

Mersey Maritime Group

Draft Strategy V.4

March 2003



FISHER

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Mersey Maritime Group
(Draft) Strategy

V. 4

(Incorporating Mark Long and Jim Barclay comments)

March 2003

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1 Introduction

1.1 Background

This document presents a Draft Strategy for Mersey Maritime Group (MMG).

The core of MMG comprises two not-for-dividend companies limited by guarantee, whose purpose is to grow the maritime cluster in Merseyside – known as Mersey Maritime.

The objective of the Strategy is to provide signposts for the development of MMG for the five years 2003 to 2008, and initial strategic direction for the five years to 2012. It provides a framework for MMG that enables it to maintain direction and provide a backdrop for shorter-term business plans and budgets.

It will also provide context for interaction with and funding from key agencies, especially (but not limited to) North West Development Agency (NWDA), Government Office North West (GONW), and The Mersey Partnership (TMP).

This document presents a *Draft* Strategy. To be successful, strategy must come from within as well as from without. To some extent this document reflects what MMG has already started to develop, i.e. it already comes partly from within. But it also moves MMG further forward. MMG must now debate and develop this draft through its strategic groups into an *Adopted* Strategy, with a target date for adoption of end April 2003.

1.2 Terms of Reference

The terms of reference were to report on the following:

1. Mersey Maritime (the cluster) – what is it and what is its significance.
2. Mersey Maritime Group (the institution) – description of what it has done to date, how it has done it, its structure and how this will work.

3. Strategy – in generic terms, the core elements of this include:

- ❖ The mission statement: this is an expression of *raison d'être*.
- ❖ Objectives: these are statements of specific outcomes that are to be achieved in support of the mission. The usual types of objectives are financial, market-based, or stakeholder-based.
- ❖ Core competences: these are the basis upon which Mersey Maritime can achieve strategic advantage, and enable it to achieve the objectives.
- ❖ Strategic initiatives: these are the initiatives and actions to be taken, based upon core competences, which will pursue the objectives and mission.

4. Integration – the fit with key stakeholder programmes including LSC, Objective One, NWDA, GME plus other business support, and MWRP.

1.3 Structure of the Draft Strategy

This document is structured as follows:

Section 2 presents points of departure. It defines what we mean by strategy, and the strategic lenses on which it should be based.

Section 3 describes the Mersey Maritime Cluster. It explains the geography, the activities, and the composition of Mersey Maritime.

Section 4 presents a strategic analysis of the Mersey Maritime Cluster, utilising the concepts of strategic lenses and cluster analysis.

Section 5 describes the institutional structures adopted by MMG and key funding relationships.

Section 6 deals with the integration of Mersey Maritime into relevant policies for ports, transport and economic development.

Section 7 offers the core of the Draft Strategy, with a description of key objectives and strategic initiatives.

2 Points of Departure

2.1 Some Definitions

What is strategy? To paraphrase a leading text¹, a strategy for MMG means:

... the *direction* and *scope* of MMG over the *long term*, which achieves *advantage* for the Mersey Maritime Cluster, through the configuration of MMG's *resources* within a changing *environment* to fulfil *stakeholder* expectations”.

The strategy for MMG must be about *achieving advantage* by:

- ❖ Integrating its activities.
- ❖ Acting in an uncertain world.
- ❖ Managing relationships and networks (internal and external).
- ❖ Developing the resources it needs.

Strategies form the basis for business plans, which are short to medium term (3 to 5 years) statements on the detail of how a strategy will be pursued. Business plans are primarily financial and annual in nature, and concerned with demonstrating the overall profitability and sustainability of businesses in P&L and balance sheet terms.

Business plans form the basis for budgets, which typically deal with current year and year ahead (1 to 2 years). These get down to the fine detail of monitoring and planning spending on a monthly basis.

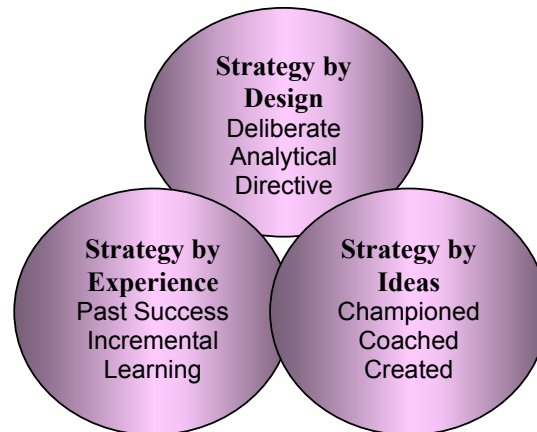
¹ Exploring Corporate Strategy (6th Ed), Johnson and Scholes, 2002

2.2 Developing Strategy

This document talks about:

- ❖ Strategy by Design
- ❖ Strategy by Experience
- ❖ Strategy by Ideas

These are known as **strategic lenses**.



2.2.1 Design Lens

The design lens is the orthodox approach to strategy development. It stresses deliberate positioning through rational, analytic, structured and directive processes. It relies on techniques such as:

- ❖ Statistical analysis of port throughput.
- ❖ Mapping of companies and key players.
- ❖ SWOT analysis and other techniques to describe strategic position.

2.2.2 Experience Lens

The experience lens is rooted in evidence of how strategies develop incrementally based on experience, and knowing that a decision is the right thing to do.

MMG should learn from the experience of others in strategic development at cluster level, both within the maritime sector and elsewhere. The strategy should identify how the experience of others can be harnessed for the benefit of MMG. This will lead to some fundamental strategic questions such as:

- ❖ How can MMG develop culture and capacity to be able to take unifying and balanced decisions for the long term?
- ❖ Is there a way of generating an industry recipe for the Mersey Maritime Cluster that draws on successful recipes used elsewhere?
- ❖ How can a strategy once started be seen through to conclusion? Can MMG do this?

- ❖ Do the business development opportunities open to MMG, which will be incremental and long term, satisfy the kind of targets and frameworks which MMG's funders have been set to achieve?
- ❖ How can MMG develop a collective experience or paradigm to help it move forward?

2.2.3 Ideas Lens

New ideas and innovation may come from anywhere within the Mersey Maritime Cluster's stakeholder community. Experience shows that innovation comes often from the bottom (not the top), and that fragmented industries (such as maritime) often have great scope for innovation. The encouragement of variety and diversity within the Mersey Maritime Cluster, and harnessing the potential of this, is a key task for MMG.

In practical terms, the ideas lens applied MMG's strategy should consider all the subjective, personal, emotional, political and cultural factors which will determine MMG's success. These factors are highly influential in the real world.

2.2.4 Wrap Up

Until recently, the UK suffered from a pre-occupation with strategy by design, which stresses reliance on mechanistic decision making. The truth is that very few of the world's major maritime successes have been based primarily on mechanistic analysis.

Most investments and interventions have been based as much on strategy by experience and strategy by ideas, which stress equal reliance on incremental development as the outcome of experience, and **the evolution of development around champions with ideas.**

3 Mersey Maritime Cluster

3.1 Background

Historically, the City of Liverpool was founded on its Port, and this was the catalyst for Liverpool's development as a seat of maritime commerce. In the early years, ships moved globally, but shipping businesses were not global.

Over the last 10 to 40 years, maritime commerce has become global in tandem with developments in information and communication technology.

More recently, the concept of total logistics has emerged. This includes packaging, storage, transport, inventories, administration and management of goods in / production / goods out. The essence of this is that spending more money on total logistics yields benefits in terms of cost savings overall, and getting goods to market more rapidly to fulfil ever-changing consumer preferences.

Ports are being integrated into global logistics chains. From the simple physical sea/land interface they once used to be, they have successively turned into commerce and industrial centres, then into logistics and distribution platforms, and are now becoming intermodal nodes in international supply chain networks.

3.2 Port Geography and Volumes

Mersey ports primarily handle and process freight (and some passengers) for local and regional markets. Their influence is spreading to Ireland through transshipment. The key locations and owners are summarised in Figure 3.1.

Facility (see diagram)	Owner
Seaforth and Liverpool Docks	MDHC
Garston Port	ABP
Eastham Docks, QE II Dock, Manchester Ship Canal	Peel Holdings
Tranmere Oil Terminal	MDHC
Birkenhead Port	MDHC



These ports serve a variety of markets for global trade, notably North America, Ireland and Iberia, but also (and increasingly) the Far East, South East Asia and South America.

They are connected to UK markets by key road and rail infrastructure. Notable infrastructure, which also forms components of the Trans-European Transport Network, includes the motorways (M58, M56, M6, M62), and the West Coast Mainline railway, which is planned for upgrade to a high speed line connecting Liverpool to the Channel Tunnel.

Figure 3.2 illustrates the changing fortunes of Mersey Maritime’s Ports.

Figure 3.2 – Port Volumes (tonnes)								
	1965	1970	1975	1980	1985	1990	1995	2000
MDHC	31,683	28,789	23,426	12,335	10,363	23,183	29,987	30,421
ABP	1,493	1,886	1,120	1,147	1,465	756	763	472
Peel	15,816	15,951	14,520	12,695	9,510	8,133	8,379	7,687

Mersey Docks’ facilities experienced declining volumes over the period 1970 to 1985, brought about primarily by the restructuring of the UK’s trade towards Europe. Liverpool’s industrial relations record, and the advent of containerisation were also significant factors. Over the period 1985 to 1995, volumes recovered to their pre-EEC levels as bulk fuels and westerly looking trade towards Ireland and North America continued to develop.

The Port of Garston appears to be in a long-term struggle, probably due to its inability to cope with the ever-increasing size of ships as the industry seeks the benefits of economies of scale.

Manchester Ship Canal declined over the period 1970 to 1990 partly for the same reason, but also due to the weakening of its industrial customer base. Despite this, it remains a significant port handling 7.5 to 8 million tonnes pa.

The Mersey Maritime ports are highly significant to the North West Region:

- ❖ They service about 85% of the cargo handled by ports in the North West (ranging from Silloth to Birkenhead).
- ❖ Many major industries and employers depend on Mersey Maritime's ports: Stanlow refinery depends on the Tranmere Oil Terminal for its supplies; Cargill depends on Seaforth for its feedstock etc.

3.3 Activities in the Mersey Maritime Cluster

The Mersey Maritime Cluster comprises two key classes of activity:

- ❖ Ports which function as intermodal nodes.
- ❖ A centre for maritime commerce.

The **ports** comprise **core facilities and equipment** such as locks, docks, quays, warehousing and quay cranes. These are supported by **value added facilities** such as tanking, weighbridges, and mobile equipment.

The various services that take place at these facilities are classified as general logistics services and value added logistics (chain integration) services:

- ❖ **General logistics** services include loading and unloading ships, storage and warehousing of goods, and basic distribution activity.
- ❖ **Value added logistics** services include quality control, breaking down, repacking, assembly, testing and other such activity.

Large ports or port conurbations catalyse other industries:

- ❖ **Servicing of ships and intermodal vehicles** that are used at the port interface to transport freight and passengers. Ship based activities include pilotage, towage, survey, maintenance and repair. Intermodal vehicles (trucks, containers, trailers, tankers) require on / off hiring, cleaning, maintenance and repair.
- ❖ **Distribution-intensive and maritime-based industries.** Examples include milling, shipyards, and petrochemicals (especially the Manchester Ship Canal). These derive inherent utility from their port location, but their businesses may be national or international in outlook.

Liverpool remains a **centre for maritime commerce**. This includes a range of business that primarily serve international markets, but with some local and regional interest. Such activities include ship owning, commercial and operational ship management, crewing, agencies, and professional services such as shipbroking and maritime law.

Much of the value captured by these businesses may originate from outside Merseyside and the North West. Some of these may have grown from activities originally confined to Merseyside, whereas others may be there simply because it is a good place to located.

3.4 Composition of the Mersey Maritime Cluster

A Mapping Study² identified 566 companies that were wholly or significantly related to the Merseyside Maritime Cluster. Of these, 412 were companies that have their registered offices within the postal districts used in the analysis. The remaining 154 were companies that have their registered offices outside the region but have trading addresses within the region.

