



Maritime
UK

Maritime UK Coastal Powerhouse Manifesto

Version 1

September 2021

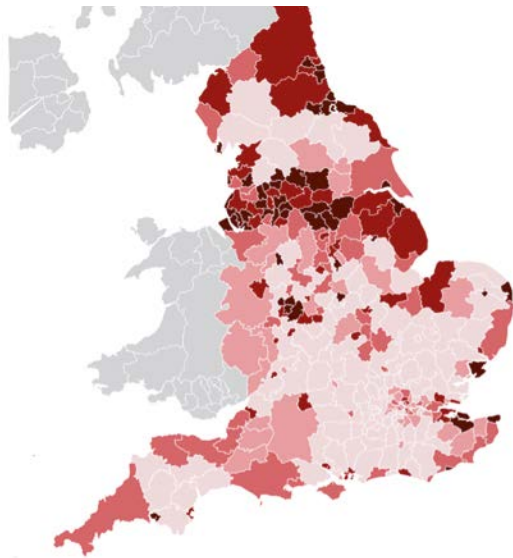




Introduction

As an island nation the UK has been and continues to be dependent on the sea for so much of what we all rely on every day. Our coast continues to be our largest gateway for trade with world, with 95% of goods entering or leaving the UK doing so via the sea, including the import of around half our food and feed needs and the export of eight out of every ten cars made in the UK. Industries like tourism and fishing continue to play an important role for coastal areas and the UK economy. With ten million yachts around the coast, the sector also enables millions of people to enjoy the recreational benefits of the UK's coastal and inland waterways. Marine manufacturers and shipbuilders represent the best of British design, engineering and technology in coastal towns and cities around the UK.

Looking forward, our coast is at the forefront of the new green industries of tomorrow, such as the UK's world-leading offshore wind developments.



(England-only data)

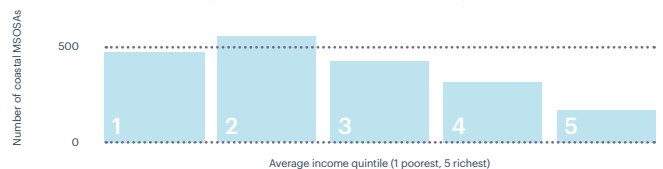


And yet people and communities around the UK coast can too often suffer from the highest levels of economic and social hardship¹. Coastal regions are also at risk of being amongst the hardest hit by the fallout from the COVID-19 crisis². And the challenges are not just economic. The Chief Medical Officer's latest annual report³ shone a disturbing light on the health and wellbeing challenges facing coastal communities. These communities and regions are also on the front line of some of the UK's most pressing environmental challenges – resilience against the impact of climate change, flood defence, habitat, and biodiversity threats.

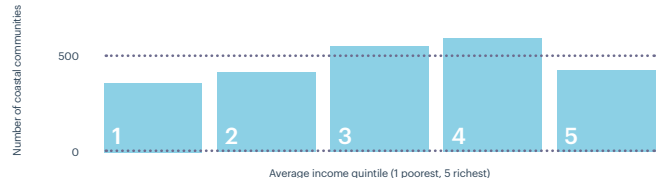
The coastal / inland divide – all around the coast of the UK, not just in some regions – is an important one and must not be ignored.

It doesn't have to be – and shouldn't – be this way. Our coastal communities are packed with ambition and passionate people. There are huge opportunities – such as in green energy – as well as challenges. And there's nothing inherently 'poor' about communities on the coast. There are fantastic examples of where places and projects have bucked overall trends. Indeed, comparisons with other nations show that coastal areas on average can be better off than their inland peers.

Income quintile (within England) of coastal small areas of England



Income quintile (within France) of coastal small areas of France



Source: Open Data Institute Leeds – Coastal Communities project for UK Major Ports Group





Growing the Maritime Sector to develop coastal economies

One of the opportunities for coastal regions and communities is to build on the success of the UK's vibrant maritime sector.

The maritime sector comprises the shipping, ports, engineering, science, professional services, and leisure marine industries. It is a sector that makes a significant contribution to all nations and regions of the United Kingdom.

