



Appendix 3

Future Trends Workshop Presentations

Trends in Planning, Legislation and Environmental Controls

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These matters will have a significant bearing on the future of marine industries in the area, in particular the ability to grow and innovative ventures to start.

At the Moment . . .

- Planning system does not generally extend below MLW
- The statutory development plan includes Regional Spatial Strategy
- Directives directly applicable and planning system cannot override
- Policies and decision-making processes on development proposals accords little or no weight to marine industries

- Priority to housing, redevelopment of brownfield sites and protection of greenfield sites
- Draft Regional Strategy which will provide the new development framework for the SE to 2020 does not provide a supportive planning policy for the marine industry
- Emerging LDFs are also failing to recognise the strategic significance of marine industry to the Solent area
- Some do safeguard waterfront sites for employment uses requiring direct access to the water. But no consistency of approach
- Waterfront sites and supply of back-up land are being lost to other development

- Most marine sites lack room for expansion, hemmed by urban development, and surrounded by a plethora of land use and environmental designations
- Submitted RSS less supportive of marine industries and ports than existing policies. May change depending on Secretary of State's decision
- Likelihood of further regulative/legislative changes linked to the environmental agenda are likely to lead to further land use protectionism of the coastline. Right to roam
- New national ports policy awaited. Current support for growth of Port of Southampton will be removed unless RSS changed

The future . . . Some thoughts

- 1. Continued loss of waterfront sites to marine industry**
Likely if policies not changed. Greenfield requirements for backup land especially for ports unlikely to be easy. Significant issue for growth of ports
- 2. New Marine planning system**
More likely than not. As drafted unlikely to assist marine industries
- 3. Transport and infrastructure**
Improvements and investment needed to serve ports and encourage distribution by water. However, public funding currently likely to be limited. Likely to require major contributions. Could change in time, although currently little sign

4. Higher environmental standards

Likely. (eg. Pollution controls/noise impact protection/Co2 emissions/renewable energy). Flooding issue inevitable (public purse unlikely to pay). Improve 'green' credentials of new development proposals

5. More protective designations

Possible directly, likely indirectly through new marine planning system. Co-ordinated approach towards a compensatory/migration package needs to be developed

6. Implementation of existing legislation

Some changes likely - as Habitats/Water Framework Directive continue to be implemented and new regulatory standards set. Overall effect could be major, curtailing physical expansion and setting a limit on growth that may in some areas have been exceeded. Problems of water and wastewater discharges. Possibility of desalination requiring coastal location

7. Climate change implications

Likely significant, especially of sea level rise, flooding risk/coastal protection and renewable energy requiring coastal location

8. Changing energy markets

Possibly significant, need to safeguard potential import locations as well as renewables locations

9. Major coastal land releases

Unknown, but historically likely. Key question of whether land should be held for marine uses

Marine Industry Megatrends - the Big Issues

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This workshop is about the matters that will shape the long-term future of marine industries. Megatrends, big issues, show-stoppers, call them what you will, we want to talk about the things which make the difference between economic decline, survival and world class competitiveness.

Some of these Megatrends are 'internal'. That is to say they are to do with the drive, initiative, inventiveness and competitiveness of individual industries. Others are fundamentally 'external'. These include the global economic context which surrounds almost all marine industry and matters such as climate change and sea level rise . External factors include decisions made remotely, for example as part of national defence strategy or port policy, which may critically affect regional prospects.

Coastal and marine environments are hugely important. They will constrain the establishment of new activities and the potential growth of existing ones. But there are also opportunities that should be explored.

Finally, there are the policy and decision-making processes, especially in respect of land use and marine planning.

Forecasting is never easy ...

".... as we know, there are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns - the ones we don't know we don't know."

- Donald Rumsfeld



Short and medium term policies must be informed by a long term view. Long-term aims require short-term actions.

- Extent of likely physical change to the coast - 50cm sea level rise by 2050. Flood risks and climate change present significant challenges for marine industries
- Key thresholds are much closer, some are imminent - what is needed now to maintain status and improve performance of marine industries?

Short and medium term policies must be informed by a long term view. Long-term aims require short-term actions.

- Pressure on coastal sites from competing uses will lead to an inexorable loss of coastal land currently in marine industrial use.
- Environmental issues have to be tackled over a wide area and against a long-term scenario.
- Decisions taken now will therefore have very significant implications.