Of the 566 companies, the largest category (by activity) is “Freight transport by road” with 136 (24.0%) companies. Figure 3.3 shows the top 10 activities that were identified.

The top 50 companies out of the 566 (i.e. 8.8% of the sample) on the database account for:

- ❖ Sales of £906.1m (69.9% of the total)
- ❖ Over 2,400 employees (40% of the total)

Figure 3.3: Composition of Mersey Maritime Cluster		
Activities	No. of Companies (latest year)	Sales (latest year) - £ mill
Freight transport by road	136	198
Wholesale distribution	54	101
Freight and forwarding agents	50	99
Sea and coastal water transport	46	248
Storage and warehousing	39	79
Shipping agent	37	73
Building and repair of ships	25	38
Cargo handling	16	23
Manufacture of fabricated metal products	15	6
Marine engineering	12	62
<i>Others</i>	<i>136</i>	<i>369</i>
<i>Total</i>	<i>566</i>	<i>1,296</i>

The largest sectors by sales are:

1. Sea and coastal water transport
2. Freight transport by road
3. Processing of food products
4. Wholesale distribution
5. Dock operation

In terms of the number of employees, the top 5 activities are:

1. Freight transport by road
2. Sea and coastal water transport
3. Storage and warehousing
4. Building and repair of ships
5. Shipping agents

² Merseyside Maritime Cluster Mapping Study, Fisher Associates, April 2002

In terms of investments in capital expenditure, the top 5 sectors are:

1. Freight transport by road
2. Shipping agents
3. Building and repair of ships
4. Freight and forwarding agents
5. Wholesale distribution

In terms of economic value added, the top 5 sectors are:

1. Storage and warehousing
2. Marine engineering
3. Recycling
4. Wholesale distribution
5. Dock promotion

4 Strategic Analysis

4.1 Design Lens: SWOT analysis

The Mapping Study identified through a series of workshops the following critical strengths, weaknesses, opportunities and threats:

The key **strengths** that can be harnessed:

- ❖ A £1.3 billion business comprising valuable facilities, successful companies and a skilled workforce backed by a maritime heritage.
- ❖ Proximity to the UK's primary manufacturing base.
- ❖ Well established shipping services to North America, Ireland, and Iberia.
- ❖ Relatively low cost of labour and land.

The key **weaknesses**:

- ❖ Lack of cohesiveness at cluster level between the public sector and the private sector.
- ❖ Lack of Community support for the cluster.
- ❖ Inadequacy of local road and rail connections to the national networks.

The main **opportunities** for the cluster are:

- ❖ Increase growth in volume of business through:
 - ❖ Growth in trade which is a function of economic growth (i.e. maintaining market share);
 - ❖ Increasing market share of UK / European maritime logistics activity;
 - ❖ Increasing capture of value added logistics services around the cargoes already handled within the cluster.
- ❖ Capitalise on port capacity constraints and road congestion in the South of UK.
- ❖ Coordination at a strategic level to improve the holistic competitiveness of the cluster.

The key **threats** that may prevent achieving these are:

- ❖ Competition from other port conurbations and centres for maritime commerce in the UK and Europe.
- ❖ The poor reputation and image of Merseyside.
- ❖ Limitations of current port facilities, and threats to their future expansion.
- ❖ Waste of public sector resources on dealing with its own bureaucracy rather than more effective private sector support.

The adopted strategy should seek to build on strengths and take opportunities, whilst overcoming weaknesses and minimising the impact of threats. More detailed output on the SWOT analysis is presented in Appendix A.

4.2 Experience Lens: Learning from other maritime clusters

MMG must adopt a strategy for achieving advantage for the Mersey Maritime Cluster. It can learn from the experience of others, particularly the Dutch Maritime Network, and the Connecticut Maritime Coalition. The Mapping Study undertook a review of these and other cluster initiatives. To summarise the findings:

- ❖ There have been a number of attempts at maritime cluster level initiatives at international, national, regional, sub-regional and local level.
- ❖ The mission (highest level objective) of these initiatives is generally orientated towards marketing and promotion, influencing and networking. Cluster level initiatives provide an opportunity to achieve recognition in markets that would not be achieved by lots of small companies acting alone.
- ❖ Skills and training also feature strongly, recognising that the success of the cluster is dependent upon the competencies of those engaged within it.
- ❖ A Board or body of some sort champions the initiatives. In broad terms, it appears that best practice is to have the Board private sector led, but with public sector representation.

The analysis developed a framework of strategic themes based on the aspirations of the cluster initiatives studied. The strategic themes are:

- ❖ Networking:
 - ❖ Within the private sector
 - ❖ Within the public sector
 - ❖ Between private and public sector
 - ❖ Between the Community and the cluster
- ❖ Marketing & Promotion
- ❖ Lobbying (regional and central government)
- ❖ Education, Training and Skills
- ❖ Business Development
- ❖ Infrastructure
- ❖ Information & E-community

A fuller definition of these is listed in Appendix B. The strategy for MMG builds on these strategic themes. They have in fact already formed the basis for much of Mersey Maritime's activity to date, and will continue to do so in the future.

4.3 Ideas Lens: Success also comes from within

Dynamic is an overused word, but dynamism is a prerequisite for MMG. Its ability to add value to the Mersey Maritime Cluster will depend critically on the individual champions it employs or galvanises into action. It is people who make the difference, and MMG is in the people business.

The Mersey Maritime Cluster is very fragmented. To enable and facilitate ideas and innovation to come forward, a central role of MMG is to facilitate the conditions under which this can happen. This relates substantially to the strategic theme of networking. Critically, MMG must learn to recognise a good idea when it sees one.

The success of MMG will be determined as much by subjective, personal, emotional, political and cultural factors as by dry business conditions. These factors have a very strong bearing both on the negative way that the maritime industry is perceived from outside, and the negative way that Merseyside and Liverpool is perceived from outside.

This is a double challenge for MMG. The strategy must meet this through its marketing and promotion and influencing activities.

4.4 Cluster Analysis

MMG must achieve advantage for the Mersey Maritime CLUSTER. What is a cluster? The essence is that the value of the whole exceeds the sum of its parts. A cluster is characterised by horizontal competition and vertical co-operation. Competition is essential to maintain the efficiency of the cluster against competing clusters. Co-operation is essential to gain synergy between firms. To paraphrase Professor Porter of Harvard:

“To grow, clusters must innovate, improve productivity, improve access to employees, suppliers and information, exploit complementarities, give birth to new businesses, and engage locally. Improving competitiveness of a cluster needs a cluster level, collective response, and new modalities of public private partnership”.

A strategy targeted at cluster level must stick the pieces of the cluster together to achieve advantage. The standard model adopted by NWDA (also after Porter) sees the cluster in five key components:

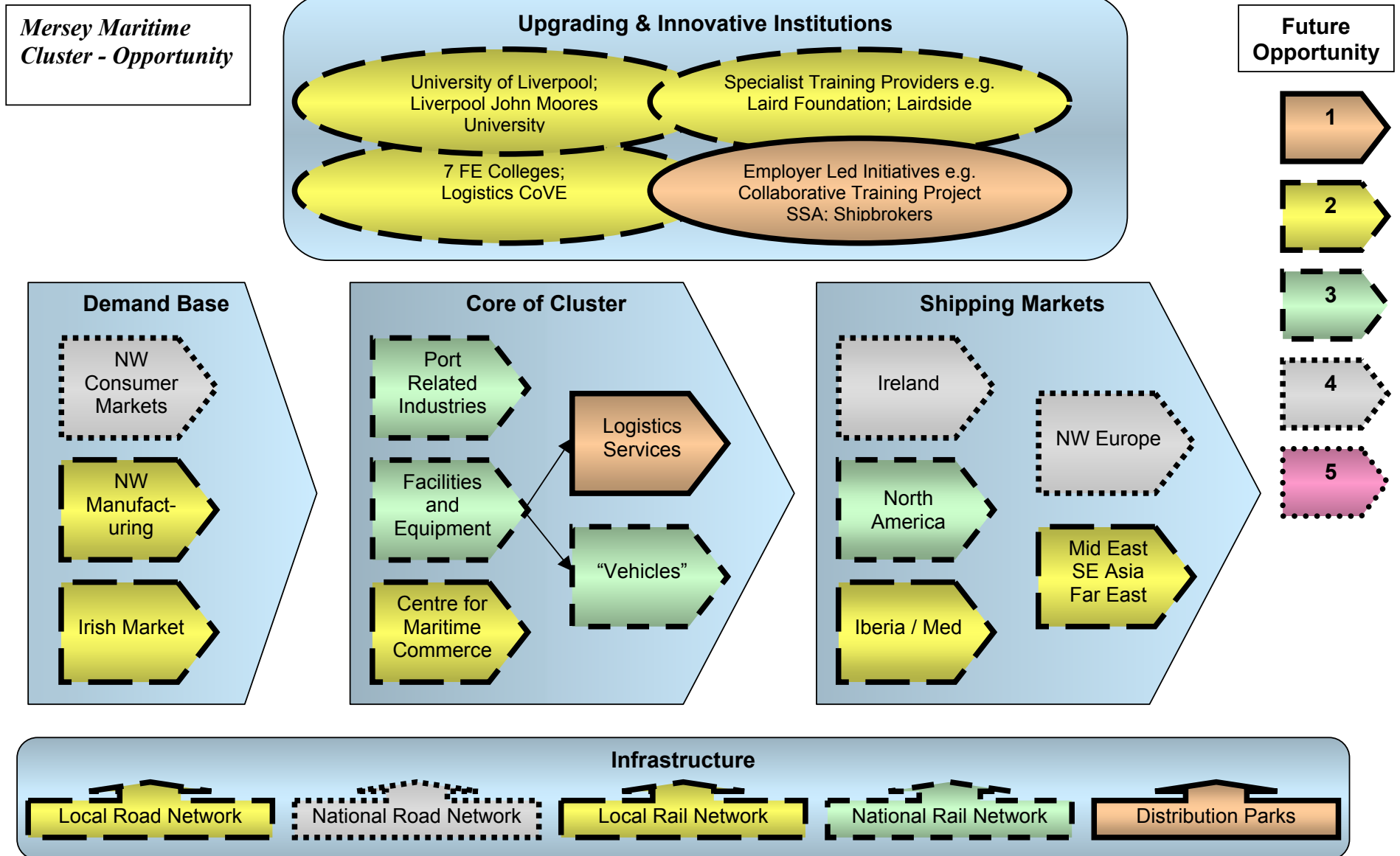
- ❖ Core of the Cluster
- ❖ Related Industries
- ❖ Markets
- ❖ Upgrading and Innovative Institutions
- ❖ Support and Infrastructure

The Mersey Maritime Cluster is illustrated in this format overleaf. To illustrate how these components are connected:

Many goods manufactured in the North West (**demand base**) are traded through ports in the south. If the **infrastructure** was improved this would increase activities in the **core of the cluster**, opening up greater volumes and potential viability of new **markets**. But companies may not have the skills and experience to break into these without greater targeting by **upgrading and innovative institutions** on their needs.

This diagram also shows which elements offer the key opportunities to achieve improvement in cluster competitiveness (1 is high, 5 is low). The key areas for strategic action (1 and 2 score) are:

- ❖ Encouraging the growth of Upgrading and Innovative Institutions and the targeting of their activities towards the clusters needs.
- ❖ Capitalising on the NW manufacturing base, and Mersey Maritime's growing role as a transshipment point for Ireland.
- ❖ Development of easterly markets towards the Far East.
- ❖ Capturing greater value added logistics activity and the development of infrastructure to service this.
- ❖ Improving local road and rail infrastructure.



