68%
Construction aggregates (including sand and gravel)	8.07%
Other	0.18%

4.7 ABP regularly undertakes detailed forecasting, projecting forward over a five-year period and analysing government forecasts and future trades for longer term targets and possible customer demands. While trade demands are planned in order to retain a degree of certainty and accuracy over a five-year period, as a port operator in a fluctuating market, ABP has to consider major investment decisions on a long-term basis. Investment projects, therefore, have to be promoted in anticipation of future opportunities, as well as short and medium-term commercial need.

4.8 The graph below summarises cargo volumes through the Port of Newport from 2010 to 2014, along with the outcomes of ABP's demand forecast analysis up until 2020. The forecasts demonstrate a sustained period of growth which is why it is critically important to take, and be able to take, a long-term view on port development and why, despite changes to the UK's short and medium-term economic outlook, ABP's corporate strategy has always been to plan for growth.

A graph to illustrate cargo volume through the Port of Newport and cargo predictions to 2020



Year

Tonnage (million)

2010	1.29
2011	1.20
2012	1.62
2013	1.54
2014	1.85

4.9 ABP's medium-term forecast is for tonnage through the Port of Newport to increase at a compound annual growth rate of 3.5% from 1.85 million in 2014 through to 2020. This projected growth is based on assumptions being made for certain key sectors which are outlined in this chapter, namely:

- agribulks;
- solid fuel (including coal and biomass);
- steel and scrap;
- construction;
- forest products;
- recyclables;
- specialist cargoes.

Agribulks

Market overview

4.10 Agribulk cargoes encompass a range of commodities, including grain, fertiliser and animal feeds.

4.11 The growth of agricultural bulk product cargoes is driven by the needs of both the domestic agricultural industry and the bio-energy sector and ports play a vital role in meeting these requirements.

4.12 At the Port of Newport, ABP has seen a significant increase in demand for agribulks products over the last five years. This has resulted in the port increasing its agribulk operations by 118%, from handling 130,329 tonnes in 2009 to 283,770 tonnes in 2014.

Newport Tomorrow

4.13 ABP anticipates the volume of animal feed, fertiliser and grain handled at the port to grow steadily in the short to medium term at a compound annual growth rate of 11% through to 2020, after which volumes are expected to stabilise. This growth will be fuelled by a combination of market growth and an increase in Newport's market share.

4.14 ABP expects this growth to require a significant increase in footprint within the port estate through the combined effect of increased volumes and larger parcels of cargo being shipped. The latter is driven by changes in the supply chain where ABP's customers are seeking to exploit the economies of scale achieved by utilising larger vessels, essentially meaning that bigger storage facilities are required to accommodate the discharge of complete cargoes from a vessel.

4.15 To help accommodate this growth in agribulk cargo, ABP has a programme of planned improvements which are detailed in chapter 5, including additional warehousing space. One infrastructure improvement that will be critical for servicing agribulk customers and maximising space available for cargo will be the widening of Junction Cut between North and South Dock in order to accommodate bigger shipments of fertiliser and animal feed in larger deep sea vessels coming into the Port of Newport from across the world.



Solid fuels (including coal and biomass)

Market overview

4.16 Traditionally, the import, export and storage of coal has played a major part in the business of the Port of Newport and, with the decline of the UK coal industry, there has been a marked shift towards imported coal, from which the Port of Newport has benefited due to its proximity to two large power stations in South Wales.

4.17 Overall, however, there has been a notable reduction in the amount of coal handled at the Port of Newport over the last five years, from 1,179,026 tonnes in 2009 to 149,803 in 2014, due to changes in UK and European policy priorities and a move towards cleaner energy supplies.

4.18 As coal volumes continue to fall, the Port of Newport and its facilities are well-placed to adapt to handling biomass cargo volumes, as is already happening in other ABP ports across the UK. At the Port of Newport, ABP has seen a 165% increase in handled biomass cargoes, from 10,290 tonnes in 2009 to 27,268 tonnes in 2014.

Newport Tomorrow

4.19 For the period up to 2020, ABP expects the volume of solid fuels to increase strongly at a compound annual growth rate of 27%.

4.20 Due to the UK Government's announcement that coal power generation in the UK will stop from 2025, ABP expects coal traffic to cease at the Port of Newport from the mid-2020s, but, in the short term, it anticipates that imported coal volumes will increase at the port to service UK energy demands.

4.21 While demand for coal drops off, it is anticipated that the demand for biomass power generation will increase and, with its ability to handle deep sea vessels, the Port of Newport is in a strong position to take advantage of this demand. Biomass volumes have steadily increased in recent years and this trend is expected to accelerate as power generation companies diversify their fuel requirements. ABP is therefore focusing on opportunities associated with imported biomass products and other bulk cargo types and has a programme of planned investment to bolster its bulk cargo storage and handling facilities (see chapter 5).

4.22 The Port of Newport has a potential commercial advantage in this context due to the fact it has a consented 12 acre site for the development of a 49 megawatt biomass power generation facility, available quayside land reserved to facilitate the import and storage of feedstock and an onsite requirement for direct energy consumption. The development of this facility is explored in further detail in chapter 5.

Steel and scrap

Market overview

4.23 The Port of Newport is a major steel import and export location in the UK and is the UK's second largest conventional steel handling port. It is well placed to service the UK's industrial heartlands and is an established 'Midlands' port that competes with other ports outside of South Wales, including Liverpool, Bristol, Tees and Tilbury.

4.24 There are major challenges within the UK domestic steel industry that have been well documented with UK steel production essentially becoming less competitive due to high energy costs, increased regulation on emissions and the introduction of a carbon tax.

4.25 There has been a shift in the global steel trade in recent years as lower cost steel has come to the market from Far East and European countries. As a result, the Port of Newport has experienced growth in the steel import sector, although during the last few years there has also been great demand from domestic steel producers to export their products to deep sea markets, such as North America, the Gulf of Mexico and the Mediterranean. Newport is therefore very active in both the steel import and export markets.

4.26 Scrap also forms a part of the metal business at the port, with value-added reprocessing taking place on the port estate before materials are exported.

4.27 Overall, combining both import and export business, steel and scrap volumes through the port have increased by 92.6% in the last five years from 607,174 tonnes in 2009 to 1,169,440 tonnes in 2014.

Newport Tomorrow

4.28 With its location on the South Western coast of the UK combined with its proximity to major users across South Wales and the Midlands, the Port of Newport is in a strong position to continue serving these markets. ABP anticipates that this growth in both import and export steel will continue over the next five years at a compound annual growth rate of 2%.

4.29 To accommodate additional growth, ABP has invested in additional covered warehousing to increase storage capacity at the Port of Newport, including the refurbishment of Atlantic Shed in 2015 with an investment of £2.7m. It also has a planned series of additional investments which will further develop its steel handling facilities in the coming years (see chapter 5).

Steel coil being stored in the newly-refurbished Atlantic Shed

Construction

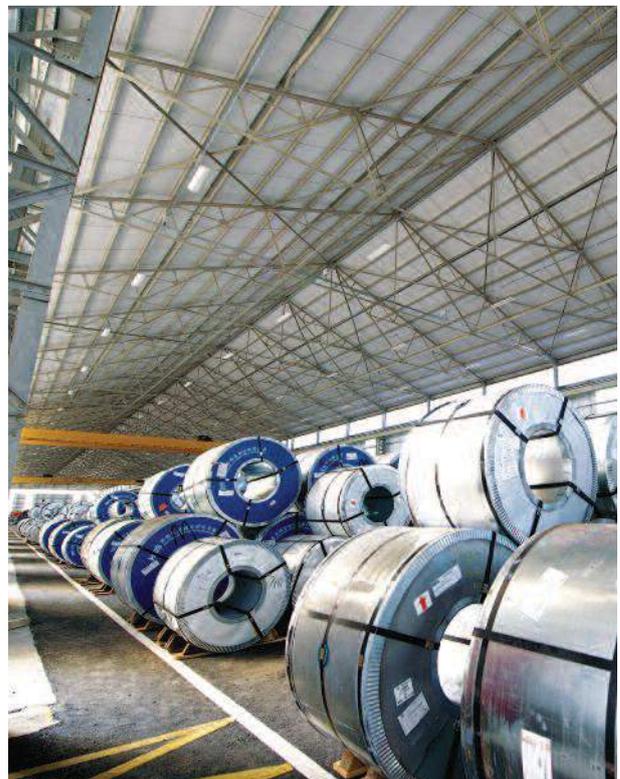
Market overview

4.30 The Port of Newport already supports the construction industry through the import of cement, sand and gravel. It has handled an average of more than 142,000 tonnes a year since 2009, in addition to the steel and forest products that come through the port that are used within the construction industry.