Supporting over 1 million jobs and adding £46.1bn to our economy, maritime makes a greater contribution to the UK economy than both rail and air combined.

The sector is a source of well-paid highly skilled roles, which pay an average of £38,000 per year – £9,000 more than the national average. The UK maritime workforce is 42% more productive than the UK average.

Growing maritime also makes good economic sense. For every £1 generated by the sector, a total £2.71 is generated across the UK economy.

Port operators collectively invest more than half a billion pounds in the UK each year. At around double the rate of depreciation, that's a substantial and growing contribution to the UK's infrastructure. It is also investment made by the private sector – with an ambition to continue to grow this investment. And this is an ambition shared across many of the UK's maritime industries.

So, the opportunities and ambition to 'level up' coastal communities are there. Unleashing this potential more fully than today needs a partnership approach across key stakeholder groups, with each – industry, national Governments, local authorities, and regional leaders – making their own distinct contribution. And we need change from where we are today.

Despite the challenges and opportunities for coastal communities, and their crucial national role as global gateways for trade, there is no coherent significant Government strategy for meeting the needs and realising the potential of coastal areas. No Minister for a 'Coastal Powerhouse'. No strategic initiative for an 'Engine' to grow the opportunities in these regions for more investment, jobs and prosperity.

Existing coastal regeneration funding mechanisms specifically concentrated on coastal areas have overwhelmingly focused on heritage, recreational and arts projects. For example, 93% of the sector identified funds from rounds 1-4 of the Coastal Communities Fund went to the Tourism, Recreation and Creative sectors⁴. More recently only 4 of the 44 projects announced as the latest round of the Coastal Revival Fund in 2018-19 could be described as 'business'.⁵

Projects in these sectors are of course important. But what they have lacked is the action required to help catalyse the year around, higher wage, higher skill jobs that growing industry might. And in many cases the useful role for Government is about stimulating and unlocking private investment, rather than looking to public finances for commitment alone.

This is why the UK's maritime industries and the Local Government Association Coastal Special Interest Group have come together to highlight a number of areas where action must be taken to catalyse investment, 'level up' coastal communities and realise more of the potential of the UK's coastal regions.



A new policy deal for coastal communities

Delivering net zero and nature recovery in coastal areas



Coastal areas not only have to play their role in the seismic changes required throughout the UK to get to a net zero, more sustainable future, they have some unique opportunities. Some important priorities for Government action are:

Investment in energy networks and infrastructure

Coastal areas are often, literally, the end of the line for power lines and pipelines. Future net zero communities and the maritime sector are very likely to require significantly greater levels of electrification and need the infrastructure for future zero emissions fuels (e.g. hydrogen). Coastal areas therefore must receive more prioritisation in energy network planning and investment allocation. Specifically, to support zero emissions shipping and improve local air quality the Government must introduce the kind of co-investment funding, alongside industry, that's proved successful elsewhere in the world for delivering electricity charging for ships at berth.

Accelerating the net zero transition

For the maritime sector the UK has opportunities to leverage our strong research and development base for more green solutions if the Government will back innovation bodies and companies with funding. Lastly, change will come from deploying green innovation when

developed. There needs to be mechanisms in place – investment tax allowances, scrappage schemes – that bridge the viability gap for green products emerging into the commercial market.

A sustainable future is not just about emissions reduction

It must also be about improving natural capital and climate change resilience. Therefore, there must be better regulation and incentives for improving the coastal environment, such as through better use of dredged materials and getting the right balance of sustainable development and environmental integrity in marine areas. Additionally, whilst most focus tends to be on emissions reduction, there must also be better funding to enable coastal communities to adapt to coastal change.





