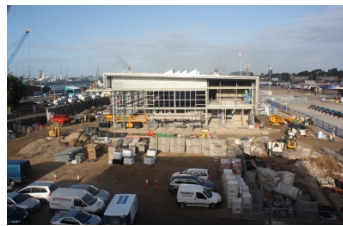


Port Master Plan

Portsmouth International Port

Planning to 2026



Contents

i	Contents
ii	Foreword by Councillor Mike Hancock CBE MP Cabinet Member with responsibility for Portsmouth International Port
iii	Introduction
iv	Executive Summary
v	Shaping the Plan
vi	Strategy 1 – Major Infrastructure Investment
vii	Strategy 2 – Corporate Responsibility
viii	Strategy 3 – Land Use
ix	Strategy 4 – Business Planning
x	Strategy 5 – Carbon Reduction and Improved Energy Management
xi	Strategy 6 - Future Infrastructure

Foreword by Councillor Mike Hancock CBE MP Cabinet Member with responsibility for Portsmouth International Port



“...the Master Plan is an overview of the Port’s strategy it has been built on the sound basis of an independent view of the market and a study of the Port’s economic impact.”

Every successful business plans for the future, looking at how it can improve its efficiency and profitability but also planning for the necessary resources to be available for growth. Portsmouth International Port is no different and has for many years developed its business planning to take the Port into the future.

The Port Master Plan is a new part of that process, being a public document for discussion with all of the Port’s many stakeholders. It follows the guidelines set by the Department for Transport but also adds other items that will become more important as the Port develops.

Although the Regional Development Agencies have now gone and their places filled by different organisations it is also important that all of those that may be required to commit resources that will enable the Port to develop understand the path that the Port is following.

Even though the Master Plan is an overview of the Port’s strategy it has been built on the sound basis of an independent view of the market and a study of the Port’s economic impact. However, it can only reflect what is currently known and therefore, like most forecasts, is likely to quickly become outdated and wrong. To counteract this, the Master Plan will be a ‘living’ document with regular updates to reflect the changes in the Port. This will be achieved by holding the Plan as part of the Port’s website rather than as a paper based document.

I hope that everyone who looks at the Master Plan will find it interesting and will provide us with their comments.

Introduction

The City of Portsmouth is in the process of transformation and Portsmouth International Port is proud to be part of this change.

This time of reshaping Portsmouth for a future of greater economic growth and prosperity comes as the Port itself is going through a transformation with infrastructure improvements including a new terminal, improved access by road and water, and new technology to speed cargo discharge, processing and delivery.

These investments also represent a greater emphasis on co-operation with the continent, with Port aspirations meeting EC objectives resulting in the Port cooperating in several EU programmes under the European Regional Development Fund.

This Port Master Plan looks at how the Port can retain its current success whilst also building its business in the future. Investing in infrastructure might be the most obvious means of remaining successful, but taking advantage of opportunities as and when they appear can also provide prosperity for the Port. This is particularly the case with respect to land use when the strategic defence review may allow land and berths to become available in Portsmouth Naval Base.

With the Economic Impact Study and the Traffic Forecast both indicating that the passenger cruise industry represents one of the best potential areas of growth for Portsmouth, the contraction of naval assets in Portsmouth represents a potential opportunity.

“This Port Master Plan looks at how the Port can retain its current success whilst also building its business in the future.”

“This Port Master Plan has been produced to clarify the Port’s strategic planning for the medium and long term, to assist planning and transport authorities at all levels in preparing their own plans and investments and to inform Port users, employees and the local community about the Port’s plans.”

Executive Summary

There are many strategy, planning and guidance documents that have been considered in preparing this Master Plan, and these are identified in the introduction.

The Port commissioned both a traffic forecast from STS International and an Economic Impact Study from Portsmouth University to ensure that this Plan was up to date and informed.

The traffic forecasts commissioned from STS International give us the anticipated traffic levels for passengers and freight up to 2026 which have allowed us to identify which trades should be supported in terms of infrastructure investment.

From these studies and the manner in which trade is developing, six strategies are now recommended within this Master Plan:

1. Major Infrastructure Investments
2. Corporate Social Responsibility
3. Land Use
4. Business Planning
5. Carbon Reduction & Improved Energy Management
6. Future Infrastructure

Strategy 1 - Major Infrastructure Investment

A number of infrastructure projects have been identified as being necessary to continue the Port's current success and will be the subject of on-going dialogue with all stakeholders. These include:

- A New Terminal
- A Berth Dedicated for Cruise Ships
- The Trafalgar Gate Link Road Scheme
- Marine access to the Commercial Port Area
- Portsmouth Intermodal Goods Yard

Strategy 2 - Corporate Social Responsibility

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model that assumes responsibility for the impacts of that business upon the environment and its neighbours and ensures its compliance with laws, ethical standards and international norms. As a Port owned by Portsmouth City Council, Portsmouth International Port subscribes to the same core values as its owner. More than this however is the contribution that the Port makes to the City Council's budget that allows the City Council to fulfil its own obligations to the people of Portsmouth.

This strategy aims to illustrate and explain the Port's execution of its own corporate social responsibility through its contribution to the work of the City Council and by following City Council core values with particular emphasis on making Portsmouth an accessible city, with sustainable and integrated transport.

Strategy 3 - Land Use

The Port makes maximum use of its available space and is forecast to generate a trading surplus of almost £7m in 2011/12 on an area of less than 64 acres. Landside space is at a premium.

It is essential therefore that any land in close proximity to the Port should be prioritised for Port use and that any berths that become available within Portsmouth Harbour (particularly in the Naval Base) should similarly be prioritised for commercial shipping regardless of the value of these berths for retail, residential and marina development.

"A number of infrastructure projects have been identified as being necessary to continue the Port's current success and will be the subject of on-going dialogue with all stakeholders."

Strategy 4 - Business Planning

The 2006 '[Opportunities](#) for Ports Under Local Authority Ownership' report identified concerns expressed by stakeholders of municipal ports that local authority accounting methods were not best suited to the needs of a commercial body. Portsmouth International Port has for some years also produced its accounts in Company Act format and has produced a new 3 year Business Plan, to be updated on an annual basis. The plan includes a strategic overview, objectives and strategies and measures. It includes a resource plan, risk management plan and a section on governance and ethical issues.