Newport Tomorrow

4.31 ABP expects this sector to grow at a compound annual growth rate of 2% until 2020, although it is worth noting that growth may further accelerate as the operators of vessels within this market are increasingly seeking the benefits arising from economies of scale by deploying larger vessels to service this trade. This is likely to lead to some of this volume being displaced from smaller river wharf facilities in the medium term to Newport.

4.32 Cargo associated with the construction sector is expected to increase more rapidly in the longer term as more construction projects are taken forward. ABP, and the Port of Newport, anticipates opportunities to support the supply chain for a series of major infrastructure projects in the region that are either at advanced stages of planning or are already being taken forward in the region, including the electrification of the Great Western railway and Valleys lines, a nuclear power plant at Hinkley and a series of tidal lagoon schemes on the Bristol Channel. The growth profile for cargo volumes at Newport will clearly depend on how quickly these major projects progress.



Forest Products

Market overview

4.33 Newport has established itself as a significant hub for forest products and enjoys an excellent location for forest product-related businesses, due to its proximity to the key delivery corridors of the M4 and M5.

4.34 The port is also home to value-added processing facilities for the forest products industry, making it an area of trade that creates additional job opportunities for Newport.

4.35 Over the years, the UK has required broadly consistent volumes of forest products. Due to a shift in building techniques towards timber-framed buildings, however, it is anticipated that the import of forest products will start to grow and will therefore become of considerable strategic importance to Newport. In 2009, the port handled 72,832 tonnes of timber and board products and these volumes have remained relatively steady, with 68,120 tonnes handled in 2014.

Newport Tomorrow

4.36 The nature of the forest products business at the Port of Newport is very stable, with long-term contracts in place with major companies. ABP expects to maintain its position in this sector with any increases in demand occurring in line with economic growth.

4.37 ABP intends to invest in additional storage facilities for the forest products business at the port. Widening Junction Cut will also be vital for continuing to efficiently service existing timber customers located adjacent to the North Dock, as well as taking advantage of the trend for larger shipments of cargo being transported in bigger vessels.

Recyclables

Market overview

4.38 Changes in legislation and taxation have brought about a shift in the UK to move away from using landfill for waste. The UK, however, is unable to cope with the volume of waste produced from recycling facilities. This has created new markets for exporting waste products, for example to Scandinavia where it is then used for power generation.

Newport Tomorrow

4.39 ABP expects to see 60% growth in cargo volumes in this area over the next five years and, due to its ability to handle large vessels and available sites to locate this type of cargo, the Port of Newport is well placed to capitalise on this. ABP has already secured its first customer for this business at the port and is actively seeking additional opportunities in this sector.

Specialist cargoes

4.40 The Port of Newport holds one of the UK's largest explosives licences for a non-Ministry of Defence port. This has traditionally been important for the Port of Newport and will continue to play a part in the cargo mix, albeit not as a regular form of operational activity.

4.41 In addition, a number of UK oil refineries are closing down so there is likely to be an increased need for oil and chemical products to be imported into the UK. ABP will continue to monitor this and actively explore any opportunities for developing specialist oil and chemical handling facilities at the Port of Newport.



One of Newport's mobile harbour cranes in action

Chapter 5

The Port of Newport 2015 – 2035

Contents

5.1 This chapter sets out the growth strategy and associated development opportunities at the Port of Newport from 2015 – 2035.

Introduction

5.2 Port operators by the very nature of their operations have to be able to constantly evolve and adapt to the demands of inevitably fluctuating national and international trade. This, however, is only achieved successfully through good management and forward planning. Port operators must anticipate and adapt to changing market environments to ensure that they are competitive and their customer requirements are met efficiently.

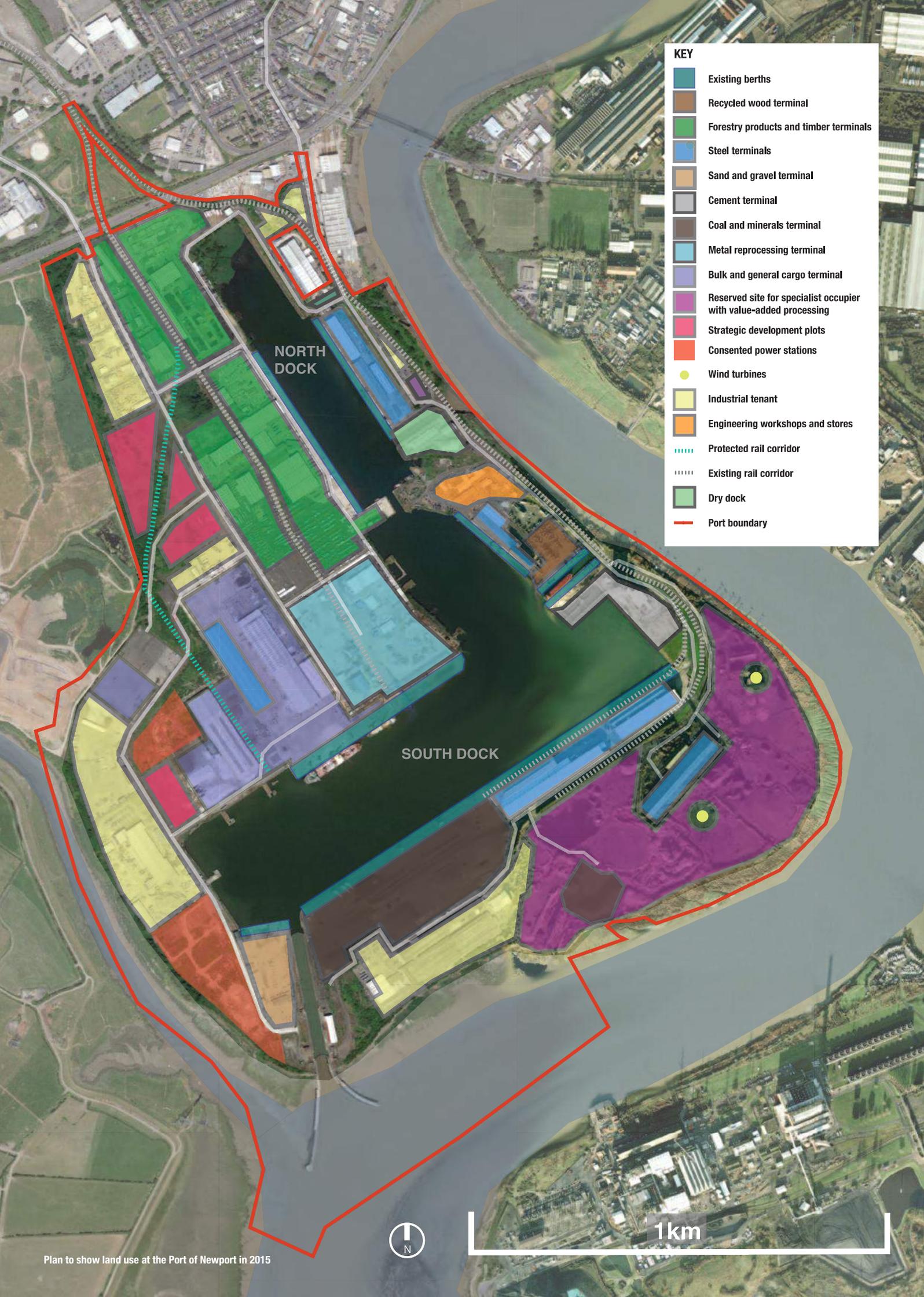
5.3 Over the last two years, ABP has invested more than £19 million in developing the Port of Newport and its infrastructure to ensure it meets the needs of port occupiers and the growing economy. This includes:

- £2.76 million on the redevelopment of Atlantic Shed to accommodate the port's steel business;
- £2 million to develop new warehousing facilities to accommodate increasing agribulk cargo;
- £6.80 million investment in renewable energy projects;
- £3.30 million on two new mobile harbour cranes for use at berths across the port;
- £1.10 million on quay strengthening works;
- £1.70 million on a new rail bridge within the port;
- £1.50 million on the refurbishment of three quayside cranes.

