House of Commons
Transport Committee

Maritime 2050

Fifth Report of Session 2022–23

Report, together with formal minutes relating to the report

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Transport Committee

The Transport Committee is appointed by the House of Commons to examine the expenditure of the Department for Transport and its associated public bodies.

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Summary

The maritime sector contributes nearly £40 billion to the UK economy and employs 185,000 people. Commercial shipping is a significant contributor to the global supply chain, with 95 per cent of goods moved by sea. Compared to other countries, the UK maritime sector is used to being self-reliant, resilient and entrepreneurial. There are things, however, that the Government can and should do and we want the sector to be ambitious for those. We welcome the introduction in 2019 of the Government's first, and arguably long overdue, long-term strategy for the maritime sector, Maritime 2050. It demonstrated a long-term commitment to and recognition of the sector's overall importance to the UK economy.

The Government does, however, need to distinguish more clearly between specific actions and aspirations in the Strategy's many recommendations, and to set out key performance indicators and targets. This would make it possible for the Department for Transport to track where progress has or has not been made in the years since the Strategy's publication.

Trade

Throughout our inquiry, the maritime sector's considerable achievement of maintaining resilient supply chains throughout the covid-19 pandemic was recognised by all parts of the sector and the Government. Other global events have recently demonstrated the range of potential threats to supply chains, and shown that the sector needs a permanent resilience plan, not just a singular response to the pandemic. The Government should bring forward the publication of the updated Trade Route Map as soon as possible, focussing on how it will assist the industry to maintain long-term resilience in supply chains.

Competitive advantage

The Government has recognised that to maintain its status, serious efforts must be made to grow the UK Ship Register. Establishing the UK Shipping Concierge Service and simplification of tonnage tax are positive steps, but adoption of a concrete target for growth of the Register would help to concentrate minds. We support other steps taken to support the industry's competitive advantage such as the establishment of Regional Clusters, which have improved collaboration and communication.

Environment

Tackling emissions is the industry's biggest challenge. The Government's vision is for the UK to be a world leader in zero emission shipping, and it sees decarbonisation as an opportunity to revitalise ports and coastal communities, but there is a need for greater clarity about how this will be achieved. The UK must have a defined plan for decarbonising the maritime sector with clear, measurable targets for both home and abroad. The 2019 Clean Maritime Plan was a good starting point, but a more focused plan is now necessary to give the industry certainty about the part it will play, the fuels and vessel types that will be supported, and the regulatory environment that will be

in place to achieve net zero by 2050. This must include funding commercialisation of decarbonisation technologies, and practical action for realising widespread adoption of shore power.

Technology

There is a fine balance that needs to be struck when it comes to regulating for smart shipping and autonomous vessels. Innovation needs to be able to flourish whilst safety standards are maintained and that there is a measure of certainty to guide investment. There is a major commercial opportunity for UK innovators, who have been at the forefront of developing marine and maritime autonomy to date. It is important this momentum is not lost. The Department for Transport should publish the outcome of its consultation on this subject as soon as possible, bring forward the necessary legislation at the earliest opportunity, and establish the promised Centre for Smart Shipping. The Government must also address the "scaling-up gap", whereby new innovations are developed with the help of research and development or seed funding, but the leap to widespread use and commercialisation of those innovations is much more difficult.

Infrastructure and ports

Industry believes that this is the area of Maritime 2050 in which the least progress has been made, exemplified by the lack of action resulting from the Department's 2018 Port Connectivity Study. We urge the Government to bring forward its planned call for evidence on planning and delivering infrastructure for the freight and logistics sector and use this, in combination with the 2018 study, to develop concrete priorities and plans. The Minister for Maritime must also work with the Secretary of State for Environment, Food and Rural Affairs to improve the service provided to ports by the Marine Maritime Organisation.

Coastal shipping and inland waterways were overlooked within Maritime 2050; this is a missed opportunity. The Department for Transport should undertake its promised research into the potential of coastal shipping and inland waterways, and review the funding streams that support modal shift to ensure they are suitable for the maritime sector, which operates on long timescales and requires support for capital costs.

People

There has been a downward trend in UK seafarer numbers over the past 15 years. The workforce is ageing and diversity in the sector is poor, with women making up only three per cent of the workforce. It also faces a visibility challenge, with the wide variety of careers available in the sector not well known.

P&O Ferries' treatment of workers in March 2022 has not only affected the hundreds of seafarers who lost their jobs, but also damaged the wider perception of the maritime sector. It is imperative that the Government ensures that both current seafarers and potential new recruits know they are valued and are not deemed expendable.

The Government's response to the P&O Ferries incident, a "nine-point plan", included the Seafarers' Wages Bill. We consider this a welcome and necessary step but it will not be sufficient to ensure proper treatment of seafarers. The aims of this Bill need to be supported by the promised welfare charter, which we urge the Government to bring forward as soon as possible, and to make mandatory. It needs to include concrete action to hold employers to high standards and support better mental health among seafarers.

Cross-government working

The Maritime 2050 strategy does not solely apply to the Department for Transport, and we have heard consistently about the need for government departments to collaborate. We agree with the Department's own assessment in a 2015 study that a cross-Whitehall team and a Ministerial Working Group would provide helpful focus to support the industry.

If ports are to be effective and competitive, it is important that the government department and agencies they work with understand their role and expertise. The Department for Transport needs to take leadership of clarifying across Government the role of harbour authorities, which should not be used as the Government's 'Swiss Army knife' to undertake an ever-greater variety of tasks without appropriate resourcing and expertise.

1   Introduction

1.   The UK maritime sector includes port facilities, the shipping fleet, maritime business services, engineering, and the leisure marine sector. It employs 185,000 people and contributes nearly £40 billion to the economy.[1] Commercial shipping is a significant contributor to the global supply chain, with 95 per cent of all goods moved by sea.[2]

2.   In 2015, the Department for Transport's Maritime Growth Study recommended that the Government should develop a national long-term strategy for the maritime sector.[3] The primary aim would be to collaborate with the maritime industry and develop a strategy for growing the sector.

3.   The Maritime 2050 strategy was published by the Government in January 2019, setting out its ambitions for the British maritime sector. The strategy states that:

> the UK is looking far ahead, to allow us to support and grow the maritime sector with strength and determination. This is a maritime strategy to take the UK into the second half of the 21st century.[4]

The strategy is structured around seven themes[5] with short-, medium- and long-term recommendations and with actions for both Government and industry. The Government has said that it will publish "route maps" to accompany each of the themes with more specific short- and medium-term actions, so that there is greater detail provided than the overarching information that can be found in the strategy.[6]

Our inquiry

4.   We launched our inquiry on 1 March 2022, with the intention of scrutinising progress under the Maritime 2050 strategy.[7] We took evidence under the seven themes of the strategy. We received 30 written submissions and held three oral evidence sessions, hearing from seven panels of witnesses including port operators, academics, regional clusters, trade unions, and Robert Courts MP, the then Parliamentary Under-Secretary of State for Transport and responsible Minister. We visited the International Maritime Organization in London where we met Mr Kitack Lim, Secretary-General, and officials. We also visited Southampton to speak to representatives from the port, the National Oceanography Centre and merchant navy cadets from Warsash Maritime School. We are grateful to all those who contributed to our inquiry and hosted us.

5.   The maritime sector in the UK is used to being self-reliant in comparison with other countries; this can be seen with ports, for example, which in the UK are not run by central government. However, there are things that the Government can and should do, and we

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1   Solent University, The Industry, accessed November 2022

2   Department for International Trade, Embracing the ocean: a Board of Trade paper, 10 March 2022

3   Department for Transport, Maritime Growth Study: keeping the UK competitive in a global market, September 2015, p. 57

4   Department for Transport, Maritime 2050—Navigating the Future—Executive summary, January 2019, p.4

5   The seven themes in the Maritime 2050 strategy are UK competitive advantage, technology, people, environment, infrastructure, trade, and security

6   Maritime UK (MAR0014)

7   Transport Committee, Committee scrutinises the Government's maritime policy, 1 March 2022

want the sector to be ambitious for those. All the evidence that we have received has shown that the sector is resilient and entrepreneurial, but there is still a need for some government support and intervention.

Development of Maritime 2050

6.   The then Minister for Maritime, Robert Courts MP, emphasised to us that Maritime 2050 was "not something that the Department has created; it was done very much in partnership with industry."[8] The 2015 Maritime Growth Study recommended that an umbrella organisation for UK maritime trade organisations be created. This led to the establishment of Maritime UK, an organisation that comprises trade bodies within the UK maritime sector and which has responsibility for coordination and delivery of the industry recommendations within the strategy.[9] An Expert Panel was established to work alongside the Government comprising industry leaders and academics "to provide challenge to government and to review the development of the strategy."[10] This collaboration has been welcomed, with Maritime UK believing that the correct drivers for growth within the maritime sector have been identified as a result.[11]

7.   Comparatively, the maritime sector operates on a longer-term timescale to many other transport modes. The construction of a container ship takes approximately three years to complete,[12] while cargo vessels have a lifespan of 25 to 30 years.[13] Plans are needed decades ahead. The Government stated that the themes and recommendations within Maritime 2050 were "developed to give the maritime sector the long-term support it needs."[14]

Reactions from the sector to the creation of the strategy

8.   The creation of Maritime 2050 has been welcomed within the industry as showing that the Government sees the sector as a priority. Ben Murray from Maritime UK said that it had been a "fantastic way of catalysing a lot of activity and setting a common cause and heading for very disparate parts of the maritime sector."[15] The British Ports Association commented that:

> Maritime has long been the 'Cinderella' transport mode at the Department for Transport (DfT), with a hardworking maritime directorate but ultimately one which was a lower political and administrative priority for government. This is in large part because the maritime sector is primarily concerned with freight and operates, for the most part, independently of government in its administration and funding.[16]

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8   Q222
9   Members of Maritime UK are: Belfast Maritime Consortium, British Marine, British Ports Association, CLIA UK & Ireland, Institute of Chartered Shipbrokers, Maritime London, Maritime UK South West, Mersey Maritime, Nautilus International, Port Skills and Safety, The Seafarers' Charity, Shipping Innovation, Society of Maritime Industries, Solent LEP, The Baltic Exchange, Trinity House, UK Chamber of Shipping, UK Major Ports Group and the Workboat Association
10   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p. 317
11   Maritime UK (MAR0014)
12   "How Giant Ships are built", The New York Times, 17 June 2020
13   "Do you know what happens to a ship when it's too old to sail anymore?", safety4sea, 4 February 2020
14   Department for Transport (MAR0012)
15   Q185
16   British Ports Association (MAR0024)

9.   The overall reaction to the strategy appears positive. Maritime UK said that relations between Government and industry have improved at both operational and strategic level, referencing the operational work undertaken during the pandemic to maintain the flow of goods.[17] Lucy Armstrong, Chair of the Port of Tyne, argued that the strategy provided a good framework for the sector—as shown by the Port of Tyne's own strategic plan being modelled on the seven themes within Maritime 2050.[18] The themes were recognised as working for both ports and shipping alike, and being broadly in line with the strategic priorities of companies.[19]

10.   **We commend the Government for creating the first, and arguably long overdue, long-term strategy for the maritime sector in the UK. This showed a welcome commitment to the maritime sector, and recognition of its overall importance to the UK economy. We note that the sector has been complimentary about the process of collaboration and dialogue with the Government that produced the strategy. It is vital that such dialogue continues as Government priorities develop.**

Maritime 2050 structure

11.   Structured around seven high-level themes identified as of fundamental importance to the maritime sector during the period to 2050, Maritime 2050 has short-, medium- and long-term objectives. Across the strategy there are 184 recommendations in total. Mark Simmonds from the British Ports Association commented:

> [An] advantage for us is that [the strategy] would allow industry to hold the DfT to account almost, in that we could see what their priorities are. [The strategy has] a very long list of recommendations and actions that they have to take forward. We could see where they have made progress and where they have not.[20]

12.   We have heard some concern that this large number of recommendations indicates that the strategy lacks clear priorities and focus.[21] It is difficult to keep track; Mark Simmonds noted that when reviewing the strategy before giving evidence to us that there were many recommendations and "some that I had forgotten about".[22] The strategy does not include key performance indicators to demonstrate how progress in the areas of the strategy are to be realised.[23] Dr Grahaeme Henderson, a member of the Steering Committee for the strategy, argued that "clearly defined data driven targets should have been developed, which would also allow for an understanding of the successes and an early identification of corrective actions."[24] This was echoed by Solent Local Enterprise Partnership, who thought that the aims, values and objectives were "undoubtedly appropriate" but that "a strategy does need to be deliverable and benefits from focus."[25]

13.   There are clear, action-based short- and medium-term recommendations, such as the establishment of resources within the Department with designated teams and funding

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17   Maritime UK (MAR0014)
18   Q7
19   Associated British Ports (MAR0011); Q66
20   Q27 [Mark Simmonds]
21   Dr Grahaeme Henderson (Chairman at Together in Safety) (MAR0001)
22   Q27 [Mark Simmonds]
23   The UK Major Ports Group (MAR0026)
24   Dr Grahaeme Henderson (Chairman at Together in Safety) (MAR0001)
25   Solent Local Enterprise Partnership (MAR0022)

streams allocated for clean maritime development. The then Maritime Minister, Robert Courts MP, believed that progress was going well, telling us that "approximately 91 [recommendations] are either complete or in progress."[26] But longer-term recommendations principally consist of ambitions to be achieved and tend to be aspirational in nature. This makes the recommendations within the strategy somewhat muddled.

14. *To avoid confusion for the sector, the Government needs to more clearly distinguish between which Maritime 2050 recommendations are specific actions and which are aspirations. To ensure the continued success of the Maritime 2050 strategy, the Government should review the current recommendations and set out key performance indicators and targets for each so that it is possible to track and assess where progress has or has not been made. The same constructive Government-industry dialogue that produced the strategy should also be used to streamline and prioritise its 184 recommendations, so that it becomes a more useful tool for tracking progress and accountability.*

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2   Trade

15.   The UK's trade relies upon the maritime sector. Approximately 95 per cent of goods by weight come to the UK by ship.[27] This is likely to continue, with the expectation that global maritime trade volumes will treble by 2050.[28] The Government recognises its importance, saying that "simply put, without the maritime sector, the country would not work."[29] It also notes that maritime trade is determined by many factors, meaning that "international trading relationships may change—resulting in increasing or decreasing globalisation."[30]

16.   Maritime is acknowledged in Maritime 2050 as both an enabler of the UK's global export trade, and as a significant trading sector in its own right—including such industries as ship-building, maritime professional services and marine science. It also enables other trading activities such as logistics and tourism. The trade theme within the strategy discusses the impact of developments such as future trade agreements, digital transactions and changing trade patterns, and identifies a need for both UK trade promotion to support the sector, and for the UK to provide an attractive business environment for inward investment.

17.   A Trade Route Map was published in January 2019 alongside Maritime 2050. Government responsibility within the trade theme of the strategy sits between the Department for Transport and the then Department for International Trade.[31] To ensure that "the UK's trade policy is evidence based" the Government intended to create Expert Trade Advisory Groups.[32] The Maritime Exports and Investment Group "advise[s] firms on industry trends, how to access support to take advantage of global opportunities and consult industry on the most critical market access challenges that the government can address."[33] This working group has been welcomed, with British Marine saying that it "has certainly been beneficial for industry, enabling more transparency around decision-making."[34]

Threats to supply chains

18.   The maritime industry proved its resilience throughout the covid-19 pandemic when supply chains continued to operate. This was recognised as a considerable achievement throughout our inquiry by all parts of the sector and Government.[35]

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27   Department for Transport, UK Port Freight Statistics: 2020, July 2021, p. 2

28   Department for International Trade, Embracing the ocean: a Board of Trade paper, March 2022

29   Department for Transport, Maritime Recovery Route Map, June 2022, p. 6

30   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p. 186

31   The Department for International Trade's remit was absorbed into the new Department for Business and Trade in machinery of government changes in February 2023.