"The plan includes a strategic overview, objectives and strategies and measures. It includes a resource plan, risk management plan and a section on governance and ethical issues."

Strategy 5 - Carbon Reduction and Improved Energy Management

Energy costs are the fastest rising overhead for UK businesses. The Port's energy costs are large due to the nature of the trade with which the Port engages, particularly at MMD where temperature controlled warehousing has to maintain imported fruit within strict temperature tolerances. This strategy details what the Port has done to date in trying to reduce its carbon footprint and what it intends for the future.

Strategy 6 - Future Infrastructure

The Port has a strong relationship with its owner, Portsmouth City Council. This Port Master Plan recognises that in order to maintain and encourage the support of the City Council, the earliest possible notice needs to be given of necessary infrastructure but also of necessary changes, adjustments, purchases and partnerships that may be necessary to take advantage of opportunities and to counter threats to the business of Portsmouth International Port. This section will therefore highlight where the Port sees those opportunities and threats and how it may be necessary to meet them.

Shaping the Plan



Successive governments have determined that they have a responsibility to create the right economic and political conditions to encourage continued investment in ports (where that investment encourages sustainable development and growth).

Part of the government's list of actions that would help lead to these conditions), was the production by ports of Port Master Plans, to tell national and regional government about ports' aspirations. This document is therefore produced as a response to that recommendation.

Beyond the statutory legislation which governs the manner in which ports may operate there are key 'informers' as to how the Port might move forward.

- [Portsmouth City Council Corporate Priorities](#)
- [Shaping the Future of Portsmouth – A strategy for economic growth](#)
- [The Eddington Transport Study](#)
- [National & International Traffic Forecasts](#)
- [The Marine & Coastal Access Bill](#)
- [The Opportunities for Ports in Local Authority Ownership Report](#)
- [Hampshire Local Transport Plan 3 \(March 2011\)](#)

“All of the above have contributed to this Plan, but these will be tempered by stakeholder consultation. This Plan is presented for public consultation and subsequent amendment over a period of 3 months.”

Portsmouth International Port is a successful Municipal Port with very strong links to its owner (Portsmouth City Council) and through the city to its stakeholders. It is the UK's premier ferry port for the western channel and the second busiest cross channel ferry port overall. It is market led and committed to long-term growth through the development of infrastructure and resources in line with market needs.

This Master Plan for Portsmouth International Port takes advantage of those strong links with its owner and stakeholders in order to provide an informed, continually updated and inclusive strategy with which to move the Port forward.

Some documents referred to within the document are commercially sensitive and whilst the strategies based upon these documents are in the public realm, the origin documents (such as the trade forecast) are not and will only be made available to the Port Advisory Board. The Port has received assistance from the EC 2 Seas INTERREG IVA programme in producing this Port Master Plan, for which thanks are given.

Where relevant the documents referred to within the text will be hyperlinked to relevant files.

There are other areas that will become relevant to the Port and its stakeholders as trade develops and legislation and local requirements change. This Master Plan is designed to be adaptable to the influences of its stakeholders and to that end comes with its own section of the website at: www.portsmouth-port.co.uk/about-us

The website is designed to keep the Port Master Plan updated with stakeholder input and to that end has sections for “ask a question”, request a call-back” or “make a comment”.

The six strategies outlined in this document are those that the Port Management Team feels are currently the most important to the Port; the most important to get right both in terms of keeping the Port profitable and a going concern.

PORT MASTER PLAN

PORTSMOUTH INTERNATIONAL PORT PLANNING TO 2026

Current Position



“The Port Manager’s Department directly employs just under 100 employees. Approximately 62% of Port staff work in Operations, 26% in Management & Administration and 12% in Maintenance.”

The Port Manager’s Department directly employs just under 100 employees. Approximately 62% of Port staff work in Operations, 26% in Management & Administration and 12% in Maintenance. In addition contracts are let for some of the security, cleaning, catering, car parking, shuttle bus service and mooring services.

In brief Portsmouth International Port consists of nine commercial berths; five of them roll on-roll off (Ro-Ro) serving France, Spain and the Channel Islands. Two large conventional berths serve deep-sea world-wide refrigerated cargo and short-sea container vessels and two berths serving dedicated Isle of Wight car ferries. The Old Camber Dock also forms part of the Port and is regularly used as a fishing dock and leisure marina.

Portsmouth International Port is owned by Portsmouth City Council. The Port

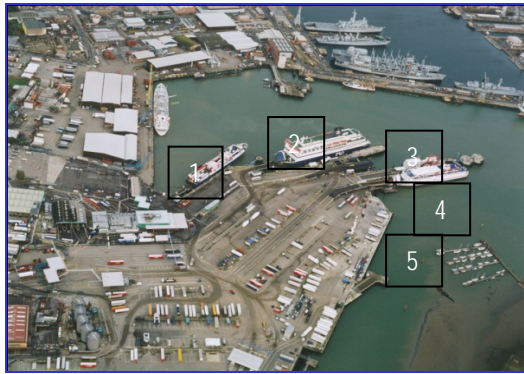
Manager reports to the Portfolio Holder for Planning, Regeneration and Economic Development and the Chief Executive of the Council. The Executive works closely with the Port’s Senior Management Team and is supported by other City Council departments, including Finance, Legal Services and Planning. An Advisory Board of Council Members holds regular meetings.

The Port’s income largely derives from three areas of operation, the Continental Ferry Port operating Ro-Ro berths 1 to 5, MMD (Shipping Services) Limited (operating from Albert Johnson and Flathouse Quays) and other activities. Other small private berths and marinas exist within the Harbour.

Further information on the Port can be accessed via the Port website and its [media resource booklet](#).