5.4 The diverse land use at the Port of Newport reflects the variety of tenants and trades that operate from the port. The land use plan (on page 25) illustrates that the port estate is well developed, but has still been able to maintain a critical flexibility, being able to reserve port operational land for additional large-scale port-related development. Future development, which will be explored later in this chapter, is planned to ensure the port grows in line with market demand, but also maximises the opportunities for further growth in key sectors.



Wind turbine at the Port of Newport, one of a number of renewable energy projects at the port



KEY

- Existing berths
- Recycled wood terminal
- Forestry products and timber terminals
- Steel terminals
- Sand and gravel terminal
- Cement terminal
- Coal and minerals terminal
- Metal reprocessing terminal
- Bulk and general cargo terminal
- Reserved site for specialist occupier with value-added processing
- Strategic development plots
- Consented power stations
- Wind turbines
- Industrial tenant
- Engineering workshops and stores
- Protected rail corridor
- Existing rail corridor
- Dry dock
- Port boundary

NORTH DOCK

SOUTH DOCK



1km

Growth strategy

5.5 The strategy for future growth of the port will focus on a series of key, planned developments that will be progressed to meet trade demand forecasts (see chapter 4) and customer requirements. There are a number of development sites within the port estate which are vital to ensuring that Newport continues to act as a gateway for Wales and the UK. These strategic development areas are critical for the port's future growth and continued commercial success. In this regard the proposal to construct the M4 relief road will, if consented, deprive the port of around 20% of its land, to say nothing of the related operational impact it will cause, and which will place our growth strategy in significant jeopardy, to the detriment to the local, regional and Welsh economies. This is explored further in chapter 8 of this document.

5.6 While there are areas of land specifically identified for development within the port estate, the restructuring and modernisation of some existing facilities will also be necessary to ensure the port continues to operate efficiently.

5.7 The development programme for the Port of Newport outlined in this chapter spans the next 20 years. It is split into short term (the next five years), medium term (five - 10 years) and long term (10 - 20 years) and, in each case, assumes that the M4 relief road is not built through the port. Development will be undertaken in response to, and on occasion in anticipation of customer demand. It will be supported by contractual commitment wherever possible, as well as being subject to investment capital approval. ABP will also have to monitor carefully international market trends as its own development plans for the port evolve, and if necessary, adapt those plans. Through robust business planning, ABP will be able to ensure that the correct facilities are in place as they are required by customers.

Stored timber at the Port of Newport



Port developments 2015 – 2020

North Dock

5.8 In the coming years, ABP intends to develop the North Dock further to increase the port's ability to service larger vessels, offer customers greater flexibility and faster turnaround times. The proposals will maximise the use of 1,000 metres of high-quality quayside that exists in North Dock.

South Dock

5.9 Similarly, areas surrounding the South Dock will be developed and/or enhanced to accommodate changes in cargo trends and port-related operations.

The port

5.10 In operational terms, the two Docks within the port have to operate as a single unit if vessels of varying sizes, arriving at all times of the day and night, with differing cargoes, to be loaded from or unloaded to different locations within the port estate either for storage or onward transportation are to be efficiently and speedily accommodated. It is only by treating the two Docks as a single coherent whole in development – as well as operational – terms that ABP is able to achieve the critical flexibility which is essential if the port is to meet the needs of an expanding market in a comprehensive manner. Its plans for the North and South Docks will enable ABP and the Port of Newport to continue to service the needs of its existing customer base while also being able to attract further inward investment, thereby creating new job opportunities.

Power generation

5.11 ABP has set aside a 12 acre (4.9 hectare) site for the development of a biomass power generation facility. The Port of Newport is an ideal site for such an energy scheme due to its readily available grid connections and capacity to link in with the national and local distribution networks. ABP has also specifically reserved quayside land to facilitate the import of feedstock and an onsite requirement for direct energy consumption. Planning permission has been granted for a 49 megawatt biomass power station and ABP is in discussions with a potential occupier. It is expected that construction will start on the project within the next five years.

5.12 In addition, a potential tenant has secured planning permission for a four acre (1.6 hectare) gas power station on the West side terminal, an area of the port that is serviced via both the North and South Docks and is in final discussions with the proposed operator to take this project forward, with a view to construction starting on the project within the next few years.



KEY

-  Constructed power stations
-  Additional forestry products warehousing
-  Reserved development plot
-  Strategic development plots
-  Relocated open storage area
-  Removal of Junction Cut
-  Protected rail corridor
-  Existing rail corridor

NORTH DOCK

SOUTH DOCK



Bulk cargoes

5.13 The Port of Newport has experienced an increase in bulk cargo in recent years, as outlined in the previous chapter. As these cargo volumes continue to increase, ABP has planned investment to increase bulk cargo storage and handling facilities in the West side terminal. This is in the form of two additional warehouses adjacent to 11 Shed and the installation of a new weigh-bridge facility to enhance productivity for bulk vessels, which are serviced via the North and South Docks. This would result in existing open storage areas being relocated to an alternative site (see 2020 land use plan on page 27).

Forest products

5.14 The Port of Newport is already established as a major hub for forest products, with a number of long-term tenants and value-added processing facilities for the forest products industry located at the port. To accommodate current customers and maintain its market share, ABP will invest in additional warehousing adjacent to the North Dock.



The Port of Newport is a major hub for the handling of forestry products

Rail

5.15 Rail links are critical for the continued commercial success of the port. In this context, ABP has maintained a protected rail corridor running from the timber terminal down to the South Western end of South Dock. This will continue to be protected in order to be able to service the eventual development of this part of the port.

Recyclables

5.16 While imported coal volumes will continue in the short term, it is expected that this will ultimately cease due to government energy policy. The port has, however, ready-made facilities in place to accommodate developing cargo types, such as recyclables and wood chip. ABP is already utilising the paved, open storage area at the coal terminal for project cargoes and is actively seeking additional opportunities for the handling and export of waste products.

Reserved development land

5.17 ABP has specifically identified an area of land of some 60 acres (24.3 hectares), which has direct access to South Dock and is served by road and rail infrastructure, for a major port-related occupier with on-site value-added

processing or manufacturing requirements. Large parts of this area are currently licenced for the storage of coal and have been extensively used during periods of peak coal handling. In addition, areas have been used for flexible short-term storage of project cargo and for tenanted activities. This area of the port is currently being marketed to suitable large-scale port-related customers.

Port infrastructure

5.18 In line with global trends, ABP is seeing, with increasing regularity, larger vessels come through the Port of Newport with cargo often being discharged from a vessel that is also carrying different cargo for another port, thereby enabling greater economies of scale to be achieved for shipping customers. Ships are in any case increasing in size – beam, height and draught – both in terms of commercial imperatives and to meet crew accommodation requirements brought in under the Marine Labour Convention (2014).

5.19 Ships operating at and near the maximum acceptance draught also need to enter the Port of Newport at spring tides when the water levels are highest, which can cause bunching of vessels and activity into peak operational periods within the port. These shipping trends mean that maximising the number of berths within the port that are capable of accommodating larger vessels has become a priority in order to ensure that customers' cargo can be loaded and unloaded as quickly as possible.

5.20 One practical operational difficulty is that there is currently a beam limitation for vessels entering the North Dock from the South Dock due to the width of 'Junction Cut'. Carrying out works to widen the Cut would allow larger vessels to utilise the additional berths in North Dock, thereby enhancing the operational effectiveness of the port as a whole.

5.21 Before the last economic recession, ABP had discussed plans to widen the Junction Cut with Newport City Council in its capacity as planning authority. However, committing the capital outlay required for the widening works has been problematic in view of the fact that the Welsh Government's proposals for the M4 relief road have effectively blighted the middle of the port through which the proposed relief road would pass and within which Junction Cut lies. Nevertheless, this remains a project that continues to grow in importance if the port is to remain competitive. As the economy and overall demand on the port grows, and ship sizes continue to increase, the widening of Junction Cut is an infrastructural improvement that has become a critical commercial priority for ABP. Depending on the outcome of the M4 relief road proposals (see chapter 8), ABP expects to take this improvement forward within the next five years.