Levelling up and job creation all around the UK's coast



There is a real need for coastal regions and communities all around the UK to feature in 'levelling up' initiatives. Key elements of this would be measures that deliver more investment and good quality job creation in coastal areas. The maritime sector plays a significant role in this today and is ambitious to do more, with the right policy frameworks in place. Important areas for improvement – several of which reinforce sustainability outcomes – are:

A fresh look at planning and development rules

Freeports have been headline grabbing – and it's important that they are allowed to deliver on ambition – but by their nature they are location specific. Challenges and opportunities exist all around the coast, so the emphasis should be on measures that offer opportunities to boost investment and jobs on a wider basis. Areas to explore include a better framework for Local Development Orders and the scope of Empty Buildings Relief. It must be stressed that nobody is seeking a free for all and that appropriate accountability is a given in all proposals. There have been recent changes to Permitted Development but there should be a fresh look at thresholds of projects and an examination of how environmental designations fit with the pro-investment agenda the government and industry seeks to create. There are also aspects of planning that touch on marine activities and the sector is keen to look at improving the efficiency of these consenting regimes.

Growing the local talent pipeline

Good jobs need skilled people. And employers in coastal regions rely on a strong local talent pool – especially now as so many of the skills requirements of maritime sectors evolve. Preparing people for good jobs and ensuring coastal businesses can thrive needs more action. At a national level there is the need to address shortcomings in the Apprenticeship Levy. Where there are initiatives that have had success, like the Kickstart scheme, we need to look at how these can be expanded. And specific programmes and support need to be growing the pool of future skills (e.g. digital) in coastal areas.

Capturing the green dividend of offshore energy growth

Coastal communities and areas are uniquely positioned to play a leading role in the UK's net zero transition. The development of offshore green energy has had a major positive impact in areas like the Humber and East Anglia. However, there is more opportunity to come – further development of existing areas, new industries (e.g. CCSU) and the promise of offshore floating wind. Government should build on co-investment funding mechanisms for supporting job creating coastal infrastructure in the UK to support these developments and ensure local value targets are met.

Strengthening the UK's main gateways for trade



With 95% of UK trade arriving or departing by sea, a strong ports and maritime sector is a key foundation for a globally competitive and growing UK economy. Whilst businesses in the maritime sector, in what are generally highly competitive industries, continue to invest in their own assets and capabilities, there are actions Governments can take that strengthen the overall ecosystem for these businesses, strengthening their ability to invest, create jobs and support businesses throughout the UK:

Better transport connectivity for coastal regions

Improving the transport connectivity of coastal regions brings multiple benefits. Improving the efficiency of freight movement brings benefits throughout the economy. 70% of port throughput is facilitated by road haulage for its onward journey, for which significant investment is needed to reduce congestion and HGV hours. Rail freight (10%) and coastal shipping (20%) represent significant growth areas and will be pivotal to decarbonising the supply chain (Attributable to British Ports Association: Port Traffic Analysis). Improving road and rail links also bring economic benefits to all sectors operating in coastal regions, plus improves the attractiveness of coastal regions as inward investment locations. To gain these benefits priority actions should be developing and prioritising the strategic route

strategies approach, adding a coastal dimension to targeted transport infrastructure investment and better incentivising modal shift, including supporting the growth of coastal and inland shipping.

'Smart' / digital supply chain application funding

Flows of data are increasingly integral to the flow of goods. The UK needs to ensure it has the right infrastructure and capabilities to ensure it remains an attractive part of the global trade landscape. This should include high-capacity data connectivity for coastal regions (which would, again, bring benefits to businesses in coastal locations way beyond the maritime sector) and material innovation funding for the development of 'through supply chain' digital solutions.

1. For example, see "Living on the edge: Britain's coastal communities", September 2017 and "Falling off a cliff", August 2019, from the Social Market Foundation
2. For example, see "COVID-19 and our Towns" April 2020, The Centre for Towns
3. www.gov.uk/government/publications/chief-medical-officers-annual-report-2021-health-in-coastal-communities
4. www.tnlcommunityfund.org.uk/media/documents/coastal-communities-fund/CCF-Report-2016-v11-final-E-forweb.pdf?mtime=20181204143324
5. www.gov.uk/government/news/james-brokenshire-announces-over-36-million-for-the-great-british-coast





30 Park Street
London
SE1 9EQ

020 7417 2837
info@maritimeuk.org
maritimeuk.org

© Copyright Maritime UK 2021