PORT MASTER PLAN
PORTSMOUTH INTERNATIONAL PORT
PLANNING TO 2026

Commercial Port



Aerial view showing berths 1 to 5

The Continental Ferry Port, built by the City Council, was opened in 1976 with just one berth. A continued programme of expansion and land reclamation has made Portsmouth the second busiest cross-channel ferry port. Three companies regularly use the facilities at Portsmouth. These companies serve Le Havre, Caen, St Malo, Cherbourg, Santander, Bilbao and the Channel Islands. The Port provides the infrastructure to enable these companies to operate.

MMD (Shipping Services) Ltd

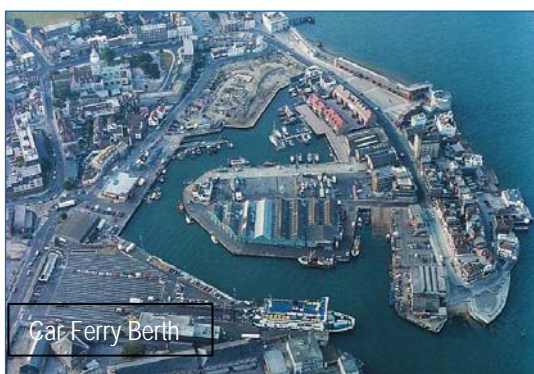


Aerial view showing AJQ & Flathouse Quays

Since 1989 MMD (Shipping Services) Limited has invested £25 million developing a state of the art fruit importing facility on their eight-hectare (22 acre) site. Their expertise has led to Portsmouth becoming the largest entry port for bananas into the UK.

"In February 2008 Portsmouth City Council purchased MMD. It is now operated as a local authority controlled company (LAC)."

The Camber Dock



Aerial view showing Wightlink IOW car ferry

Set close to the harbour entrance, this is the site of Portsmouth's oldest commercial berths. Berths are available for small vessels, primarily local fishing boats and private pleasure craft.

There is a Ro-Ro berth for the Isle of Wight ferry service, which uses four ferries for car and freight traffic between Portsmouth and Fishbourne.

PORT MASTER PLAN
PORTSMOUTH INTERNATIONAL PORT
PLANNING TO 2026

Port Performance

An Economic Impact Analysis commissioned from Portsmouth University has shown that the Port is responsible for the direct employment of 805 Full Time Equivalent (FTE) jobs and the injection of £38.7M of income into the greater Portsmouth area. Indirectly, these figures rise to 1,595 FTE jobs supported by Port activity and a total estimated £71.3m output throughout the Greater Portsmouth area economy. The major beneficiary is the Hotels and Catering Sector with output valued at £10.3m, Wholesale Distribution at £9.1m, Manufacturing and Utilities at £4.2m and Retail Distribution at £3.3m.

The majority of the forecast trading surplus is derived from ferry income at Portsmouth International Port. Despite being the largest entry port for bananas in the UK with over two thirds of total UK consumption passing through it, this is an incredibly competitive market with very little margin. Portsmouth remains popular with fruit importers and shippers as it offers the facility of a regional distribution centre for some products rather simply than a port of entry and is well located for ships that also call at other ports in northern Europe.

CONTINENTAL TRAFFIC				
Year to end March	Passengers (millions)	Vehicle Units	Freight Units	No. of Ships
1996	3.18	926,944	350,089	4,886
1997	2.99	818,153	315,905	4,025
1998	3.28	917,235	341,776	4,173
1999	3.44	957,138	329,471	4,647
2000	3.385	971,905	318,479	4,538
2001	3.32	942,610	322,102	4,665
2002	3.49	1,009,023	313,915	4,678
2003	3.42	999,500	315,370	4,510
2004	3.17	928,700	318,678	4,148
2005	3.15	914,817	298,497	4,676
2006	2.226	758,702	283,283	3,578
2007	2.22	661,715	268,968	2,912
2008	2.16	654,745	263,582	3,975
2009	2.23	687,093	264,445	3,272
2010	2.29	692,848	256,842	4,329

PORT MASTER PLAN
PORTSMOUTH INTERNATIONAL PORT
PLANNING TO 2026

The details above show throughput across the 5 ferry berths at Portsmouth International Port over the last 14 years both in terms of passenger and freight unit numbers.

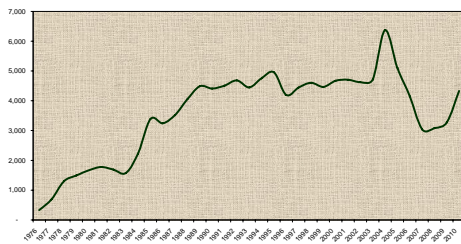
PORT MASTER PLAN
PORTSMOUTH INTERNATIONAL PORT
PLANNING TO 2026

Trade Forecasts

Freight

There has been a growth in trade with the Continent from 1993 to 2007 followed by a collapse in trade between 2008 and 2009 with a gradual recovery through 2010/2011.

Shipping Movements Continental Ferry Port 1976 to 2010



Even allowing for this collapse in freight trade the long run annual growth rate over the period 1992-2010 was a fraction over 3% per annum. Within the data detailing this annual rise the impact of the opening of the Channel Tunnel in 1994 can clearly be seen. During this period, freight volumes across the western English Channel (everywhere west of Folkestone) declined by over two thirds, with more traffic using the Dover Straits routes including Euro Tunnel.

Portsmouth geographically serves North & West France, Spain, Portugal and the Channel Islands. HM customs data (adjusted to exclude bulk cargoes) shows the UK has a major trade imbalance with France, with imports running at about twice the level of exports. Imports and exports peaked in 2005 with exports having declined by about 23% and imports by 29% in tonnage terms between 1999 to 2009. Trade with France is flat, we are likely to be able to 'hold on' to our market share but unlikely to be able to improve it without creating a better comparative advantage with Dover. Developments in 2015 with respect to

low sulphur fuel may drastically undermine Portsmouth's current advantages.

