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**PORT OF BLYTH**  
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# PORT OF BLYTH ANNUAL REVIEW 2017

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# CHAIRMAN'S STATEMENT



## IN A YEAR OF ECONOMIC AND POLITICAL UNCERTAINTY FOR THE PORT INDUSTRY IN GENERAL, IT'S EXTREMELY PLEASING TO POST STRONG FINANCIAL RESULTS, MAKE A NUMBER OF KEY INVESTMENTS AND SEE OUR IMPORTANT ROLE IN THE REGIONAL ECONOMY CONTINUE TO DEVELOP

It is pleasing to announce another excellent year for the Port in 2017, the third best on record emphasising the on-going success established in recent years. Group turnover exceeded £20.5 million, with an adjusted operating profit of £1.32 million and adjusted pre-tax profit of more than £1 million respectively. EBITDA remained strong at £2.6 million in what proved to be an extremely satisfying set of results.

Although primarily driven by the core port operating division, Group performance was also boosted by our logistics subsidiary Transped, who posted healthy above budget profitability whilst supporting the movement of cargo through the Port, particularly container traffic.

Such success has been despite the challenges that remain across a number of trade sectors and indeed in the national and global economies as a whole. Brexit also continues to provide uncertainties and it is hoped that whatever new trading relationship is ultimately established with Europe, it will continue to allow for the seamless and efficient movement of goods through UK ports. The Port is clearly not immune to such issues but with a diverse trade base and long term agreements continuing to be put in place, I am certain we are better placed than most to continue to deliver sustained growth and profitability across the Group.

The continued strong performance of the Group enabled 2017 to be a year of investment, with a total of £4.2m committed to several large scale projects across the port estate. Major property developments initiated during the year included the redevelopment buildings in preparation for the arrival of new clients, as well as a full scale redevelopment of the Port's head offices. Service provision was also improved through investments in quayside facilities and equipment. These commitments were supported by a new multimillion pound banking facility with Lloyds Bank that was finalised during the year.

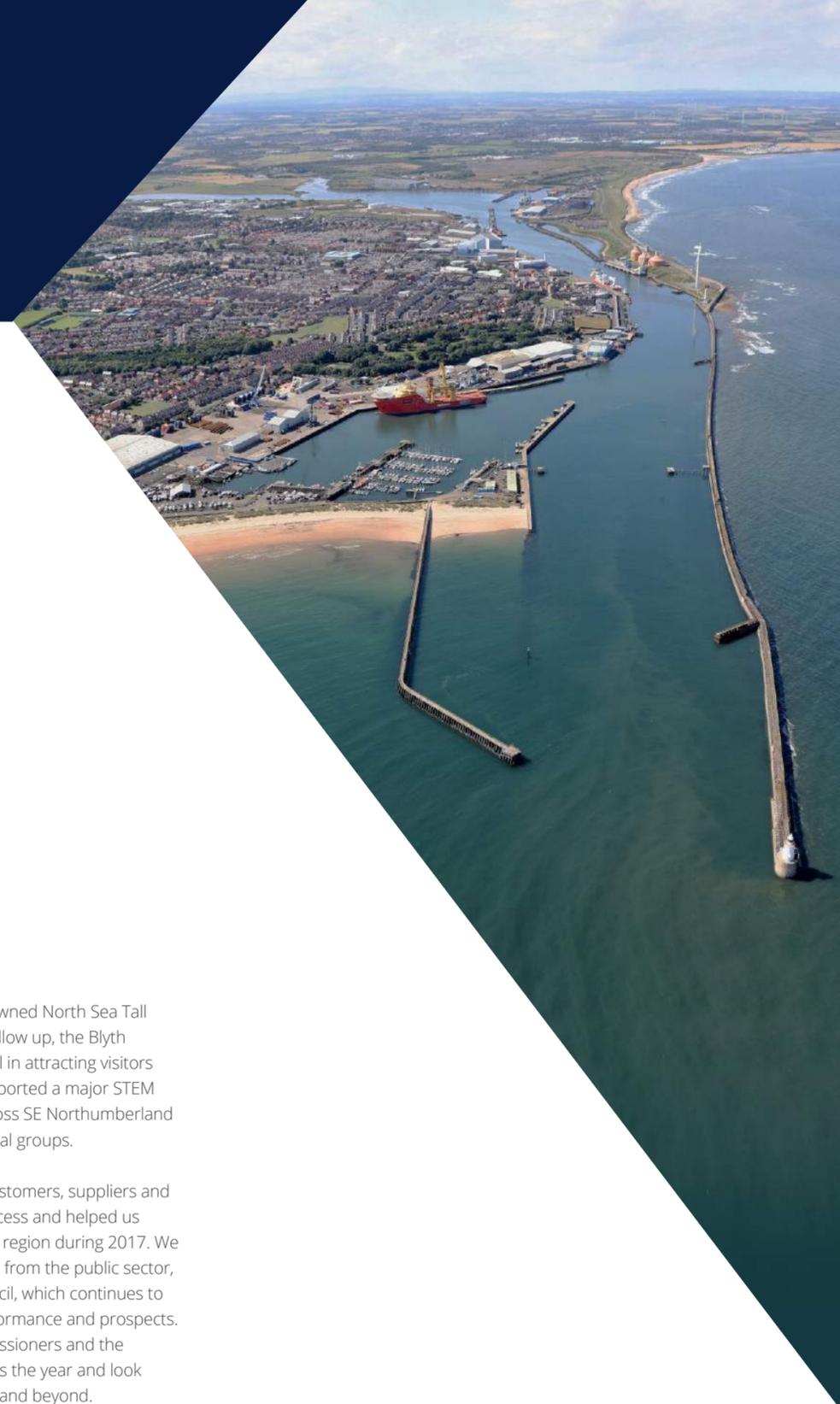
As a Trust Port, we are focussed on delivering benefits to a diverse range of stakeholders and our support for employment and economic activity is now of both regional and indeed national significance. We have seen a number of high profile companies locate to premises in the Port during 2017 and it is gratifying that there are now approximately 500 direct jobs on land around the estuary including our own. Countless more are of course reliant on or linked to Port activity which emphasises our important role as a major economic catalyst for the region.