32   Department for Transport (MAR0012)

33   Department for International Trade, "UK launches Maritime Trade and Investment Plan to turbocharge multibillion-pound maritime sector", 17 September 2019

34   British Marine (MAR0020)

35   Associated British Ports (MAR0011); Cornwall Marine Network Group (MAR0023); Department for Transport (MAR0012); Lord Mountevans (Peer at House of Lords) (MAR0018); Maritime UK (MAR0014); The UK Major Ports Group (MAR0026)

19. The pandemic has however, fundamentally changed global supply chains. Ben Murray from Maritime UK told us that the operating model has shifted:

> Maritime responds to the dynamic of the rest of the economy. We have increasingly seen a move away from just-in-time to just-in-case models, where people are stockpiling and warehouses are being stocked more to ensure that there is a buffer and that people have it there.[36]

The assessment of David Kennedy Browne of shipping company Maersk was that it was unlikely that the supply chain would return to pre-pandemic operation.[37] Ben Murray added that "the sector will respond to that as it needs to."[38]

20. The pandemic is not the only recent event which has demonstrated the range of potential threats to the supply chain. Accidental disruption can occur through an incident such as the blockage of the Suez Canal in March 2021, as well as through major geopolitical shocks such as the Russian invasion of Ukraine.[39] Chris Shirling-Rooke from Mersey Maritime noted the impact of the former "All of a sudden you could not get your iPad. You could not get your Adidas trainers. That put the global supply chain and how reliant on it we are as a country front and centre."[40]

21. Over a longer timeframe, climate change will also have a disruptive effect. Basil Germond, Professor of International Security at Lancaster University noted that climate change will "make it more difficult […] to respond to maritime security threats and it will impact on business continuity."[41] Related developments such as ocean acidification on coral reefs, coastal erosion and flooding could put pressure on coastal communities and in turn increase maritime criminality, making trade routes more dangerous.[42] Dr Germond said that the effects of climate change "put pressures on human systems by engendering or reinforcing poverty and food insecurity [… which] impacts negatively on the occurrence of maritime crime."[43] The Government's Future of Freight plan, published in June 2022, recognises that the logistics sector will continue to be tested through geopolitical shocks, and that changes to climate will present resilience risks that the UK logistics sector will need to adapt to.[44]

22. When asked whether there was a need to revisit parts of Maritime 2050 in light of global events since its publication, the Minister stated that Maritime 2050 was "not a static document."[45] He continued "I do not envisage us having to take Maritime 2050 as a whole and strike bits out of it or replace them. We will continue to look at the impact of recent events, of course, as we develop policy."[46] The Trade Route Map announced the Government's intention to "stay alert to external forces and plan to publish an updated route map every five years."[47]

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36   Q193
37   Q72
38   Q193
39   Dr Basil Germond (Senior Lecturer at Lancaster University) (MAR0002)
40   Q26
41   Q96
42   Basil Germond and Antonios D Mazaris, Climate Change and Maritime Security, 2019
43   Dr Basil Germond (Senior Lecturer at Lancaster University) (MAR0002)
44   Department for Transport, Future of freight: a long-term plan, June 2022, p.27–28
45   Q272
46   Q272
47   Department for Transport, Maritime 2050: Trade Route Map, January 2019, p.8

23. **The maritime sector has demonstrated its resilience and adaptability in maintaining the supply chain in exceptionally difficult circumstances, with goods being transported throughout the covid-19 pandemic.**

24. *The Government's publication timetable means that the next Trade Route Map update is due in 2024. Given the global shocks that have occurred since 2019, there is a need for a permanent resilience plan, not just a singular response to the pandemic. The Government should bring forward the publication of the updated Trade Route Map as soon as possible, focussing on how it will assist the industry to build and maintain long-term resilience in supply chains.*

3 Competitive advantage

25. The competitive advantage theme of Maritime 2050 is based upon recognising the UK's strengths in the maritime sector and ensuring that they are "amplified in the long term."[48] The purpose of the theme is to "retain and strengthen our leading maritime position globally."[49] At the time of writing, the Government has not yet published a dedicated route map for this theme.

Regional clusters

26. Regional maritime clusters are concentrations of maritime industries, firms, and institutions in a particular area, for example around a port. The purpose of clusters is to "maintain and enhance the attractiveness of the UK's regional maritime offer."[50] Many of the clusters have distinct specialties, for example, the maritime business services sector in the City of London, and leisure marine for the Cornwall Marine Network.[51] This regional approach feeds into the Government's levelling up ethos by encouraging economic growth in coastal areas; the Levelling Up White Paper cites ports and maritime as among the industries which have particular strengths in certain parts of the UK.[52] Mersey Maritime, one of the regional cluster organisations, sees this as an:

> approach [which] is essential as a means of international companies looking where to locate their businesses or do business to identify easy, highly attractive one-stop show centres where their operations might be efficient and fully realised.[53]

27. A headline recommendation in Maritime 2050 was for Government and industry to work together to maintain and enhance the attractiveness of the UK's regional maritime clusters. The Government established a Regional Clusters Development Programme in 2019 and £50,000 was allocated to Maritime UK[54] for development of a Regional Council, creation of new regional clusters and production of a toolkit to support further cluster creation.[55]

28. Chris Shirling-Rooke of Mersey Maritime said that the clusters "glue all the assets of our different regions together. We are all talking to each other. It gives us a big competitive advantage".[56] Providing a single voice for the sector in a particular region, across its disparate groups and businesses, was identified by clusters as an important benefit of the model.[57] Chris Shirling-Rooke believed that it "has given all of our coastal communities a bigger voice", and Maritime UK pointed out the benefits of clusters in "[increasing] the level of input for national consultations, events and programmes around subjects such as technology and innovation, careers, skills and training, decarbonisation."[58] Solent Local

48   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p. 60
49   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p. 60
50   National Maritime, 'Clusters', accessed 20 October 2022
51   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p. 65
52   Solent Local Enterprise Partnership (MAR0022); Department for Levelling Up, Housing and Communities, *Levelling Up the United Kingdom White Paper, February 2022*, p. 40-41
53   Mersey Maritime (MAR0021)
54   Department for Transport (MAR0012)
55   Maritime UK (MAR0014)
56   Q25
57   Mersey Maritime (MAR0021); Solent Local Enterprise Partnership (MAR0022)
58   Maritime UK (MAR0014)

Enterprise Partnership asserted that regional clusters "know the breadth of the maritime sectors in their respective localities and are best placed to convene relevant actors to deliver on the ambitions of Maritime 2050."[59]

Regional Council

29. The regional clusters form Maritime UK's Regional Council, which has the role of discussing regional cooperation and their involvement in national programmes and initiatives. The regional clusters feed into Maritime UK, with the progress on their work being reported to the Department for Transport. Since 2021, £300,000 more funding has been secured with one of the aims being to expand and develop the Regional Council.[60] The additional benefit has been that the Regional Council has provided a forum in which information could be efficiently passed to Government during the pandemic about what was happening on the ground.[61]

30. *The Department for Transport should continue to fund the Regional Council and assist in the development of potential new regional maritime clusters while assessing the benefits of existing clusters for levelling up.*

Ship registers and flags

31. A ship register or ship registry assigns a ship a nationality and a flag under which to travel internationally. All merchant, commercial or pleasure vessels need to be registered in a flag state country and comply with that state's Registry Laws. The 'flag state' has overall responsibility for the implementation and enforcement of international maritime regulations for all ships granted the right to fly its flag. Internationally, this falls under the purview of the International Maritime Organization. Domestically, flag state responsibilities are administered by the UK Ship Register (UKSR).

32. 'Flags of convenience' is the term used to indicate a nationality used by ships that belong only nominally to the country in question. Lower levels of regulation and taxation applying in some flag states are seen by some shipowners as an advantage, and by others as a danger to working standards on board these vessels, including for seafarers whose home nation is different to that of the flag.[62] The RMT and Nautilus International trade unions were critical of Maritime 2050 for not covering the issue of flags of convenience, which they believed undermines the Government's ability to build the UK Ship Register.[63]

UK Ship Register (UKSR)

33. The size of the merchant fleet on its Registry is often used as a measure of the success of a flag state, and one of the ambitions within Maritime 2050 is to grow the UK Ship Register. Between 2009 and 2021, the UK Register lost approximately a third of its register. In the April 2022 shipping fleet statistics, the UK's shipping fleet was the 24th largest in the world by deadweight tonnage.[64]

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59   Solent Local Enterprise Partnership (MAR0022)
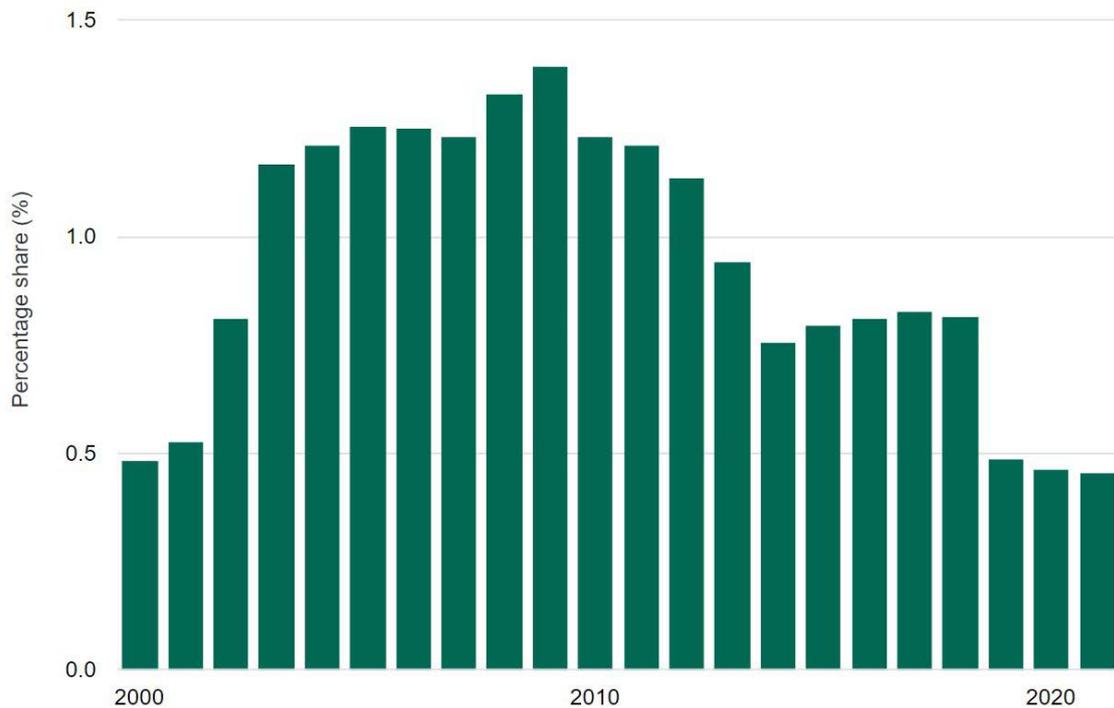60   Department for Transport (MAR0012)
61   Q29
62   Marine Insight, 7 Dangers of Flags of Convenience (FOC) to Seafarers, accessed November 2022
63   Nautilus International (MAR0015); RMT (MAR0013)
64   Department for Transport, Shipping fleet statistics: 2021, 6 April 2022

Figure 1: UK registered share (%) of world fleet deadweight tonnage—trading vessels over 100 gross tonnes

Source: Department for Transport, Shipping fleet statistics: 2021

34. Maritime 2050 set an intention for the UKSR to have "global recognition […] as a quality brand."[65] The strategy set out a vision that "The UK will be one of the top 10 registers in the world in terms of tonnage. The UKSR will be the natural register of choice for quality fleets."[66] Growing the UKSR is not a new goal; previous ministers have set out the same aim.[67] Getting more British vessels registered under the UK flag was also cited by the then Transport Secretary in March 2022 as part of the Government's response to the sacking of 800 workers by P&O Ferries, whose ships were registered under the Cypriot flag.[68]

35. Gareth Davies, Second Permanent Secretary at the Department for Transport, told us in October 2022 that growing the UK flag was important because "the more vessels that are on the UK flag, the more control and minimum standards we can ensure for workers on UK vessels".[69] The Minister also referred to the advantages of the UK flag in evidence to this inquiry:

> If you run into trouble somewhere in the world and you are UK flagged, you will get assistance from the [Maritime and Coastguard Agency]. You will be assisted. That is not always the case with other flags.[70]

65   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.19
66   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.96
67   Department for Transport, Importance of the UK Ship Register, 9 September 2015
68   HC Deb, 30 March 2022, col 842 [Commons Chamber]
69   Oral evidence taken on 19 October 2022, HC 163, Q281
70   Q229

36. Darren Procter of the RMT argued that difficulties in receiving responses when advocating for the return of sacked seafarers' belongings from P&O Ferries were exacerbated by the vessels not being on the UK registry.[71] Gavin Simmonds from the UK Chamber of Shipping concurred that having more UK flagged vessels would bring several benefits:

> If we can regenerate a larger, attractive, globally competitive, UK registered fleet with that will come not only maritime services for London but employment, training and quality jobs for seafarers.[72]

37. In Maritime 2050, the Government said that improvements to the UKSR had already been made through improving "customer accessibility through new staff and a dedicated website."[73] Building upon this, the Government intended for the Register to "promote its offer aggressively worldwide with a clear communications and marketing strategy."[74] As part of its efforts to grow the UK Shipping Register, the Government launched the UK Shipping Concierge Service in 2021. Designed to provide bespoke financial guidance for maritime businesses looking to invest in the UK as a single point of support, the service is meant to advertise the advantages of the UK flag. Gavin Simmonds saw this as an "important development and innovation."[75]

Tonnage tax

38. Tonnage tax is an optional ring-fenced scheme for qualifying shipowners to elect to pay a sum based on fixed notional profit deduced from the net tonnage of their ships, instead of corporation tax on taxable profits owned. Introduced in 2000, the intention is for it to result in a predictable and stable annual tax bill. The policy aim is to encourage investment and maritime economic activity in the UK, whilst contributing to funding officer training.

39. Our predecessor Committee concluded in a report on tonnage tax published in 2005 that it had assisted in the UK's competitive advantage by increasing the number of ships on the UK register and achieving a small increase in the UK-owned fleet.[76] The report concluded that the regime had attracted foreign shipping companies to the UK and persuaded companies to remain who may otherwise have been tempted to leave, but that the tax system had not solved all British shipping's problems.[77]

40. Reforms to the tonnage tax scheme were announced in the Autumn Budget 2021. HM Revenue and Customs explained that the new provisions were:

> designed to make it easier for shipping companies to move to the UK, ensure they are not disadvantaged compared with firms operating in other countries, and reduce unnecessary administrative burdens.[78]

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71   Q154
72   Q73
73   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.97
74   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.97
75   Q73
76   Transport Committee, Second Report of Session 2004–05, Tonnage Tax, HC 299, para 69
77   Transport Committee, Second Report of Session 2004–05, Tonnage Tax, HC 299, para 69–70
78   HM Revenue and Customs, Tonnage Tax reform, 27 October 2021

The changes are meant to ease "rules for entry and strengthening the incentives for UK flagging."[79] This has been seen as a positive step that makes the regime "more accessible."[80] Ben Murray said Maritime UK was committed to the training link being kept in the reforms being developed.[81] Warsash Maritime School told us that the reputation of UK maritime training is a "crucial contributor to the success of the UK flag."[82]

41. **The size of a ship register is a measure of the success of a flag state and a way to exert influence on standards and welfare across an international sector. We welcome the Government's recognition that if the UK wishes to maintain its status, serious efforts must be made to grow the UK Ship Register. Establishment of the UK Shipping Concierge Service and simplification of tonnage tax are two positive steps to achieving this.**

42. *As with other elements of Maritime 2050, adoption of a concrete target for growth of the UK Ship Register would assist in concentrating minds on this goal.*

43. *As an investment in the maritime workforce and a way to capitalise on the reputation of UK maritime training, tonnage tax needs to retain its training link.*

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79   Department for Transport (MAR0012)
80   Q80
81   Q215
82   Warsash Maritime School (MAR0029)

4   Environment

44.   Maritime 2050's vision for the environment theme is that the UK will be a world leader in zero emission shipping.[83] In July 2019, the Government published the Clean Maritime Plan as a route map to demonstrate how the sector would transition to zero emission shipping. This tied into maritime commitments in relation to maritime within the Clean Air Strategy, whilst setting out the UK's nationally determined contributions (NDC) under the Paris Agreement. The UK's NDC committed to reducing economy-wide greenhouse gas emissions by at least 68 per cent by 2030 compared to 1990 levels.[84] The Clean Maritime Plan was written to act as the UK's national obligation in this area.