UK trade with Spain and Portugal peaked in 2005/2006 with a major trade imbalance, imports to the UK running at twice the level of exports. The biggest import to the UK is of fruit and vegetables and data from Spanish traffic surveys at the French/Spanish border show that the Dover Straits was the predominant gateway for UK/Iberian trade. This offers an opportunity for trade growth particularly with the new services to Spain with their cost and logistical advantage. The competition for this trade is however fierce and current rivals include containerised shipments from Bilbao by deep-sea liner container ships to Liverpool. The comparative advantage of Portsmouth could again be eroded further if the otherwise stringent application of the EU Directive on Low Sulphur fuel is not applied to the Irish Sea in 2015.

Freight Vehicles throughput Continental Ferry Port 1976 to 2010



The freight market for Portsmouth should continue to grow at about 2.5% per annum. There is unlikely to be an increase in market share vis a vis Dover, whilst increasing costs of haulage will benefit Portsmouth, the Port however is already using those benefits to sustain its current position. Capacity led demand for freight from Spain should see an increase in market share.

PORT MASTER PLAN

PORTSMOUTH INTERNATIONAL PORT PLANNING TO 2026

These figures are taken from a [Traffic Forecast](#) to 2026 study commissioned by the Port from STS International, part financed by Interreg grant funding.

Passengers

Passenger numbers travelling to the Continent from the UK peaked in 2002 at just over 30 million and has steadily declined since then. In 2009 it stood at 23.3 million, a fall of about 22%. This fall was largely due to a collapse in the number of coaches travelling. In Portsmouth, the primary focus is the carriage of car accompanied passengers.

Passenger Throughput Continental Ferry Port
1976 to 2010



From the study undertaken for us by STS International on trade forecasts we already know that car passengers use Portsmouth to avoid excessive driving and 'enjoy the ease of access and good road connections at Portsmouth and its destination ports.' As with freight the Port's market is essentially defined by the A34 and M40 corridor and all points west although the opening of the 'Hindhead' tunnel on the A3 now makes it readily accessible from London.

The report suggests that the long term growth in car accompanied passengers should continue to grow at around 1.5% p.a. whilst the new services offered to Spain should result in a long term capacity lead demand

for holiday destinations in Northern Spain.

There are two major factors which will influence the development of Portsmouth as a passenger ferry port.

- The increasing cost of fuel will hit the most energy intensive forms of travel which means that short haul air flights are going to get more expensive. The reduction in car accompanied ferry passengers caused by fly-drive holidaymakers should reduce whilst more distant destinations will be better (more cheaply served) by Portsmouth than through the eastern channel routes.
- Low Sulphur Emission Controls will make longer distance ferry crossings more expensive compared to shorter crossings which does not help Portsmouth's position as a 'gateway' to France. Given the Emission Control Area (ECA) has a western boundary from Finisterre to Ushant and then due North to Land's End, Portsmouth/Santander would be largely exempt from the 0.1% bunker fuel sulphur content limit as the Bay of Biscay is outside of this area. Portsmouth's attraction as the gateway to Iberia will increase.

Whilst the above by no means reflects all the factors that influence the Port's development, these need to be watched most carefully. The travelling public's reactions to increasing fuel and travel costs remain extremely important to us. The traffic forecast underlines the decisions made to invest in infrastructure that improves the travelling public's experience when passing through the Port.

Cruise

The cruise market has grown fast and expects to double again in size by the year 2023. This growth will be driven by a combination of more UK passengers and more cruise visitors to the UK. The cruise market has seen sustained growth since 2000 and we expect to enjoy continuing growth over the period to 2026. This upward trend will be driven by a number of factors.

- The product is constantly improving and evolving. The ships are better equipped to provide a memorable on board experience and the quality of landside tour offered has been enhanced
- The industry has a very high level of repeat business, with customers remaining loyal to the brand but sampling various packages within that brand
- There is a bulge in 'baby boomers' who are now approaching retirement and are keen to cruise. They also have the necessary financial resources
- Cruising involves less hassle than flying
- Cruising is less weather dependant than UK domestic holidays
- Cruising requires less car driving
- The cruise experience is one of pampering
- Whilst the global cruise market is expected to double in size by 2023, the UK cruise sector may grow faster.

Cruise forecast for Portsmouth

It is assumed that Portsmouth will develop its new cruise berth in conjunction with one or two base customers.

Table 4.2 (overleaf) summarises the forecast growth in ships and passengers for the Port of Portsmouth.

PORT MASTER PLAN
PORTSMOUTH INTERNATIONAL PORT
PLANNING TO 2026

Table 4.2 Forecast growth in cruise traffic to 2026

	2010	2011	2012	2013	2014	2015	2020	2026
Portsmouth								
Cruise Ships	14	30	34	38	42	45	65	75
Average Ship Capacity	350	350	380	400	410	430	475	500
UK Market								
UK disembarkations	786	842	900	963	1030	1102	1546	2321
UK embarkations	793	849	908	972	1040	1112	1560	2342
UK visitors	443	474	507	543	581	621	872	1308
TOTAL*	1,232	1,319	1,411	1,510	1,615	1,728	2,424	3,638
UK growth rate: 7% pa								
Portsmouth Share	Less than 1%	1%	1%	2%	2%	2%	3%	3%

*Adjusted to avoid double counting boarding/disembarking passengers

The above scenario may be perceived as a pessimistic one, but these figures might alter if a second cruise berth could be found.

Strategy 1: Major Infrastructure Investments

Overview

Portsmouth International Port has always been market led. It has a good geographical location with sufficient deep water at all states of the tide to accommodate the largest of ferries.

A new ferry to the Port however does not simply berth alongside like a traditional ship and discharge her cargoes. The Ro-Ro ferries that form the core of Portsmouth International Port's revenue require specialised berths with floating roadways (linkspans) and often specialised gangways. Infrastructure provision usually comes at a high capital cost, and failure to provide satisfactory facilities will eventually lose the Port its major trade and customers.

A port however is more than simply the ships that visit it and the cargoes and passengers that pass through it. It is the combination of the flow of traffic within it, the ease with which traffic can move to and from it and the experience the travelling public have whilst passing through it.