5.22 In order to improve the resilience of the port's infrastructure, in response to sea level rise, the port's outer lock gates will be replaced in 2017 as part of a wider programme of lock gate replacements at ABP's South Wales ports. This will also allow water levels within the dock system to be raised by some 0.7m. In conjunction with the widening of Junction Cut, this will open up North Dock to the largest vessels that currently are restricted to South Dock and will provide a major benefit to the port.



Aerial image showing a ship loading scrap metal and the area behind known as 'Junction Cut'

Port developments 2020 – 2025

Biomass power station

5.23 ABP expects the construction of a biomass power station within the Port of Newport to have been completed and the station to be fully operational in the early 2020s. This will bring with it direct port business associated with the import of biomass products, which in itself, will require additional storage facilities on the port estate.

Rail connection

5.24 ABP intends to take the development of a new rail line forward during this period to help service the needs of the new power station operator and the increased capacity at the bulk terminal after the development of additional warehousing facilities.

Coal terminal

5.25 When the anticipated cessation of coal handling eventually occurs at the Port of Newport, ABP intends to complete the repurposing of the coal terminal as part of its investment in additional bulk handling capabilities, including increasing storage facilities through the development of new warehousing.

Steel

5.26 The Port of Newport is a major steel import and export location in the UK and is well-positioned to service the UK's industrial heartlands. Steel imports and exports are continuing to grow at the port, which means that the redevelopment of the steel terminal at North Dock will be taken forward to include a new rail connection and a reconfiguration of existing covered warehousing. Upgrading steel shed facilities (particularly 5 Shed in the South Eastern corner of the port estate) to new modern warehouses fitted with mechanised gantry cranes will also be completed during this period to increase steel storage capacity and to ensure that customers can handle cargo as efficiently as possible.

Dry dock

5.27 The North Dock is the oldest part of the port and was formerly accessed via a lock to the River Usk. The dry dock facility on North Dock is currently under-utilised and ABP intends to explore market demand for re-establishing it for operation during this phase of development to be used for the repair and maintenance of vessels up to 8,000 tonnes. It could also provide an undercover vessel facility for handling weather-sensitive cargo.

Reserved development land

5.28 Development of the 60 acre (24.3 hectare) site in the South Eastern corner of the port will be taken forward in line with the requirements of the new customers.



KEY

-  Constructed power stations
-  Additional forestry products warehousing
-  Specialist occupier with value-added processing
-  Development of strategic land banks
-  Bulk cargo terminal
-  Reconfiguration of existing steel facilities
-  Dry dock facility
-  New rail connection to upgraded steel facilities
-  Reconfiguration of the road network to accommodate new steel facilities
-  Existing rail corridor

NORTH DOCK

SOUTH DOCK



Port developments 2025 – 2035

Warehousing

5.29 Additional warehousing space will be required during this period. ABP has identified a series of strategic development plots to accommodate this (see 2035 land use map on page 33).

North Dock, new berth and storage area

5.30 The top 'timber-stage' section of North Dock is a key development area for the Port of Newport. In the long term, ABP intends to infill this area to create a new berth and 10 - 12 acres of accompanying prime quayside for storage or warehousing for new or expanding customers.

Reserved development land

5.31 ABP anticipates that the 60 acre (24.3 hectare) development plot will have been fully developed during this period in line with the customers' requirements.

South Dock, new berths

5.32 During this period and beyond, subject entirely to future market demands, ABP may also consider the construction of two further berths with deep sea capabilities on the North Western side of South Dock. If taken forward, these new berths and quayside would also have to be serviced with additional cranes and facilities to accommodate expanding or new cargo types.

5.33 In a commercial context, such a development could not be taken forward on an anticipatory or speculative basis due to the high costs involved.

New lock

5.34 In the context of increasing vessel size, ABP may also consider investing in a new larger entrance lock running parallel to the existing lock entrance to the port. An infrastructure project of this scale would also only be undertaken if suitable funding were available to make it viable.



Three vessels berthed in the South Dock with the Port of Newport's first wind turbine in the background



KEY

-  Constructed power stations
-  Additional forestry products warehousing
-  Specialist occupier with value-added processing
-  Strategic development plots
-  Bulk cargo terminal
-  Reconfigured steel facilities
-  Dry dock facility
-  New berth and storage area
-  Strategic development plots
-  New berths
-  Existing rail corridor

NORTH DOCK

SOUTH DOCK



1km

Chapter 6

Environment

Contents

6.1 This chapter provides details of ABP's environmental policy and approach to protecting the environment.

6.2 It encompasses day-to-day environmental good practice, air quality, noise and nature conservation.

Introduction

6.3 ABP regards itself as a custodian for the land and sea interfaces for which it is responsible. ABP ensures that it manages its obligations to the environment in a responsible way and develops its business to meet the demands of its customers in a way which has due regard for sustainable development, in a business and environmental sense.

6.4 Its environmental policy and compliance management system is centrally co-ordinated by ABP's head office to ensure a proper and consistent approach across all of ABP's ports and port operational business functions.

6.5 In summary, ABP's environmental policy is to:

- comply with all environmental legislation and other compliance obligations that relate to ABP's business;
- protect the environment, including preventing pollution and contamination and minimising disturbance by ensuring that each business function has the best tools in place to operate effectively;
- respond promptly to environmental incidents or emergencies in order to minimise ABP's impact on the environment;
- provide appropriate and relevant training and environmental information to anyone working for or on behalf of ABP;
- strengthen ABP's business resilience and prepare for the consequences of climate change;
- target continual environmental improvement and set measurable environmental targets and objectives;
- pursue the efficient and responsible use of natural resources ensuring that energy, water efficiency, waste and carbon reductions are integrated into business decision-making;
- manage and reduce the environmental impact of our operations through a process of risk assessment, audit, review, training and guidance;
- communicate and engage on environmental matters with employees, stakeholders and port users.

6.6 ABP manages the above policy via a compliance management system which is integrated into other business processes. ABP reviews its environmental policy annually and communicates it to employees, tenants and contractors.

- ABP reduced its carbon footprint by 4.3% in 2015 compared with the prior year;
- 40% of ABP's purchased energy came from renewable sources in 2014;
- 80% of ABP's waste was recovered or recycled in 2014;
- 2,900 tonnes of carbon emissions are saved each year from one wind turbine at the Port of Newport;
- between November 2014 and October 2015, 27% of the port's electricity usage was powered by renewable energy from the port estate.

Environmental management system

6.7 As mentioned, ABP has an environmental management system incorporated into ABP's wider compliance management system which ensures the ownership and stewardship of environmental issues by employees at all levels of the company.

6.8 The key themes of ABP's environmental management system can be summarised as:

- managing risks: a risk-based appraisal of all operational activities, facilities and cargoes handled at the port has been put in place to determine where resources should be focused to prevent environmental damage, including the provision of information and guidance for staff and customers, the development of risk assessments and the undertaking of regular audits of our operations;
- resource efficiency and carbon reduction: carbon management, waste reduction and improved resource efficiency remain key business priorities for ABP, with a resource efficiency team dedicated to continually reviewing improvement measures that can be made;

- developing responsibly: ABP seeks to ensure its developments are designed to reduce the risk and impact to the environment, both during construction and operation;
- responsibilities and training: responsibility for sustainable development lies with ABP's Chief Executive, who is supported by the quality and compliance director, the central environmental team and the environmental co-ordinator from each of ABP's business functions. The environment team receives training and support across a range of environmental matters, from introductory programmes to specialised training on areas such as waste management.

6.9 As a major port operator and landlord, ABP recognises the need to monitor its consumption of resources. Power and water usage are monitored as part of an ongoing process as is the Port of Newport's carbon footprint. This monitoring exercise provides baseline figures from which resource efficiency can be measured and consumption reduced. Through investment in renewable energy at the Port of Newport, ABP is aiming to be carbon positive by the end of 2016, meaning that ABP will produce more electricity than it consumes on the port estate, with any excess power generated being exported to the National Grid.