5 Mersey Maritime: Institutional Structures

5.1 Background and Overview

The concept of an institution tasked with achieving advantage for the Mersey Maritime Cluster was born in February 2001. It stemmed from a report that contributed to the Atlantic Gateway Strategic Investment Area (SIA) Integrated Development Plan. The phrase MerseyPort was used to denote the port related activities in Atlantic Gateway SIA and elsewhere in Merseyside

After receiving positive initial support from various quarters - notably NWDA, Sefton Council, Mersey Docks & Harbour Company (MDHC), and the Liverpool Port Users & Shipowners Association – a MerseyPort Steering Group was formed. A particular feature of this Steering Group was the rapid commitment from several key private sector companies - notably MDHC, Associated British Ports, Atlantic Container Line, Bahr Behrend, and Cargill.

Following this, the Steering Group commissioned a Merseyside Maritime Cluster Mapping Study. This was completed in March 2002. It identified the size and scope of the wider maritime cluster in Merseyside, looked at international examples of maritime cluster strategy, and recommended a series of initiatives based largely upon research from workshops.

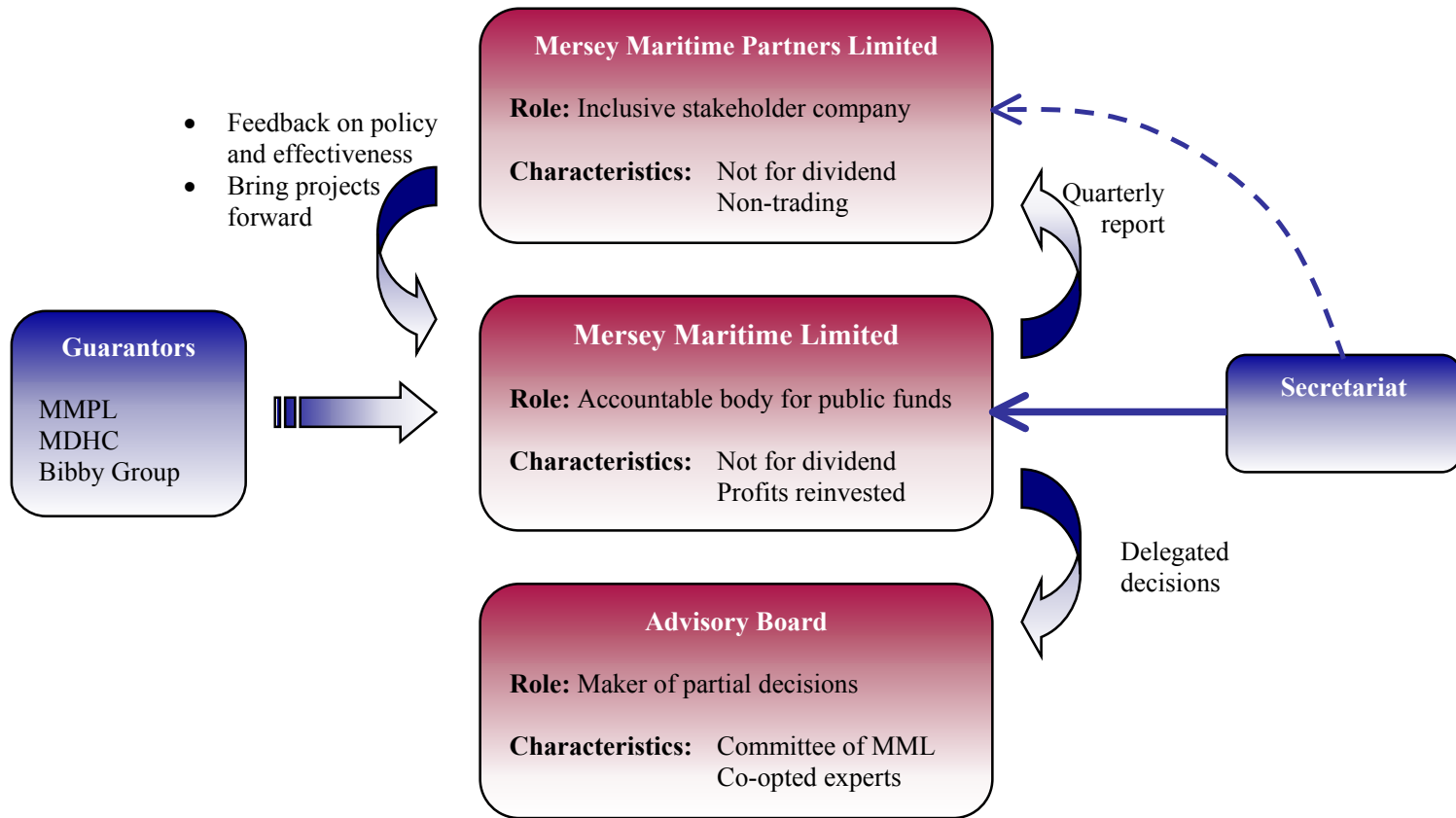
The widening of the scope of the cluster outside of Atlantic Gateway SIA, and the identification of non-port maritime activity, resulted in rebranding to Mersey Maritime. It also marked the formation of several sub-groups, each focusing on one of the main strategic themes identified.

From the 1st January 2003, the institutional structure was formalised and legalised in the following format:

- ❖ Mersey Maritime Partners Limited (MMPL)
- ❖ Mersey Maritime Limited
- ❖ Mersey Maritime Advisory Board

These are supported by a Secretariat. The key roles of these and the relationships between them are illustrated in Figure 5.1. The current Board membership of the Group is detailed in Appendix C.

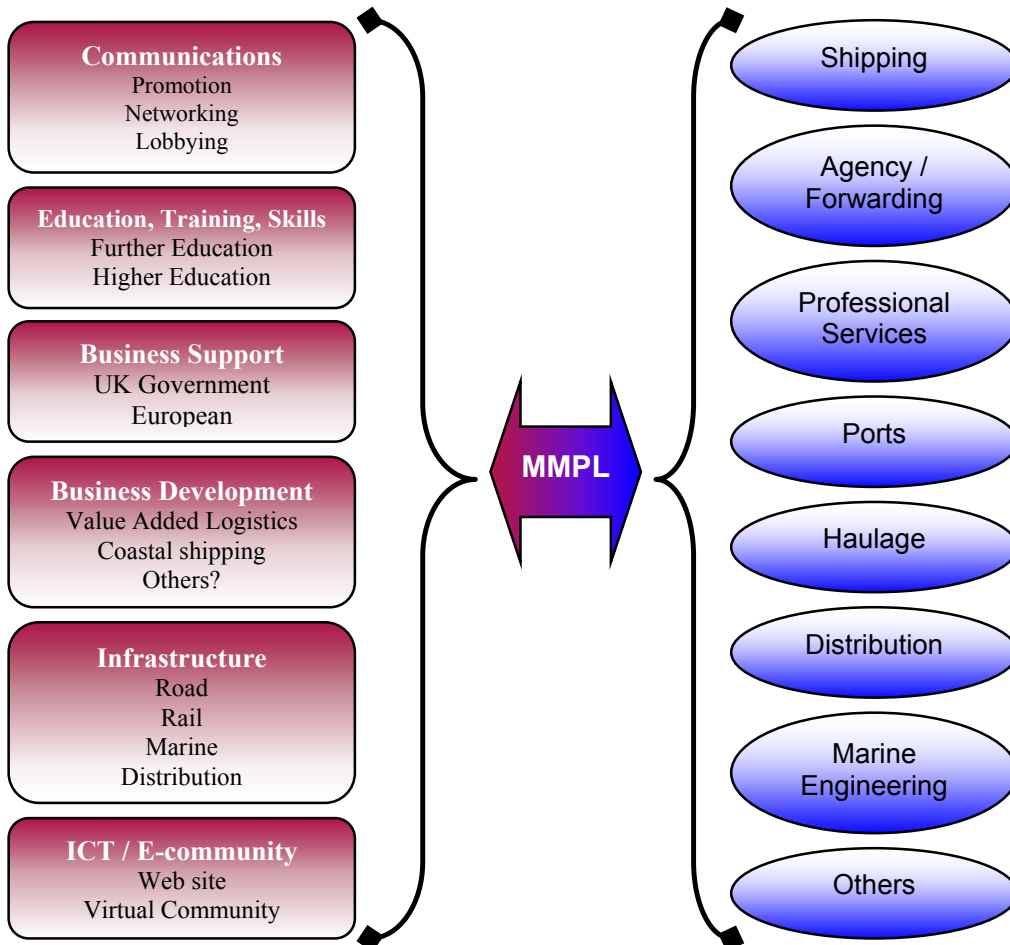
Figure 5.1: Mersey Maritime Group: Institutional Structures



5.2 Mersey Maritime Partners Limited (MMPL)

This is the approximate successor to the Mersey Maritime Steering Group. It is a company limited by guarantee (not for dividend), and also non-trading. Membership is open to any stakeholder that has an interest in the Mersey Maritime Cluster. Membership is currently without charge, but in time it is anticipated that MMPL will levy a subscription fee when it has developed a value for money offer.

A Board comprising representatives from the diversity of activities in the cluster runs the company. These are the spokesmen for their sector in Mersey Maritime (ports, haulage etc.). Several also act as Chair to groups tasked with the development of strategic themes. These are discussed in Section 7. The overall organisation structure of MMPL is illustrated below. Strategic groups report to the MMPL Board whose members also champion their sectors.



5.3 Mersey Maritime Limited (MML)

MML is the accountable company responsible for:

- ❖ Applying for public funds.
- ❖ Monitoring of expenditure.
- ❖ Reporting on project performance.
- ❖ Employing the Secretariat.
- ❖ Organisation of the three Mersey Maritime Group Boards.

MML is the signatory for all public funds, and has contractual obligations for the delivery of the overall Mersey Maritime Project. It is effectively the guardian of public monies given to it to spend on the project. It is the body with ultimate responsibility through which all decisions in relation to the business of the Mersey Maritime Group must either be taken or from which authority is devolved.

MML also has the responsibilities of a normal commercial company. It must:

- ❖ Ensure appropriate standards of corporate governance.
- ❖ Set the Group strategy.
- ❖ Set an organisation structure, recruit employees and monitor their performance.
- ❖ Develop business plans and budgets.
- ❖ Put in place financial controls, monitor and report on financial flows.
- ❖ Deal with all legal obligations of the Group.

The Board comprises seven members, of which five are from the private sector, and two are from the public sector.

MML is limited by guarantee. Its guarantors are MDHC, Bibby Group and MMPL, who are in effect the shareholders of the company. The shareholders have the ability to call the Board of MML to account, and can influence its membership. To ensure MML remains a broad church, no Guarantor has a controlling interest in MML. The inclusion of MMPL as a Guarantor ensures that the wide membership of the Mersey Maritime Cluster has a significant say in the governance of MML.

MML will seek to make profit where appropriate. Profits will be used for the purposes of the company, and not distributed as dividends.

It is anticipated that MML will in time become self-financing to some degree, partly through subscriptions, and perhaps from returns on investment and services provided.

5.4 Links Between MMPL and MML

The Chair of MMPL and MML is the same person, and the Chief Executive of Mersey Maritime attends all Board meetings. Each Board meets every two months on consecutive months.

MML reports formally to MMPL on a quarterly basis in sufficient detail to permit MMPL to determine the adequacy and effectiveness of MML. MMPL then gives feedback to MML on this.

MMPL is a networking structure, which cascades down the membership of the cluster. The Board of MMPL is therefore responsible for bringing projects forward which are identified by its groups that target strategic themes, or by industry constituencies (ports, haulage etc.).

5.5 Mersey Maritime Advisory Board

The Advisory Board meets quarterly and fulfils two functions.

First it is a means of involving key individuals who can make useful periodic contributions to the strategic direction of Mersey Maritime.

Second, there may be occasions when Board members of MMPL, and indeed of MML, have a partial interest in projects being brought forward. There may be occasions when members' interests are mutually exclusive, and decisions are required which favour one or other stakeholder. The Advisory Board will appraise such decisions impartially and decide, on behalf of MML, which competing projects should succeed.

5.6 Secretariat

Mersey Maritime has a Secretariat that is in the process of being constructed. The anticipated structure for this is shown below.