With these points in mind the Port's Management Team have determined the following strategies to keep the Port supplying a service to its customers whilst trying to satisfy all its stakeholders. All the infrastructure strategies can be found on the Portsmouth International Port website: www.portsmouth-port.co.uk/aboutus



PORT MASTER PLAN
PORTSMOUTH INTERNATIONAL PORT
PLANNING TO 2026

“It is the first public building in the country to be largely heated and cooled using thermal energy and sea water.”



New Ferry Terminal

The Continental Ferry Port of Portsmouth is the main income generator for Portsmouth International Port. The first contact a passenger will have with the Port itself is often within the terminal building. The first was constructed in 1976 with a proposed lifespan of around 10 years.



Being well past its design life and having problems with its structural strength and continued use led the Management Team to prioritise the development and construction of a new terminal.

The Port embarked on a £16.8m new terminal building capital scheme. Construction of the terminal started in February 2010 and was opened in May 2011. It is the first public building in the country to be largely heated and cooled using thermal energy and sea water dramatically reducing its carbon

footprint by using only an estimated 20% of the energy of more traditional temperature control systems.



Together with 'wind-catchers' on the roof which harness the prevailing SW'ly winds to provide natural ventilation and a sea water toilet flushing system, the new terminal has achieved a BREEAM rating of 'very good'.

PORT MASTER PLAN

PORTSMOUTH INTERNATIONAL PORT PLANNING TO 2026

[BREEAM](#) is the most widely used environmental assessment method for buildings and demonstrates progress towards our corporate environmental objectives. Together with our work on the Carbon Reduction Commitment it is hoped that the terminal construction and operation will prove extremely energy efficient. The Port was successful in securing funding to part finance the innovative elements of the new terminal building such as the sea-water heat transfer pump, which will help cool the terminal in summer and heat it in winter.



The position of the new terminal is critical not just for foot passenger access to vessels but for passenger car and freight vehicle access to the same ships. This means that the investment had to be not just in the terminal itself but in the road layout around it, the link with incoming ferries and its access to the Port's hinterland.

“Ultimately the new terminal does not just provide a better experience for the travelling public, but it is a more effective and efficient method of Port operation reducing the carbon footprint of the business.”

PORT MASTER PLAN

PORTSMOUTH INTERNATIONAL PORT PLANNING TO 2026



A Cruise Liner Berth for Portsmouth

The UK is the fastest growing cruise market in Europe with growth of over 250% between 1996 and 2007.

The cruise market for UK ports falls neatly into two segments: turnaround traffic and visiting traffic. Southampton, Dover and Harwich are the leading ports for turnaround traffic, where passengers join or leave cruise ships. This constitutes the larger segment of the market. From a port's point of view this is the more lucrative business as it requires more services and facilities and the passengers usually have to be handled twice – those departing and those joining the ship.

The second segment refers to visiting ships. Cruise ships call at a port where they usually remain for a day. This permits the passengers to go ashore and join organised tours or to explore the area independently. Within

Portsmouth's hinterland there are a number of interesting destinations including the city itself, Stonehenge and London.

Between 2002 and 2009 both sectors more than doubled in size, with the turnaround market growing slightly faster. It is expected to double again in size by the year 2023. Portsmouth's ability to develop cruise traffic is essentially dependent on two factors: the availability of a suitable berth and the successful promotion of the Port as a port of call and an efficient port for turnaround.

Derived jointly from City Council's wish to promote Portsmouth as a tourist venue and the Port's concern over the volatility of the ferry trade, the Port has been investigating the potential of providing a dedicated cruise line berth.



At present no dedicated cruise berths are available, making it less attractive for cruise ships to call at Portsmouth.

“Portsmouth is viewed favourably by many cruise lines as an attractive Port.”

PORT MASTER PLAN

PORTSMOUTH INTERNATIONAL PORT PLANNING TO 2026

The advantages of Portsmouth derive from a number of features including:

- The navigation into and out of the Port is more attractive
- Visiting passengers can walk ashore to enjoy local attractions like the Maritime Museum, HMS Victory etc. The city of Portsmouth is an interesting destination
- Stonehenge, London, Salisbury, the New Forest and Winchester are all within a two hour drive
- The option of a new, purpose built turnaround terminal is attractive to many smaller companies who may feel they

get “second best” in larger ports

- Excellent transport links to the Port.

Because of the above it is argued that Portsmouth can secure a viable number of cruise ships.

The Port therefore proposes to pursue a policy of trying to obtain a dedicated cruise berth by working with the City Council to ensure that berths and land suitable for commercial shipping are retained for use rather than turned into non-shipping developments.

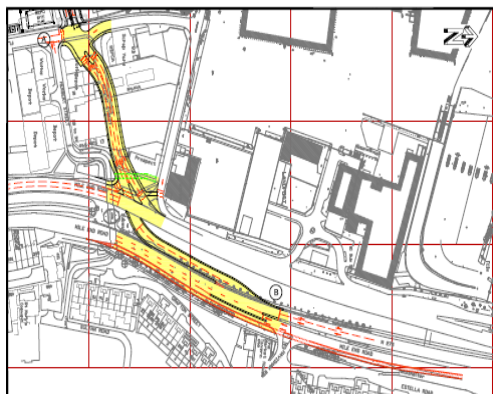
PORT MASTER PLAN

PORTSMOUTH INTERNATIONAL PORT PLANNING TO 2026

The Trafalgar Gate Link Road



The main entrance to Portsmouth Naval Base is currently located at Unicorn Gate. The Ministry of Defence has recently invested to increase the capacity of the Trafalgar Gate entrance, to make it the Naval Base's primary entrance. Portsmouth City Council supported this decision, as it significantly reduces the traffic flows into the city centre and improves access to the Port.



Phase 1 – Link Road

Before the new road access traffic for the Naval Base and for Albert Johnson

and Flathouse Quays had to continue southbound then double-back and access Trafalgar Gate and the commercial berths via Prospect and Flathouse roads.

The scheme involved the construction of a link road between Mile End Road and Flathouse Road/East Gate of the Naval Base.

The scheme was split into two phases. Phase I involved the construction of the new link road between the northbound A3 Mile End Road and Flathouse Road. Phase II involved the creation of a right turn off the southbound A3 Mile End Road to join the new link road.