45.   The Department for Transport sees decarbonising the maritime sector as an opportunity for revitalising ports and coastal communities. Becoming world leaders in new technology will also benefit the UK's competitive advantage "In decarbonising our maritime sector, we can also leverage our investments to gain a larger share of the global market for clean maritime technology."[85] The strategy recognises that there could be a significant economic benefit for first movers and early adopters.[86]

46.   The sector told us that the environment theme is probably the area in which they have worked most closely with the Department for Transport, but that tackling emissions is still seen as the industry's biggest challenge.[87]

The Clydebank Declaration and COP27

47.   The Clydebank Declaration agreed at COP26 in Glasgow in 2021 outlined an intention to establish 'green shipping corridors': specific shipping routes between two ports that have zero emissions. The Declaration had 22 signatories involved, and an aim to decarbonise a minimum of six shipping routes by 2025.[88] The Declaration envisages that "voluntary participation by operators [will be] a significant element for successful green shipping corridors."[89]

48.   At COP27 in 2022, the USA and Norway announced the Green Shipping Challenge, calling on Governments, ports and businesses to accelerate the industry's decarbonisation as part of its effort to fulfil the Paris Agreement.[90] The UK announced that it was working with the US, Norway and the Netherlands to roll out end-to-end green shipping corridors.[91]

49.   We asked the Department for Transport in December 2022 whether the UK would have a green shipping corridor by 2025. Gareth Davies, Second Permanent Secretary, told us "I think the timing will take longer than 2025 […] because you have got to work

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83   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.151

84   UK Government, United Kingdom of Great Britain and Northern Ireland's Nationally Determined Contribution, December 2020, p. 1

85   Department for Transport, Decarbonising Transport—A Better, Greener Britain, July 2021, p.109

86   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.151

87   Qq27–28

88   Signatories of the Clydebank Declaration: Australia, Belgium, Canada, Chile, Costa Rica, Denmark, Fiji, Finland, Germany, Ireland, Italy, Japan, Republic of the Marshall Islands, Morocco, Netherlands, New Zealand, Norway, Palau, Singapore, Spain, United Kingdom, and United States of America

89   Department for Transport, COP 26: Clydebank Declaration for green shipping corridors Annex A, accessed March 2023

90   US Department of State, Launch of Green Shipping Challenge at COP27, 7 November 2022

91   Department for Transport, Maritime sector given green boost with major COP27 pledge, 7 November 2022

through both the actual ships and the port technologies."[92] He suggested that the first green corridor would be in place at "back end of this decade."[93] Mr Davies spoke about broader work on a multilateral basis:

> One of the important things we are working on is to build the international coalition on the back of both COP26 and COP27 at the International Maritime Organization, to have the focus there on zero emissions, and building that coalition, just as we have done with international aviation emissions.[94]

Targets and the Clean Maritime Plan

50. The Clean Maritime Plan contained ambitious aims to reach zero emissions with recognition that "[a] significant increase in technology commercialisation and uptake will be necessary by 2025 and 2035 to make it possible to reach zero emission shipping by the latter half of the century."[95] The shipping zero emissions targets set out in the Plan were aspirational rather than mandatory for the sector. Under these ambitions, it was "expected" that by 2025:

- All vessels operating in UK waters are maximising the use of energy efficiency options. All new vessels being ordered for use in UK waters are being designed with zero emission propulsion capability with zero emission commercial vessels in operation in UK waters; and

- The UK is building clean maritime clusters focused on innovation and infrastructure associated with zero emission propulsion technologies, including bunkering of low or zero emission fuel.[96]

51. The UK has set in law a target to reach net zero greenhouse gas emissions by 2050. In July 2021, the Department published the Transport Decarbonisation Plan, shifting the Government's position to a commitment to move maritime to net zero "as soon as we can"; that Plan suggested that "such a transition may be possible in the 2040s"[97]

52. One of the main requests we have heard from the sector is for greater clarity about decarbonisation, how to reach the net zero 2050 target and what short- and medium-term measures and targets the sector should be working to.[98] Currently, domestic shipping does not have an emissions target[99] and globally the International Maritime Organization's target is to reduce emissions from international shipping by at least 50 per cent by 2050.[100] Maritime UK have asked for clarity on emissions targets, asking what emissions are counted and how they are calculated.[101] The Tyndall Centre for Climate Research in Manchester found the lack of targets problematic because "there is no clear overarching

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92   Oral evidence taken on 7 December 2022, HC (2022–23) 163, Q512 [Gareth Davies]
93   Oral evidence taken on 7 December 2022, HC (2022–23) 163, Q513
94   Oral evidence taken on 7 December 2022, HC (2022–23) 163, Q513
95   Department for Transport, Clean Maritime Plan, July 2019, p. 6
96   Department for Transport, Clean Maritime Plan, July 2019, p. 6
97   Department for Transport, Decarbonising Transport—A Better, Greener Britain, July 2021, p. 108
98   Q60; Q193; Q208
99   Q208
100   IMO, Initial IMO GHG Strategy, accessed 24 October 2022
101   Maritime UK (MAR0030)

goal or interim targets to guide either progress or policy development."[102] David Kennedy Browne of Maersk pointed out there was a need for a change of mindset from aspirational goals to a definitive plan, arguing that it was imperative for changes to be made this decade otherwise it was unlikely that the sector would reach net zero.[103]

53.   The Government recognised in its own 2019 Clean Maritime Plan that "the market may benefit from further policy certainty."[104] Parts of the maritime sector are 'long horizon' businesses; both vessels and port infrastructure are designed to last decades.[105] Investing in both vessels and infrastructure is expensive and time-consuming. Jos Standerwick of Maritime London told us "the more certainty that we can add to decarbonisation targets, the easier it is for the industry to respond and for the required investment to enter the market".[106] A common request during our inquiry has been for certainty relating to the short- and medium-term measures and the emissions targets the sector are working to so that the sector know the Government's intentions, allowing them to adapt accordingly.[107]

54.   The Department for Transport intended to "review and refresh" the Clean Maritime Plan in 2022 in order to "establish ambitious indicative targets for the domestic maritime sector and plot a 'Course to Zero' to accelerate decarbonisation".[108] At the time of writing this review had not yet come to fruition.

Decarbonisation

55.   Compared to other transport modes, maritime arguably faces a greater challenge to reach net zero and is—as we argued in our March 2023 Report on Fuelling the future: motive power and connectivity—noticeably the furthest behind.[109] Anna Ziou from the UK Chamber of Shipping told us during that inquiry that maritime:

> is a difficult sector to decarbonise because of the fact that it is such a diverse sector. […] at this point it is very difficult to say which are the promising technologies due to the fact that the technology readiness of the industry is very far behind that of other sectors.[110]

The maritime sector has no single alternative decarbonisation technology that has emerged as the viable alternative.[111] The diversity of vessels means that a single fuel solution is impossible, and the international nature of the sector demands multilateral action.[112] The longevity of ships and the need for port infrastructure for cleaner vessels are further complicating factors.

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102   Tyndall Centre for Climate Change Research, University of Manchester (MAR0008)
103   Q86
104   Department for Transport, Clean Maritime Plan, July 2019, p. 24–25
105   The UK Major Ports Group (MAR0026)
106   Q60
107   Q60; Q208
108   Department for Transport, Decarbonising Transport A Better, Greener Britain, p.107
109   Transport Committee, Third Report of Session 2022–23, Fuelling the future: motive power and connectivity, HC 159, para 78–80
110   Oral evidence taken on 2 March 2022, HC (2021–22) 973, Q112
111   Oral evidence taken on 2 March 2022, HC (2021–22) 973, Q112
112   Oral evidence taken on 16 March 2022, HC (2021–22) 973, Q226

56. Currently, many of the alternative fuels, such as biofuel are in their infancy.[113] Hydrogen presents challenges in ensuring that it is produced without the use of fossil fuels and is therefore 'green', alongside the safe storage space requirement. Rhona Macdonald from the British Ports Association told us that:

> For storing hydrogen at ports you need a certain exclusion zone, and that can impact on port operations as well. This is a big question that needs to be answered before ports can move forward and invest in it to store in at ports.[114]

Ammonia does not have the storage challenges of hydrogen, but there are concerns about safety due to its high toxicity and corrosiveness.[115]

57. One of the main problems has been changing to a greener fuel source for shipping, in terms of development and production. David Kennedy Browne of Maersk noted that the sector has experienced a vicious cycle of not having greener vessels as fuel for them was not yet available, and not producing the fuel because of lack of vessels to use it.[116] Because of this, many within the industry believe that a flexible hybrid option will dominate for some time as it will allow ship owners to have flexibility in their fleets' capability whilst uncertainty remains about which fuel source will come to the fore.[117]

58. When we asked about decarbonising the maritime sector, the Minister said:

> We will be looking for a zero-emission shipping target for 2050 [at the International Maritime Organization]. That is what we are pushing for. Above all, and perhaps one thing we have not particularly touched on here, is that so much of this is an international issue because it is an international industry. Building consensus at the IMO is one of our chief targets.[118]

59. **The maritime sector is global, and the UK cannot regulate it alone. To reach the Government's net zero target, we welcome the Government's commitment to live up to its world-leading maritime status and push for the net zero target at the International Maritime Organization.**

60. *The UK must have a defined plan for decarbonising the maritime sector with clear, measurable targets for both home and abroad. The 2019 Clean Maritime Plan was a good starting point, but a more focused plan for achieving net zero in 2050 is now necessary. The industry needs certainty about the part it will play, the fuels and vessel types that will be supported, and the regulatory environment which will be in place to achieve the target. Having originally promised it in 2022, the Government should now bring forward the refreshed Clean Maritime Plan without further delay.*

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113   International Council on Clean Transportation, The potential of liquid biofuels in reducing ship emissions, September 2020, p.3.
114   Oral evidence taken on 2 March 2022, HC (2021–22) 973, Q128
115   Oral evidence taken on 2 March 2022, HC (2021–22) 973, Q128
116   Q86
117   The Lloyd's List Podcast, Shipping's multifarious multi-fuel future, 5 August 2022
118   Q248

Clean Maritime Demonstration Competition and UK SHORE

61.   In March 2021, the Government launched the Clean Maritime Competition which provides match-funding to projects to "support the design and development of zero emission vessel technologies and greener ports through a series of technology trials and feasibility studies."[119] Fifty-five projects were allocated money from the competition, representing a total investment of £33.5 million with the projects being completed by March 2022.

62.   Building upon that competition, in March 2022 the Government announced the launch of a new unit, the UK Shipping Office for Reducing Emissions (UK SHORE). The "first office purely dedicated to making maritime greener," the role of the unit is to tackle shipping emissions and advance the UK towards sustainable shipping.[120] New funding of £206 million has been allocated to accelerate research into the development of clean maritime technologies and create skilled jobs across the country, contributing towards the Government's shipbuilding strategy.[121] UK SHORE is also to be involved in the development of the physical infrastructure that will be required to power new greener vessels. The Department for Transport said that "UK SHORE will drive Maritime's transition to net zero, transforming the UK into a global leader in the design and development of clean maritime technologies."[122]

63.   Many in the sector have seen this as a positive step, as investment has previously been difficult to come by. Ben Murray of Maritime UK commented that "we have not had that level of investment in maritime decarbonisation previously."[123] Maritime UK stated that shipping faced investment challenges as the businesses "do not fit the conventional investment trust criteria."[124] Chris Shirling-Rooke of Mersey Maritime was also positive: "It is a great start. If we continue on that trajectory, goodness knows where we will be in five or 10 years of that sort of investment."[125]

64.   Hutchison Ports believed that the multi-year programme is positive and will be important for the roll-out of alternative fuel technologies in ports as well as other maritime settings. However, Hutchison Ports also argued that there is:

> an opportunity to integrate maritime and ports more closely with other net-zero initiatives such as offshore wind. The key focus of Maritime 2050 is on ship emissions when more support could be given to other maritime related opportunities.[126]

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119   Innovate UK, Clean Maritime Demonstration Competition - Strand 1, March 2021

120   *"DfT launches UK SHORE to take maritime 'back to the future' with green investment"*, Department for Transport press release, 10 March 2022

121   *"DfT launches UK SHORE to take maritime 'back to the future' with green investment"*, Department for Transport press release, 10 March 2022

122   Department for Transport (MAR0012)

123   Q187

124   Maritime UK (MAR0014)

125   Q61

126   Hutchison Ports UK (MAR0025)

65. There has been criticism that the investment amount from the Government is too small. The Tyndall Centre for Climate Change Manchester said:

> The sums involved are small in comparison with those available for transport infrastructure and decarbonisation funding in other transport modes—for example the £1,600 million for vehicle charging networks, including the £950 million Rapid Charging Fund for EV charging infrastructure in motorway and A road service areas.[127]

The UK Major Ports Group concurred, saying that the Government funds for co-investment and other resources "have not been in the same league as other nations where we have seen progress on the ground."[128]

66. Mark Simmonds of the British Ports Association raised the issue that the money "is focused on R&D and innovation, but a lot of the technologies that are going to get us to net zero or meet some of our short-term targets are already mature technology."[129] Maritime UK agreed that "there needs to be focus on the deployment of technologies."[130] Jos Standerwick of Maritime London, said that "a lot of the technology already exists. However, it is not being deployed in a commercial manner."[131]

67. The Minister told us that the way UK SHORE was set up

> is intended to unlock private financing. The Government help to identify, not by us picking winners but by us providing some seed corn money which enables some of the technology to be brought along. That unlocks public and private finance, which is exactly what I would expect to see.[132]

68. **The Government's aim of becoming a world leader in developing clean maritime technologies is ambitious and will aid the UK's competitive advantage. There is an urgent need, however, to scale up and commercialise existing technologies, which may assist in reaching net zero more quickly. We believe this is an oversight in current funding streams.**

69. *We welcome the creation of UK SHORE as a positive first step. The Government must commit to long-term investment and target some funding at commercialisation of mature technologies to help reach the net zero target.*

Shore power

70. Shore power is the provision of shoreside electrical power to a ship at berth while its main and auxiliary engines are shut down. The shutting down of the engines means that the ship is not idling and therefore not producing emissions. Shore power is often sourced from the grid, but it is possible from an off-grid source.

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127   Tyndall Centre for Climate Change Research, University of Manchester (MAR0008)
128   The UK Major Ports Group (MAR0026)
129   Q63 [Mark Simmonds]
130   Maritime UK (MAR0014)
131   Q52
132   Q247

71. In February and March 2020, the British Ports Association (BPA) conducted a survey assessing the barriers to shore power provision at British ports. The most-identified barriers were capital costs, the price of electricity and a lack of demand.[133] UK ports operate commercially and therefore require a viable business case for investment. In its report the BPA said:

> We have not spoken or heard from any ports who have said that [high capital costs] is not a barrier, although clearly some ports have overcome it and do provide power—albeit none so far at a large scale.[134]

Mark Simmonds stated that shore power "is just not commercially viable".[135]

72. In comparison to marine diesel, the price of electricity is a significant barrier to adopting shore power. The British Ports Association's report on its survey states:

> Shipping is an extremely competitive industry and it is clear to us from our conversations with ports that shipowners—like most commercial organisations—will in most cases take the cheapest viable option on energy. Therefore […] it will be difficult for shore power to compete.[136]

73. These problems are not unique to the UK. The British Ports Association's report said that high capital costs are "consistently raised in discussions, interviews and meetings with port authorities and operators that we speak to around the world."[137] Ben Murray said that "the headline is that the rest of the world deploys much more public funding to support shore power than in the UK, […] Without public funding we do not see that rolled out."[138] In its research into shore power schemes globally, the British Ports Association "did not find any current examples of any significant shore power projects anywhere in the world that have proceeded without some level of public funding"[139] and the Tyndall Research Centre argued that central government funding is the "pivotal" policy to enable deployment of shore power.[140] Marine Zero told us that shore power remains "impossible without either legislation or public funding."[141]

74. In February 2022, as part of the Transport Decarbonisation Plan, the Department for Transport launched a consultation looking at how the Government "can support the wider deployment of shore power".[142] Responses to the consultation should help inform future work as part of the refreshed Clean Maritime Plan. The Tyndall Research Centre pointed out that central Government funding support is "conspicuously absent" from the

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133 British Ports Association, Reducing emissions from shipping in ports: examining the barriers to shore power, May 2020, p.22
134 British Ports Association, Reducing emissions from shipping in ports: examining the barriers to shore power, May 2020, p.23
135 Q63 [Mark Simmonds]
136 British Ports Association, Reducing emissions from shipping in ports: examining the barriers to shore power, May 2020, p.27-28
137 British Ports Association, Reducing emissions from shipping in ports: examining the barriers to shore power, May 2020, p.23
138 Q210
139 British Ports Association, Reducing emissions from shipping in ports: examining the barriers to shore power, May 2020, p.46
140 Tyndall Centre for Climate Change Research, University of Manchester (MAR0008)
141 Marine Zero (MAR0005)
142 Department for Transport, Call for evidence on shore power Implementing maritime commitments in the Transport Decarbonisation Plan, February 2022, p.10

consultation.[143] When we raised this with the Minister, he stated that "there will be further steps arising from that, but obviously I cannot say what those are until we have properly analysed the consultation response."[144] The outcome of the Government's consultation on use of maritime shore power is now expected to be included in the refreshed Clean Maritime Plan.