6.10 ABP works closely with the port's appointed waste contractors to minimise the quantity of waste generated, to find ways to recycle or reuse materials and to divert waste, wherever possible, away from landfill.

6.11 Almost every aspect of the port's environmental function and performance is governed by UK and EU legislation. ABP works closely with regulators and legislators both at a government and local government level, to ensure the ongoing development and implementation of existing and new legislation.

Planning for sustainable development

6.12 The ongoing activities and future development of the port will inevitably have the potential to impact on the immediate environment in which the port is situated. ABP is, however, committed to conservation and sustainable development and takes its responsibility of being a custodian of vital land and sea interfaces very seriously.

Nature conservation and environmental protection international and national nature conservation designations

6.13 ABP, as Statutory Harbour Authority, also has to comply with a number of environmental statutory duties and obligations, including section 48A of the Harbours Act 1964 which imposes a duty on a Harbour Authority: "*in formulating or considering any proposals relating to its functions under any enactment to have regard to –* (a) *the conservation of the natural beauty of the countryside and of flora, fauna and geological or physiographical features of special interest ...*"

6.14 The designations applicable to the Port of Newport and the surrounding area are listed below and their locations are indicated on page 37:

- Special Protection Area (SPA);
- Special Area of Conservation (SAC);
- European Marine Site;
- Ramsar site;
- Site of Special Scientific Interest (SSSI);
- National Nature Reserve.

6.15 The EU Birds Directive (2009/147/EC) requires all member states to identify areas to be given special protection for the rare or vulnerable species listed in Annex 1 (Article 4.1), for regularly occurring migratory species (Article 4.2) and for the protection of wetlands, especially wetlands of international importance. These areas are known as Special Protection Areas (SPAs).

6.16 The EU Habitats Directive (92/43/EEC) requires the establishment of a network of high-quality conservation sites that will make a significant contribution to conserving the 169 habitat types and 623 species identified in Annexes I and II of the Directive. The listed habitat types and species are those considered to be most in need of conservation at a European level with the ultimate aim of the Directive being the conservation of biodiversity.

6.17 SACs and SPAs are defined as European Sites in the UK's Conservation of Habitats and Species Regulations 2010 (the Habitats Regulations). Where the European Site lies below highest astronomical tide, which is land covered continuously or intermittently by tidal waters or any part of the sea in or adjacent to Great Britain up to the seaward limit of territorial waters, it is described as a European Marine Site.

6.18 Under the Ramsar Convention on Wetlands of International Importance which came into effect in December 1975, it is a requirement of signatory states to protect wetland sites of international importance, including those that are important waterfowl habitats.

6.19 At a national level, Sites of Special Scientific Interest (SSSI) are notified by the relevant nature conservation agencies such as Natural Resources Wales under the Wildlife and Countryside Act 1981. Under the Act, the conservation agencies are required “to notify land which in their opinion is of special interest for its plants, animals, geological or physiographical features.” Certain types of activities need to be agreed with the conservation agencies if they are likely to affect the scientific interest. Natural Resources Wales will also select and designate any sites considered to be National Nature Reserves in Wales under the National Parks and Access to the Countryside Act 1949, or under the Wildlife and Countryside Act 1981.

6.20 ABP complies fully with the legislation mentioned above and at all times in conducting its operations, takes full account of the sensitive nature of the Rivers Usk and Ebbw; the wider Severn Estuary, which is a designated a European Marine Site, and the role each plays in providing feeding, nesting and roosting sites for a range of bird species, flora and fauna.

6.21 Part of the estuary and the adjacent land is a Site of Special Scientific Interest (SSSI), a National Nature Reserve and is also designated under European Directives as a Special Protection Area (SPA), a Special Area of Conservation (SAC) and a RAMSAR site. ABP plays an active role in the Association of Severn Estuary Relevant Authorities (ASERA), in meeting the statutory obligations in relation to these important nature conservation designations. Within the process of expansion at the Port of Newport, ABP is committed to preserving and maintaining the Severn Estuary as an important habitat and it is a clear aim for port development to proceed in a sustainable and non-damaging way.

6.22 Any relevant nature conservation designations relating to specific port infrastructure developments will be considered as part of the planning process. Conservation agencies will be engaged as early in the planning stages as possible in order to influence any project design and timing to reach agreements on avoiding and mitigating any potential impacts. Information to assist competent authorities in the completion of habitats assessments will be provided and any mitigation measures deemed necessary will be implemented alongside the development.

6.23 ABP also works with local wildlife organisations in Newport with a view to managing the port estate, which is not governed by a specific designation, in a way that benefits wider biodiversity – for example, its ongoing partnership working with Bugs Life, the Bumblebee Conservation Trust and the Gwent Wildlife Trust. In this context, the port has also established a biodiversity management plan for grounds maintenance.

Water quality

6.24 ABP works closely with Natural Resources Wales to apply the highest standards in and around the port. As Statutory Harbour Authority, this is particularly important for ABP when it comes to its dredging activities. The Severn Estuary contains high levels of sediment and it is necessary to remove sediment deposits in order to maintain safe passage and moorings on the port’s berths and approach channel. ABP liaises regularly with the relevant authorities and monitors its dredging activities to ensure that there are no adverse effects on habitats and all dredge disposal activities are subject to a Water Framework Directive assessment. There are no nearby designated shellfish waters or bathing beaches that any development at the Port of Newport could affect.

Noise, nuisances and the local community

6.25 ABP has in place a project management process that ensures developments are designed in a way to minimise potential nuisance impacts during their construction and operational phases. Full consideration is always given to potential for noise, dust and other nuisance or local community impacts and designed out where possible or preventative and mitigation measures included within project proposals.

Flood risk and climate change adaptation

6.26 Operating next to land and sea interfaces, ABP’s facilities have the potential to be sensitive to flood risk and the wider impact of climate change. As such, ABP ensures that development proposals take account of these potential impacts and designs resilient facilities that will also not adversely impact flood risk elsewhere. This is facilitated by ABP’s project management process where environmental risks are flagged at the earliest stage possible of development planning – the sequential test for flooding and climate change impacts forms an integral part of this. In order to improve the resilience of the port’s infrastructure, in response to sea level rise, the port’s outer lock gates will be replaced in 2017 as part of a wider programme of lock gate replacements at ABP’s South Wales ports.

6.27 ABP is also investing in renewable technologies and energy efficiencies to ensure its impact on climate change is minimised.

Sustainable transport and air quality

6.28 Port developments have the potential both to impact and benefit local air quality, by facilitating trans-modal cargo shifts and removing cargo from roads. ABP seeks to maximise opportunities for such shifts as part of future development proposals and supports solutions that lead to reductions in greenhouse gas emissions and reduce congestion.

KEY

-  **National Nature Reserve**
-  **Site Special Scientific Interest**
-  **Special Area of Conservation**
-  **Ramsar & Special Protection Area**
Ramsar & Special Protection Area are two separate designations which cover the same area in this instance



NORTH DOCK

SOUTH DOCK

A map to show the environmental designations surrounding the Port of Newport

Chapter 7

Planning

Contents

7.1 This chapter outlines the current legal and planning policy framework, locally, regionally and nationally, in the context of the issues that are likely to face the port in the period covered by the Master Plan.

Introduction

7.2 Major ports such as Newport operate within a complex planning framework that reflects differences in the legislative systems relating to land and sea.

7.3 Port development and operations may also affect public rights of navigation and have historically required the grant of powers through a public or private Act or Parliamentary Order.

7.4 The purpose of this section of the Master Plan is to explain the legal and regulatory context and planning policy framework and relate them to the issues that are likely to face the port in the period covered by the plan. In doing so, it focuses on the port's influence and importance, both in economic and environmental terms, throughout the region and nationally.

Current planning and legislative context

7.5 The Port of Newport is located on the North bank of the Bristol Channel at the mouth of the Severn Estuary. The statutory boundary of the port falls within the administrative area of Newport City Council.

7.6 As is the case with most major European ports, much of the port's coastal and water environment is either designated and legally protected for its conservation value or is adjacent to waters that are the subject of such designations. The port is thus an integral part of the urban area and the natural environment within which it is located and the economic activity that the port generates is recognised as being of local, regional, national and international significance.

