

IPPR Speech – Rt. Hon. John Hayes CBE MP

Thank you for the chance to speak.

It is fitting that we meet, not just in Parliament, but in a Parliament on the bank of a river.

The Thames, like the Rivers Tees, Tyne, Mersey and the Humber Estuary...

...is responsible for so much of the civilisation and prosperity that surrounds it.

Early in his *Wealth of Nations*, Adam Smith traces the foundation of all industry and economic activity.

As he puts it:

“By means of water-carriage a more extensive market is opened to every sort of industry... So it is upon the sea-coast that industry of every kind begins to improve.”

The sea, and the access we have to it through our great rivers...

...is the precondition for all industry.

The Northern ports have a great history in this....

.....and a great future too.

So it is with great pleasure that I have received this report...

It is a valuable addition to the evidence base that government has been developing with Transport for the North in its Northern Transport Strategy.

Similarly it underlines the issues that strategy has identified, that the National Infrastructure Commission has also raised, and that the latest TfN freight report notes clearly about.....

.....the importance of East-West links.....

.....and the need for improved transport connectivity across the North....

..... as well as the value of freight for the Northern economy....

.....the vital role of ports as a conduit for that....

.....and the critical nature of road and rail links.

What this report also does on top of that is put the ports of the north at the heart of the Northern Powerhouse.

As the report makes clear – they're already ports that punch above their weight.

The opportunity presented by the Northern Powerhouse can help those ports grow further.....

.....generating wider economic growth and benefits for the region.

The port groups behind this report recognise that opportunity for growth....

That is why they have undertaken extensive investments:

- £80M of investments at Teesport and further plans for increased container capability in the coming years;
- £25M of quayside improvements at the Port of Tyne plus continued, extensive investment in biomass facilities;
- Over £300M in Green Port Hull, and again investment in biomass handling at Immingham;
- And of course the £300M plus Liverpool 2 project that will imminently transform West Coast container handling facilities.

I am privileged to have seen a number of these developments first hand...

And it is evident that Northern ports are clearly pursuing opportunities in their traditional markets, and new markets such as renewables.

So there is a confidence in Northern ports

...and in what they can do to for the wider Northern Powerhouse opportunity.

Government has also recognised this – and is investing significantly - in the North.

And clearly, good onward transport links are essential to ports' success.

We've noted as much in our previous Northern Transport Strategy documents, the report for TfN published last week highlights it, and the IPPR report now reinforces that fact.

A key point in the IPPR report is about East-West transpennine links...

...an appropriately gauge cleared rail route....

.....and the importance of road links such as the M62.

So, on the of creation of a large gauge route across the Pennines, the Department has already asked Network Rail to assess the cost of adding this to the specification of the Transpennine Route Upgrade.

We have also asked Network Rail for a capability study to assess whether a new regular hourly freight path might be accommodated.

Elsewhere, we are investing in port specific rail freight links – for example £9M in three projects to improve access to the Port of Liverpool

This morning the Government published a new rail freight strategy on which we have been working closely with industry in order to develop a shared vision.

The input that we have received from Network Rail, the freight operators and their customers – including ports – has been invaluable

In particular the strategy has identified innovation and skills, network capacity and public perception of rail freight as areas where the

Department and industry can work together to enable rail freight to achieve its potential.

The Government's Road Investment Strategy is also making substantial investments in the North....

£2.9 billion in 42 schemes to 2020....

On top of the £970 million on major strategic road improvements since 2010

The new schemes include East-West projects such as "Smart Motorway" enhancements to the M62.

And we have 3 major strategic studies

...one into tunnelling under the Pennines to provide an all-weather link...

... And Two others to find solutions for existing challenges for the Northern Trans Pennine Roads (A66/A685 and A69) and M60.

We haven't ignored the importance of the specific links to our ports:

- The £88.4 million A160/180 Port of Immingham access improvement that is already nearing completion;
- The planned £200 million A63 Castle Street project which will enhance access to the Port of Hull
- Highways England are in the process of scoping route options for an upgraded A5036 to benefit traffic for the Port of Liverpool
- and other strategic enhancements to the A1 and A19 that can enhance traffic movements in the Tyne & Tees areas

Of course, if we are truly to lift the economy of the north...

...the north needs more than money.

It also needs power.

So we've supported the creation of Transport for the North,

Which following our changes to primary legislation is progressing its aim of being the first statutory Sub-national Transport Body in 2017.

Transport for the North has already identified the importance that freight connectivity has to the economy of the north.

They commissioned the Northern Freight and logistics report published last week.

The recommendations from which they will now be considering carefully to prioritise and investigate the appropriate next steps....

...that can inform their thinking for the next Road and Rail Investment periods.

TfN will also be commissioning a further study that will work with each of the LEP areas in the North and identify the schemes that can deliver on the report's recommendations....

....and aim to secure the stated improvements for the freight and ports industry

But what is clear to me is that with the Government's Northern Transport Strategy.....

....TfN's focus, and their understanding of the freight and port needs....

...and now this IPPR Ports report to bolster the evidence....

.....Is that we are heading in the same direction...

... to the point that our highly competitive Northern ports industry has come together to fund this report and add their combined voice to discussions.

A number of the recommendations call for TfN, the ports industry, local authorities and LEPs to jointly consider matters and make representations or take actions...

..... I look forward to the outputs of those and future discussions on the issues they raise...

The proposals for master plans, local port growth plans and enhanced co-operation between regional private sector and public bodies are all very positive.

Similarly, the recognition of a need for maritime skills and knowledge is very much in line with Government objectives and the outcome of the Maritime Growth Study that reported in 2015.

And though we not long ago reviewed the Future of Freight Revenue Grants (2014)...

... and took the decision to continue the existing schemes, we are continuing to look at various aspects of the freight grant schemes.

So in conclusion....

I think that this IPPR report usefully complements the Government's Northern Transport Strategy and the ongoing work of Transport for the North.

And I would like to thank IPPR for their work, and importantly Peel Ports, Associated British Ports, PD Ports, and the Port of Tyne for funding this.