The final structure will need to be determined in response to the needs of MML and MMPL as the Group gets over the start up phase.

The Secretariat will be responsible for implementing the Boards' orders, and for giving feedback on the success of the overall Mersey Maritime Project. The Mapping Study created a snapshot of the cluster at the beginning of the initiative, and the Secretariat will develop a performance measurement framework that updates the baseline and sets targets for the partnership to achieve.

Members, partners and funders of Mersey Maritime will receive regular reports of progress against targets, and the baseline measurement of cluster performance will be periodically repeated.

It is vital that all cluster members learn from best practice and from what works on Merseyside or elsewhere. MMG will invest in a skills and knowledge programme, cascading through the Boards, Groups and membership, that continually updates professional awareness of other clusters, and the skills for developing a cluster's competitive edge. It is anticipated that the Liverpool Maritime Institute will eventually make a significant contribution in this respect

5.7 Funding

In simple terms, Mersey Maritime is funded by three means:

- ❖ North West Development Agency (NWDA), which distributes intervention funds from the UK Government.
- ❖ Government Office North West (GONW), which is accountable for funds distributed by the European Union (in Merseyside's case designated as "Objective One").
- ❖ Private sector and other public sector stakeholders that contribute in-kind resources such as time and premises.

A separate line of funding is potentially available from the Learning and Skills Council (LSC), which is also UK Government funded.

Funding sourced from NWDA and GONW is delivered by intermediaries who are responsible for developing intervention priorities on a local level. The key intermediary for MML is The Mersey Partnership (TMP), which acts as intermediary for both NWDA and Objective One for some of the funds distributed to Merseyside. Other important intermediaries include:

- ❖ Partnerships such as Cityfocus, which is administered by Liverpool City Council, and distributes both UK Government and EU funds.
- ❖ Funds from the Objective One programme which are distributed through Strategic Investment Areas (SIAs) (e.g. Atlantic Gateway which is administered by Sefton Borough Council).
- ❖ Agencies such as Greater Merseyside Enterprise, which are potentially conduits for specific assistance to companies in the cluster.

TMP will be responsible for processing much of Mersey Maritime's funding, and it will enter into a contract (Service Level Agreement) with MML for this purpose.

MMG needs funding for three purposes:

- ❖ Start up Costs: This will cover items such as sector analysis, launch, etc.
- ❖ Operating Costs: This will cover the revenue expenditure for salaries, and ongoing marketing and administration costs.
- ❖ Projects: These will require bespoke funding which must be justified against the anticipated project outcomes.

The funding situation is complicated and fluid. In aggregate, the February 2003 position is that MML potentially has access to funds totalling £7.3 million (from NWDA, Objective One and Cityfocus). These should cover operating costs up to 2005, and also contribute to projects as discussed under the strategic themes in Section 7.

6 Integration

This section of the document discusses how the Mersey Maritime Group will contribute to two key integration themes:

- ❖ National and regional policy on ports and freight transport
- ❖ Economic development

6.1 National Policy on Ports and Freight Transport

UK ports operate within an increasingly policy orientated framework. The main statement of UK policy is contained in “Modern Ports” (Nov 2000), which effectively integrates relevant EU and UK policy on ports and transport into one overarching policy framework. Key relevant background policies are:

- ❖ EU policy statements on Trans-European Networks, Ports and Maritime Infrastructure, and Market Access to Port Services.
- ❖ UK policy relevant to transport in Planning Policy Guidance; A New Deal for Transport: Better for Everyone; and Sustainable Distribution.

The Government’s policy aims for ports are to promote:

- ❖ **UK and regional competitiveness**
- ❖ High nationally agreed safety standards
- ❖ Best environmental practice

The Government will work with the industry, its users and other interests, to achieve four key objectives:

- ❖ To make regulation add value rather than unnecessary cost, ensuring that different regulators co-ordinate their overall demands.
- ❖ To promote agreed national standards and good practice for port management and port operations alike, without detracting from the legal responsibilities of harbour authorities and other port interests.
- ❖ To **promote training and the recognition of skills for those who work in the ports industry at all levels – not just those engaged by harbour authorities.**
- ❖ To maintain a balanced policy on development which aims to makes the best use of existing and former operational land, secures high environmental standards, but supports sustainable projects for which there is a clear need.

The key policies detailed in Modern Ports that are of interest include:

- ❖ Help the ports industry to help itself by setting standards and **promoting good practice**.
- ❖ **Build on well-established partnerships** with the industry and other related interests, welcoming their practical contribution to the development of policy.
- ❖ Issue a wide range of planning policy guidance that identifies the needs of ports, and the environmental standards required of those planning port developments and managing port operations.
- ❖ Encourage ports to **redevelop former operational land for purposes that exploit its transport connections** to reduce traffic (nationally).
- ❖ **Support sustainable port projects** for which there is a clear need, with each looked at in detail on its merits.
- ❖ Take full account of the **need for good access to ports** in developing policies and programmes for the various forms of transport, and **encourage the use of ports by coastal and short sea shipping** services.
- ❖ Encourage ports to realise opportunities, and support constitutional changes to that end.

Policies concerning the development of port partnerships are of particular relevance to MMG and its public sector partners:

- ❖ 2.5.8 The **views of public/private partnerships** concerned with port development **will be important in assessing port needs, opportunities and constraints in each region**. Partnerships should include representatives from major ports. They help bring together private capital and expertise, to get better value for public money. The **RDAs in particular may be able to assist in encouraging such partnerships to happen**.
- ❖ 2.5.9. The RDAs can advise regional planning bodies which ports have or expect pressure on capacity. They can also identify others where there may be surplus capacity and a need for regeneration.
- ❖ 3.1.6. The recent white paper Modern Local Government: In Touch with the People says that councils have a special status and authority as local, directly elected bodies. Local authorities and the ports industry share interests in the regeneration and growth of the local economy, integrated transport, sustainable distribution and the environment. They should consult and co-operate on their plans. **There is scope for a new, productive, partnership between ports and their local authorities**.

The Mersey Maritime Group initiative is clearly in line with the policies outlined in Modern Ports, and in many ways is a flagship application for these.

6.2 Regional Policy on Ports and Freight Transport

There is a cascade of regional, sub-regional and local transport related strategies and priorities that define the policy on ports and freight transport.

Regional Planning Guidance (RPG) provides a framework for local authority land-use plans and local transport plans up to 2021. This is currently being updated. It contains policies on housing, transport, economic development, environment, minerals and waste. The transport component of RPG is called the Regional Transport Strategy (RTS). The key relevant components of this are:

- ❖ Enhancement of Trans-European Networks (TENs).
- ❖ Effective multi-modal solutions to the conveyance of goods, people and services, especially at major hubs.
- ❖ Effectively planned and significantly more efficient transport interchanges.

The updated RTS will be informed by the North West Regional Freight Strategy, which is currently at public consultation stage. This is particularly relevant in its proposed action plans for highways, rail, ports and waterways, and sustainable distribution. The key relevant actions are noted as follows:

- ❖ RL7 Encourage proposals for rail freight terminals.
- ❖ PW1 In association with the Port of Liverpool Freight Access Study, implement a route management strategy for the A5036.
- ❖ PW4 Reinstatement of the Olive Mount Chord, and an enhancement of the loading gauge of the route linking into the Port of Liverpool.
- ❖ PW5 Examine the case for reconnection of the docks in Birkenhead with the national rail network.
- ❖ PW7 An assessment of sites where significant opportunities exist for inter-modal freight facilities within or adjacent to ports.
- ❖ PW8 An investigation of the opportunities for modal shift to coastal shipping and inland waterways.

- ❖ PW8 Lobby for an effective grant regime to permit the widest possible scope for development of rail and barge transhipment.
- ❖ SD4 Assess opportunities for the introduction of priority access for freight vehicles.
- ❖ SD5 Review all lorry parking facilities and identify locations where further facilities are required.
- ❖ SD9 Monitor intermodal movements and modal shift.

NWDA reinforces the RTS in its identification of the North West's Strategic Transport Priorities. This notes the Port of Liverpool as a "Strategic Port", and access to Liverpool Docks from the M62 as a "Strategic Internal Route".

At sub-regional level, Merseytravel is the partner responsible for process and delivery of the Local Transport Plan. This brings together the transport components of local authorities' Unitary Development Plans, which in turn are consistent with the regional guidance and strategy and the RTS.

The 5 year Merseyside Local Transport Plan makes specific note of maximising benefits from opportunities relating to developments in Merseyside's ports, such as the new facility at Twelve Quays. Merseytravel also adopts a 10 year strategy that foresees:

- ❖ An expanding role for sustainable freight movements, and designated freight routes to and from the Port of Liverpool, Garston Docks and the new roll on/roll off facilities in Bootle and at Twelve Quays.
- ❖ Expanded and more frequent ferry connections with the Isle of Man, Belfast and Dublin.
- ❖ An integrated land use and transport strategy for sustainable freight distribution; investment in rail and road improvements to further improve access and environmental conditions; promoting freight transfer from road to rail with new intermodal facilities and a particular focus on new port-related development opportunities.

There is a well developed framework for the environmental management of the River Mersey. The Mersey Estuary Strategy balances protection of the river's wildlife and natural assets with the needs of coastal dependent activities including the port and port-related businesses. These priorities are also implemented in the Unitary Development Plans of the Merseyside local authorities with responsibilities for coastal management and protection.

6.3 Economic Development Policy

NWDA is responsible for strategy for regional development in the North West that is consistent with economic development components of RPG. NWDA sets this out in the Regional Economic Strategy. Currently under review, the revised strategy is anticipated to include maritime as a new sector priority for the North West. In preparation for this, NWDA is currently preparing a regional strategy for Maritime NW that will identify key strategic initiatives to maximise the value added by the maritime sector.

At the sub-regional level (i.e. Merseyside), a key agency concerned with economic development is TMP. The Action Plan for the City Region is the current statement of Merseyside's economic ambitions. TMP identifies eight target sectors for development, one of which is Maritime, which it classes as a “high” priority sector, with £7 million funds earmarked for its development.

Maritime is recognised as one of the major drivers of the sub-regional economy and Merseyside takes the lead on the development of the sector at a regional level. The associated Mersey Waterfront Regional Park (MWRP) project is in its early stages of development, and Mersey Maritime will be a cornerstone of that project. The other elements of MWRP are:

- ❖ Estuary development and management
- ❖ Tourism, sport and leisure
- ❖ Major projects

TMP recognises the potential for a Maritime Institute as a “Big Ticket” item within the sector development agenda. The Strategy for Learning and Skills of the Greater Merseyside Learning & Skills Council provides the framework for meeting the workforce development and skill needs of employers. Port and port-related activities is a named priority sector. The LSC will work closely with existing and emerging Sector Skills Councils in the port, maritime and logistics sectors to develop and adapt training provision.

The Mersey Maritime Group occupies a firm place within the overall framework for economic development. The key agencies with which it will cooperate, and their broad roles are outlined below.

TMP

- ❖ Oversight and co-ordination of sector development.
- ❖ Provision of common services, such as marketing.
- ❖ Co-ordination of sector champions (of which MMG is one), including a programme of regular meetings.
- ❖ Entering into a Service Level Agreement with Sectors.
- ❖ Accountable body for sector champion programme.
- ❖ Support and best practice.

MMG

- ❖ Sector development plans.
- ❖ Oversee implementation.

GME

- ❖ Individual business support.
- ❖ Communication.

NWDA

- ❖ Regional sector development / co-ordination including the Agency's proposal to fund advisers to stimulate development in growth sectors (via GME).

GMLSC

- ❖ Sector-based skills / workforce development.

Local authorities

- ❖ Sub-area target sector development issues.
- ❖ Sites/premises.
- ❖ Local support and after care.

SIAs

- ❖ Sector strengths.
- ❖ Land/premises.

MSIF

- ❖ Sector focus.

HE/FE

- ❖ Research and innovation.
- ❖ Skills supply.