7.7 As such, the policy framework identifies the Port of Newport as a vital part of the South Wales region's economic future.

Legal and regulatory framework

7.8 The Port of Newport operates within a legal framework formed by general legislation, laws that apply to all ports and harbours and the specific Newport Dock Acts.

7.9 Through its ownership of the commercial port, ABP is the statutory Dock and Harbour Authority. In addition, ABP is separately:

- the Competent Harbour Authority (CHA) with distinct statutory duties as Pilotage Authority for much of the Severn Estuary;
- contracted to carry out the duties of Harbourmaster and provide pilotage services for the Newport Harbour Commissioners, an adjacent CHA responsible for the safety of navigation on the River Usk and its approaches.

7.10 For the purposes of port-related development, ABP is a statutory undertaker. In this context, Class B of Part 17 of the Town and Country Planning (General Permitted Development) Order 1995 (GPDO) (as amended) grants ABP deemed consent for development on operational land for the purposes of shipping or in connection with its port and harbour functions.

7.11 UK port and harbour legislation is based around the Harbours Act 1964 and the Harbours, Docks and Piers Clauses Act 1847. These Acts have been amended over the years to bring them into line with more recent relevant law such as the Transport and Works Act 1992. Together with the Newport Dock Acts, broadly speaking these provide the legal foundation for the development and operation of the port.

7.12 Around this legislation sits the overarching requirements of the UK and European planning and environmental legislative and regulatory framework. This covers a wide variety of matters ranging from port development to nature conservation, environmental impact assessment, health and safety and environmental health.

7.13 The remit of terrestrial planning law, in so far as it relates to land, generally extends down to mean low water. The Statutory Harbour Authority area covers the water as far as mean high water. Development proposals affecting the Harbour Authority's area, therefore, require the Harbour Master's consent.

7.14 In national legislative terms, as at the time of the publication of this Master Plan, the Wales Bill is entering the final stages of its consideration in Parliament. Once the Bill has received Royal Assent, a number of functions exercisable in relation to harbours will be transferred to Welsh Ministers.

7.15 Indeed, the UK planning and environmental regime is continually evolving, and changes to the planning legal framework and strategy are likely to continue to take place during the Master Plan period which may have implications for the future development and expansion of the port.

7.16 For example, in addition to the Wales Bill, another potentially significant development in this context is the Planning Act 2008. This Act seeks to provide a more efficient, transparent and accessible consenting process for Nationally Significant Infrastructure Projects (NSIPs).

7.17 The UK Government's National Policy Statements (NPSs) underpin the NSIP consenting process. The NPS for ports was published by the Department for Transport in January 2012. It provides a strategic framework for port development.

7.18 The Marine and Coastal Access Act (MCAA) 2009 covers the marine regulatory system. Under the MCAA 2009 Marine Licenses are determined by the Marine Licensing Team of Natural Resources Wales (NRW) on behalf of the Welsh Government.

Policy framework

UK national policy framework

7.19 As mentioned above, the UK Government's policy on ports is set out principally in the NPS for Ports published by Department for Transport in January 2012.

7.20 The NPS recognises that:

- UK ports play a crucial role in sustaining the UK's economy and standard of living;
- the UK's success in a globalised market depends greatly on the ability of its ports to adapt and operate efficiently as gateways to international trade.

7.21 The NPS for ports confirms that the Welsh Government is responsible for many related functions, including transport and land use planning, and states that in considering any applications relating to Wales, the decision-maker should additionally take account of the Welsh Government's policies and plans.

Welsh national policy framework

7.22 There are a number of Welsh Government policy documents that provide the context for port-related development in Wales. The role of ports as part of the economic and transport infrastructure of Wales is reflected in the Wales Spatial Plan, the Wales Transport Strategy, the National Transport Plan, Planning Policy Wales and Technical Advice Note 18: Transport.

Wales Spatial Plan (2008 update)

7.23 The Wales Spatial Plan 2008 update divides Wales into six strategy areas. The Port of Newport is included within the 'South East Wales Capital Region'. The Plan recognises that:



Newport's regeneration will strengthen its strategic role as the economic gateway to Wales, and maximise the benefits of its strong connections with the Eastern Valleys. High value developments should be a dominant feature of Cardiff and Newport's projected employment growth...



7.24 The Plan continues by defining seaports as ‘unique assets’, the ports of Cardiff, Newport and Barry being specifically highlighted as follows:



Seaports are recognised as unique assets which can facilitate inward investment and high quality employment. The ports of Cardiff, Newport and Barry are important gateways of trade, serving the regional economy and supporting existing manufacturers and industry.



Wales Transport Strategy (2008)

7.25 The Wales Transport Strategy 2008 and its companion document, the Wales Freight Strategy 2008, recognise the importance of ports in facilitating the movement of freight and the connectivity of port operations to the wider transnational, national and local transportation network.

Steel coil being handled at the Port of Newport



Wales Freight Strategy (2008)

7.26 The Wales Freight Strategy 2008 acknowledges the importance of the Welsh ports in facilitating the efficient and reliable movements of freight and connecting water with key markets. It states that:



Ports represent strategic assets which are playing a growing role in inter-modal transport networks and logistic supply chains, and facilitate a significant amount of trade... ports can have a role in improving the overall location of a region in the world, and induce new inward investment, as well as provide a physical conduit for the transfer of new technology and ideas. They can also play a role in improving access to tourists.



7.27 The Freight Strategy identifies a number of actions geared towards ports and shipping including:

- "PS1 - promote use of inland waterways and coastal shipping wherever practicable;
- PS2 - to raise awareness of Welsh port facilities with both public bodies and freight customers...;
- PS3 - further promotion is suggested at local and international levels, to include the potential benefits of added-value activities at ports (including manufacturing, processing and logistical development close to or on port estates), again identifying if particular environmental benefits can be achieved;
- PS4 - identify port locations where new facilities could be developed...;
- PS5 - consider port-related rail freight path availability, in particular with respect to potential future port generated rail freight demand."

Report of the Wales Freight Task and Finish Group (March 2014)

7.28 The Wales Freight Task and Finish Group was set up to consider Welsh Freight Strategy given that much had changed since both the Wales Transport Strategy and the Wales Freight Strategy were published in 2008.

7.29 With many ports being privately owned, the Group recognised that the ports sector operates commercially at arms-length from government and that ports make a significant contribution to the Welsh economy. It also recognised that ports have the potential to play a greater role within inter-modal freight networks and that they are in a good position to provide transit facilities for handling goods passing between different transport modes due to their land holdings, as well as hosting value-added processes, such as manufacturing, enhancing economic growth and job opportunities in their local areas.

National Transport Finance Plan 2015

7.30 The National Transport Finance Plan 2015, which replaced the former National Transport Plan 2010, was published on 16 July 2015. This Plan also comprises two associated documents called the Impact Assessment 2015 and Evidence Base 2015, which contain information on the context and evidence base.

7.31 The National Transport Finance Plan sits within the framework provided by the Wales Transport Strategy and identifies a number of schemes which Welsh Government intends to deliver across the different areas of transport policy for which it is responsible. It provides a timescale for finance and delivery, also identifying where appropriate, the likely source of any finance required.

7.32 The Plan recognises the significant contribution that ports make to the Welsh economy and as recognised by the Wales Freight Task and Finish Group, that ABP's ports service one of the main areas of the port industry in Wales: the handling of dry and liquid bulk, forest products, iron and steel products and some container traffic. As such the Plan confirms that Welsh ports need to be able to maintain existing operations and take opportunities to grow and diversify in the future.

Planning Policy Wales (PPW) Edition 9 (November 2016)

7.33 Paragraphs 8.5.2 and 8.6.2 of PPW require that development plans should include policies and proposals relating to the development of transport infrastructure such as public transport interchange facilities, rail facilities, harbours and airports.

7.34 PPW confirms (paragraph 8.5.3) that the strategic significance of freight access to industry and commerce should be taken into consideration by planning authorities and wherever possible they should promote the carriage of freight by rail, water or pipeline rather than by road and locate new facilities adjacent to railways and/or ports to promote modal transfer.