Another obvious stakeholder benefit provided by the Port during the year was our support of community focussed initiatives.

Following on from the internationally renowned North Sea Tall Ships Regatta in 2016 a Port sponsored follow up, the Blyth Regatta 2017, proved extremely successful in attracting visitors from all over the region. The Port also supported a major STEM educational initiative involving schools across SE Northumberland as well as a host of other charities and regional groups.

As usual we are indebted to a variety of customers, suppliers and partners who have contributed to our success and helped us deliver a wide range of benefits across the region during 2017. We are grateful too for the support we receive from the public sector, particularly Northumberland County Council, which continues to have a positive influence on both our performance and prospects. I would also like to thank my fellow Commissioners and the management team for their support across the year and look forward to further positive results in 2018 and beyond.

**Geoff Hodgson**  
Chairman



# CHIEF EXECUTIVE'S REVIEW



## IN 2017 THE PORT SECURED A NUMBER OF LONG TERM HANDLING AND PROPERTY AGREEMENTS WHICH WILL SERVE US WELL FOR YEARS TO COME. OUR REPUTATION AS A LEADING UK OFFSHORE ENERGY HUB WAS ENHANCED BY SEVERAL HIGH PROFILE PROJECTS AND ATTRACTING A GROWING CLUSTER OF RELATED VESSEL OPERATORS, FABRICATORS AND OTHER SUPPLY CHAIN COMPANIES

Another year of positive financial results in 2017 was underpinned by strong performance from our main port operating business which exceeded £12 million turnover and with an adjusted operating profit of £1.1 million.

The overall volume of cargo handled in the year (including non-seaborne movements) totalled around 1.57 million tonnes, up on budget and volumes achieved in 2016. Vessel deadweight passing through the Port also reached an impressive 2m tonnes, the second highest total on record.

Our core offshore energy sector business (mob/demob, project lifts, reel movements etc) continued to expand with the Blyth Estuary now established as an important energy sector hub. This has been recognised by an increasing list of high profile organisations within the sector that have established facilities in the Port including the additions of DeepOcean, Global Marine Group and EDF Energy Renewables in 2017.

Dry bulk handling remained at the high levels established in 2016 covering a wide range of cargoes including aggregates, cement, grain, alumina, coal and salt. The largest element of this was aggregate movements boosted by a major contract to

handle ballast for the Blyth Offshore Demonstrator Wind Farm site which was mobilised and commissioned in 2017. The non-seaborne movement of coal from road to rail also remained an important element of overall cargo handling with volumes received from regional open cast sites continuing at high levels.