7 Strategy

7.1 Recap

The previous sections of this document conclude that:

- ❖ The Mersey Maritime Cluster is a significant contributor to the region and the sub-region, both in terms of its strategic significance and direct contribution to employment and value added.
- ❖ Analysis of the cluster against the three strategic lenses and a framework for cluster analysis identifies clear strategic themes on which MMG should focus.
- ❖ MMG's institutional structure should succeed in creating conditions for accountability for funding and impartial decision making, whilst maintaining ownership of the Mersey Maritime concept by stakeholders.
- ❖ MMG sits well within relevant national and regional policy frameworks, and indeed is at the forefront of the development of effective partnerships as envisaged by Modern Ports.

This section is about the delivery of the strategy.

7.2 Goals and Core Competences

7.2.1 Vision and Mission

The Mersey Maritime vision will surprise everybody. It will become one of the most crucial concepts on Merseyside in the foreseeable future, contributing to the perception of renaissance in the maritime sector and indeed Liverpool and Merseyside.

The mission statement for MMG is:

To maintain and grow the Mersey Maritime Cluster of businesses into a world class benchmark centre of excellence for every sector of maritime operations and services.

MMG is embarked on a lifelong journey with no finishing line. There will always be scope for achieving greater competitive advantage for the cluster, and MMG will do this through big ideas, big plans and big actions.

7.2.2 Objectives

Objectives are statements of specific outcomes that are to be achieved in support of the mission. MMG’s objectives are:

- ❖ Make Mersey Maritime the UK’s most successful maritime cluster.
- ❖ Communicate Mersey Maritime as a modern growth business.
- ❖ Grow tonnage, turnover and profitability.
- ❖ Increase employment numbers.
- ❖ Build up the sub-region as a centre of excellence for logistics.
- ❖ Become the champion of Mersey Maritime businesses on a lobbying platform.
- ❖ Galvanise all cluster companies into a forward-looking entity with highly skilled, motivated and customer focused staff.
- ❖ Make Mersey Maritime the destination for world-class training facilities.
- ❖ Integrate and communicate with all local communities on key issues.
- ❖ Fulfil and enhance environmental duties.

7.2.3 Core Competences

Core competences are the basis upon which MMG can achieve advantage, and enable it to meet its objectives. These are summarised as strengths and opportunities for MMG (not the cluster).

Strengths	Opportunities
<ul style="list-style-type: none"> ❖ Represents a £1.3B industry employing 6000 people in 566 companies ❖ The international brand of Liverpool ❖ Collaboration across the region and Industry and a desire to make it happen ❖ Experience and heritage 	<ul style="list-style-type: none"> ❖ To become the main lead for changing the image of Liverpool - fresh, innovative and progressive ❖ Build on first mover advantage - demonstrate entrepreneurial spirit ❖ Leadership of Liverpool Maritime Institute ❖ Cohesive regeneration effort supporting MMG

Set against this, MMG will have to work hard to ensure that the weaknesses and threats it faces are overcome.

Weaknesses	Threats
<ul style="list-style-type: none"> ❖ Uncertain funding from year 3 ❖ Does not yet have the resources needed 	<ul style="list-style-type: none"> ❖ Industries within the cluster don't see value in the organisation - perception of MMG as a public body that will waste money ❖ Lack of buy-in from SMEs due to cynicism and mistrust ❖ Lack of willingness to work together - poor or no collaboration ❖ Image and perception of region ❖ Lose sight of mission (mission creep) ❖ MML unable to develop the capacity to do the job

7.3 Strategic Initiatives - Overview

Strategic initiatives are the actions to be taken which will pursue the objectives and mission. There are six themes for these, each supported by a sub-group of MMPL:

- ❖ Communications (Networking, Marketing, Promotion, Lobbying)
- ❖ Education, Training and Skills
- ❖ Business Support
- ❖ Business Development
- ❖ Infrastructure
- ❖ ICT and E-community

Figure 7.1 presents an overview of these in terms of key challenges and objectives.

Figure 7.1: Strategic Themes / MMPL Groups		
Key Issues	Strategic Themes / Group	Objectives
<ul style="list-style-type: none"> ❖ Competition from other ports in UK and Europe ❖ Poor reputation and image of Merseyside ❖ Lack of cohesiveness at cluster level ❖ Insufficient understanding and awareness by the Community of the role and nature of modern Mersey Maritime 	1) Communications (Networking, Marketing, Promotion, Lobbying)	<p>Brand Mersey Maritime with the aim to attract new trade for existing businesses and inward investment</p> <p>Create an alliance of stakeholders committed to a competitive and environmentally aware maritime cluster</p> <p>Ensure that the voice of Mersey Maritime is heard at national and regional levels</p>
<ul style="list-style-type: none"> ❖ Outdated perception of employment opportunities in Mersey Maritime Cluster ❖ Shortages of key skills at all levels 	2) Education, Training and Skills	Create a centre of excellence for maritime logistics education, training and skills
<ul style="list-style-type: none"> ❖ Need for business support to become more effective 	3) Business Support	Effective and on-demand support for SMEs in Mersey Maritime Cluster
<ul style="list-style-type: none"> ❖ Need to grasp potential from value added logistics 	4) Business Development	<p>Develop a long term vision of what the cluster can achieve</p> <p>Make Proactive interventions to grow the cluster</p>
<ul style="list-style-type: none"> ❖ Inadequacy of road and rail connections to national networks ❖ Limitations of port facilities and threat to their expansion 	5) Infrastructure	Develop an integrated and sustainable freight strategy for transport and land use in the region
<ul style="list-style-type: none"> ❖ Need for better communication systems within the cluster, and between the cluster and its markets 	6) ICT and E-community	World class communications to support learning, marketing and networking

7.4 Communications (Networking, Marketing, Promotion, Lobbying)

7.4.1 Objectives and Activities

The key objectives of the Communications Group are:

- ❖ Create an alliance of stakeholders committed to a competitive and environmentally aware maritime cluster.
- ❖ Brand Mersey Maritime with the aim to attract new trade for existing businesses and inward investment.
- ❖ Ensure that the voice of Mersey Maritime is heard at national and regional levels.
- ❖ The Communications Group should:
 - ❖ Act for and on behalf of SMEs;
 - ❖ Target growth of business development priorities;
 - ❖ Target growth geographical markets;
 - ❖ Complement but not conflict with marketing activities of significant companies (such as Mersey Docks).

The key activities the Group will undertake are:

- ❖ Develop core brand values and vision.
- ❖ Develop an internal networking plan.
- ❖ Develop an external plan for marketing / promotion / lobbying.
- ❖ Develop the tools of communication - brochure, website etc.
- ❖ Undertake communication projects against priorities.

7.4.2 Core Brand Values and Vision

The core brand **values** of MMG are:

- ❖ We are world class
- ❖ We are the industry
- ❖ We work together
- ❖ We are progressive
- ❖ We are credible
- ❖ We are approachable

MMG is:

- ❖ Influential
- ❖ Inclusive
- ❖ Innovative
- ❖ Intuitive
- ❖ Industry-leading

The brand **vision** for MMG is:

What we do	How we do it	The story we tell
<ul style="list-style-type: none"> ❖ Maintain and grow the Mersey Maritime Cluster of businesses into a world class benchmark centre of excellence for every sector of maritime operations and services 	<ul style="list-style-type: none"> ❖ Via the cluster ❖ Breaking down barriers ❖ Extending the market outreach of SMEs 	<ul style="list-style-type: none"> ❖ Unique product – No-one else in the UK is doing it ❖ Mersey Maritime is a catalyst to create an environment for business growth and investment

7.4.3 Networking

This is targeted towards (mostly) Merseyside based members and prospective members of MMPL. The key messages to build membership are:

- 1 The vision - jobs, investment, business growth
- 2 Benefits of membership:
 - ❖ Business Development
 - ❖ Knowledge
 - ❖ Training
 - ❖ Marketing
 - ❖ Lobbying
 - ❖ Facilities
 - ❖ Image

3 Underpinned by a common thread:

- ❖ Leadership
- ❖ Modernity
- ❖ First mover
- ❖ Innovation
- ❖ Size
- ❖ Diversity

MML will develop a rolling **Networking Plan**. This will be a programme of networking events that will regularly involve all members and potential members in contact with MMG in a variety of formats such as presentations, breakfast meetings, and market briefings etc.

The essence of MMPL is that it provides a structure for the cascading of networking throughout the membership, and the Secretariat should support and facilitate this as a key operational objective.

7.4.4 Marketing, Promotion, Lobbying

There are four external audiences that require different sets of messages:

Common to all
<ul style="list-style-type: none"> ❖ Mersey Maritime reflects leadership, modernity, first mover, innovation, size, diversity ❖ Vision - jobs, investment and business growth
Local: The Community and local authority Members and Officers
<ul style="list-style-type: none"> ❖ Generates jobs ❖ Phoenix rising ❖ Opportunity - growing business therefore secure, diversity, hi-tech management ❖ For people with ambition ❖ Career potential ❖ Strength of Maritime £ on Merseyside ❖ Need to influence by emphasising the positives

Regional and sub-regional agencies

- ❖ Jobs
- ❖ Strength of Maritime £
- ❖ Links with other agencies and initiatives
- ❖ Education and training
- ❖ ICT
- ❖ Inclusion
- ❖ Environment
- ❖ Quality project for bodies to fulfil their requirements and use their expenditure
- ❖ Building the economy through fulfilling one or more components of the regeneration strategy

National: Central Government; industry associations; Unions

- ❖ Counteract image:
 - ❖ Inform and educate on £1.3 billion
 - ❖ Inform of nature of Mersey Maritime – innovative
 - ❖ Investment – relocation
 - ❖ Workforce
 - ❖ Maritime Institute – education
- ❖ Infrastructure needs
- ❖ Share vision with them

The Maritime Sector: Nationally and globally

Need to complement and not conflict with MDHC and others' messages

- ❖ Holistic
- ❖ Wider promotion - umbrella brand
- ❖ Supply base for skills
- ❖ Create image

MML will develop a plan to deliver these messages. This will be in several phases:

- ❖ **Start up:** developing the tools of the trade.
- ❖ **Marketing operations:** building visibility and then maintaining this.
- ❖ **Marketing projects:** specific initiatives targeted at business development priorities and priority markets.

7.4.5 Strategic Priorities

In the short term, the strategic priorities for the Communications Group are assessed as:

Internal
<ul style="list-style-type: none"> ❖ Consider stakeholder strategy ❖ Build and secure membership
Local: The Community; local authority Members and Officers
<ul style="list-style-type: none"> ❖ Begin to enthuse ❖ Educate community
Regional and sub-regional agencies
<ul style="list-style-type: none"> ❖ Fit within regional regeneration strategies
National: Central Government; industry associations; Unions
<ul style="list-style-type: none"> ❖ Begin lobbying process ❖ Prioritise infrastructure
The Maritime Sector: Nationally and globally
<ul style="list-style-type: none"> ❖ Begin building national and international recognition

7.5 Education, Training and Skills (ETS)

7.5.1 Objectives and Activities

- ❖ Facilitate the creation of a world class centre of excellence for maritime logistics education, training and skills from NVQ Level 1 to MSc and beyond.
- ❖ Champion the formation of the Liverpool Maritime Institute, and work with partners to achieve this.
- ❖ Encourage and support collaboration between existing providers, maritime companies and other agencies.
- ❖ Develop skills and competencies of the current and future workforce.

7.5.2 Perspectives on Supply and Demand

Mersey Maritime faces key issues regarding perception and understanding of maritime related activity among the potential workforce, many of whom are from communities that experienced decline in traditional port activity, and carry perceptions influenced by prolonged and bitter dock labour disputes.

There is a misperception that employment within Mersey Maritime is just about physical unloading of ships etc. Business related, higher-level skills are more important to potential cluster employers than the traditional view of Mersey Maritime related occupations. Employment opportunities have much in common with engineering and a wide range of technical disciplines.