The Port was successful in securing partial EC funding for those works that form part of this project's connection to the Port, a grant was received under the Connect 2 Complete Interreg programme.

<http://www.connect2compete.eu/>

The improved access to the International Port keeps lorries out of the stream of traffic entering the city and allows for the smooth departure onto the motorway network that borders the eastern side of the Port.

Marine Access to the Commercial Port area

The last major capital dredge to enhance the facilities in the Commercial Port was carried out in 1991/92. In 2010 the Port embarked on a capital dredge scheme to enhance the access for larger ships.

This involved deepening the commercial berth, providing access to 9 metres below chart datum. Further works were also carried out to enable the relocation of HMS Bristol to provide a larger swinging area for longer vessels to the west of the Commercial Port. These measures combined with

lengthening of the berths at the Ferry Port will meet the needs of shipping that is increasing in depth and length.

In the longer term, the future of the Commercial Port will require a careful analysis of the types of ships that it needs to accommodate and a proactive policy of meeting these changing requirements, if the Port is to remain viable.

These are long term investments in the basic infrastructure for the Port.

Albert Johnson Quay & Flathouse Quay Deepening Works



“Unless the berths at AJQ and FHQ are deepened it will become increasingly difficult to attract and maintain trade. Existing users have already expressed their dissatisfaction with the current available depth and there is a real possibility that unless improvements are made they will take their trade elsewhere.”

PORT MASTER PLAN

PORTSMOUTH INTERNATIONAL PORT PLANNING TO 2026

Portsmouth Intermodal Goods Yard

Portsmouth International Port using EC grant funding from the Interreg programme (ERDF) and match funding from Portsmouth City Council refurbished Fratton Goods Yard in the heart of Portsmouth in 2008/2009.

Portsmouth Intermodal Goods Yard (formerly Fratton Goods Yard) had remained unused by rail freight since 1979 during which period most of the land had been sold off leaving a site with 4 sidings too short to take a commercially viable length of train.



Fratton Goods Yard in its forgotten years looking north

Having received EC grant under the TENS(T) programme in 1998 the Port was fortunate to become part of the IMPACTE project run by the South East England Development Agency. Portsmouth Intermodal Goods Yard became the recipient of EC grant under the Interreg programme utilising European Regional Development Funds (designated to remove bottlenecks and causes of congestion to the free movement of goods and services in Europe).

The grant was used to put into place at Fratton Goods Yard the longest

possible siding within this small site with the largest possible apron of concrete alongside it to load and unload cargoes.



Fratton Goods Yard during refurbishment looking north

Due to other external options the service was not sustainable, but the intermodal facility remains a long-term asset to the Port and Portsmouth and an important alternative to road use.



The first freight train at Fratton for 30 years

Strategy 2: Corporate Social Responsibility

Key stakeholders in the Port had insufficient knowledge of the Port i.e. how it operated, how important it was to the local economy and to whose benefit it operated. For this reason an [Economic Impact Analysis](#) was commissioned from Portsmouth University to update their original analysis completed in [1994](#).

This Port Master Plan recognises the importance of Corporate Social Responsibility (CSR) but more importantly the discharge of a large part of the Port's CSR by the annual provision of a financial return to Portsmouth City Council and thereby the people of Portsmouth.

An enterprise can choose to take responsibility in many different ways. Failures to act responsibly by major corporations has over recent years produced a public requirement for the operation of Corporate Social Responsibility.

Corporate Social Responsibility is as a form of corporate self-regulation integrated into a business model that assumes responsibility for the impacts of that business upon the environment and its neighbours and ensures its compliance with laws, ethical standards and international norms.

Within Portsmouth International Port the Port Manager takes very specific responsibility for the safety of his own staff, visiting contractors and members of the public through the [Health and Policy Statement](#). This statement does not stand alone but forms part of the Occupational Health & Safety Management System (OHSMS) which the Port implements to ISO 18001 standards.

Similarly the Port Manager takes responsibility for ensuring that the operation of the Port does not jeopardise the environment through the [Environmental Policy Statement](#) found within the Integrated Management System (IMS). This document recognises the need to understand the impacts of the Port's operation on the environment and the need to implement controls to minimise that impact where possible. That this cannot be done in isolation is well understood by the Port which now implements and maintains an Environmental Management System to ISO 14001 (2004) standard.

Part of implementing and maintaining management systems in order to discharge our responsibility as a port operator includes knowing which legislation is relevant to us with respect to Health & Safety and the Environment, this information is found in the [Legislation Register](#) within the Integrated Systems Manual.

PORT MASTER PLAN

PORTSMOUTH INTERNATIONAL PORT PLANNING TO 2026

Many organisations currently advertise their CSR values and make commitments (usually to the public at large but certainly to their customers) about community work, allowing staff time to be used for charitable, educational and vocational work.

Staff at Portsmouth International Port are employed by the Port's stakeholders and use the assets owned by those stakeholders to achieve the continued success of the Port. It is for those stakeholders to determine how their money is spent with regard to community, educational or charitable work and for the management and staff of the Port to concentrate on promoting the Port's success.



In the case of Portsmouth International Port the Port contributes financially to Portsmouth City Council (the Port's owner), each year. Whilst this does not preclude the exercise of independent Corporate Social Responsibility, it means that the use of that surplus in

both developing the Port and contributing to the social structure of Portsmouth City Council satisfies both the owner/stakeholders as well as the customer/stakeholders.

The results of the [Economic Impact Study](#) show that the Port is responsible for the direct employment of 805 FTE jobs and the injection of £38.7m of income into the greater Portsmouth area economy. Additional indirect and induced effects created by a 'multiplier effect' increase the value of the Port by £32.5m to £71.3m.

In addition the Port's direct spending within the local economy supports a further 482 FTE jobs, whilst the action of the multiplier effect upon this direct spending also leads to the creation of a further 308 FTE jobs.

This brings the total employment due to the Port within the local economy to 1,595 FTE jobs.