75.   Shore power has a high energy demand. Ben Murray from Maritime UK said

> I was visiting Portsmouth recently and they were saying that, if the shore power demand that they foresee is provided for, it would require more energy than the whole of Portsmouth put together.[145]

With such a large power requirement, Mr Murray said that "we need to bring in BEIS and others to assist."[146] Maritime UK is "very keen" to see a national strategy on shore power, stating that there is a lack of clarity about the Government's involvement and the role of each relevant department.[147]

76.   In October 2019, the German government announced €140 million funding for shore power in German ports, and said it would consider how to make shoreside electricity more competitive against marine fuels.[148] Norway's Enova grant scheme invested £48 million in 90 shore power projects between 2016 and 20, and since 2020 approximately €1 million has been allocated to the Port of Narvik to build shore power for cruise ships.[149] On 6 February 2023, UK SHORE and Innovate UK announced a Zero Emissions Vessels and Infrastructure (ZEVI) competition.[150] The competition is making available £77 million in match-funding for construction and set-up costs for "close to commercial clean maritime technology".[151]

77.   ***Evidence to our inquiry strongly suggests that Government investment will be part of the solution needed to make widespread provision of shore power viable. The match-funding announced in February 2023 is a sign of good intentions, but support must be sustained and at a level likely to effect widespread adoption. The refreshed Clean Maritime Plan should include a practical action plan for realising shore power as an essential contributor towards reaching net zero in maritime.***

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143   Tyndall Centre for Climate Change Research, University of Manchester (MAR0008)

144   Q246

145   Q188

146   Q188

147   Q188

148   British Ports Association, Reducing emissions from shipping in ports: examining the barriers to shore power, May 2020, p.62

149   British Ports Association, Reducing emissions from shipping in ports: examining the barriers to shore power, May 2020, p.63; Offshore energy, *Port of Narvik gets ENOVA funding to build shore power for cruise ships,* 16 December 2022

150   Department for Transport, Zero Emission Vessels and Infrastructure (ZEVI) competition, 6 February 2023

151   Department for Transport, Zero Emission Vessels and Infrastructure (ZEVI) competition, 6 February 2023

5   Technology

78. The technology theme within Maritime 2050 focusses on innovation and ensuring that the UK remains at the forefront of new developments. The theme was written

> to [set] out the UK's ambition to utilise advancements and changes in maritime technology to make the sector a cleaner, safer and more efficient place to work with the creation of highly skilled job opportunities at sea and on shore.[152]

In its evidence the Department for Transport stated that "At this early stage of Maritime 2050 delivery both industry and government are setting the stage for technological changes that will drive delivery across all seven Maritime 2050 themes."[153] In January 2019, the Department for Transport published the route map for the technology theme, which particularly focuses on autonomous vessels.

79. Dr Hannah Stones believed that technology was "rightly at the heart of the [Maritime 2050] strategy", emphasising the rapid changes that are taking place within the maritime sector:

> Shipping is currently undergoing one of its most significant periods of change, akin to no longer being dependent on wooden ships and the development of shipping containers. These systems will change the act of shipping, the laws that surround it, the humans at sea and on shore, and the ships themselves. Therefore, in order to have a maritime plan for the future that is fit for purpose it must be focused on this change.[154]

Throughout the technology theme there is recognition of the links with the People theme of the strategy because of the workforce skills and training needs that will arise as the technology landscape of shipping changes.[155]

Autonomy and smart shipping

80. In 2018, the Government Office for Science identified that "autonomy is likely to be the single most important marine technological development."[156] 'Smart shipping' refers to largely automated operation of inland or seagoing ships, including on-board technologies and elements of port design which give a ship the ability, using sensors, to move autonomously, or which prompt the crew to take appropriate action. Smart shipping would allow a vessel to sail more efficiently, thereby reducing transportation costs and boosting competitiveness in relation to rail and road for inland waterways. The National Oceanography Centre (NOC) also sees autonomy as an opportunity for creating more net zero operations at sea.[157]

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152   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.19-20
153   Department for Transport (MAR0012)
154   Dr Hannah Stones (Lecturer in Law at Bournemouth University) (MAR0003)
155   Department for Transport, Technology and Innovation in UK Maritime: The case of Autonomy, January 2019, p. 11
156   Government Office for Science, Foresight, Future of the Sea, March 2018 p.13
157   National Oceanography Centre (MAR0009)

81. Smart shipping is a broad term. The Government's definition within the route map frames it as:

> A technological pathway for the entire maritime sector. This pathway encompasses the automated, partly-digitised equipment of today, the remote operation of equipment, and the development of autonomous maritime systems, both at sea and onshore. Here 'shipping' is understood in its broader sense, rather than just referring to seagoing vessels. This broad definition is used because new technologies will have the greatest impact when they are used holistically, as part of a wide-ranging approach that applies to the whole UK supply chain.[158]

Maritime 2050 states it is the Government's intention for the UK to be "world leading in the design, manufacture, uptake, and use of smart shipping."[159]

Regulation

82. New technology requires new regulation. In October 2022, Maritime UK published its programme for Government which argued that:

> The Government must not be afraid to engage in extensive regulatory reform to ensure that the regulatory framework keeps up with the current pace of technological development across the economy.[160]

Regulation has been referred to as the last hurdle for innovation, with people not wanting to risk not being able to get regulatory approval.[161] Professor John Hudson, the Director of MarRI-UK, told us that "at every step, whatever we try to do in this brave new world, we tend to hit regulatory challenge."[162] He continued to say that innovators are trying to get the regulators "up with the hunt in what we are trying to do in the innovation space and helping then to get ahead of the game."[163]

83. On the other hand, the National Oceanography Centre (NOC) reported that lack of regulation for underwater autonomous vessels had at times been a positive, as "it allows freedom for testing and scaling up technology."[164] This freedom has been "quite good from a scientific understanding perspective."[165] The NOC acknowledged that it was problematic in terms of recruitment, however, arguing that "lack of defined quality standards for autonomy has led to a lack of easily identifiable and transferable skills", which resulted in the sector not being able to confidently recruit the skills that it needs.[166]

84. In November 2020, the Maritime and Coastguard Agency established the Maritime Future Technologies Team (MFT) to assist in the understanding of new technologies and "facilitate the conversation for regulatory change."[167] Marine Zero called this a

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158   Department for Transport, Technology and Innovation in UK Maritime: The case of Autonomy, January 2019, p. 10
159   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.20
160   Maritime UK, Programme for Government, October 2022 p. 21
161   Q120
162   Q138
163   Q138
164   Q136
165   Q137
166   National Oceanography Centre (MAR0028)
167   Maritime and Coastguard Agency, Maritime Future Technologies, published 11 November 2020

"significant step", allowing industry access to "appropriate people to consult and agree on a way forward to enable new technology to be developed into real world commercial solutions."[168] However, Marine Zero also said that:

> As the workload for the MFT has increased, their ability to support organisations has correspondingly decreased. This will deter investors and first movers from engaging in the UK market as it is now seen as high risk with the MCA being seen as a blocker and not an enabler.[169]

85.   In September 2021, the Department launched a consultation on the 'Future of transport regulatory consultation: Maritime autonomy and remote operations', with the aim of addressing areas of regulation that were "outdated, a barrier to innovation, or not designed with new technologies and business models in mind."[170] At the time of writing, the Government has not yet published its conclusions to this consultation. The NOC welcomed this consultation and said it would like to see the conclusions from it published as soon as possible.[171] Dr Hannah Stones argued that the Government's policy would "need to be rapid and effective at encouraging the uptake and use of smart shipping. And this is needed urgently as it must be recognised that the Government has been slow to act before now."[172]

86.   The Department for Transport said that it "sought views in our proposal to develop a UK-wide flexible legislative framework for remotely operated and autonomous vessels as soon as parliamentary time allows it."[173] The Queen's Speech in May 2022 stated that the Government would "introduce new laws that safely enable […] remotely operated vehicles and vessels."[174] In its evidence to us, the Department for Transport said that it is "taking the lead internationally will give the UK a competitive advantage and attract international business."[175] In December 2022, the Secretary of State confirmed to us that there are no longer plans to bring forward a comprehensive transport bill in the present Session of Parliament, which appears to rule out legislative reforms such as these being taken forward for the foreseeable future.[176]

87.   When asked whether he thought regulation was lagging behind innovation, the then Minister stated "no, I do not."[177] He described the Government's approach:

> We have to work together with the sector and, of course, with the MCA to make sure that the regulations are in the right place and that safety is addressed, but it is not so restrictive that innovation is smothered.[178]

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168   Marine Zero (MAR0005)
169   Marine Zero (MAR0005)
170   Department for Transport, Future of transport regulatory consultation: Maritime autonomy and remote operations, 28 September 2021
171   National Oceanography Centre (MAR0009)
172   Dr Hannah Stones (Lecturer in Law at Bournemouth University) (MAR0003)
173   Department for Transport (MAR0012)
174   The Prime Minister's Office, The Queen's Speech 2022, May 2022, p.31
175   Department for Transport (MAR0012)
176   Oral evidence taken on 7 December 2022, HC (2022–23) 163, Qq430–437
177   Q256
178   Q260

Centre for Smart Shipping (CSmart)

88.   One of the main actions listed within the Technology Route Map is the establishment of a Centre for Smart Shipping (CSmart). The purpose of the Centre is:

> To oversee and implement, in collaboration with industry, the policies outlined in [the Technology] route map. CSmart will act as the single point of contact for Government and industry and will provide oversight and coordination of Government's existing and future work on maritime technology and innovation in the maritime sector.[179]

The route map states that CSmart will "adopt a cross-sectoral approach" and "help support and promote UK maritime innovators by ensuring that maritime is included in the Government's […] GREAT Britain campaign."[180]

89. Ben Murray from Maritime UK welcomed the Government's plans to create this Centre.[181] However, our witnesses were not aware of any direct progress on the establishment of CSmart, and there was no timeline for its establishment in either the Technology or Recovery Route Maps.[182] In May 2022, the Government said that CSmart would "build on the UK's strength in smart shipping systems and enable innovation hubs to support regional clusters of expertise across the UK."[183] The Minister told us that "the purpose of the Centre for Smart Shipping is to help new and emerging technology come to market."[184] We asked the Minister in May 2022 when the Centre would be established; he responded, "later this year".[185]

90.   **There is a fine balance that needs to be struck when it comes to regulating for smart shipping and autonomous vessels. It is important that innovation is able to flourish whilst ensuring that safety standards are maintained and that there is a measure of certainty to guide investment. Leadership and coordination—of the kind promised by the proposed Centre for Smart Shipping—are also crucial. There is a major commercial opportunity for UK innovators, who have been at the forefront of developing marine and maritime autonomy to date. This momentum must not be lost.**

91.   *The Department for Transport should publish the outcome of its consultation on maritime autonomy and remote operations as soon as possible so the sector has a clear understanding of the regulatory framework it will be operating within. The necessary reforms must be legislated for at the earliest opportunity; if not in the current parliamentary Session, then as a priority in the next.*

92.   *The Department for Transport should establish the Centre for Smart Shipping as soon as possible, empowering it to work with the sector and with the Maritime Future Technologies Team to enable innovation to prosper.*

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179   Department for Transport, Technology and Innovation in UK Maritime: The case of Autonomy, January 2019, p. 12

180   Department for Transport, Technology and Innovation in UK Maritime: The case of Autonomy, January 2019, p. 34

181   Q206

182   Q125

183   HC Deb, 24 May 2022, col 12WS [Commons written ministerial statement]

184   Q258

185   HC Deb, 24 May 2022, col 12WS [Commons written ministerial statement]; Q259

Digitalisation and smart ports

93. The Technology Route Map recognises that:

> There are many ways for increased digitalisation to make shipping easier and more efficient: paperless bills of lading, e-certificated, smart contracts using distributed ledger systems such as blockchain, improved connectivity, and robust intelligent systems both on-board and onshore.[186]

94. Maritime 2050 states that "ports will form part of an advanced and integrated supply chain by 2050"[187] whereby infrastructure "will be 'smart' by default."[188] Hutchison Ports believed that the "development of smarter ports depends upon the application of new technologies to a port environment rather than developing the technology itself."[189] In August 2019, the British Ports Association co-authored a report with the Port of Rotterdam which said that "digital platforms are set to dominate the supply chain in the logistics sector" with digitalisation "a key route to increasing competitiveness."[190]

95. Digitalisation demands connectivity, and by extension this will have cybersecurity implications. Maritime 2050 recognises that "the rate of technological change is likely to make critical national infrastructure increasingly vulnerable to cyber-attack."[191] Whilst "the onus is on industry to protect themselves" the UK aims to remain "a centre of excellence for the provision of maritime cybersecurity solutions."[192]

96. Professor Basil Germond noted that "maritime threats are transnational and multilevel."[193] Huw Gullick of the NOC agreed with his assessment and said:

> there are quite a number of individual, disparate approaches, certainly on cyber-security, when it is integrated with technology, so a flexible approach from Government, with more of a facilitator role, to draw all of that together will be absolutely crucial. [194]

Professor John Hudson of MarRI-UK observed that many people are:

> very aware of the issue, but maybe not very knowledgeable about it. There is something about education in industry—in shipping companies and ship designers—as to how to protect shipping from cyber-attacks.[195]

97. In August 2022, the Government published the updated National Strategy for Maritime Security, which recognised that with the progress in digitalisation and autonomous shipping that there has been a growth of ransomware attacks.[196] In response to these increased threats the strategy states "Government will implement the new National Cyber Strategy to ensure that the maritime industry is aware of the cyber risks it

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186   Department for Transport, Technology and Innovation in UK Maritime: The case of Autonomy, January 2019, p. 36

187   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.20

188   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.110

189   Hutchison Ports UK (MAR0025)

190   British Ports Association and Port of Rotterdam, Move Forward: Step by step towards a digital port, August 2019

191   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.32

192   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.32

193   Q97

194   Q98

195   Q99

196   National Strategy for Maritime Security, CP 724, August 2022

faces and their responsibilities in managing them".[197] The Maritime Security Strategy also sets out a plan to update the 2017 Cyber Security Code of Practice for Ships and work with the International Maritime Organization to agree international standards.[198]

98. *The Government needs to act as a consolidator and facilitator to draw together disparate approaches to cybersecurity in the maritime sector. The 2017 Cyber Security Code of Practice for Ships should be updated as soon as possible. The Government should use its influence at the International Maritime Organization to set the agenda for minimum international cybersecurity standards.*

Innovation

99. Professor John Hudson of MarRI-UK emphasised that "there is a wealth of expertise in the UK,"[199] but also commented that:

> My sense is that the marine sector is quite conservative in the adoption of technology generally. It is certainly less innovative, and the pace of development is slower than in aerospace or automotive.[200]

One of the factors in this conservatism is the emphasis that the lifespan of vessels and their exposure to the elements places on robustness and reliability: "the systems that get adopted and taken to sea need to be very reliable and proven."[201]

100. While there is conservatism in innovation within the maritime sector, there has been a shift regarding investment. Jos Standerwick explained that there has been a change in the market and the way in which people look at sustainable investing. He said: "The market is becoming far more transparent. Digitalisation means that people can see the way in which shipping companies are operating and what their carbon output will look like."[202] Mr Standerwick continued to say that, in order to attract new investment into shipping:

> We, as the UK, need to understand what we need to do to be able to attract some of that $2 trillion into the shipping industry. A lot of that is about the Government providing assurance to investors to attract capital into the market.[203]

101. One of the headline recommendations within the technology theme was for the development of a maritime innovation hub aiming to "bring together expertise, support technology development, and boost regional productivity."[204] After the hub's creation this would then continue to be developed as a regional cluster model. In June 2019, the Port