7.35 It also states (paragraph 8.5.6) that planning authorities should seek to promote the use of ports and inland waterways by the protection or provision of access to them and by the retention or provision of appropriate wharf, dock, harbour and rail transfer facilities.

Technical Advice Note (TAN) 18: Transport (March 2007)

7.36 TAN 18 confirms that the integration of land use planning and development of transport infrastructure has a key role to play in addressing the environmental aspects of sustainable development by promoting the location of warehousing and manufacturing developments to facilitate the use of rail and sea transport for freight (paragraph 2.3).

7.37 The TAN also confirms that land use planning can have a significant impact on distribution, through policies and decisions on patterns of development and transport infrastructure and states that, wherever possible, planning authorities should promote the carriage of freight by rail, water or pipeline rather than road (paragraph 8.11).

7.38 Paragraph 8.15 confirms that coastal shipping in conjunction with the major navigable waterways provides an environmentally friendly means of moving freight and that this is dependent on the provision of wharves and harbour facilities able to handle and distribute the goods. Planning authorities should, therefore, work with the port and shipping industries when preparing development plans and determining planning applications and they should seek to retain or provide appropriate wharf and harbour facilities for such developments and protect or provide rail and/or road access to them, by designating sites in development plans.

Proposed changes to the Welsh national policy framework

7.39 The Planning (Wales) Bill received Royal Assent on Monday 6 July 2015 and is now the Planning (Wales) Act 2015.

7.40 Changes introduced by this Act, which will be brought into effect in stages, include:

- the provision of a modern delivery framework for the preparation of development plans and determination of planning applications (including allowing the Welsh Ministers to decide a limited number of planning applications in defined circumstances for Developments of National Significance (DNS);
- replacing the Wales Spatial Plan by a National Development Framework (NDF);
- allowing the preparation of Strategic Development Plans (SDPs) where needed;
- ensuring that Local Development Plans (LDPs) are delivered and reviewed regularly so that they remain relevant to planning decisions.

7.41 The NDF will set out the Welsh Government's land use priorities and provide a national land use framework for SDPs and LDPs. SDPs are intended to account for wider issues, such as housing demand, strategic employment sites and transport infrastructure. The Welsh Government has confirmed that universal coverage across Wales is not necessary and it is likely that the areas to benefit from SDPs will be the largest urban areas such as Cardiff and Swansea, with the Cardiff SDP possibly including parts of Newport.

Newport Local Development Plan (LDP)

7.42 The Newport LDP was adopted in January 2015 and covers the period from 2011 – 2026. The Port of Newport is the subject of Policy EM2, which states:



The existing 206 hectare employment site at Newport Docks is protected for B1, B2 and B8 uses. The Council will support such development where it can be demonstrated that the development is complementary to and does not hinder the operational use of the port.



7.43 The Plan goes on to confirm that in terms of energy generation, the port has certain locational advantages, including accessibility for fuel and distance from residential or other uses upon which there might be an impact. It confirms that recent schemes granted planning permission have included a biomass power plant, wind turbines and solar installations, and that renewable and low carbon energy generation developments will also be supported.

7.44 Policy M4 of the LDP safeguards existing dock and rail infrastructure, in order to encourage the sustainable transport of aggregate, such as the import of marine dredged aggregates undertaken by Severn Sands Limited in South Dock. This policy also addresses the need to safeguard rail sidings at Newport Docks in order to maintain its existing and potential use for the transport of aggregates by rail.

7.45 Similarly, Policy T1 of the LDP relates to railways and indicates that the Council will support proposals for the railway system including protecting and encouraging rail access to industrial development, especially on the lines to the port.

7.46 The LDP, therefore, recognises the importance of the Port of Newport to the economy of the area in terms of its potential to accommodate employment and energy related development and its importance in transportation terms.

Implications for the Master Plan

7.47 As is apparent from the description of the legal, regulatory and planning policy frameworks set out above, the context within which the Port of Newport operates is complex and is also subject to regular revision and amendment.

7.48 The importance of the Port of Newport, an international trading sea port, serving the local, regional and national economy is very clear. It is equally clear that this importance is fully reflected and recognised in both the existing and evolving legislative framework and local, regional and national policy.



ABP dock workers preparing cargo for discharge

Chapter 8

Socio-economic impact

Contents

8.1 This chapter considers the socio-economic environment in which the Port of Newport operates and the port's contribution in this context.

Introduction

8.2 The UK ports industry makes a significant contribution to the UK's economy, supporting thousands of jobs and acting as a catalyst for economic activity.

8.3 Ports are a vital part of the UK's transport infrastructure and are essential gateways for trade and travel. Ninety-five percent of UK trade by volume and 75% by value is seaborne trade⁹.

8.4 The port industry is fundamental to:

- improving the offering of a region to attract inward investment;
- improving access for tourists;
- providing a physical driver for the transfer of new technology and ideas;
- reducing road movements of cargo by promoting intermodal and transhipment opportunities.

8.5 In a Welsh context, the Port of Newport is crucial as it:

- facilitates a significant amount of trade and allows Welsh-based organisations to export their goods and import critical components;
- supports around 3,000 local jobs;
- contributes £186 million to the local economy every year.¹⁰

8.6 The Port of Newport supports key employment sectors in South Wales, including steel production, agriculture, construction, recycling, distribution and logistics.

8.7 The port is also an important part of the Newport community, historically and to the present day. As well as providing jobs and income, it provides support for the community through a variety of activities, some of which are outlined later in this chapter. Ensuring that the local community is equipped with the skills base to support the future growth of the port is a key challenge and we are keen to work in partnership with Newport City Council and local further and higher education providers to ensure this happens.

⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/3931/national-policy-statement-ports.pdf

¹⁰ 2013 Arup economic impact study

Meeting the challenges of tomorrow

8.8 Looking ahead, the South East Wales region, the port industry and the Port of Newport itself has many opportunities, but they also face many economic and operational challenges.

The M4 relief road

8.9 In July 2014, the Welsh Government announced that the 'Black Route' was its preferred choice for a M4 relief road. This route proposed by the Welsh Government includes a six-lane motorway bridge which, if the scheme is approved, would bisect the North and South Docks at the Port of Newport at a height of approximately 25 metres, creating three isolated operational zones within the port and, critically, impeding vessel and crane access to the North Dock area. A plan showing the physical impact of the motorway proposal on the port, together with broader severance impacts is shown below in visual one. If the bridge is constructed it will clearly have a seriously negative impact upon port operations and will prevent the port from reaching its full potential. This will be to the serious detriment of the port itself, but it will also have long-lasting, irreparable consequences for the prosperity of the region and the growth of the Welsh economy.

8.10 As currently proposed, the Welsh Government's scheme will generate a number of detrimental impacts on port operations and activities, including:

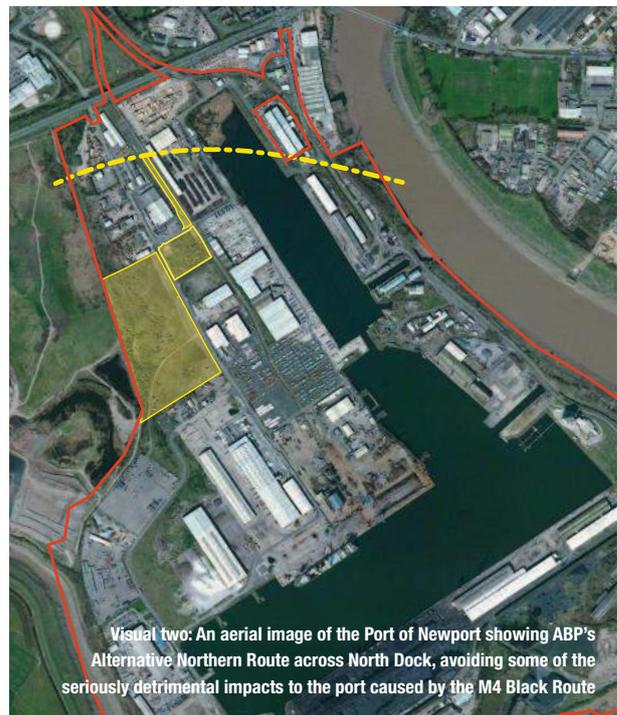
- the imposition of a critical height restriction on vessels that need to enter the North Dock;
- the prevention of a significant number of vessels currently using the North Dock from entering;
- a limitation on access to approximately 1,000 metres of high-quality quayside within the North Dock;
- the removal of any benefit gained from widening the Junction Cut;
- a restriction on the port's operational flexibility and

future growth potential;

- the disruption of the day-to-day operations of plant machinery and cranes at the port, including the movement of mobile harbour cranes with a minimum height of 48.8 metres;
- threatening several specialist cargo licences held by the port which, in turn, will threaten the future of several businesses located at the port, unless relocated to unaffected parts of the port;
- the sterilisation of land and the creation of issues of land severance, with approximately 87 acres (35.23 hectares) of land set to be lost, which equates to around 20% of the port's total land; thereby affecting existing customers' future development and expansion plans for the port; and also
- raising serious marine safety and security concerns.