Workshop Aims

- Identify megatrends (economic, environmental, social, land use/regulatory) over next 20 years +
- Consider implications for marine industries – opportunities and threats
- Identify what needs to change, how and key responsibilities

Potential Economic Scenarios

- Globalisation generally and world trade specifically
- Competitiveness
- Changing markets/lifestyles, more affluence
- Consumer preferences
- National defence/ports needs
- Scope for innovation and new ventures
- Skills and training

Potential Environmental/Planning Scenarios

- Higher environmental standards
- Climate change
- Sea level rise/flood risk
- Future environmental sustainability of marine industries
- Increased protection of coastal marine environments
- Continued loss of waterfront sites to marine industries
- Greenfield requirement for back-up land

Potential Regulatory/Legislative Scenarios

- Habitats Regulations
- Water Framework Directive
- Changes to terrestrial Planning System
- Introduction of marine Planning system



The Leisure & Recreation Sector

Sally Banham,
Assistant Director



Participation and Events

- Demand driven by customers – here and overseas
- Encouraging participation
- Southampton Boat Show
- Cowes Week
- Round the Island
- Volvo Ocean, America's Cup Jubilee
- Tall Ships
- The Olympics
- What about the future?



What's possible with new technology?



Marinas, Boatyards and Tenants



- Capacity reached in some areas
- High Demand
- Opportunities for development and regeneration needed
- High standard of facilities
- Dry Stack
- New Developments?



Manufacturing, Design and Innovation

- Sector Competitive Analysis
- Lean Programmes - Improved Productivity and shorter Lead Times
- Supply Chain Development and Consolidation
- Sustainability
- New Technologies
- Superyacht Sector





Spot the Difference in just 5 days



Work Force Developemnt



- 'the UK has no choice but to outperform and innovate our competitors' The Leitch Review: World Class Skills by 2020
- Ageing Workforce
- Employers Pledge
- New Emphasis on upskilling



Questions

- What about the next 10-20 years?
- What will the future look like in terms of:
 - Your Waterfront
 - Your business, your suppliers and competitors?
 - Events?
- What is the realistic potential for growth in jobs and productivity?

The Port of Southampton

A Global Gateway Issues and Trends

Solent Waterfront Strategy
Mega Trends Workshop

Steven Young
5th July 2007



Port related activities

- Variety and importance to regional economy
- Strategy and issues for future growth
- Role of the port as a multi modal hub



Cargoes Handled at the Southampton

Bulks



Containers



Cruise



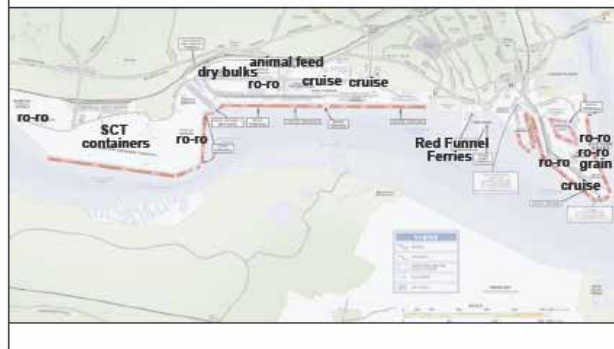
Fresh Produce



Roll-on/Roll-off (inc. vehicles)



Southampton – overview



Southampton today

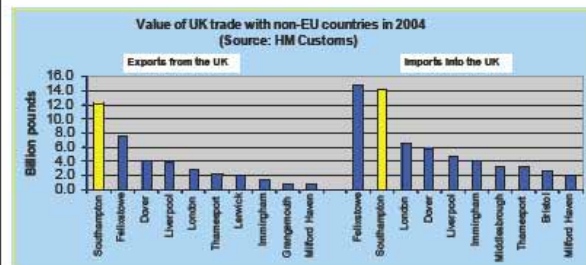


A record 40.5 million tonnes of cargo handled in 2006

7% of all UK trade by tonnage passes through Southampton – 4th largest by tonnage

23% by value of UK international non-EU sea borne trade passes through Southampton – more than any other port

Southampton Crucial to the national & regional economy

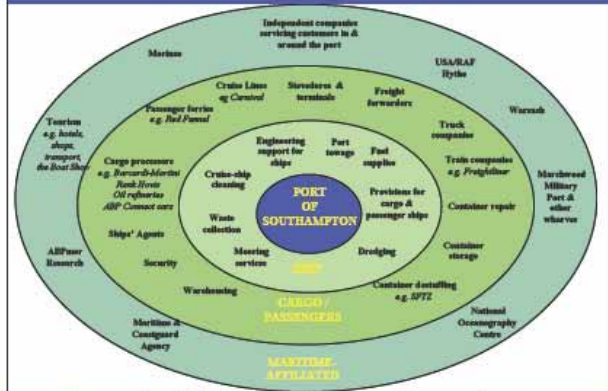


Port and port-related industries contribute:

- 12,000 jobs
- £2.0 billion per year into local economy
- Continued investment in port operations, facilities, logistics, distribution



A port isn't just somewhere to berth a ship!