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197   National Strategy for Maritime Security, CP 724, August 2022
198   National Strategy for Maritime Security, CP 724, August 2022
199   Q116
200   Q116
201   Q120
202   Q36
203   Q36
204   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.21

of Tyne opened the 2050 Innovation Hub, which became the host of the national centre.[205] The centre works collaboratively with the Department for Transport and several active partners[206] to develop solutions to challenges that are facing the maritime sector.[207]

102. Professor John Hudson advised us that the "maritime sector is quite a siloed enterprise", and therefore collaboration is essential.[208] Hutchison Ports were hopeful that the creation of an Innovation Hub may be beneficial to smaller ports in understanding the technological opportunities.[209] However, Huw Gullick of NOC Innovations emphasised that "the challenge is finding the joined-up motivation for all of the members to work together", which is where hubs "succeed or fail."[210] Our witnesses concurred that the collaboration needs to be specifically focussed on a common goal, which was "critical" to avoid it becoming a talking shop.[211] Professor John Hudson stated the need to capitalise on innovation: "Once these developments are proven, it is about the exploitation of them, and enabling collaboration across the enterprise would be an important aspect."[212] The Department said that it is "continuing to work with industry to develop the Innovation Hub model."[213]

Research and development

103. Maritime also faces challenges in resourcing research and development. Professor John Hudson said: "in certain sectors of the marine sector profitability is quite low. Therefore, there is less room for spending, developing and innovation."[214] In a report about smart shipping published in October 2021, MarRI-UK noted that while the appetite for smart shipping may be high, ports had little or no research and development budget to call on.[215] This acts as a barrier to innovation and necessitates private investment, Ben Murray said: "We hear all the time from companies that a little bit of public funding gives confidence and can catalyse private investment that you can then draw down public investment from."[216]

104. Focussing on what new technology should be upscaled was a theme throughout the evidence we received. Our witnesses referenced having a "VHF/Betamax moment" regarding reaching zero emissions. Professor John Hudson argued:

> We have to decide which we think is the technology, and back it. We have to increasingly focus on getting demonstrators, getting things proven, such that we can go to industry and show that the equipment works and delivers benefits and efficiencies […] I think we need to move up a gear and into the development phase.[217]

205   Q10
206   Partners of the 2050 Innovation Hub are: Port of Tyne, Nissan, Connected Places Catapult, Accenture, Royal HaskoningDHV, Ubisoft, Department for Transport, Drax, and Offshore Renewable Energy Catapult
207   Port of Tyne, 2050 Innovation Hub overview, accessed September 2022
208   Q118
209   Hutchison Ports UK (MAR0025)
210   Q117
211   Qq117–119
212   Q118
213   Department for Transport (MAR0012)
214   Q120
215   MarRI-UK, MarRI-UK publishes report in smart shipping technology, accessed September 2022
216   Q206
217   Q123

The Minister commented that "what we do not want the Government to do is to throw their weight behind Betamax. We want the sector to decide which of those it is going to use, and then we will continue to do that".[218]

105. Ben Murray from Maritime UK believed that it was right that the current focus was on research and development but recognised that there was a gap between becoming operational and becoming viable.[219] There is a drop off between demonstration of technology and scaling up, as funding is generally only available for the research and innovation phases. This will be even more problematic for future carbon-neutral technologies as they will be more expensive than competing carbon technologies.[220] Huw Gullick argued that business support and development of business skills among innovators in the sector was required, to help them go out and gain customers, "because they are the ones that will grow it […] customers grow businesses".[221] Ben Murray said that other parts of Government would have to be involved; the UK SHORE programme in the Department for Transport focusses on research and development, and "this is where someone like BEIS[222] needs to come in because they have a massively increasing UKRI budget, but we do not always see that deployed in support of the maritime sector."[223]

106. **There are a number of challenges facing innovation in the maritime sector. Some of these the Government has started to address, such as by supporting an Innovation Hub at the Port of Tyne, to help break down barriers to collaboration. We welcome this.**

107. **A significant further challenge is a "scaling-up gap", whereby new innovations are developed with the help of research and development or seed funding, but making the leap to widespread use and commercialisation of those innovations is much more difficult.**

108. *To help bridge the "scaling-up gap", the Department for Transport should work with the Department for Business and Trade and the Department for Science, Innovation and Technology to develop business skills support for SMEs in the maritime sector. Future iterations of the Technology Route Map should set out a clear strategy for supporting commercialisation as well as development of marine and maritime innovation.*

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218   Q258

219   Q203

220   Qq132–133

221   Q132

222   The Department for Business, Energy and Industrial Strategy (BEIS) was abolished in machinery of government changes in February 2023, with the creation of the Departments for Business and Trade, for Energy Security and Net Zero, and for Innovation, Science and Technology.

223   Q202

6   Infrastructure and ports

109. In contrast to other parts of the world, ports in the UK operate independently from central government in both their governance and funding. UK ports compete with one another and with ports in Europe to attract shipping and the quality of infrastructure they can provide is a key factor in their competitiveness. This includes cranes, warehouses, docks, ability to refuel vessels, transport links, and logistics centres. The Government has welcomed and encouraged this, regarding competition as a driver for efficiency and reducing costs for both industry and consumers.[224] The Infrastructure theme of Maritime 2050 "considers the interdependencies of physical infrastructure with other key themes of the strategy," for example, examining how increased digitisation changes will change port services provision.[225]

110. Maritime 2050 says that "continued investment and planning ahead to future proof or retrofit infrastructure will ensure ports and harbours are ready to adapt to future changes."[226] The ports industry in the UK is recognised as being successful in this regard: Associated British Ports noted that "the sector continually demonstrates its commitment to the UK through ongoing investment in world-leading infrastructure to support UK seaborne trade."[227] The British Ports Association's investment tracker showed that in 2021, UK ports had invested over £1 billion in infrastructure.[228] Ports are seen as an attractive long-term investment; Mark Simmonds commented that "we are always going to needs ports as an island nation."[229]

111. We have heard, however, that infrastructure is the Maritime 2050 theme on which the sector considers that least progress has been made.[230] A route map for this theme, promised in 2019, has not yet been produced. [231]

112. Ben Murray from Maritime UK identified the fact that the Department for Transport does not have full control over the levers of infrastructure as a reason for the lack of progress of delivery:

> There is a huge capital investment programme required for some of these projects and initiatives. It is a case of other parts of Government not necessarily following through, or being unable to do so over the last few years.[232]

The sector has emphasised the level of investment that it has made and continues to make. Maritime UK has asked for "Government to match that with some of the critical infrastructure investment that links the ports to the rest of the country."[233]

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224   Department for Transport, National Policy Statement for Ports, January 2012, p.15

225   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.214

226   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.28

227   Associated British Ports (MAR0011)

228   British Ports Association (MAR0024)

229   Q37

230   British Ports Association (MAR0024); Maritime UK (MAR0014)

231   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.214

232   Q197

233   Q197

Port connectivity

113. Hutchison Ports asserted that port connectivity is "a vital component of maritime sector competitiveness", but argued that "the UK suffers from an infrastructure deficit as a result of decades of underfunding".[234] In 2019 when Maritime 2050 was published, consideration of the maritime sector's needs in relation to rail and road infrastructure for both freight and passengers was a headline recommendation within the infrastructure theme.[235]

114. In 2018, the Department for Transport published a Ports Connectivity Study which reviewed the status of rail and road connections to ports in England and made recommendations for future improvements. More than four years later, the Government has still not set out next steps following this study, despite acknowledging in it that:

> port and freight markets are changing and so our national, regional and local transport networks need to have the ability to respond. New commodities, replacing core bulk freight markets like coal, do not necessarily travel on the same road or rail routes or to the same destinations.[236]

115. This need for adaptability was therefore evident even before the changes wrought by the covid-19 crisis. Maritime UK said that improving port connectivity could have aided the UK during the pandemic:

> It is arguable that some of these elements, such as improved port connectivity, could have played a role in mitigating parts of the supply chain congestion seen over the last 24 months. For example, greater and better use of rail freight has been identified in various DfT studies and then again in the Sir Dave Lewis supply chain taskforce work in Q4 2021.[237]

The Future of Freight plan

116. In June 2022, the Government published a Future of Freight plan. This set out plans to identify a "National Freight Network" and to work with a cross-modal Freight Council that will lead on many of the actions.[238] Prior to its publication, Maritime UK argued that the Future of Freight plan needed to bring "actual change in a way that the Port Connectivity Study and significant parts of the Maritime 2050 infrastructure theme have not."[239] When asked whether the plan had met expectations, Ben Murray said it was positive that the plan was influenced by greater recognition of the maritime sector's role and freight being given priority.[240]

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234   Hutchison Ports UK (MAR0025)
235   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.30–31
236   Department for Transport, Transport infrastructure for our global future: a study of England's port connectivity, April 2018, p.8
237   Maritime UK (MAR0014)
238   Department for Transport, Future of freight: a long-term plan, June 2022, p.47
239   Maritime UK (MAR0014)
240   Q193; Q200

Planning

117. When we visited the Port of Southampton, we discussed delays in port development in terms of the planning framework. We heard, for example, that an extension of an existing berth could take two years to realise. Ben Murray commented that "planning […] is the biggest sticking point in many ways for ports."[241]

118. The Marine Management Organisation (MMO), which provides a planning development function for the UK coast, falls under DEFRA's remit. Ben Murray argued that:

> Different parts of Government are hardwired to work with and for the sector, and to grow its contribution to the environment that it is in. My understanding is that that is not necessarily the case with the MMO.[242]

Maritime UK told us that their members reported having "significant problems in following-up licensing matters" which had "led to delays from the port licensing team in sampling plans", alongside difficulty in establishing contact with the MMO.[243] Furthermore, Maritime UK said that:

> There is a perception, rightly or wrongly, that the MMO suffers from a perennial problem in recruiting and retraining experienced staff, which has reinforced a common view of the MMO as a workplace for young professionals who do not tend to stay for long periods of time and do not necessarily have the right levels of experience to carry out their tasks effectively.[244]

The British Ports Association said that its members had raised "long delays in licensing" and argued that the MMO is under-resourced by Government.[245] It expressed concern that resources could be further diverted towards delivery of the Government's offshore wind targets, arguing that the offshore wind energy sector has a greater influence on Government policy than other users of the MMO's services such as ports.[246]

119. When we asked the Minister about the challenges the sector has faced with the MMO, he referred to the Future of Freight plan, published in June 2022.[247] The plan stated the Government's intention to hold a call for evidence by Autumn 2022 on planning and delivering the right infrastructure for freight and logistics sector.[248] This has still not been published.

120. Published in January 2012, the National Policy Statement (NPS) for Ports is a framework for making planning decisions relating to proposed port developments, and applying, where relevant, to associated road and rail links. The British Ports Association

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241   Q198
242   Q219
243   Maritime UK (MAR0030)
244   Maritime UK (MAR0030)
245   British Ports Association (MAR0031)
246   British Ports Association (MAR0031)
247   Q224
248   Department for Transport, Future of Freight: a long-term plan, June 2022, p. 76

has asked for review of the NPS to help provide understanding to other Government departments about the role of ports and the Department for Transport's conclusions on the need for new infrastructure.[249] Ben Murray concurred that the ports sector would like:

> some of the frameworks [such as the NPS for ports] to be better understood. The National Policy Statement already has a weighting towards port development, but when people are making decisions against that locally, they often do not recognise that.[250]

The Future of Freight plan states that "no decision has been made" on reviewing the National Policy Statement for Ports and that the Government will continue to assess the need for a review.[251] When asked about renewing the National Policy Statement for Ports, the Maritime Minister referred to the call for evidence on planning referenced in the Future of Freight plan: "once we have heard the evidence, we can consider [revision of the national policy statement]."[252] On 14 March 2023, the Government announced its intention to review the 2012 National Policy Statement for Ports. No timetable for this review was provided.[253]

121. As observed above, the infrastructure theme within Maritime 2050 is considered not to have made as much progress as some other themes. To ensure that the maritime sector remains competitive, it is important that maritime infrastructure in the UK adapts to emerging technologies. Therefore, it is vital that Government agencies work with the sector to ensure its success. The MMO has an important role in maintaining environmental standards, but its own vision points out that there is also an economic dimension to this work:

> We must protect and enhance nature and our seas and use them wisely for the benefit of society and the economy—we need to deliver win-win outcomes, with a thriving environment supporting a thriving economy.[254]

122. *We welcome the Government's intention to call for evidence on planning and delivering infrastructure for the freight and logistics sector. This must include questions about the planning process and the hurdles that are being faced by the maritime and ports sectors in this area. We urge the Government to bring forward this consultation without further delay, and to use the outcome of it, in combination with the 2018 Ports Connectivity Study, to develop concrete priorities and plans.*

123. *We welcome the Government's announcement that it intends to review the 2012 National Policy Statement for Ports. We urge prompt completion of this review to ensure the NPS remains an effective tool in securing the infrastructure development needed by ports in a timely way.*

124. *We have heard evidence suggesting that the Marine Management Organisation may be acting as a stumbling block rather than a facilitator of a thriving maritime economy. The Minister for Maritime needs to work with the Secretary of State for Environment,*

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249   Q50; Q63 [Mark Simmonds]; British Ports Association (MAR0031)

250   Q198

251   Department for Transport, Future of Freight: a long-term plan, June 2022, p. 77

252   Q244

253   HC Deb, 14 March 2023, col 38WS [Commons Written Ministerial Statement]

254   Marine Management Organisation, 'About us', accessed 10 August 2022

Food and Rural Affairs to improve operations within the Marine Management Organisation and the service received by ports, which rely on it for prompt advice in securing development while preserving the marine environment.

Coastal shipping and inland waterways

125. The National Policy Statement for Ports states that ports could make a valuable contribution to decongestion, environmental and commercial gain by facilitating coastal shipping as an alternative to inland freight support, particularly to road haulage.[255] One of the short-term recommendations within Maritime 2050 is for Government to "review the environmental and economic case for coastal shipping, and whether the government should play a greater role in encouraging modal shift".[256]

126. Maritime 2050 recognises the potential "boost to smaller ports" from greater coastal shipping.[257] Associated British Ports believe that there "needs to be a greater consideration in the role of coastal shipping and the making more use of the UK's extensive coastline and maritime infrastructure assets".[258] The British Ports Association agreed, arguing that coastal shipping's potential for reducing road freight miles, thereby reducing greenhouse gas emissions' needed further consideration.[259] Mark Simmonds believed that we are not "grasping the opportunity" in coastal shipping: "A small coastal tanker can take 220 road tankers off the road. That is a huge saving in emissions and good for local ports."[260]

127. Ben Murray asserted that coastal shipping has not been progressed as much as it should, given the benefit of being the most carbon efficient method of moving freight.[261] He argued that there was also an economic benefit:

> Maritime is a sector that is 35% more productive than the national average and pays a lot more than the national average too. By taking freight into smaller chunks and moving it around the coast, you are taking economic value and economic activity to parts of the country that it does not necessarily flow to at the moment.[262]

There is recognition that coastal shipping provides an opportunity. However, presently there is a lack of investment with an ageing fleet.[263]

128. In their evidence GPS Marine felt that inland waterways had been virtually omitted from the strategy, presenting a missed opportunity.[264] Maritime 2050 states that additional research has been commissioned on the barriers and opportunities for coastal shipping, as recommended by the PCS (Port Connectivity Study). This will also look at the

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255   Department for Transport, National Policy Statement for Ports, January 2012, p.16

256   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.169

257   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.218

258   Associated British Ports (MAR0011)

259   British Ports Association (MAR0024)

260   Q55

261   Q195

262   Q195

263   Q52

264   GPS Marine (MAR0004)

market potential for increased inland waterways freight on our major river and estuaries.[265] Overall, they believed that the effect of Maritime 2050 is difficult to assess "given the lack of recognition of rivers and inland waterways."[266]

129. Throughout Maritime 2050, there is very little mention of coastal shipping and inland waterways. When we asked the Minister whether this was oversight, he responded: "It is a fair point. There is not a lot about it in Maritime 2050, that is true, but is something that we are considering."[267] This omission is reflected in the Department's Future of Freight Plan. Coastal shipping and inland waterways are only referenced once within the body of the document.[268]