Value to the local Economy	£71.3 M
Full Time Equivalent Jobs	1,595

The core values of Portsmouth City Council are the core values of Portsmouth International Port including all commitments towards Corporate Social Responsibility.

Strategy 3: Land Use

Portsmouth International Port in conjunction with Portsmouth City Council and the regional authority are obliged to continually review the use of land.

For the Port, this is important not just a result of the increasing scarcity of land for Port use, but also because of the continual changes in market 'needs' that require a change in the Port's 'offer' to that market.

This Port Master Plan identifies the requirement for:

- Continued dialogue over the use of the Camber Dock area
- The need for any berths in Portsmouth Harbour released from their current use (including Naval and private berths) to be retained and protected for marine use. This is particularly the case with the potential for a cruise liner berth identified above.

Whilst Portsmouth City Council planning and transport departments are conscientious about consultation on all planning and transport proposals it is suggested that the Port's requirements should be a feature of these plans, rather than being simply another group to be consulted. A good example is the support of local councillors and planners for further Port development and specifically exclude non-Port related development in Port areas. One such example of this can be found in the Local Plan 2006 (amended July 2009) Part 4 Community Policies and Proposals,

[Policy NL6 Commercial Docks and Ferry Port](#)

It is worth noting the importance of land to ports. The intensification of land use has increased specialisation and innovation and in most ports is leading towards the removal of non-port related activity from the port area. As that intensification increases there has been a reassessment as to what is regarded as port related and what is not.

It is vitally important for Portsmouth to ensure that any land, berths or space that become available are prioritised for use by the Port.

In 'Shaping the Future of Portsmouth' the City Council identified the factors that allowed the possibility of regeneration through supporting economic growth and increasing competitiveness. The factors identified as allowing this include:

- The imminent decision from the Ministry of Defence on the release of land surplus to Naval Base need, potentially enabling use of many historic and attractive dockyard buildings
- The plan to strengthen the retail and business offer in the existing city centre, and the desire to create stronger functional and physical linkages between existing or potential retail and leisure facilities in the city centre, Gunwharf Quays, the Hard and Naval Base areas.

Both of the factors above impinge on Port aspirations to use any available Dockyard space and or berths for commercial Port activity.

Strategy 4: Business Planning

The [‘Opportunities Report’](#) identified that there were major concerns amongst Port stakeholders not just about accountability of ports but also that local authority accounting methods were not well suited to the needs of a commercial body. “Failure to separate Port accounts from those of the owning authorities had also hindered systematic provision for maintenance and development and prevented sensible commercial business planning.”

These concerns were taken on board by Portsmouth International Port and the Port’s accounts are now also produced in Company Act format.

The same report recommended that municipal ports should consider producing a business plan that looks at the future prospects of the Port and how it will meet the requirements of stakeholders, who should be involved in its development. The Port has produced a new 3 year Business Plan, to be updated on an annual basis. The plan includes a strategic overview, objectives and strategies and measures. It includes a resource plan, risk management plan and a section on governance and ethical issues.

In fulfilling the above recommendation, this Port Master Plan will go out for consultation amongst stakeholders for a minimum period of 3 months during which time all responses will be considered and changes made to the Port Master Plan.

The reports [‘Modernising Trust Ports’](#) and [‘Trust Port Advice’](#) are recommended reading for those who wish to quickly update themselves on the current pressures that all ports are under with respect to improving their governance and accountability to stakeholders.

Below you will find an introduction from the [Business Plan](#), the vision statement and a statement of aims.

The Business Plan will be updated on an annual basis and will operate on a 3 yearly business plan cycle.

PORT MASTER PLAN

PORTSMOUTH INTERNATIONAL PORT PLANNING TO 2026

The Port's Business

Introduction

Portsmouth International Port is the UK's premier ferry port for the western channel and the second busiest cross channel ferry port overall. It is market led and committed to long-term growth through the development of infrastructure and resources in line with market needs.

The Port is owned by Portsmouth City Council and the Port Manager reports to the Chief Executive of Portsmouth City Council and the Portfolio Holder for Planning, Regeneration and Economic Development. The Executive works closely with the Port's Senior Management Team and is supported by other City Council Departments, including Financial Services, Legal Services and Planning.

Being a Municipal Port with a successful business record that has seen the Port develop its facilities, throughput and profit, Portsmouth International Port is unique. Geographically well placed, with good infrastructure and supported by a good customer base, it is able to take a realistic view of the future in this Business Plan.

In the past 35 years the Port has succeeded in building its business against the declining trend of other municipal ports, and under the constraints that have seen other ports change their ownership or lose their vitality as port businesses. Much credit for this must go to Portsmouth City Council Members whose involvement in the business and recognition that the entity had to be run on a different basis than other City Council departments. This knowledge and understanding is still present today and will allow the Port to successfully move into the future.

The Port directly employs just under 100 employees. Approximately 62% of Port staff work in Operations, 26% in Management & Administration and 12% in Maintenance. In addition contracts are let for some of the security, cleaning, catering, car parking, shuttle bus and mooring services.

The Port is forecast to generate a Trading Surplus of almost £7m in 2010/11. This is forecast to increase to £8m by 2013/14. The Port is responsible for the direct employment of 805 FTE jobs and the injection of £38.7m of income into the greater Portsmouth area economy. Indirectly, these figures rise to 1,595 FTE jobs supported by Port activity and a total estimated £71.3m output throughout the greater Portsmouth area economy.

Background

Established as a Municipal Port in 1839 under the Camber Act 1839, the original Port was set up to collect dues in the Town Camber and to regulate its use. Today the Port has three main revenue generating sites:

- a) Continental Ferry Port
- b) Albert Johnson and Flathouse Quays
- c) Camber

The Port is located next to the Naval Dockyard Port of Portsmouth and has discrete marine boundaries. It is responsible for dredging and maintaining the depth of water within the boundary of the commercial quays. The Council is also the Competent Harbour Authority for pilotage.