The relevant education and training infrastructure at sub-regional level is complex. At a provider level it includes 3 universities, 7 colleges of further education, and many private providers covering skills such as business administration, customer service, IT and computing, warehousing, motor vehicle engineering, and general engineering to name a few.

At a regional level, activity is underway to develop Department for Education and Skills recognised Centres Of Vocational Excellence (COVEs) for logistics and marine engineering.

Furthermore, there are a number of organisations and initiatives that deliver complimentary employment and lifelong learning activities, including Local Authorities, Greater Merseyside LSC, The European Union Objective One Programme, Pathways Partnerships, and Strategic Investment Areas.

All must play a key role in the development of the ETS strategy for Mersey Maritime. The key issues the strategy should address are:

- ❖ Opportunities presented by the maritime cluster to be better communicated and understood by a wide range of audiences.
- ❖ A clear and co-ordinated strategy towards learning and employment within Mersey Maritime.
- ❖ Match supply to demand, and make provision truly demand driven.
- ❖ Co-ordinate strategy with a wide range of organisations, and build on the complex infrastructure already in place.
- ❖ Interlink with other initiatives focused towards Maritime businesses and individuals in communities that lie within Mersey Maritime.

7.5.3 Liverpool Maritime Institute

7.5.3.1 Three Key Principles

Progression: from pre-apprenticeships with school pupils, through to NVQ and Cadet training, on to graduate and postgraduate programmes.

Collaboration: between providers at all levels on projects and delivery plans; sharing best practice between companies and training providers.

Integration: of regional and sub-regional skills initiatives, and skills from other sectors as applied to maritime business and training.

7.5.3.2 Core Delivery Issues

International Lessons

Maritime-related education and training is extremely broad in scope, ranging from Oceanography and Fisheries Science to Transport Management and Logistics. The central themes are shipping, shipbuilding (and shiprepair), ports and transport.

There are over 350 maritime education, training and research institutions worldwide. The majority are either Training Institutions for seafarers or Academic Establishments providing professional and management education. Only the minority do both. Most Institutions seek only to address local, or at best, national needs. Few aspire to an international presence.

- ❖ Less than a dozen institutions worldwide have an international reputation for both excellence and the ability to deliver a full range of training and education.
- ❖ Strong Government backing has provided the leverage to achieve regional and international influence, particularly in the Far East and Australia.
- ❖ Most are associated with major centres of shipping and port operations and maintain very close links with the industries in these centres.
- ❖ All use partnership arrangements and networks in order to develop and maintain their international position.
- ❖ Supra-national institutions are the exception. The World Maritime University and the Arab Academy are the only examples.

No single organisational strategy predominates. Leading Maritime Training and Education Institutions can be state owned, as in Australia, led by Government agency, as in Singapore, or led by port and shipping employers, as in Rotterdam.

All leading Institutes have clear Visions and Missions, or stated goals, to achieve world class status. All have strong governance that provides leadership and direction.

UK Situation

In the UK, there are 9 Universities and 5 Nautical Colleges providing Maritime Training and Education. There has been major reduction in seafarer training in recent years, with the closure of a number of centres including the Hull Nautical College and the Sir John Cass College. Only two institutions provide both seafarer training and maritime education, being Liverpool John Moores University (in partnership with Fylde) and the Southampton Institute of Higher Education.

There are more than 70 maritime-related degree programmes offered by UK universities, 45% of which are at Master's level. There has been a significant growth in maritime management degrees, which now represent 45% of the programmes on offer. MBA programmes are expected to feature prominently in the future. The first was recently launched by Greenwich University. There has been a significant reduction in Nautical Science and related programmes, including the closure of Cardiff University's Maritime Studies Department.

Conclusions

Liverpool has the potential to become a major international maritime training centre because:

- ❖ It has the prospect of strong vision and a powerful champion in Mersey Maritime.
- ❖ In UK terms, Liverpool has a clear lead in cultural attraction, international recognition, and diversity of maritime cluster.
- ❖ It can combine relevant parts of the Universities, and create a branded network including Fylde Maritime Campus, Lairdside, and Laird Foundation etc.
- ❖ It has potential to forge strategic links with other regions and organisations, notably Team Humber which presents a successful model, and offers a potentially symbiotic partnership.

7.5.3.3 Delivery Concept

MML does not have the core expertise to deliver education, training and skills. MML will therefore contract out the delivery of this either to an existing or a purpose formed institution. This will create the Liverpool Maritime Institute, and MML Secretariat will manage the direction of this (not the operation) through the contract.

The Liverpool Maritime Institute will go through several stages of development:

- ❖ Agreeing the collaborative effort amongst key hub partners.
- ❖ Identify cluster needs and those of the international maritime community.
- ❖ Create a new progressive prospectus in tune with the industry and educational trends.
- ❖ Develop the physical capability to deliver the prospectus. Initially this may be through existing facilities.
- ❖ Market the prospectus and recruit learners into the Institute.
- ❖ Develop the Institute in terms of numbers of learners and curriculum.
- ❖ Develop an integrated Liverpool Maritime Institute building when activity justifies this – Liverpool’s Fifth Grace.

7.6 Business Support

7.6.1 Objective and Activities

- ❖ MML will provide effective and on-demand support for SMEs in the Mersey Maritime Cluster.
- ❖ This will offer core generic business advice, but in particular it must be a centre of knowledge for obtaining public sector business support.
- ❖ It will develop an effective delivery strategy to achieve this working with partners.

Merseyside is a nationally recognised priority for economic development. Through Objective One it has enhanced the provision available through the government's Small Business Service to deliver structured support for best practice to Merseyside's growth-oriented companies.

The Mersey Partnership is the lead organisation for sector co-ordination within the Objective One programme, and will ensure the correct configuration of business support services to companies in the Mersey Maritime Cluster. NWDA has agreed to channel its own sector support for the maritime sector through TMP.

The task of the Business Support Group is to ensure TMP, SBS, NWDA, Chambers of Commerce, MSIF, SIAs and other agencies are aware of the cluster's long-term and developmental requirements, and to regularly check with business users the quality, availability, timeliness and relevance of support services.

Where necessary, Mersey Maritime will directly provide or procure customised support services that fill gaps in mainstream service delivery.

7.7 Business Development

7.7.1 Objectives and Activities

- ❖ To understand routing decisions for NW manufactured exports and consumer imports, identify switching criteria, and develop stakeholder strategies to maximise cargo capture and national sustainable distribution.
- ❖ To realise the potential for the Mersey Maritime Cluster to develop value added logistics, having a direct impact on the growth of existing companies and inward investment projects in this sector.
- ❖ To respond to business development proposals brought forward by members such as proposals for supporting route start ups etc.

7.7.2 Understanding Markets

If MMG is to help grow the cluster through targeted intervention, it must identify and understand its markets. For example, is 60% of the UK's manufacturing really in its hinterland, and if so what can be done to develop this opportunity?

The market defines the routing of traffic – how containers get to ports, which ports are used, which shipping lines are used, whether containers are delivered on a direct service or transhipped etc. – based on the broad objective of minimising FINANCIAL costs subject to also minimising transit times and maintaining fixed day week schedules.

This is not just for specific routes, but also for networks of routes that interact. These networks of routes are generally controlled by three large shipping companies (Maersk, MSC and Evergreen), and two major alliances (Grand and World). Companies now use sophisticated Operational Research techniques to try and optimise their objectives.

The Ports of Felixstowe and Southampton are components in the solution that optimise the objectives. The issues affecting change of routing from these ports are financial, economic and environmental.

- ❖ The financial costs (e.g. more mileage, new port investment) are already internalised by the lines – in other words they know that for many reasons their objectives are better met by hauling from these ports to the Midlands / North even though the UK component costs more than using say the Humber

or the Mersey. A substantial increase in charges in the south (due to port or road congestion), or decrease in charges in the north (e.g. from better productivity), would contribute to routing change.

- ❖ The economic and environmental costs attributed to concentration on Felixstowe and Southampton are external to companies' analyses. Such costs can be internalised through tolls or taxes, which are medium term possibilities. In the short term, regulation can contribute to routing shift; examples are the EU directive on drivers' hours, and UK restrictions on new port development in the south.

The Business Development Group will undertake two stages of market analysis:

- ❖ Trade Flow Analysis for deep-sea and short sea shipping to define the cost position that currently exists and the implications for redirection of cargo flows via Mersey ports. This should be placed in the context of port rotation rationalisation by major shipping lines and also the continuing introduction of larger deepsea vessels.
- ❖ Supply chain positioning at aggregate level to allow an effective programme to be developed to facilitate the translation of Mersey Maritime's advantages into actual economic advantage for the region.

On this basis, the Business Development Group may recommend direct intervention to support new strategic facilities. It may participate in land assembly, buying sites (including small ones), which are adjacent to the ports as they become available. It may form a joint venture logistics development company with the participation of SMEs wishing to develop in the logistics sector.

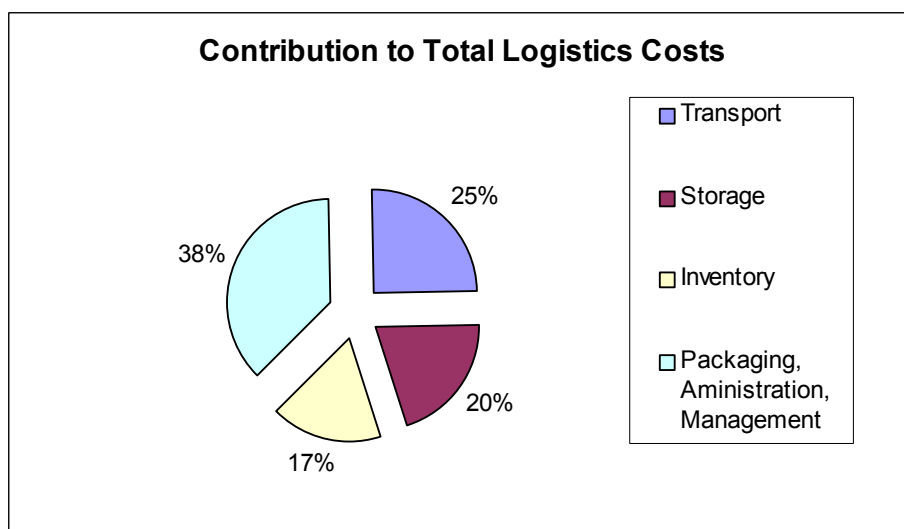
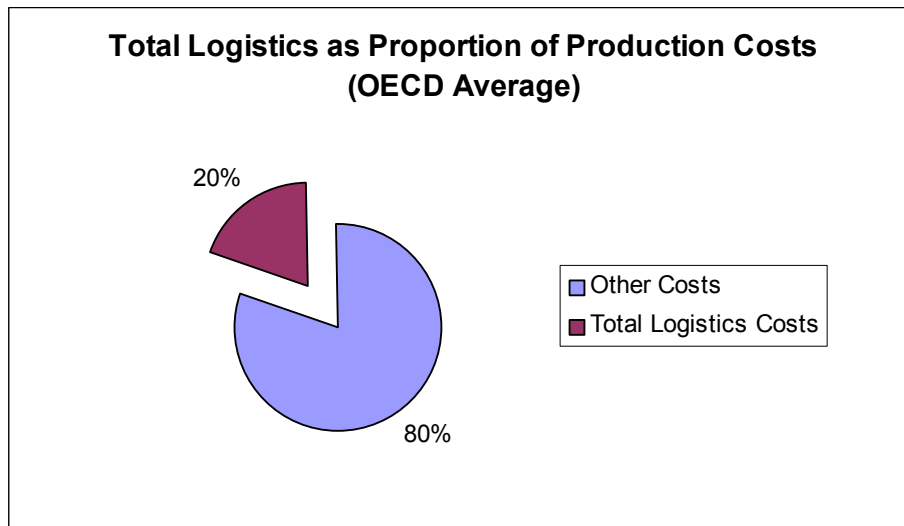
It may also propose and support new services that support business development priorities. These will be based upon international competitive tenders according to best practice.