Mode Shift Revenue Support Scheme and Waterborne Freight Grant

130. There are grants available to encourage modal shift to shipping. Primary finance for inland waterways comes through the Mode Shift Revenue Support Scheme (MSRS). Introduced in 2014, the scheme aids with operating costs for freight by both rail and inland waterways, where this is more expensive than road. The Waterborne Freight Grant assists companies for up to three years with the operating costs associated with short sea and coastal shipping. As part of its commitment to encourage modal shift to more sustainable alternatives, the Government says that the purpose of these grants is to "continue to incentivise modal shift and help to remove around 900,000 HGV loads off the road each year."[269]

131. The investment period of the grants has been criticised. Both schemes operate with a maximum of three years of funding. Furthermore, the MSRS only relates to revenue costs, offering no assistance with the significant costs of vessel investment and infrastructure.[270] Previously the Freight Facilities Grant covered capital costs, but this was discontinued in England in 2021. Mark Simmonds of the British Ports Association argued that the MSRS is "overwhelmingly dominated by rail investments."[271] Ben Murray stated that the MSRS "just does not work for maritime", explaining that:

> It is not working for a number of reasons, such as the way it is set up and the duration of the grant funding. We understand that 97 per cent of that funding has gone on moving goods off trucks and on to the rail network.[272]

Logistics UK has requested that the Government provide further funding to the MSRS and amend it so that it works for both transport modes. The organisation argues that the Freight Facilities Grants should be reinstated:

> The MSRS scheme currently does not fund capital expenditure and therefore fails to cover the significant additional costs required for upgrading and creating piers, as well as vessel investments. Logistics UK is therefore calling

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265   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.258
266   GPS Marine (MAR0004)
267   Q238
268   Department for Transport, Future of Freight: a long-term plan, June 2022, p.43
269   Department for Transport, Decarbonising Transport: A Better, Greener Britain, July 2021, p. 139
270   GPS Marine (MAR0004)
271   Q55
272   Q195

for Freight Facilities Grants (FFGs), which do cover capital costs, to be reinstated in England to ensure that business can continue to diversify their own facilities and support zero carbon ambitions and the UK economy.[273]

132. The Department for Transport has stated that "there are no plans to reinstate the Freight Facilities Grant in England [… but the Government] remains strongly committed to modal shift."[274] We spoke to the Minister about the limitations of these grants for the industry. He responded that "we have heard the views that industry has on this […] it will be a matter for Treasury to reshape, but of course we will take forward those points to make sure that they are as helpful as possible."[275]

133. *Coastal shipping and inland waterways have been overlooked within Maritime 2050. We agree with the sector that this is a missed opportunity. To fully harness the UK's competitive advantage, the Department for Transport should undertake its promised research into the potential for coastal shipping and inland waterways, which should be seen as an area of growth for domestic seafaring jobs.*

134. *A three-year grant scheme is not suitable for the maritime sector, which operates on long timescales and requires support for capital costs. The Government should reintroduce the Freight Facilities Grant in England and review the Mode Shift Revenue Support Scheme and Waterborne Freight Grants to make sure that they are suitable for the maritime sector and will be effective in achieving modal shift. These funding streams will only realise their maximum benefits, however, if they are not simply used as a way of cutting costs by those cargo ship and bulk carrier operators who use the low-cost crewing model.*

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273   Logistics UK, *"Logistics UK calls for government to review the Mode Shift Revenue Support scheme",* July 2022

274   PQ HL3143 [on Freight Facilities Grant], 18 October 2021

275   Q239

7   People

135. The People theme within Maritime 2050 has the dual role of focussing on those currently working within the industry and the generations to follow. The theme looks at ensuring the UK has a diverse workforce with a "focus on good maritime welfare that will set a global benchmark."[276] The Government states that it aims to inspire young people to pursue maritime careers, and that "maintaining our world leading training offer in maritime colleges and universities will allow the UK to deliver high quality skills."[277] In September 2019, the Government published the People Route Map which provided more detail.[278]

136. The Government committed to creating a Maritime Skills Commission to lead the sector's work in ensuring that there is a pipeline of the talent needed within all parts of the industry. The Maritime Skills Commission reviews the needs of the industry in a five-yearly cycle to ensure that the maritime curriculum is up to date and fulfils the changing needs of the sector. Its membership is from all parts of the maritime sector. The creation of the Commission has been welcomed in the industry.[279]

137. In 2022, an estimated 22,370 UK seafarers were active at sea.[280] There has been a downward trend in UK seafarer numbers over the past 15 years, with an ageing workforce—42 per cent in 2022 were aged 40 to 61.[281] The People Route Map states that "Industry […] reports a shortfall of seafarers and engineers and more generally a difficulty to fill vacancies with the right skills set particularly in shore based positions."[282] A Maritime Skills Commission review into seafarer cadets in June 2021 concluded that recruitment was a significant problem:

> attraction of new talent into the sector is becoming harder and drop-out rates are high—both pointing to issues within the training and education of seafarers and/or in the downstream opportunities.[283]

Skills and training

138. Maritime 2050 recognises that the "UK's success in delivering the best quality skills lies in its educational system."[284] It acknowledges that with new emerging technologies the workforce will need to have "keep pace", stating that "without continuous learning the industry risks increased costs from high staff turnover, and individuals could suffer in terms of career progression."[285]

139. Technological changes have consequences for the workforce. In June 2021, the Maritime Skills Commission reported that "Technology change in shipping, driven by decarbonisation and technology innovation, will increase this skills gap over the next

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276   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.21

277   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.21

278   Department for Transport, Maritime 2050 People Route Map, September 2019, p. 29

279   Associated British Ports (MAR0011)

280   Department for Transport, Seafarers in the UK Shipping Industry: 2022, February 2023

281   Department for Transport, Seafarers in the UK Shipping Industry: 2022, February 2023

282   Department for Transport, Maritime 2050 People Route Map, September 2019, p.18

283   Maritime Skills Commission, Seafarer Cadet Review Report, June 2021, p.9

284   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.121

285   Department for Transport, Maritime 2050 Navigating the Future—Executive Summary, January 2019, p. 19

10 to 15 years".[286] Lucy Armstrong, Chair of the Port of Tyne, told us that "in 20 or 30 years' time, […] I will need more software engineers in the ports than I will need crane drivers."[287]

140. When we asked whether there is a risk that technology could outpace the skills gap and leave the UK lagging behind, Darren Procter of the RMT contended that this was already the case, which is why "we need to invest in people now, to get them skill based in the development of the various technologies."[288] Martyn Gray argued that "innovation and education have to move at the same pace, otherwise the whole sector will fall down,"[289] and that this required more consistent investment in education.

141. David Tournay of the Maritime Skills Alliance said a focus on transitional training was especially important when the industry faces challenges recruiting people into the sector:

> We need to make sure that there is transitional training to develop people from one particular marine engineering technology to another, and they can transition across, rather than being told, "You are not relevant any more, bye-bye."[290]

The British Ports Association believed that in the future "upskilling and reskilling will be an important element […] as ports seek to adapt to the demands of new and emerging industries."[291] Warsash Maritime School agreed that "for the success of both the individual cadet and the UK wider maritime industry it is critical that these new skills are taught when the foundation of their maritime careers are laid."[292]

142. **The maritime sector is undergoing major technological changes, which has an impact on the current and future skills requirements for officers, ratings and shoreside workers. It is critical that the UK's maritime skills base keeps pace with technology and removes barriers to domestic training and employment opportunities for UK-resident seafarers.**

Investment in training

143. The Maritime Skills Commission reports that the cost of training an officer is between £60,000 and £70,000, including the cost of college, time at sea and living expenses.[293] Since April 1998, the Support for Maritime Training (SMarT) scheme has provided support for participation in courses approved by the Maritime and Coastguard Agency and the Merchant Navy Training Board. Since September 2022, this funding has covered up to 50 per cent of the actual training cost.[294] The funding is intended for officers, officer cadets and ratings. We urge employers not to use this exclusively for officer cadet training.

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286   Maritime Skills Commission, Seafarer Cadet Review Report, June 2021

287   Q3

288   Q169

289   Q170 [Martyn Gray]

290   Q170 [David Tournay]

291   Associated British Ports (MAR0011)

292   Warsash Maritime School (MAR0029)

293   Maritime Skills Commission, Seafarer Cadet Review Report, June 2021, p.8

294   Maritime and Coastguard Agency, MIN 678 (M) Enhancement to the Current Support for Maritime Training (SMarT) Fund and Additional Support for Junior Officers, 7 September 2022

144. Both unions and the Maritime Skills Alliance were critical of access to and investment in training. Martyn Gray said that this could be improved by providing full funding for training:

> There is a strong argument that it will return more money to the economy than it will cost. Full funding for training needs to come from the Government, with a centralised plan on how we get the seafarers we need[295]

Oxford Economics' research into SMarT funding concluded that every £1 spent training cadets made an £4.80 return to UK GDP.[296] When we asked the Minister about fully funding training, he said that he was "happy to listen to the views of the sector."[297]

145. ***To invest in the maritime sector, the UK must invest in its people. The Government should carry out a review of training funding in the maritime sector—establishing if there are barriers to access and how the system can be improved. This should include an assessment of the potential costs and benefits of providing fully funded training places for officers and ratings.***

Expanding the talent pool and diversity in the sector

Women in maritime

146. At the time of Maritime 2050's publication, women accounted for four per cent of the UK's seafaring workforce.[298] In 2018, prior to the publication of Maritime 2050, Maritime UK created the Women in Maritime programme to "address gender fairness, equality and inclusion within the maritime sector."[299] A taskforce was created to bring together leaders within the sector to identify practical steps that could be taken to increase the number of women in the sector. Subsequently, the Women in Maritime Taskforce has been expanded and rebranded as the Diversity in Maritime programme. In evidence to us, Maritime UK listed a wide variety of programmes designed to drive diversity and inclusion including several different networks and expansion of the Women in Maritime Pledge to include all forms of diversity.[300]

147. The latest seafarer statistics show that there has been no improvement in gender diversity since Maritime 2050 was published: in 2022, women accounted for only three per cent of the UK's seafaring workforce.[301] The industry itself has recognised that there is still more work that needs to be done to improve diversity. Martyn Gray of Nautilus International pointed out that:

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295 Q164
296 Oxford Economics, Value for money assessment of the Support for Maritime training Scheme, December 2016, p.19
297 Q267
298 Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.133
299 Maritime UK, Women in Maritime Network, accessed August 2022
300 Maritime UK (MAR0014)
301 Department for Transport, Seafarers in the UK Shipping Industry: 2022, February 2023

It is important that while we give ourselves a pat on the back for the work that we have done, we recognise that by no stretch of the imagination is that job done, box ticked and we can move on to other things. There will have to be a long-term effort to make sure that we have the mechanisms in the way we train people and deal with people returning to the workforce.[302]

Martyn Gray gave one example of a practical barrier in the sector: most ships have not routinely carried personal protective equipment (PPE) tailored for a woman's body. Ill-fitting equipment is dangerous.[303] When we asked why this specific issue had not been addressed, Mr Gray said:

It is an attitude towards that. It shows that we are not prepared to have a more diverse workforce. We are making a lot of noise in committees. We are making a lot of noise having meetings and getting people together to celebrate that we have an increasingly diverse maritime workforce, but as it comes down to deliverables, the increase is not a lot and it will take time to get there.[304]

The Minister told us that "it is already a requirement that PPE carried on board UK registered vessels is suitable and correctly fitting for the individual whatever their size or gender".[305]

148. Ben Murray of Maritime UK noted that some gains may appear to be trivial, "but for our sector they are big steps forward."[306] Positively, he believed that increasing diversity in the workforce "is probably an area where we have seen the greatest buy-in from businesses in the last few years. I believe it is genuine."[307] The Department for Transport said that it had funded a Maritime UK Skills and Diversity post, which the Minister described as "crucial".[308]

Perceptions of the sector

149. An aim within the People theme is "inspiring young people to pursue maritime careers."[309] Maritime 2050 recognises that having a limited talent pool has a "knock-on impact of limiting important wider skills [risking] industry not meeting its full economic potential".[310] Chris Shirling-Rooke of Mersey Maritime commented that:

Generally, the UK these days does not have an understanding of maritime as we once did. We used to have a grandad or an uncle who was at sea, or a dad who might be in the merchant navy. We have lost that connectivity. […] put quite simply, no we do not really understand the potential that we have.[311]

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302   Q155
303   Q155
304   Q157
305   Letter from Minister for Maritime, Aviation and Security, dated 11 July 2022
306   Q213
307   Q213
308   Department for Transport (MAR0012); Q222; Q261
309   Department for Transport, Maritime 2050—Navigating the Future, January 2019, p.21
310   Department for Transport, Maritime 2050 Navigating the Future—Executive Summary, January 2019, p. 18
311   Q51

150. This is reflected in the knowledge gap in school-age children's understanding of the maritime sector. A Department for Transport report investigating barriers for entry to the maritime industry concluded that 51 per cent of young people "knew almost nothing about what people working in the sector do."[312] When asked whether they would consider maritime as future career, 61 per cent of schoolchildren said that they would not.[313] There was an assumption that job roles would be sea-based, with very few thinking of the many land-based positions in the industry.[314] A suggestion to counter this lack of understanding has been to have greater focus on ocean issues in the national curriculum, to help inspire "the next generation of scientists, technologists and mariners."[315]

151. When we spoke to merchant navy cadets at Warsash Maritime School, many commented on the lack of advertising for careers in the merchant navy, in contrast to prominent adverts for the Royal Navy. They referred to the sector as a "hidden secret," with many of their contemporaries unaware of its opportunities. The cadets themselves had discovered the merchant navy in numerous ways—word of mouth, families with a naval background—but the majority had been involved in some sort of marine activity previously.

152. We asked the cadets about the future careers they hoped to have in the maritime workforce. The variety of answers mirrored the diversity of career options available within the sector: from piloting, to research ships, to superyachts. All of them emphasised the desirability of flexible qualifications that would enable them to transition to shore-based careers if they wished to.

153. **By its own admission, the maritime industry recognises that diversity in the workforce needs to improve. It also faces a visibility challenge, with awareness of the wide variety of exciting careers available in the sector being low. Expanding the talent pool and making maritime career paths better known are directly linked, and require sustained effort from both the sector and Government.**

312   Department for Transport, Young people's perceptions of Aviation and Maritime careers, August 2021, p.52
313   Department for Transport, Young people's perceptions of Aviation and Maritime careers, August 2021, p.58
314   Department for Transport, Young people's perceptions of Aviation and Maritime careers, August 2021, p.55
315   National Oceanography Centre (MAR0009)

Treatment and welfare of the maritime workforce

Box 1: Sacking of seafarers by P&O Ferries, March 2022

On 17 March 2022, P&O Ferries dismissed approximately 800 of its employees from the Port of Dover, Kingston upon Hull, Liverpool and Cairnryan. The shipping staff, which consisted of both officers and ratings, had their employment terminated with immediate effect. A proportion of staff were notified of this by video call or text message. These crews were intended to be replaced with cheaper agency labour, some of whom, as foreign workers, would be paid less than the UK minimum wage. The ferries crewed by the dismissed staff flew the Cypriot flag, which meant that the boats were not registered under the UK Ship Register.

The redundancies were conducted without the proper consultation period with the trade unions and breached UK employment law.[316]

In response to the crisis the then Transport Secretary, Rt Hon Grant Shapps MP, announced on 30 March 2022 a "nine-point plan" to protect seafarers:

- Changing the law so that seafarers working on ships that regularly use UK ports are paid at least equivalent to the UK National Minimum Wage—through the introduction of the Seafarers' Bill;

- Asking UK ports to suspend access to ferry operators who do not pay at least the equivalent to the UK National Minimum Wage;

- Working with international partners to collaborate on seafarer protections and welfare, and exploring the creation of minimum wage corridors;

- Asking HM Revenue and Customs to dedicate UK National Minimum Wage resource to the maritime sector;

- The Maritime and Coastguard Agency to continue their enforcement policies;

- Developing a statutory code for "fire and rehire" practices and failures to engage in employee consultations;

- Taking action against company leaders who break the law;

- Improving the long-term working conditions of seafarers; and

- Encouraging more ships to operate under the UK flag.