PORT MASTER PLAN

PORTSMOUTH INTERNATIONAL PORT PLANNING TO 2026

Since the start of the Continental Ferry Port in 1976 there have been numerous changes in the cross channel market. These changes have called for the Port to develop its infrastructure to meet technological and volume variations whilst maintaining a high level of maintenance and a high quality service. Whilst the returns received for the investments have been good, the risks have also been high and the capital investment has had to continue at a high level in order to maintain and grow the business. The considerable pressures on the cross channel market have meant that ferry operators in general have demanded a continuous improvement in facilities and reductions in Port dues.

The Port's success is built on meeting the requirements of its customers and allowing its customers to expand their business.

Objectives, Strategies & Measures

The Port has the following objectives in order of importance:

OBJECTIVE 1 (Operational): To continue to provide Portsmouth City Council with a revenue stream that achieves long term growth, in line with traffic throughput.

OBJECTIVE 2 (Developmental): To seek commercial partnership arrangements where possible for future expansion.

OBJECTIVE 3 (Developmental): To maintain the Port as a multi-user port, increase its market share by competing on excellence and value for money, and grow when the opportunity arises.

OBJECTIVE 4 (Developmental): To improve Port infrastructure for both freight and passengers in response to changes in the requirement of customers so as to enable the Port to operate at maximum potential.

OBJECTIVE 5 (Developmental): Develop the Port as one hub of an Intermodal transport facility - passenger links and rail links for transporting freight; in partnership with other commercial partners.

OBJECTIVE 6 (Developmental): Grow the number of Cruise Liner calls, in order to enhance the development of tourism, shopping and other attractions in the City.

OBJECTIVE 7 (Operational): To remain a small, compact and efficient organisation with a multi-skilled workforce.

OBJECTIVE 8 (Operational): To enable businesses operating in and around the Port to operate safely to the maximum limits of their capacity, and to sustain and grow as viable businesses.

OBJECTIVE 9 (Developmental): Find new ways of exploiting the potential of the Camber Dock Area as a tourist attraction or commercial development, in partnership with a commercial developer.

OBJECTIVE 10 (Operational): Maintain and develop an integrated management system that supports corporate governance, social responsibility and risk management.

Portsmouth International Port

Vision Statement

“Portsmouth International Port should be a thriving and expanding multi-user port, open to all, that seeks to exploit its position as the UK’s Best Connected Ferry Port. It aims to provide its customers with modern and ever improving facilities whilst yielding its owners, Portsmouth City Council, a good return on their investment and a wealth creating enterprise”.

Strategy 5: Carbon Reduction and Improved Energy Management

Portsmouth International Port supports the aspirational target of Portsmouth City Council of reducing carbon emissions by 30% over a 5 year period.

To this end the Port sought funding from the Carbon Trust to determine where those carbon savings might come from.

In 2008 the Port worked with the Carbon Trust and their consultants (Cloud's Environmental) to produce "[An Assessment of Energy Saving Opportunities](#)". This provided the Port with [10 Action points](#) that would significantly reduce the Port's energy use and hence its carbon footprint.

After a period of over a year assessing three different types of LED floodlights the Port determined a replacement LED floodlight based upon the restrictions of using existing floodlight columns and the requirement of minimum safe lighting levels. As a result of work undertaken to achieve part of the energy reduction described within the report, the Port replaced existing floodlights at the Continental Ferry Port with low energy equivalent LED floodlights. Whilst only time will tell whether this new technology is sufficient to the task in terms of longevity, the new floodlights are using 120W LED's in place of the existing 400W sodium lamps. This in itself represents a significant reduction of 70% in the amount of energy used to provide adequate lighting around the Port.

The new floodlights represent a significant investment in new cleaner technology.

LED X-Series 120W Floodlights



A follow up report was commissioned by the Port (and paid for by the Carbon Trust) in 2010. This report was aimed at giving the Port a strategy to reduce energy management over the longer term. The '[Stage 2 Implementation Report](#)' was produced in November 2010.

PORT MASTER PLAN

PORTSMOUTH INTERNATIONAL PORT PLANNING TO 2026

The report recommends an investment in sub-metering with a pay-back period (in terms of money saved on energy) of between 4 and 5 years. Sub-metering assists with the management of energy use, thus allowing the identification of energy waste or energy efficient operation or husbandry.

The implementation report also looked at the refrigeration systems within MMD. The replacement of these systems is one of the infrastructure strategies by the MMD management.

The new terminal is to [BREEAM](#) standards and a grant from the EC to include part funding of a sea-water heat transfer pump into the terminal design has been secured through the Ports Adopting to Change ([PATCH](#)) project. Ultimately the aim is to be a major contributor to the 'aspirational' target of a Carbon Reduction Commitment of 30% over 5 years undertaken by Portsmouth City Council. Work is currently underway (again part-funded by the Carbon Trust) to provide a coherent energy reduction strategy for MMD. The Port is part of the [Carbon Management Plan](#) being undertaken by Portsmouth City Council and our [first annual carbon report](#) on our efforts to meet this target has been produced.

The Port engaged with the Carbon Trust in 2007 and again in 2009 obtaining two grants and two reports on a means of reducing Port energy usage.

Carbon reduction is at the centre of all the Port's considerations concerning new infrastructure. Reduction in the 'Carbon Footprint' of customer's ships visiting the Port is being tackled by



EU Directive 2005/33/EC which came into effect on 1 January 2010.

Strategy 6: Future Infrastructure

This Port Master Plan has used traffic forecasts and trade trends to predict and provide the infrastructure necessary to keep Portsmouth International Port successful.

The intent therefore is to provide as much as possible as soon as possible to satisfy our customers essential requirements and to bring on-stream the additions to those requirements that might improve the passenger experience or improve efficiency and throughput as funds become available.

Some of the projects are more than simple additions to infrastructure and in fact are an essential and efficient replacement of existing facilities to keep the Port operational and up to date.

The City Council has an excellent history of enabling the Port to provide the infrastructure required for its growth, and to meet the needs of customers. The Port will endeavour to work with its customers to assist them in the development of their business through the Port by the timely provision of infrastructure and technology.

What does not change is the requirement to run the Port as a commercial venture and therefore to ensure that the expenditure on infrastructure meets the financial and business needs of the Port.