Economic activity dependent on ports, e.g. Southampton

Southampton – UK's fourth largest port



- Handles around 7% of all UK trade by tonnage and around 23% by value of non-EU international trade with the UK
- Over 76,000 commercial shipping movements each year
- UK's second largest container-handling port – 1.5m container units (TEU) in 2006
- UK's main vehicle-handling port – 668,000 units in 2006
- UK's premier cruise port – 738,000 passengers in 2006
- Handles significant volumes of fresh produce, agribulks, liquid and dry bulks and oil/petroleum-related products (busiest independent marine oil terminal in Europe)

Growth of trade with Far East



- Second largest container terminal in the UK
- Handled 1.5 million teu in 2006
- Growth year to date 34%!
- 50% of UK trade with the Far East and China
- 27% moved by rail
- 10% transhipped by water

Significant container growth potential



Focus has been on sustainable growth within the existing docks following the Government's rejection of Dibden Terminal

Forecast UK containerised traffic

TEU 2004-2030 by World Region

'000 TEU	2004	2010	2015	2020	2025	2030	Growth %
Ireland	120	190	253	281	308	362	4.34
NW Europe	907	1,328	1,597	1,808	2,155	2,380	3.78
Nordic	350	543	575	692	635	713	2.77
Mediterranean	519	734	855	1,013	1,241	1,548	4.29
E Europe	73	115	142	190	219	244	4.77
Africa Ex Med	349	469	546	627	810	896	3.69
N America	830	1,035	1,165	1,338	1,555	1,894	3.23
C&S America	523	681	780	886	1,006	1,115	2.95
W Asia	539	765	931	1,101	1,283	1,454	3.89
E Asia	2,722	3,844	5,063	5,960	7,108	8,774	4.6
Oceania	153	206	238	271	314	348	3.22
Total TEU	7,086	10,009	12,146	14,187	16,633	19,728	4.02

Source: MDS Transmodal for all routes deep sea and shortsea

Sustainable container growth strategy

- Focus on growth within the existing developed docks
- Re-development of existing infrastructure
- Improvements to operational efficiency
- Maximising the proportion of additional boxes distributed by rail and sea as a multi-modal hub to reduce road congestion

Container growth phasing

	Capacity Million TEU
2006 throughput	1.50
2007 forecast	1.80
Phase 1 – new equipment at existing terminal (in process of implementation)	2.00
Phase 2 – re-development of 201/2 Berth into new container terminal	2.70
Phase 3 – automation of existing terminal	3.70

Southampton - Integrated transport solutions



- Road and rail communications that bypass the over-stretched London network
- Southampton is a fully integrated rail freight hub
- 19-20 container trains per operational day
- Network Rail strategy recommends gauge upgrade from Southampton
- Recently completed £2.7m rail freight terminal improvements in western docks adding additional rail paths

Opportunities for coastal shipping

- The requisite infrastructure is already available
- Ports and navigation channels provide a 'Coastal Ring-Road'
- Shipping itself is highly cost effective pounds per tonne mile
- Coastal shipping is the environmentally friendly option producing significantly less CO2 per tonne mile than other modes

Typical Feeder Routes from Southampton

Feeder Routes from Southampton

Existing Feeder Routes

Potential Feeder Routes

Not to Scale



Good reasons to tranship containers

- Benefits to Hampshire's transport networks and beyond
- Potential to place a container within 10 to 50 miles of its eventual destination
- Saving of up to 200 lorry miles per container in each direction
- A 200 TEU vessel on a weekly service to Manchester saves 1.9 million lorry miles per annum
- A 400 TEU vessel on a twice weekly service to Immingham saves around 6.5 million lorry miles!

Key Issues

- Identification within RES and SE Plan of the economic importance of global trading gateways and the need for their sustainable growth and expansion
- Recognition within the emerging Local Development Frameworks of the need for identification of sites 'off dock' for port related activities and employment
- National Road and Rail Infrastructure Links
- Balance within the new Marine Bill between the environmental and socio-economic aspects of sustainable marine development
- Need for streamlining of the marine consents process