8.11 ABP is objecting to the currently proposed scheme and is instead putting forward an alternative route as far as the port is concerned, which while still impacting upon the port and its operations, will at least avoid some of the seriously detrimental impacts that will be caused by the Welsh Government's scheme – and its consequent impact on the local community and economy. ABP's alternative route envisages crossing the port further north than the Welsh Government's scheme, thereby eliminating any significant impact on shipping using North Dock and is shown below in visual two. It would still impact on certain facilities within the port which may have to be relocated to elsewhere on the port estate, as well as restricting the ability to move mobile harbour cranes around the docks.

8.12 Should the proposed Welsh Government scheme for the M4 relief road be approved and the project given the go-ahead in its current form, ABP would need to revise significantly the predictions for future growth at the Port of Newport. This would subsequently lead to the need to review the key development priorities outlined in this Master Plan to repurpose and overhaul areas of the port impacted upon by the relief road.



Tidal Lagoon Proposals

8.13 The Severn Estuary has the second highest tidal range in the world and its potential to generate renewable and sustainable energy has long been discussed.

8.14 Tidal lagoon power is designed to harness tidal resources, helping to provide the UK with energy security and a low carbon alternative, as well as provide economic and recreational benefits to the community in which a lagoon is located.

8.15 A large tidal lagoon scheme is planned for Swansea Bay and the company behind the project, Tidal Lagoon Power Ltd, hopes the scheme will act as a blueprint for other lagoon projects, with future schemes already being discussed for Cardiff and Newport, as well as other parts of the UK.

8.16 ABP recognises the potential of tidal lagoon schemes, both in terms of contributions to the energy mix and with the associated development required to support a new industry.

8.17 To date, ABP has had a number of discussions with Tidal Lagoon Power Ltd about the potential impact that the proposals could have on water levels and, by consequence, on access and capability of ports in the area. ABP will continue to engage with Tidal Lagoon Power Ltd as projects move forward in other locations to ensure that there is no maritime impact on its ports.

Devolution of ports policy

8.18 ABP is excited about the possibilities offered by the devolution of ports policy, announced as part of the St David's Day Agreement in February 2015.

8.19 The current UK laws governing planning policy and marine consents for port operators and occupiers can sometimes create barriers to development and restrict growth. The Welsh Government now has the opportunity to streamline this legislation and enable port operators to accelerate the introduction of well-planned schemes and encourage investment in ports across the country, helping to boost the Welsh economy.

8.20 Welsh ports operate within a competitive market and the ability to make strategic decisions, free from unnecessary bureaucracy and red tape, is essential to their continued growth and success. The development of devolved ports policy needs to acknowledge this, as well as underpin positive partnership where operators work with the Welsh Government to explore and maximise inward investment opportunities.

8.21 ABP is committed to working closely with the Welsh Government, individually and through the Welsh Ports Group, to ensure that this opportunity is of benefit to the port sector and the wider Welsh economy.

The Port of Newport and the community

8.22 ABP and the Port of Newport are strongly committed to the local community. This ranges from supporting local charity work to helping to raise the profile of the Newport and South East Wales region more generally.

ABP celebrates Newport centenary with local community



Matthew Kennerley, ABP South Wales, with Councillor Matthew Evans and then Mayor of Newport, Stephanie Roberts, mosaic artist, and pupils of Pillgwenly Primary School with other dignitaries at the centenary celebrations

Pupils from Pillgwenly Primary School perform at the centenary celebrations



8.23 In 2014, ABP marked the centenary of the completion of the South Dock and the opening of the South Lock with a series of celebrations.

8.24 To mark the occasion, ABP employees and the local community worked with local artist Stephanie Roberts to create a commemorative mosaic which is on permanent display on the wall of the Newport Mission to Seafarers. The mosaic depicts the modern and early 20th century dockworker and encapsulates the perfect blend of old and new.

8.25 ABP worked with school children from Pillgwenly Primary School to create an animated film about the history of the port, which formed part of a photography exhibition held at the Newport Museum and Art Gallery. The aim of the exhibition was to showcase the port's history over the last hundred years, to honour the men who built the port and the part the port played in the two World Wars.

8.26 ABP also sponsored the Pillgwenly Carnival, which was maritime themed in honour of the centenary. Engineers at ABP built a ship-shaped float for the parade, which began at the port and finished at the Pillgwenly Millennium Centre at an ABP sponsored marquee with a live community music and dance event.

ABP and Seafarers' Charities

8.27 ABP recognises the enormous contributions made by the various seafarers' charities active in Newport, most notably the Mission to Seafarers and Apostleship of the Sea, both of which are dedicated to the welfare of seafarers. In this regard ABP has provided financial support to the Mission to Seafarers through favourable rental arrangements as well as paying for the refurbishment of the facility, including the most recent investment in a new kitchen.

8.28 ABP also provides practical support to the Mission by assisting with engineering works, such as electrical and compliance testing, and through initiatives such as planting flower beds.

ABP and the Gwent Wildlife Trust



Matthew Kennerley, Associated British Ports, Ian Rappel and Debbie Stenner, both from the Gwent Wildlife Trust at Magor Marsh, celebrating ABP's corporate membership of the Trust

8.29 Last year, ABP teamed up with the Gwent Wildlife Trust to help preserve the Gwent Levels, an area that is of national significance for its wildlife and archaeology.

“

The generous support from Associated British Ports is going to help with the management of the beautiful reserves down on the Gwent Levels, securing this landscape for future generations... ABP plays a very important role in supporting our vision for people close to nature, in a landscape rich in wildlife.

”

Ian Rappel, CEO of the Gwent Wildlife Trust

8.30 The Port of Newport has become a gold level corporate member of the Gwent Wildlife Trust, with members of the team from ABP in Newport working in partnership with the Gwent Wildlife Trust to maintain the fragile wet flower meadows at Magor Marsh.

ABP and the Friends of Newport Ship

8.31 Keen to help to preserve a piece of maritime history and to remind people of Newport's current and historical links to the maritime industry, ABP became the first corporate sponsor of the Friends of Newport Ship. Its support has helped to raise awareness and funds for the care of the best-preserved 15th century ship that has ever been found.



An artist's impression of what the Newport ship would have looked like

Chapter 9

Consultation feedback

9.1 The consultation draft of the Master Plan was made available to a range of stakeholders for their review and comment. The consultation period closed in August 2016. Three consultation responses were received in this period, which were carefully reviewed and this Master Plan has been amended, as appropriate, to take account of them. Our thanks are due to parties that commented, including the Secretary of State for Transport, Robert Goodwill MP, who commented positively on the production of a clear and informative document, as well as Newport City Council, which fully supports investment in the Port of Newport and recognises the strategic importance of the port to the growing economy of the city.

9.2 After the close of the consultation period, Welsh Government contacted the Department for Transport recommending that ABP be encouraged to consider delaying the finalisation of the Master Plan until the outcome of the M4 relief road Public Local Inquiry is known. In light of Welsh Government's delay to that process, announced on 3 October 2016, ABP has decided to continue with finalisation and adoption of the Master Plan.

9.3 The final version of the master plan was formally adopted by ABP on 26 October 2016.



An aerial view of the Port of Newport





The Port of Newport Master Plan **2015 – 2035**

If you would like further information about the Port of Newport, please contact:

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