Containerised traffic was actually down on 2016 as exchange rate issues in particular affected the twice weekly short sea service from the continent. However, strong growth in the last quarter largely generated by Port subsidiary Transped gives grounds for optimism for the coming year.

Liquid bulks through the marine fuel terminal were also down a little although the facility will no doubt remain an important element of the Port and is expected to expand throughput in 2018 and beyond.

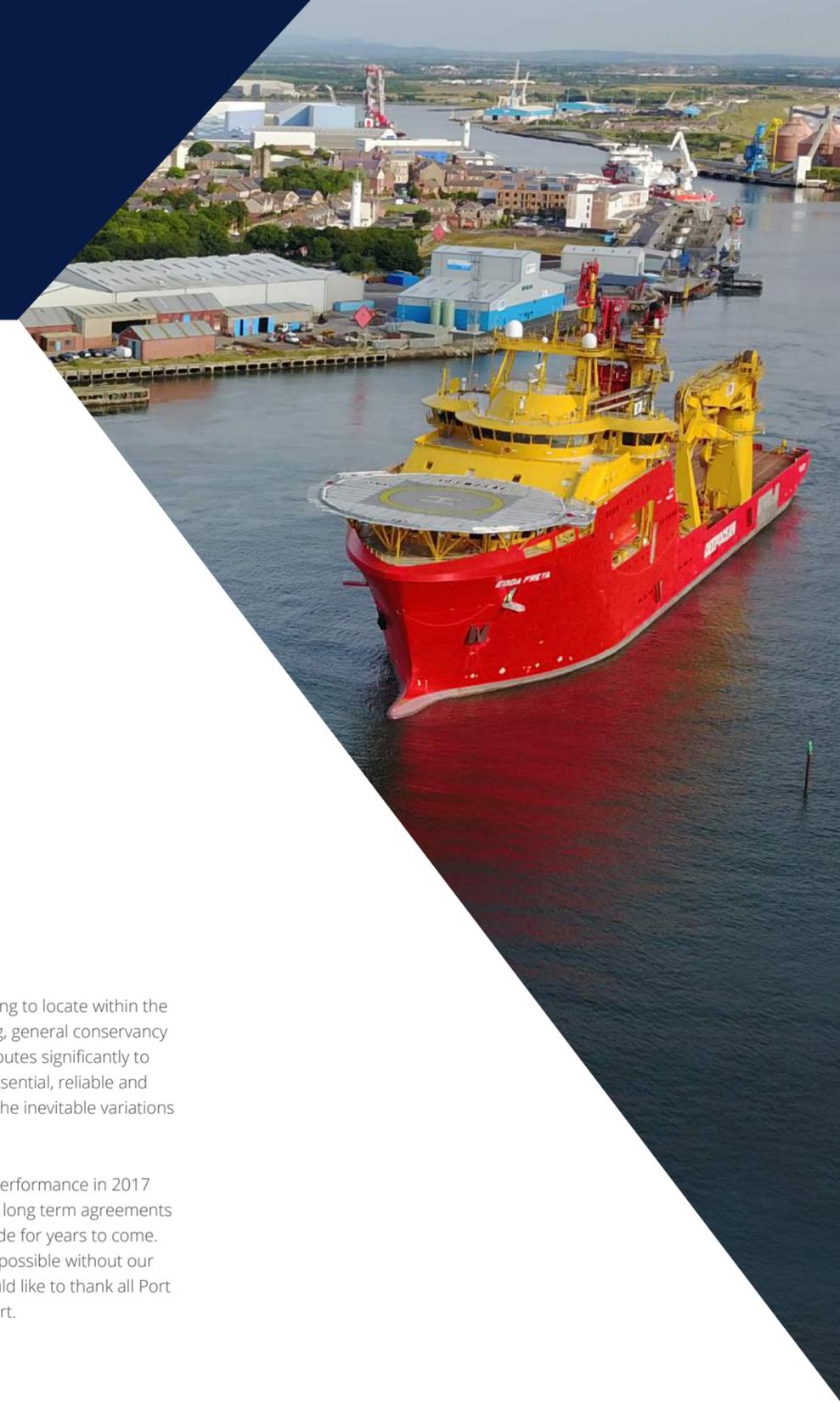
Other cargoes including forest products, metals, bagged and baled items completed the diverse range of cargoes handled during the year.