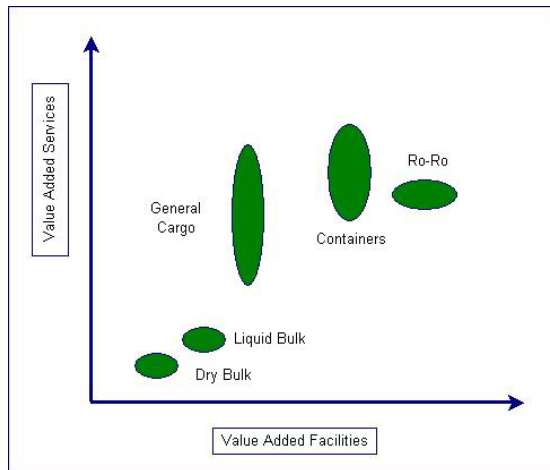
MML may consider trying to develop a sustainable income through these means. For example, initial financial support, which reduces private sector risk for new facilities or services, could subsequently be converted into equity for successful interventions. MSIF may provide a supportive vehicle for this.

7.7.3 Development of Value Added Logistics

Over the last 10 to 15 years, the concept of total logistics has emerged. This includes packaging, storage, transport, inventories, administration and management of goods in / production / goods out. The essence of this is that spending more money on total logistics yields benefits in terms of cost savings overall, and getting goods to market more rapidly to fulfil ever-changing consumer preferences.

Total logistics costs are estimated to reach up to 20% of total production costs in OECD countries. Transport usually accounts for a quarter of total logistics costs in OECD countries, storage for a fifth, and inventories for a sixth (see diagrams).





The freight sectors that are handled and processed through intermodal nodes offer different potential for value added logistics (VAL). A generic illustration of the potential for these (see left) shows that containerised freight offers most potential for value added services.

Maritime logistics is increasingly carried out by a limited number of global operators, specialising in dedicated market segments, and by a few large shipping lines expanding their maritime networks into inland operations to offer integrated transport services.

All major port conurbations and ports are embracing their new role as an intermodal node in supply chain networks. From the simple physical sea/land interface they once used to be, ports have successively migrated towards logistics and distribution platforms. Two successful examples provide useful case studies in the context of Strategy by Ideas (Dubai), and Strategy by Experience (Rotterdam).

Strategy by Ideas: Dubai

Some 30 years ago, Dubai realised its comparative advantage as a trading community and port, and built its first container terminal. Traffic grew quickly, and it developed into a transshipment hub for the Gulf and wider region. A leading figure then had the idea of building Jebel Ali Free Trade Zone (JAFTZ), so that goods could be stored there, and then packaged, marked or consolidated before onward distribution. It was (and largely still is) a tax free environment.

After a slow start, this began to work as the logistics concept gathered pace. It worked because Dubai was already a trading hub – many ports have tried to replicate it but have failed for this reason. As JAFTZ gathered pace, it generated incremental port traffic, reinforcing the role and scale of the port – a virtuous circle. JAFTZ began supplying infrastructure and strong incentives

to encourage firms to ship components to Dubai for assembly into finished products. In time this also worked, and “suddenly” JAFTZ was a big success. In more recent years it has achieved success in encouraging manufacturing, and is now moving into higher value technology based industries.

Strategy by Experience: Rotterdam

Rotterdam has not developed up the value chain quite like Dubai, but has developed three distriparks that hosted logistics activities of ever increasing scale. As companies’ logistics strategies have developed, so has the Port of Rotterdam’s distriparks.

There are three key Distriparks totalling 246 Ha each with specific characteristics to meet the needs of the companies established there.

- ❖ At Distripark Eemhaven (35 ha) there are companies principally specialising in the storage and distribution of high quality products. Examples are Maersk Logistics Benelux bv, Franklin Mint, Eurofrigo (Nichirei), Vitesse (Geodis), VAT Logistics, Nippon Express, Danzas, and Ziegler.
- ❖ Botlek Distripark (86 ha) mainly hosts companies which concentrate on warehousing / distribution and groupage services. Some of them specialise in the distribution and groupage of chemical products. The companies located here include Ocean Warehousing, MSAS Logistics, H.T. Holland Terminals, Damco Maritime and Schenker.
- ❖ The most recent Distripark is Distripark Maasvlakte (125 ha). This is designed for companies who wish to centralise activities to gain a stronger grip on their European distribution. Customers are companies wishing to set up their large European Distribution Centres, mega-carriers wishing to further penetrate the logistic chain, mega-distributors wishing to set up a maritime hub for Europe, other (global) logistic service providers, and European exporters wishing to create a maritime export hub.

In addition to the three main Distriparks, Rotterdam offers the TDC concept (Trade and Distribution Centres), designed for businesses that are not yet big enough for one of the Distriparks. Operating under the name of the relevant country, the centres offer SMEs the opportunity of gaining a foot in the European market. TDCs are concentrated in industrial parks to the northwest of Rotterdam. There are centres for South Korea, Taiwan, Indonesia, Singapore, China/Hong Kong, Malaysia, India, South-East Asia and Israel.

Mersey Maritime has neither the scale of Rotterdam nor the incentives of Dubai, but **this does not stop MMG from learning from their approach or developing achievable business visions.**

The Business Development Group will develop policies and proposals for investment that will capture greater value added logistics.

7.7.4 Reactive Business Development

There are currently a number of unsolicited proposals that should arguably only be supported if they support Mersey Maritime's priorities based upon its own market research and thrust for cluster development. Mersey Maritime will have scarce resources which require careful targeting.

7.8 Infrastructure

7.8.1 Objectives & Activities

The cluster needs good marine facilities and local connections to national road and rail networks. Without these, it will experience higher costs and reduced competitiveness. Poor connections fuel conflict with the Community, which spills over into conflict between the elected public sector and the private sector.

Road and rail traffic generated by the maritime cluster has an obvious impact on infrastructure both in Merseyside and the North West. Responsibility for the planning and provision of this infrastructure is allocated to the Strategic Rail Authority, Network Rail, Highways Agency, NWDA, the Merseyside local authorities and their partner Merseytravel.

The Infrastructure Group must place Mersey Maritime at the centre of these stakeholders' thoughts, and systematically manage out higher costs and Community conflict. Its key objectives are:

- ❖ To ensure that MM becomes recognised as a legitimate constituent to act as a consultee by bodies charged with implementing statutory plans e.g.; Regional Transport Strategy; Local Transport Plans; Unitary Development Plans.
- ❖ To look at the short, medium and long term infrastructure needs of the MM constituency, and to see how best such needs can be met.
- ❖ To act as a channel through which individual members, or constituents can articulate concerns, and aspirations for ensuring that the transport infrastructure is fit for purpose.

7.8.2 Short Term Priorities (2 years)

In conjunction with other partners the Infrastructure Group should achieve:

- ❖ A realistic and deliverable Access Strategy for Seaforth and North Liverpool Docks.
- ❖ A physical strategic masterplan and 20 to 30 year framework for sustainability of ALL Mersey Maritime in terms of its marine infrastructure, road and rail access, and distribution sites.

- ❖ Improvements to the basic rail infrastructure to Seaforth i.e. line speed and capacity.
- ❖ Reinstatement of the Olive Mount Curves.
- ❖ Re-connection of 12 Quays to the national rail network.

7.8.3 Medium Term Priorities (5 to 10 years)

- ❖ Delivery of the recommendations contained in the Port of Liverpool Access Study.
- ❖ Delivery of the recommendations contained in the Regional Freight Strategy.
- ❖ Further expansion of on-river berth facilities.
- ❖ Line capacity improvements and electrification of all links to the West Coast main Line (Seaforth - Edge Hill - Earlstown).
- ❖ Additional rail freight sidings at Edge Hill.
- ❖ Additional rail links into Liverpool Docks e.g. Canada, or re-opened Waterloo Tunnel.
- ❖ Rail flows into / out of Garston.
- ❖ Strategic freight highways out of all ports to the Motorway network.
- ❖ Full development of inter-modal freight terminals at Ditton, Parkside, or indeed a re-opened terminal at Aintree.

7.9 ICT and E-Community

7.9.1 Objectives & Activities

The maritime industry is one of the world's major applications for e-commerce, and all world-standing ports and shipping companies are now merging their EDI and other systems applications with web technology to make advances in communicability and cost reduction.

The ICT Group will provide oversight on how ICT can be used to achieve advantage for the cluster, and develop a maritime logistics e-community.

It will make an early impact by helping to establish Mersey Maritime with a directory based website. It will also consider the potential that ICT can deliver to the Cluster in the longer term by seeking advice and benchmarking other ICT projects in similar port communities.

The group will deliver an online maritime trading community through a four stage strategy. This is based broadly on the Portnet project in Amsterdam.

7.9.2 Stage1: 1st Generation Website (Online Brochure / Directory)

This will allow users to find details relating to all companies in the Mersey Maritime Cluster, promoting an increase in awareness of the skills in the region, inside and outside the region. The site is being designed in tandem with the marketing strategy so that the culture and image of Mersey Maritime is portrayed.

The 1st Generation web site will include :

- ❖ Mersey Maritime's background, objectives and plans.
- ❖ Contact details for Mersey Maritime and marketing information.
- ❖ Database (in the form of a brochure/ search engine) of companies with contact details and a 2 or 3 paragraph summary.
- ❖ Links existing company sites.
- ❖ Links between co-operating partners in the sector.
- ❖ News page and current events.

7.9.3 Stage 2: Development of ICT Vision for Mersey Maritime

- ❖ Identify the objectives, structures, components and services of leading maritime portals.
- ❖ Assess maritime logistics industry trends, and advise on expected developments for maritime portals for the next five years.
- ❖ Specify the objectives, structures, components and services for a Mersey Maritime portal.
- ❖ Identify and provide strategic advice on all technical issues such as method of working, capturing of existing maritime community systems, introduction of new systems, software, hardware, ICT architecture, data and message definition, bandwidth, hosting, security, encryption, support, operation and maintenance of the Mersey Maritime Portal.
- ❖ Outline main options for development of the portal and identify relevant criteria such as quality of delivery against objectives, capital cost; operating cost, timing, and implementation risks.
- ❖ Recommend project strategy and approach and phased development plan.
- ❖ Produce a terms of reference to facilitate bidding for design, construction and testing of Mersey Maritime portal in phases.

7.9.4 Stage 3: 2nd Generation Website (Internet and Extranet)

- ❖ General information: various service contacts for use in the community i.e. ICT providers, training providers, insurance and legal contacts. Supported by information on services. Historic volumes and statistics.
- ❖ Harbour information: Ships arrival and departure information, sailing schedules, weather/tidal information, logistics facilities, transport infrastructure, gateways available to other regions.
- ❖ Information for new companies.
- ❖ General information for community/students: training courses, events.

7.9.5 Stage 4: 3rd Generation Website (Virtual Maritime Logistics Community)

- ❖ Secure site controlled by registered user login.
- ❖ Integrate EDI/Systems: Ports, Shipping Lines, Transport providers, Service providers.
- ❖ Market Place: Transport/loads available to/from port/logistics facility; Clearance of cargo; Visibility of cargo incoming/outbound; Virtual warehouse of goods within the sector.
- ❖ Bring in new systems: Benchmarking review is required.
- ❖ Inter-port communication: Speed up the movement of cargo.
- ❖ Links to other 'Portnets' (INTC) & Warrington Logistics etc.
- ❖ External links.