Source: HC Deb, 30 March 2022, cols 841–842 [Commons Chamber]

154. Throughout our inquiry, witnesses have been concerned with what the sacking of 800 employees by P&O Ferries in March 2022 has done for the reputation of the sector and the prospects of attracting new recruits to it. David Tournay from the Maritime Skills Alliance said that "What happened at P&O is incredibly disappointing in the image it portrays about long-term secure employment and careers in the sector."[317] He pointed

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316   Oral evidence taken before the Transport and Business, Energy and Industrial Strategy Committees on 24 March 2022, HC (2021–22) 1231, Q124ff

317   Q153

out that from a training and careers perspective in it is vital to make sure that "people see the industry as a positive one, that cares for its staff and employees, and wants to develop them for the future" but that recent events with P&O Ferries "makes things very hard."[318]

155. The actions of P&O Ferries caused "pain and anguish" which Darren Procter of RMT believed "jeopardised everything in the content of [Maritime 2050]."[319] Nautilus International said that it was "deeply concerned that the decision by P&O Ferries has damaged [the People] theme with the message that British seafarers are expendable."[320] We also note that many sacked seafarers remained in protracted communication with the company some time after the termination of their employment in efforts to have their personal property—often of significant monetary or sentimental value—rightfully returned to them.

156. Cadets at Warsash Maritime School told us that for those officers who would be looking for positions soon, the P&O Ferries incident was "scary"; they described it as "one perfect example" of a failure to put people before profit. They worried they could be on the receiving end of such treatment in the future.

157. In evidence to us and the Business, Energy and Industrial Strategy Committee, Peter Hebblethwaite, Chief Executive Officer of P&O Ferries, confirmed that the company took the decision not to consult with the trade unions before the dismissing of the seafarers.[321] The Minister told us in evidence to this inquiry that he was "incandescent—about the way P&O [Ferries] treated their workers."[322]

158. The Government's nine-point plan announced in response to the incident was "intended to boost the way that seafarers are treated to make it absolutely clear that that is not the way we treat people in this country."[323] Five of the actions listed in the Government's nine-point plan were existing commitments, some of them—such as growing the size of the UK Ship Register and improving the working conditions of seafarers—already forming part of Maritime 2050. One of the nine points, taking action against company leaders that break the law, is the responsibility of the Insolvency Service.[324] On 19 August 2022 the Insolvency Service announced that it would not commence any criminal proceedings against P&O Ferries.[325]

159. *P&O Ferries' treatment of workers in March 2022 has not only affected the 800 seafarers directly involved but damaged the perception of the maritime sector for potential new recruits. It is imperative that the Government ensures that seafarers and potential future seafarers know they are valued and are not deemed expendable. This is essential for both maintaining the current talent pool and enabling it to expand in the future. To this end, we call on the Government to publish a report on its nine-point plan for seafarers' protections as soon as is practical.*

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318   Q171
319   Q176
320   Nautilus International (MAR0015)
321   Oral evidence taken before the Transport and Business, Energy and Industrial Strategy Committees on 24 March 2022, HC (2021–22) 1231, Q124ff
322   Q231
323   Q231
324   The Insolvency Service, About us, accessed November 2022
325   The Insolvency Service, P&O Ferries: update from the Insolvency Service, 19 August 2022

The social framework

160. The People theme of Maritime 2050 committed the Government to developing within five years "the concept of a social framework […] making it clear to all what standards of welfare are expected for our maritime workforce throughout their careers".[326] The strategy acknowledged that "seafarers suffer a high incidence of mental health conditions, primarily due to the pressures, nature and isolation of working at sea."[327] The framework was established to "set expectations for the welfare of the UK maritime workforce, while simultaneously leading the push for better standards internationally."[328]

161. Nautilus International told us that there have been incidents where they have had to intervene because the social framework was not being implemented. Martyn Gray said "seafarers should not suffer detriment just because they happen to work on a ship."[329] The trade unions' response to the Government's nine-point plan after the sacking of seafarers by P&O Ferries was that more than the national minimum wage needed to be addressed, but that welfare is an international issue which would require "a lot of international co-operation and collaboration."[330]

162. Individual nations have limited control over vessels operating under another nation's flag. The International Labour Organization (ILO) is responsible for setting labour standards across the globe. In May 2022, eight amendments were agreed to the Maritime Labour Convention at the ILO. These amendments are aimed at ensuring that

- Seafarers have appropriately-sized PPE;

- Seafarers will have free access to good quality drinking water;

- States are to further facilitate the prompt repatriation of abandoned seafarers;

- States are to provide medical care for seafarers in need of immediate assistance and facilitate repatriation of seafarers who have died in service;

- Seafarers are provided with appropriate social connectivity by shipowners and States are to provide internet access in their ports;

- Seafarers are informed of their rights relating to the obligation of recruitment and placement services to compensate seafarers for monetary losses; and

- All deaths of seafarers are recorded and reported annually to the ILO and all relevant data is published.[331]

The Maritime Minister wrote to us stating that the Government had played a "leading role in enhancing" the Convention.[332]

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326   Department for Transport, Maritime 2050 Navigating the Future, January 2019, p.148
327   Department for Transport, Maritime 2050 Navigating the Future, January 2019, p.23
328   Department for Transport, Maritime 2050 Navigating the Future, January 2019, p.23
329   Q175
330   Qq175–177
331   International Labour Organization, Shipping industry adopts amendments to Maritime Labour Convention to improve seafarers' conditions, accessed August 2022
332   Letter from Minister for Maritime, Aviation and Security, dated 11 July 2022

163. One of the problems the maritime sector faced at the outset of the pandemic was the need for repatriation of stranded seafarers. The Department for Transport has been credited by the industry for its work and leadership in this area and having demonstrated "thought leadership".[333] Maritime UK said that "the UK was at the forefront of calls for seafarers to be considered key workers."[334] Chris Shirling-Rooke, CEO of Mersey Maritime credited the Department for Transport's work relating to pastoral care during the pandemic:

> We had to change how we supported [SMEs and sole traders] to pastoral care, simple things like helping them to get all the support available from Government, I must say that DfT were very good with that.[335]

The Department for Transport reported in its evidence that it had "facilitated the repatriation of over 7,500 foreign national seafarers and around 18,250 passengers from cruise vessels alone."[336]

164. When launching its Recovery Route Map, a plan to support the maritime sector's recovery from the pandemic, the Government pledged £2.4 million funding for projects that support seafarers' mental wellbeing, develop green skills, diversity, and ratings training.[337]

165. **We commend the work that the Government has done regarding the welfare of seafarers during the pandemic. Their recognition of seafarers as key workers is important. This is an essential step in ensuring that seafarers have both the recognition and support that they deserve.**

166. **Welfare standards are inextricably linked to contractual terms and conditions, however. It is not sufficient for the Government to rely on the glacial progress made in amending the Maritime Labour Convention. The MLC is a set of minimum international standards designed for the deep sea sector—not, for example, for short sea ferries. The Government must take the lead by showing its ambition to significantly exceed these minimum standards.**

Seafarers' Wages Bill

167. As part of the nine-point plan, the Government said that it would bring forward legislation to ensure that seafarers working on ships that regularly use UK ports are paid at least equivalent to the UK National Minimum Wage, and ask UK ports to suspend access to ferry operators which do not pay those rates. The Government introduced the Seafarers' Wages Bill in July 2022; it seeks to ensure that seafarers on ships using UK ports at least 120 times a year are paid at least equivalent to the UK national minimum wage while they are working in UK waters. This applies to all seafarers regardless of the nationality of the seafarer or the ship's flagged status. If passed, this would mean that:

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333 Lord Mountevans (Peer at House of Lords) (MAR0018)

334 Maritime UK (MAR0014)

335 Q29

336 Department for Transport (MAR0012)

337 Nautilus International, *"UK allocates £2.4 million to seafarers' mental health wellbeing, rights and maritime skills"*, 23 June 2022

- Harbour authorities would have the ability to request that ship operators provide a declaration that their crew are paid at least equivalent to the national minimum wage whilst working in UK or its territorial waters;

- Harbour authorities would be able to impose a surcharge on operators who failed to provide a declaration showing payment of equivalent rates;

- Harbour authorities would have the ability to refuse a ship entry if the operator failed to provide a declaration to pay the surcharge;

- The Transport Secretary would have the ability to appoint investigators from the Maritime and Coastguard Agency (MCA) to verify operator compliance; and

- The Transport Secretary would have the power to direct harbour authorities on whether to impose a surcharge and how much it should be.[338]

Amendments made to the Bill on its passage through the Commons converted the proposed powers of harbour authorities to request declarations, impose surcharges and refuse port entry into duties to do so. If these provisions form part of the final legislation, harbour authorities which do not comply with these duties will be committing a criminal offence and be liable to fines.[339]

168. In the nine-point plan the Transport Secretary said that he would ask "HM Revenue and Customs (HMRC) to dedicate UK National Minimum Wage resource to the maritime sector."[340] However, the Bill does not include a direct role for the HMRC, which is the expert in minimum wage compliance.[341] The Bill seeks to place responsibility for investigating compliance instead on the Maritime and Coastguard Agency (MCA), which currently does not hold any responsibility for national minimum wage enforcement. A number of other concerns have been expressed about the likely efficacy of the measures in the Bill, including whether the threshold of 120 port visits has been set too high, whether surcharges will prove sufficient deterrence to non-compliance, and the lack of provisions to address wider terms and conditions including roster patterns and crewing levels. The Minister said in February 2023, "We are commissioning independent research into roster patterns to ensure that we have a strong evidence base to support policy on this subject."[342] Nonetheless, within its relatively narrow remit, the Bill has been broadly welcomed.

169. Related to the nine-point plan, the Government has also pledged to improve the welfare of seafarers by launching a new "seafarers' charter". On 6 February 2023, the RMT wrote to the Transport Secretary requesting that the Government "circulate the latest copy of the Seafarers Welfare Charter to Unions and employers.[343] The following day during debate on Consideration of the Seafarers' Wages Bill in the Commons, there were continued calls for the Charter to be included on the face of the Bill;[344] the Minister said in response, "We will bring it forward in the near future".[345]

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338   *Seafarers' Wages Bill [HL] 2022–23,* Research Briefing, House of Commons Library CBP 9670, 17 November 2022

339   HC Deb, 7 February 2023, col 803 [Commons Chamber]

340   Department for Transport, Nine-point plan for seafarers - our commitment to protect seafarers, July 2022

341   Seafarers' Wages Bill [Lords] Committee, 17 January 2023, col 31–33

342   HC Deb, 7 February 2023, col 813 [Commons Chamber]

343   RMT, *RMT demands welfare protections for seafarers in Government Bill*, 6 February 2023

344   HC Deb, 7 February 2023, cols 814–852, [Commons Chamber]

345   HC Deb, 7 February 2023, col 833 [Commons Chamber]

170. **All seafarers should be paid a reasonable wage and be guaranteed good working conditions, including safe roster patterns. We did not take evidence specifically on the provisions of the Seafarers' Wages Bill, but we consider that while it is in itself a welcome and necessary step, it will not be sufficient to ensure proper treatment of seafarers.**

171. *The Seafarers' Wages Bill's aims must also be supported by the promised welfare charter, which we urge the Government to bring forward as soon as possible. This must include concrete action to hold employers to high standards and to support better mental health among seafarers, and must be underpinned with funding where necessary. We feel that the Government's current plan to ask operators to sign up voluntarily will not give the assurances and protections that seafarers want and deserve. We therefore call on the Government to make signing up to the charter a mandatory requirement for all UK maritime operators. The relationship of this work to the 'social framework' envisaged by Maritime 2050 should be clarified.*

8   Cross-government working

172. Throughout our inquiry, it has been clear that the Maritime 2050 strategy does not apply to the Department for Transport alone.[346] A consistent thread within the evidence we received was the need for government departments to collaborate and talk to each other about the multiple ways in which policy across Government impacts the sector, and the multiple ways maritime contributes to the economy, trade, environmental protection, decarbonisation, connectivity and innovation.[347] Whilst the Department for Transport has received praise for its engagement with the maritime sector, the question remains about how best to ensure that other government departments are more regularly and effectively engaged.[348]

173. This is not a new issue. Prior to Maritime 2050, the Department for Transport's Maritime Growth Study in 2015 advocated for Government to take the needs of the maritime sector seriously in cross-government policy making.[349] The study recommended that the Government should:

- Improve cross-government working on maritime issues by establishing a cross-Whitehall team bringing together the departments involved in maritime policy; and

- Establish a Ministerial Working Group for Maritime Growth so that clear targets could be set and progressed monitored. The study said that "The nomination of a senior transport minister to chair the ministerial group would also provide a visible ministerial champion for the sector".[350]

174. There is still no interdepartmental working group.[351] Whilst the study in 2015 focussed on maritime growth, it also suggested that a Ministerial Working Group would be prudent for ministers to address issues that are affecting the sector. When discussing timeline problems with the Marine Management Organisation, we asked the Minister about co-sponsorship of agencies to improve inter-departmental working. He did not rule out the possibility.[352] When asked about cross-government working in general, the Minister told us that as a Department "we make absolutely sure that our voice is heard."[353]

The role of ports

175. Ports in the UK are a market-led and competitive sector. It is also a sector that needs engagement with the Government to happen in a cross-cutting, joined-up way. Notably, the ports sector reports that most of its engagement with Government is not with the Department for Transport (DfT) but other departments such as the Department for Environment, Food and Rural Affairs (DEFRA) on environmental issues.[354] For example,

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346   Q8

347   Q27 [Jos Standerwick]

348   Q186

349   Department for Transport, Maritime Growth Study: keeping the UK competitive in a global market, September 2015, p. 9

350   Department for Transport, Maritime Growth Study: keeping the UK competitive in a global market, September 2015, p. 9

351   HC Deb, 7 February 2023, col 828 [Commons Chamber]

352   Qq225–227

353   Q227

354   The UK Major Ports Group (MAR0026); Q50

the environment theme of Maritime 2050 focusses on emissions monitoring biodiversity is led by DEFRA. Lucy Armstrong, Chair of the Port of Tyne, told us that the 2022 Queen's Speech contained three bills, led by three different departments, that would have significant impacts on that port's operations.[355]

176. The British Ports Association expressed concern that the understanding of the sector outside the DfT is minimal, however:

> Whilst some officials we have worked with at DEFRA and other departments have worked hard to understand the ports sector, our view is that the role of ports and government policy and approach towards ports is not generally well understood outside of DfT and its agencies.[356]

The UK Major Ports Group found that it is an "ongoing task to bring along other departments with a broad vision for the maritime sector."[357]

177. There is some concern that the Government's view of the role of ports has shifted, leading to a request for clarity.[358] The British Ports Association said it was concerned that:

> the Government has sought to use ports to deliver policy outcomes in a number of areas where ports traditionally do not have core competency. This includes the enforcement of sanctions, the enforcement of minimum wage legislation, and in some cases the regulation or incentivisation of port customers' environmental sanctions.[359]

178. This concern—that the Government sometimes tries to use ports to deliver policy for which they do not have a core competency—arose most recently in respect of the Government's response to P&O Ferries' sacking of 800 seafarers in March 2022.[360] That month, the then Secretary of State for Transport signalled that it was the Government's intention to amend the Harbours Act 1964 to "give British ports new statutory powers to refuse access to regular ferry services that do not pay their crew the national minimum wage".[361] Previously, the main enforcement roles undertaken by port authorities have primarily related to safety and import regulations. Richard Ballantyne, CEO of the British Ports Association, responded to the Secretary of State's statement by saying that "ports are not the competent authorities to enforce rules on employee salaries or working conditions."[362] The resultant legislation, the Seafarers' Wages Bill, is at present still making its way through Parliament, and several amendments have been made to the enforcement and compliance regime in the Bill as noted in the previous chapter.

179. ***The Department for Transport in its own 2015 report advocated for both a cross-Whitehall team and a Ministerial Working Group for maritime. We agree that these mechanisms would provide a helpful focus for collaboration to support the industry.***

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355   Q6
356   British Ports Association (MAR0024)
357   The UK Major Ports Group (MAR0026)
358   British Ports Association (MAR0024)
359   British Ports Association (MAR0024)
360   The UK Major Ports Group (MAR0026); Q50
361   HC Deb, 30 March 2022, col 842 [Commons Chamber]
362   *Ports respond to Secretary of State announcement on minimum wage rules in the ferry sector,* British Ports Association, 30 March 2022

To improve the interdepartmental understanding of the maritime sector, the Maritime Minister should convene a maritime Ministerial Working Group. The Maritime Minister should also ensure the input of the maritime trade unions.

