

British Ports Association submission of 11 January 2024

PE2029/K: Nationalise Clydeport to bring the ports and harbours on the river Clyde into public ownership

With our apologies for a delayed submission but we are pleased to assist the Committee and would be delighted to give further evidence if that was of interest.

The British Ports Association is the national trade body for ports and represents the overwhelming majority of operations in the UK. We also represent operators that own and manage over 200 ports, harbours and marine facilities in Scotland and we provide the only forum for Scottish ports. The UK ports sector handles around 95% of the UK's seaborne trade as well as being the foundation of the wider marine economy.

Whilst Clydeport is a long-serving and active member of the BPA it is typically not our role to intervene in localised issues but we do comment on principles and national issues. The Peel Ports Group is a successful port operator with a strong track record of investing in infrastructure such as in the recently opened cruise terminal on the Clyde. It should be for Clydeport and its owners to determine its own strategy and ownership type.

However, we thought the Committee might find the following briefing of interest.

Background to port ownership

There are a mix of port ownership models in the UK and Scotland but with the exception of a collection of ports engaged in lifeline ferry activities, all are strategically and financially independent of either the Scottish Government or Westminster. The sector is market-led and competitive, particularly the larger port localities and operations. The mix of private, trust and local authority-owned ports have evolved over many decades and the sector works well for users, regional economies and the people of Scotland.

If a port is a statutory entity, as many are, it will have its own powers and legislation, set out in its harbour order, which also specifies its ownership type. This means that the government has previously agreed what form and structure a port should take.

Local authority ports and stakeholders

There are of course a wide number of ports and harbours managed by local authorities in Scotland and whilst some are sizable international operations like the ports managed by Orkney and Shetland Islands Councils, many are modest and require subsidy by their parent council.

Local authorities that own ports of course have to balance local stakeholder interests with commercial and business priorities on which jobs and local economic activities depend so any change in ownership of Clydeport's operations would need to quell any business risks and concerns. A variety of stakeholders across Scotland have expressed interest in ports and whilst this is often welcome and to be celebrated, it is important to strike a balance and remember that a port authority has been established and empowered to run a port or harbour safely and sensibly.

Acquisitions, compulsory purchases and port independence

Ports cannot be political footballs, kicked in different directions by stakeholders. Any moves by central government or stakeholders to forcibly change ports and compulsorily seize assets would give Scotland a bad reputation, scare off potential investors and tar the ports industry in uncertainty.

We would argue that as is characterised by the industry's independence, all our various port owners in Scotland have a choice in regards to which type of corporate model and structure they take. There are of course mechanisms through the legislation such as under the Port Act 1991 and through Harbour Revision Orders which allow for ports to be transferred into a different type of port and these remain an option for the owners of Clydeport in the future.

However, as we have mentioned previously, mechanisms such as the forcible transfer or compulsory purchase of port assets would completely undermine confidence in our sector and would be viewed with much negativity across Scotland, the UK and even internationally. Voluntary transfers is of course a different matter.

It is also worth bearing in mind the economic and financial context that the Scottish public sector finds itself in presently and whilst some local authorities might be able to justify additional activities and financial commitments, many would not want to take on new responsibilities. Indeed as we have seen both Scottish councils and the Scottish Government have in recent years had to scale back planned capital investment ([details here](#)).

We feel strongly that ports should be able to decide what strategies and structures they have and we need to maintain the current ports policy regime. The sector and the market have an excellent record of attracting business and investment and creating jobs.

In summary

As we highlight, the mix of port ownership works well but it must be left to each port to determine its own future and structure. We would strongly defend our sector's independence and warn against any direction from central government. This independence has enabled ports to act swiftly and responsively to opportunities and should be celebrated. Forcibly seizing ports or assets risks damaging confidence in our sector and would threaten or undermine investment across Scotland especially if the country is not seen as a stable place to invest in long term infrastructure.

As mentioned from an external point of view we see little need to revisit this at Clydeport, although that is essentially down to the port and its owners.

Should it be helpful we would be delighted to appear before the Committee to provide oral evidence and answer any questions the Members might have.