8 Appendix A – Detailed Swot Analysis

8.1 Strengths

- ❖ Relatively low road and rail congestion
- ❖ 3 or 4 rail terminals in Liverpool
- ❖ Existing/regular deep sea services / capacity / connections
- ❖ Quick turnaround of vehicles at Seaforth Container Terminal
- ❖ Established links with Ireland and USA
- ❖ Proximity to UK's industrial/manufacturing base
- ❖ Historical / maritime heritage as a seaport
- ❖ Proximity to good national motorway network
- ❖ A strong base including port, services, people etc
- ❖ There is a natural hinterland defined by transport economics
- ❖ New ro-ro terminal = new distribution opportunities
- ❖ Freeport facility
- ❖ Diverse industrial base in the local area
- ❖ Availability of Objective 1 funds and land
- ❖ Resources to support inward investment
- ❖ Investment has taken place in port superstructure (LIFT etc)
- ❖ Significant scale of activity and contribution to regional economy
- ❖ Maritime skills expertise
- ❖ Foundation of existing business to work with
- ❖ Cost effectiveness – relatively low cost of land and labour v. SE
- ❖ Existing business support services
- ❖ Recognised need for multi-agency approach
- ❖ Support of various companies/organisations/authorities in the ports
- ❖ Real political will
- ❖ Job and career sharing – people with transferable skill sets
- ❖ Willingness to succeed
- ❖ Flexibility – people will have a go
- ❖ Collaborative working = more stability
- ❖ Sharing information and resources
- ❖ Starting from a low base

- ❖ University
- ❖ Desire to succeed
- ❖ Superb living environment
- ❖ Common approach to problems (esp. road and rail)
- ❖ Regeneration of City Centre = larger market
- ❖ Security “inside the fence” = low crime rates = safe business environment
- ❖ Security reputation improving – tobacco, cars
- ❖ Dovetailing with other projects

8.2 Weaknesses

- ❖ Skills shortage – not retaining graduates for management training
- ❖ Maritime sector is not a high wage payer
- ❖ Liverpool has lost its maritime heritage/lack of pride
- ❖ Poor local road and rail links to the regional network
- ❖ Public sector intervention can upset the competitive balance
- ❖ Too dependent upon the Irish and USA trades
- ❖ Strength of European ports, their capacity to invest/competitiveness
- ❖ Lack of new sites/offices/warehouses - slow speed of development
- ❖ Double handling costs for facilities outside the docks
- ❖ Non-SMEs lack of faith in the port due poor reputation
- ❖ Lack of training facilities and support
- ❖ Reputation / poor industrial relations image/high crime rate
- ❖ Lack of private sector investment e.g. in new locks or lock gates
- ❖ International pressures on shipping
- ❖ Exchange rates
- ❖ Environmental impact on the community
- ❖ Lack of government support for shipping/EC legislation
- ❖ Wrong side of the country/outside Eurozone
- ❖ Trend towards bigger ships, bigger ships cannot dock = dock delays
- ❖ Inter-business co-operation is poor/disjointed /ad hoc development
- ❖ Business rates / costs too high
- ❖ Perceived introversion and resistance to change
- ❖ Poor working practices - RSCT landside does not operate 24 hours/day
- ❖ Lack of repair facilities

- ❖ Public sector failure to take private sector along in regeneration/red tape
- ❖ Charges levied by ports too high
- ❖ Community view of port
- ❖ Strong port owners – disincentive to new business
- ❖ Logistic companies look to SE England
- ❖ Competition between companies in cluster – too many players
- ❖ Companies v unions v public sector v community
- ❖ A lot of added value already taking place
- ❖ Limited rail capacity
- ❖ Development of city centre – demand on limited space
- ❖ Lack of shipping services in Liverpool e.g. FE / ME / NW Europe
- ❖ Better facilities elsewhere – e.g. Felixstowe
- ❖ Overly confrontational relationships between big companies & SMEs
- ❖ Competition between ABP, MSC, MDHC, but MDHC control the river
- ❖ Environmentalist activity e.g. gm grain, timber
- ❖ Security of port
- ❖ Port used by organised crime
- ❖ Requirement for dredging/impact on cost
- ❖ Historic neglect of the dock estate

8.3 Opportunities

- ❖ Critical mass of companies to form effective lobbying group
- ❖ More deep sea lines = increased coastal/feeder traffic
- ❖ Capability for skill development – 2 universities and FE establishments
- ❖ Relatively low employment costs
- ❖ Objective one cash
- ❖ Brown site availability/demand for warehousing and distribution
- ❖ New business will bolster the performance of existing companies
- ❖ Capacity constraints in the SE present opportunities for NW
- ❖ Euro link rail terminal
- ❖ Dockside manufacturing – developing added value e.g. Bio-diesel
- ❖ Greater collaborative working amongst SMEs
- ❖ Marketing to improve international perception of Liverpool
- ❖ Return of ship-repair / marine engineering

- ❖ Linking into the Irish economy
- ❖ To promote cultural change – to make things better
- ❖ Government and EC support for new businesses
- ❖ Liaison between industry and Councils – planning log jam
- ❖ Tourism and cruising potential – a la Albert Dock
- ❖ Keep business in Merseyside = more jobs
- ❖ Greater use of rail, effective operation of rail terminals/infrastructure
- ❖ Rapid growth of airport and possible synergies
- ❖ A marine outlet for the NW and central UK
- ❖ Scope for development on dock
- ❖ IT structure
- ❖ Green capital of the UK / Mersey Corridor Waste Policy
- ❖ International connections of partners and stakeholders
- ❖ Better utilisation of existing labour resources and skills
- ❖ Greater collaboration between public and private sectors
- ❖ Local transport plan – infrastructure investment; freight routes strategy
- ❖ Develop areas – expansion
- ❖ Switch freight to rail and water
- ❖ New Runcorn Bridge – improved access to south
- ❖ Large % of FE importers / exporters located north of Birmingham
- ❖ Develop Liverpool to serve all of UK
- ❖ Working time directive
- ❖ Road congestion
- ❖ Reduce positioning cost
- ❖ Access to port services
- ❖ Redesign road network/integrate it with port development.
- ❖ Diversification of business - power generation
- ❖ Strategic link with other ports (nationally & internationally) offer a package
- ❖ Potential to improve rail links to port – reduction in road time
- ❖ Truck stops
- ❖ Money available for show-piece launch / conference
- ❖ Branding – Liverpool Premier Port on everything!!

8.4 Threats

- ❖ Skills shortage (graduates), will prevent businesses coming to Merseyside
- ❖ Growth of competing ports – development undermines existing business
- ❖ Growth of ship size - increases cost of deviation from multi-port itineraries
- ❖ As infrastructure/facilities develop, outsiders cherry pick key customers
- ❖ Private sector see MerseyPort as anti-competitive/damaging to business
- ❖ Reputation deters new investors
- ❖ Potentially only serving the Irish and USA trades
- ❖ Strength of NW European ports and their capacity to invest
- ❖ Lack of availability and slow speed of development of new
- ❖ Lack of intermodal links double handling costs for facilities outside docks
- ❖ Larger companies reluctant to speak with SMEs.
- ❖ Non-SMEs lack of faith in the port due poor reputation
- ❖ Local government intervention = Red tape and bureaucracy
- ❖ Limitations of the port – locks
- ❖ The global “fluid” nature of shipping
- ❖ Other ports offer more cargoes/better facilities
- ❖ Inability to overcome apathy
- ❖ Resistance to change
- ❖ Ineffective measures to deal with youth crime and vandalism
- ❖ Inability to extend the port
- ❖ Emphasis on Manchester and Leeds
- ❖ Competitor reactions
- ❖ Growth of mega carriers and hub strategies
- ❖ Local Council rents too high
- ❖ Changing legislation – increased cost related to Port Marine Safety Code
- ❖ Competing port developments e.g. East Coast deep water facilities
- ❖ Compulsory union recognition
- ❖ Working time directives
- ❖ Labour intransigence
- ❖ Public sector failure to reach the private sector
- ❖ Jobs and people moving to Manchester
- ❖ Not in eurozone

- ❖ Global economic downturn/high production costs in the UK v. 3rd World
- ❖ Apathy / complacency
- ❖ Leakage of skilled people
- ❖ Loss of local companies as new companies move in.
- ❖ People's perception of Liverpool
- ❖ Road charging
- ❖ Higher freight cost to ship to Mersey
- ❖ Local political opposition
- ❖ Local residents concerns – environment; noise; pollution
- ❖ Government priorities for rail capacity (and gauge)
- ❖ Too many bodies not cooperating
- ❖ Competition between business
- ❖ Crime – especially vandalism

9 Appendix B – Lessons from Maritime Initiatives

Strategic Theme	Objectives
<p>Networking:</p> <ul style="list-style-type: none"> ❖ Within the private sector ❖ Within the public sector ❖ Between private and public sector ❖ Between the Community and the cluster 	<ul style="list-style-type: none"> ❖ Close co-operation between participants and creation of new networks with the initiative as focal point. ❖ Improve communications within the cluster, working with the relevant trade organisations and companies. ❖ To improve the cluster's image. ❖ Stimulate co-operation and partnership, and exchange know-how and information. ❖ Development of networks. ❖ Provide an organisation through which leaders can meet, discuss key issues, build consensus, and take effective strategic action. ❖ Raise visibility of the maritime cluster to citizens via public information programme and active marketing. ❖ Support maritime cultural initiatives and heritage. ❖ Work to the benefit of the community, focusing on common issues such as training and IT.

Strategic Theme	Objectives
Marketing & Promotion	<ul style="list-style-type: none"> ❖ Increase the profile of the maritime sector. ❖ To attract more maritime companies and organisations. ❖ Creation of an identity for marine businesses. ❖ Promote the image of marine as an innovative industry. ❖ Promote financial and business services to the international maritime community ❖ Maintain and enhance position as a premier maritime centre. ❖ Encourage inward location of foreign maritime interests. ❖ Promote and deliver inward investment. ❖ Create a recognisable identity. ❖ Promote the cluster and develop new trading links. ❖ Promote the cluster to the international shipping world.
Lobbying	<ul style="list-style-type: none"> ❖ Play a role in setting the maritime agenda. ❖ Develop a more effective lobbying presence. ❖ Develop an active public sector maritime policy. ❖ Encourage environmental regulatory policies which do not unnecessarily hamper growth and development of the maritime cluster – balance environment and economic growth. ❖ Increase recognition of the cluster’s strategic and economic importance.

Strategic Theme	Objectives
Education, Training and Skills	<ul style="list-style-type: none"> ❖ Strengthen practical research and education within the maritime and transport sector. ❖ To improve maritime education, and develop projects to achieve this. ❖ To carry out research and devise new policies to further entrepreneurial spirit. ❖ To introduce new training and development programmes. ❖ Skills development via free training needs analysis and subsidised training. ❖ Create and initiate development of a maritime workforce development programme. ❖ Ensure education supports the cluster. ❖ Develop skills and competencies of current and future workforce.
Business Development	<ul style="list-style-type: none"> ❖ Work with the ideas and projects which individual members may put forward. ❖ Prioritised framework for public sector investment and intervention. ❖ Capture more value added activities related to trade. ❖ Increase investment in freight, logistics and port related services.
Infrastructure	<ul style="list-style-type: none"> ❖ Develop action plans for infrastructure needs. ❖ Involve the cluster in the development of infrastructure planning.
Information & E-community	<ul style="list-style-type: none"> ❖ Increase the business competitiveness of marine sector companies through increase in the availability of information. ❖ Provide a single-source information clearing house for cluster participants and the global marketplace to access information about the cluster. ❖ Encourage adoption of ICT amongst port related companies. ❖ Port community web sites.

10 Appendix C – MMG Board Members Jan 2003

MMPL	<ul style="list-style-type: none"> ❖ Atlantic Container Line UK Ltd (Chair) ❖ Merseytravel ❖ The Laird Foundation ❖ Warrant Group PLC ❖ JMD Haulage Contractors Ltd ❖ Drake Port Distribution Services ❖ Associated British Ports ❖ Liverpool John Moores University ❖ FWL Technologies Ltd
MML	<ul style="list-style-type: none"> ❖ Atlantic Container Line UK Ltd (Chair) ❖ Mersey Docks & Harbour Company ❖ Sefton Council (on behalf of Merseyside Network Group of Local Authorities) ❖ Bahr Behrend Agencies Ltd ❖ The Mersey Partnership ❖ Bibby line Group Ltd ❖ Northwestern Shiprepairers and Shipbuilders Ltd
Advisory Board	<ul style="list-style-type: none"> ❖ To be finalised