180. **For the ports sector to be effective and competitive it is important that the government department and agencies they work with have a good understanding of their role and competencies. We note that, alongside the responsibility of the Maritime and Coastguard Agency to investigate compliance under the Seafarers' Wages Bill, there will be important enforcement roles for harbour authorities including, ultimately, refusing access to their ports to non-compliant operators. This is potentially a worrying sign that the role and responsibilities the Government expects of ports are subject to mission creep.**

181. *The Department for Transport should take leadership on clarifying across Government the role of ports authorities and protecting them from inappropriate enforcement burdens. Ports authorities cannot be used as the Government's 'Swiss Army knife' to undertake an ever-greater variety of tasks without appropriate resourcing and expertise.*

Conclusions and recommendations

Introduction

1. We commend the Government for creating the first, and arguably long overdue, long-term strategy for the maritime sector in the UK. This showed a welcome commitment to the maritime sector, and recognition of its overall importance to the UK economy. We note that the sector has been complimentary about the process of collaboration and dialogue with the Government that produced the strategy. It is vital that such dialogue continues as Government priorities develop. (Paragraph 10)

2. *To avoid confusion for the sector, the Government needs to more clearly distinguish between which Maritime 2050 recommendations are specific actions and which are aspirations. To ensure the continued success of the Maritime 2050 strategy, the Government should review the current recommendations and set out key performance indicators and targets for each so that it is possible to track and assess where progress has or has not been made. The same constructive Government-industry dialogue that produced the strategy should also be used to streamline and prioritise its 184 recommendations, so that it becomes a more useful tool for tracking progress and accountability.* (Paragraph 14)

Trade

3. The maritime sector has demonstrated its resilience and adaptability in maintaining the supply chain in exceptionally difficult circumstances, with goods being transported throughout the covid-19 pandemic. (Paragraph 23)

4. *The Government's publication timetable means that the next Trade Route Map update is due in 2024. Given the global shocks that have occurred since 2019, there is a need for a permanent resilience plan, not just a singular response to the pandemic. The Government should bring forward the publication of the updated Trade Route Map as soon as possible, focussing on how it will assist the industry to build and maintain long-term resilience in supply chains.* (Paragraph 24)

Competitive advantage

5. *The Department for Transport should continue to fund the Regional Council and assist in the development of potential new regional maritime clusters while assessing the benefits of existing clusters for levelling up.* (Paragraph 30)

6. The size of a ship register is a measure of the success of a flag state and a way to exert influence on standards and welfare across an international sector. We welcome the Government's recognition that if the UK wishes to maintain its status, serious efforts must be made to grow the UK Ship Register. Establishment of the UK Shipping Concierge Service and simplification of tonnage tax are two positive steps to achieving this. (Paragraph 41)

7. *As with other elements of Maritime 2050, adoption of a concrete target for growth of the UK Ship Register would assist in concentrating minds on this goal.* (Paragraph 42)

8. *As an investment in the maritime workforce and a way to capitalise on the reputation of UK maritime training, tonnage tax needs to retain its training link. (Paragraph 43)*

Environment

9. The maritime sector is global, and the UK cannot regulate it alone. To reach the Government's net zero target, we welcome the Government's commitment to live up to its world-leading maritime status and push for the net zero target at the International Maritime Organization. (Paragraph 59)

10. *The UK must have a defined plan for decarbonising the maritime sector with clear, measurable targets for both home and abroad. The 2019 Clean Maritime Plan was a good starting point, but a more focused plan for achieving net zero in 2050 is now necessary. The industry needs certainty about the part it will play, the fuels and vessel types that will be supported, and the regulatory environment which will be in place to achieve the target. Having originally promised it in 2022, the Government should now bring forward the refreshed Clean Maritime Plan without further delay. (Paragraph 60)*

11. The Government's aim of becoming a world leader in developing clean maritime technologies is ambitious and will aid the UK's competitive advantage. There is an urgent need, however, to scale up and commercialise existing technologies, which may assist in reaching net zero more quickly. We believe this is an oversight in current funding streams. (Paragraph 68)

12. *We welcome the creation of UK SHORE as a positive first step. The Government must commit to long-term investment and target some funding at commercialisation of mature technologies to help reach the net zero target. (Paragraph 69)*

13. *Evidence to our inquiry strongly suggests that Government investment will be part of the solution needed to make widespread provision of shore power viable. The match-funding announced in February 2023 is a sign of good intentions, but support must be sustained and at a level likely to effect widespread adoption. The refreshed Clean Maritime Plan should include a practical action plan for realising shore power as an essential contributor towards reaching net zero in maritime. (Paragraph 77)*

Technology

14. There is a fine balance that needs to be struck when it comes to regulating for smart shipping and autonomous vessels. It is important that innovation is able to flourish whilst ensuring that safety standards are maintained and that there is a measure of certainty to guide investment. Leadership and coordination—of the kind promised by the proposed Centre for Smart Shipping—are also crucial. There is a major commercial opportunity for UK innovators, who have been at the forefront of developing marine and maritime autonomy to date. This momentum must not be lost. (Paragraph 90)

15. *The Department for Transport should publish the outcome of its consultation on maritime autonomy and remote operations as soon as possible so the sector has a*

clear understanding of the regulatory framework it will be operating within. The necessary reforms must be legislated for at the earliest opportunity; if not in the current parliamentary Session, then as a priority in the next. (Paragraph 91)

16. *The Department for Transport should establish the Centre for Smart Shipping as soon as possible, empowering it to work with the sector and with the Maritime Future Technologies Team to enable innovation to prosper.* (Paragraph 92)

17. *The Government needs to act as a consolidator and facilitator to draw together disparate approaches to cybersecurity in the maritime sector. The 2017 Cyber Security Code of Practice for Ships should be updated as soon as possible. The Government should use its influence at the International Maritime Organization to set the agenda for minimum international cybersecurity standards.* (Paragraph 98)

18. There are a number of challenges facing innovation in the maritime sector. Some of these the Government has started to address, such as by supporting an Innovation Hub at the Port of Tyne, to help break down barriers to collaboration. We welcome this. (Paragraph 106)

19. A significant further challenge is a "scaling-up gap", whereby new innovations are developed with the help of research and development or seed funding, but making the leap to widespread use and commercialisation of those innovations is much more difficult. (Paragraph 107)

20. *To help bridge the "scaling-up gap", the Department for Transport should work with the Department for Business and Trade and the Department for Science, Innovation and Technology to develop business skills support for SMEs in the maritime sector. Future iterations of the Technology Route Map should set out a clear strategy for supporting commercialisation as well as development of marine and maritime innovation.* (Paragraph 108)

Infrastructure and ports

21. *We welcome the Government's intention to call for evidence on planning and delivering infrastructure for the freight and logistics sector. This must include questions about the planning process and the hurdles that are being faced by the maritime and ports sectors in this area. We urge the Government to bring forward this consultation without further delay, and to use the outcome of it, in combination with the 2018 Ports Connectivity Study, to develop concrete priorities and plans.* (Paragraph 122)

22. *We welcome the Government's announcement that it intends to review the 2012 National Policy Statement for Ports. We urge prompt completion of this review to ensure the NPS remains an effective tool in securing the infrastructure development needed by ports in a timely way.* (Paragraph 123)

23. *We have heard evidence suggesting that the Marine Management Organisation may be acting as a stumbling block rather than a facilitator of a thriving maritime economy. The Minister for Maritime needs to work with the Secretary of State for Environment, Food and Rural Affairs to improve operations within the Marine Management Organisation and the service received by ports, which rely on it for prompt advice in securing development while preserving the marine environment.* (Paragraph 124)

24. *Coastal shipping and inland waterways have been overlooked within Maritime 2050. We agree with the sector that this is a missed opportunity. To fully harness the UK's competitive advantage, the Department for Transport should undertake its promised research into the potential for coastal shipping and inland waterways, which should be seen as an area of growth for domestic seafaring jobs.* (Paragraph 133)

25. *A three-year grant scheme is not suitable for the maritime sector, which operates on long timescales and requires support for capital costs. The Government should reintroduce the Freight Facilities Grant in England and review the Mode Shift Revenue Support Scheme and Waterborne Freight Grants to make sure that they are suitable for the maritime sector and will be effective in achieving modal shift. These funding streams will only realise their maximum benefits, however, if they are not simply used as a way of cutting costs by those cargo ship and bulk carrier operators who use the low-cost crewing model.* (Paragraph 134)

People

26. The maritime sector is undergoing major technological changes, which has an impact on the current and future skills requirements for officers, ratings and shoreside workers. It is critical that the UK's maritime skills base keeps pace with technology and removes barriers to domestic training and employment opportunities for UK-resident seafarers. (Paragraph 142)

27. *To invest in the maritime sector, the UK must invest in its people. The Government should carry out a review of training funding in the maritime sector—establishing if there are barriers to access and how the system can be improved. This should include an assessment of the potential costs and benefits of providing fully funded training places for officers and ratings.* (Paragraph 145)

28. By its own admission, the maritime industry recognises that diversity in the workforce needs to improve. It also faces a visibility challenge, with awareness of the wide variety of exciting careers available in the sector being low. Expanding the talent pool and making maritime career paths better known are directly linked, and require sustained effort from both the sector and Government. (Paragraph 153)

29. *P&O Ferries' treatment of workers in March 2022 has not only affected the 800 seafarers directly involved but damaged the perception of the maritime sector for potential new recruits. It is imperative that the Government ensures that seafarers and potential future seafarers know they are valued and are not deemed expendable. This is essential for both maintaining the current talent pool and enabling it to expand in the future. To this end, we call on the Government to publish a report on its nine-point plan for seafarers' protections as soon as is practical.* (Paragraph 159)

30. We commend the work that the Government has done regarding the welfare of seafarers during the pandemic. Their recognition of seafarers as key workers is important. This is an essential step in ensuring that seafarers have both the recognition and support that they deserve. (Paragraph 165)

31. Welfare standards are inextricably linked to contractual terms and conditions, however. It is not sufficient for the Government to rely on the glacial progress made in amending the Maritime Labour Convention. The MLC is a set of minimum international standards designed for the deep sea sector—not, for example, for short sea ferries. The Government must take the lead by showing its ambition to significantly exceed these minimum standards. (Paragraph 166)

32. All seafarers should be paid a reasonable wage and be guaranteed good working conditions, including safe roster patterns. We did not take evidence specifically on the provisions of the Seafarers' Wages Bill, but we consider that while it is in itself a welcome and necessary step, it will not be sufficient to ensure proper treatment of seafarers. (Paragraph 170)

33. *The Seafarers' Wages Bill's aims must also be supported by the promised welfare charter, which we urge the Government to bring forward as soon as possible. This must include concrete action to hold employers to high standards and to support better mental health among seafarers, and must be underpinned with funding where necessary. We feel that the Government's current plan to ask operators to sign up voluntarily will not give the assurances and protections that seafarers want and deserve. We therefore call on the Government to make signing up to the charter a mandatory requirement for all UK maritime operators. The relationship of this work to the 'social framework' envisaged by Maritime 2050 should be clarified.* (Paragraph 171)

Cross-government working

34. *The Department for Transport in its own 2015 report advocated for both a cross-Whitehall team and a Ministerial Working Group for maritime. We agree that these mechanisms would provide a helpful focus for collaboration to support the industry. To improve the interdepartmental understanding of the maritime sector, the Maritime Minister should convene a maritime Ministerial Working Group. The Maritime Minister should also ensure the input of the maritime trade unions.* (Paragraph 179)

35. For the ports sector to be effective and competitive it is important that the government department and agencies they work with have a good understanding of their role and competencies. We note that, alongside the responsibility of the Maritime and Coastguard Agency to investigate compliance under the Seafarers' Wages Bill, there will be important enforcement roles for harbour authorities including, ultimately,

refusing access to their ports to non-compliant operators. This is potentially a worrying sign that the role and responsibilities the Government expects of ports are subject to mission creep. (Paragraph 180)

36. *The Department for Transport should take leadership on clarifying across Government the role of ports authorities and protecting them from inappropriate enforcement burdens. Ports authorities cannot be used as the Government's 'Swiss Army knife' to undertake an ever-greater variety of tasks without appropriate resourcing and expertise.* (Paragraph 181)

Formal minutes

Wednesday 15 March 2023

Members present:

Iain Stewart, in the Chair

Mike Amesbury

Ruth Cadbury

Grahame Morris

Gavin Newlands

Draft Report (*Maritime 2050*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 181 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Fifth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Adjournment

Adjourned till Tuesday 21 March at 3.00 pm

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the inquiry publications page of the Committee's website.

Wednesday 11 May 2022

Wednesday 25 May 2022

Wednesday 22 June 2022

Published written evidence

The following written evidence was received and can be viewed on the inquiry publications page of the Committee's website.

MAR numbers are generated by the evidence processing system and so may not be complete.

1   Associated British Ports (MAR0011)

2   British Marine (MAR0020)

3   British Ports Association (MAR0031)

4   British Ports Association (MAR0024)

5   Core Power (MAR0010)

6   Cornwall Marine Network Group (MAR0023)

7   Department for Transport (MAR0012)

8   GPS Marine (MAR0004)

9   Germond, Dr Basil (Senior Lecturer, Lancaster University) (MAR0002)

10   Henderson, Dr Grahaeme (Chairman, Together in Safety) (MAR0001)

11   Hitachi Energy (MAR0007)

12   Hutchison Ports UK (MAR0025)

13   Marine Zero (MAR0005)

14   Maritime Skills Alliance (MAR0016)

15   Maritime UK (MAR0030)

16   Maritime UK (MAR0014)

17   Mersey Maritime (MAR0027)

18   Mersey Maritime (MAR0021)

19   Mountevans, Lord (Peer, House of Lords) (MAR0018)

20   National Oceanography Centre (MAR0028)

21   National Oceanography Centre (MAR0009)

22   Nautilus International (MAR0015)

23   RMT (MAR0013)

24   Smith School of Enterprise & the Environment, University of Oxford (MAR0006)

25   Solent Local Enterprise Partnership (MAR0022)

26   Stones, Dr Hannah (Lecturer in Law, Bournemouth University) (MAR0003)

27   The UK Major Ports Group (MAR0026)

28   Trinity House; and Northern Lighthouse Board (MAR0019)

29   Tyndall Centre for Climate Change Research, University of Manchester (MAR0008)

30   Warsash Maritime School (MAR0029)

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the publications page of the Committee's website.

Session 2022–23

Number	Title	Reference
1st	Road freight supply chain	HC 162
2nd	The Integrated Rail Plan for the North and Midlands	HC 292
3rd	Fuelling the future: motive power and connectivity	HC 159
4th	Implementation of the National Bus Strategy	HC 161
1st Special	UK aviation: reform for take-off: Government response to the Committee's Fifth Report of Session 2021–22	HC 542
2nd Special	Road freight supply chain: Government response to the Committee's First Report	HC 701
3rd Special	Road Pricing: Government Response to the Committee's Fourth Report of Session 2021–22	HC 1178

Session 2021–22

Number	Title	Reference
1st	Zero emission vehicles	HC 27
2nd	Major transport infrastructure projects	HC 24
3rd	Rollout and safety of smart motorways	HC 26
4th	Road pricing	HC 789
5th	UK aviation: reform for take-off	HC 683
1st Special	The impact of the coronavirus pandemic on the aviation sector: Interim report: Government Response to the Committee's Fifth Report of Session 2019–21	HC 28
2nd Special	Road safety: young and novice drivers: Government Response to Committee's Fourth Report of Session 2019–21	HC 29
3rd Special	Trains Fit for the Future? Government Response to the Committee's Sixth Report of Session 2019–21	HC 249
4th Special	Safe return of international travel? Government Response to the Committee's Seventh Report of Session 2019–21	HC 489
5th Special	Zero emission vehicles: Government Response to the Committee's First Report	HC 759
6th Special	Rollout and safety of smart motorways: Government Response to the Committee's Third Report	HC 1020

Number	Title	Reference
7th Special	Major transport infrastructure projects: Government Response to the Committee's Second Report	HC 938

Session 2019–21

Number	Title	Reference
1st	Appointment of the Chair of the Civil Aviation Authority	HC 354
2nd	The impact of the coronavirus pandemic on the aviation sector	HC 268
3rd	E-scooters: pavement nuisance or transport innovation?	HC 255
4th	Road safety: young and novice drivers	HC 169
5th	The impact of the coronavirus pandemic on the aviation sector: Interim report	HC 1257
6th	Trains fit for the future?	HC 876
7th	Safe return of international travel?	HC 1341