In addition to cargo handling related income, other revenue streams continue to expand, particularly property revenue

linked to the growing list of tenants wishing to locate within the Port. Together with warehousing, training, general conservancy and haulage income, this not only contributes significantly to overall performance but also provides essential, reliable and stable revenue streams to help balance the inevitable variations in vessel related trade.

It is pleasing to have delivered a strong performance in 2017 and in particular to have secured further long term agreements which will no doubt attract additional trade for years to come. Of course none of this would have been possible without our strongest asset, the workforce, and I would like to thank all Port staff for their efforts and on-going support.

**Martin Lawlor**  
Chief Executive





## PORT OVERVIEW & STATUTE

As a statutory trust, Blyth Harbour Commission is responsible for conservancy and safe navigation on the River Blyth and operates for the benefit of all stakeholders who include commercial and leisure port users, our employees, the local community and the regional and national economy.

An experienced and diverse board of seven Commissioners, including the Chief Executive, oversees the strategic development of the Port and its subsidiaries through bi-monthly meetings with the executive management. A number of committees such as those convened for audit and pension scheme purposes operate and together with an Annual Public Meeting ensure on-going good governance.

Board members are selected for terms of three years with the Chair and Deputy Chair appointed by the Board.

The Port routinely re-invests profits in order to improve the facilities and services offered to all Port users, generating enhanced economic activity and community benefits. As a recognised major UK Trust Port, the Port of Blyth also liaises closely with both regional and national government to ensure that benefits are maximised to stakeholders as a whole.

During 2017 Blyth Harbour Commission continued to fulfil these important duties as well as operating a busy modern commercial port with five main terminals and associated cargo handling services. In addition to its main port business, BHC operates a wholly owned subsidiary Transped Ltd providing complementary port related services. Transped is a well-established international logistics and forwarding company and plays an essential role in attracting trade through the Port.

Although not a separate legal entity, Blyth Harbour Commission also operates a training division, Port Training Services, offering award winning training provision on a nationwide basis. PTS also provide all in-house training ensuring a highly qualified workforce.

Appointments throughout the business are made adopting Nolan principles and best practice from Trust Port guidance with candidates chosen for a range of skills to meet the needs of the business at any given time.



## BOARD MEMBERS (COMMISSIONERS)



**Geoff Hodgson**  
Chairman

Geoff Hodgson spent his early career in sales and marketing roles for multi-national companies including Proctor and Gamble, Diageo and Coca Cola. He returned to the North East in 1994 to work for Newcastle Breweries, ultimately becoming Chief Executive of the Federation Brewery.

He is currently working as an investor, advisor and mentor with a variety of local companies and has held a number of non-executive Board positions including One North East, 2012 Olympic Nations and Regions, North East Tourism, Universal and Newcastle Building Societies and BENE. Geoff is currently involved with NEA2F, The Inn Collection Group and BEG, amongst other interests.

**Geoff was appointed a Commissioner in 2012, became Deputy Chair in 2014 and Chairman in 2016.**



**Stephen Mills**  
Deputy Chairman

Stephen Mills has been a shipping lawyer for 36 years, and until recently was part of the Senior Management Team of North of England P&I Association with offices in Newcastle, Athens, Hong Kong, Shanghai, Tokyo and Singapore. He now acts as a Consultant for the company.

He was a founder partner of law firm Rayfield Mills, the Maritime Solicitors Mediation Service and most recently SeaMediation, his current mediation practice. He is the author of two loss prevention guides; on Bills of Lading (now in its third edition) and Letters of Indemnity. Stephen is now a full-time mediator of shipping and marine disputes.

**Stephen was appointed a Commissioner in 2013 and Deputy Chair in 2016. He is also Chairman of the Trustees of the Port's Pension Scheme.**



**Martin Lawlor**  
Chief Executive

Martin Lawlor was appointed Chief Executive of Blyth Harbour Commission in 2006 having previously held the roles of Deputy Chief Executive and Commercial & Operations Director.

In overseeing the Group, Martin also acts as Chairman of BHC's subsidiary company, Transped.

Prior to joining the Commission in 1994, he held various commercial management roles at the ports of Tees & Hartlepool (now PD Ports).

Martin is a Council Member of the British Ports Association, former Deputy Chairman of the North East Chamber of Commerce (Northumberland Committee) and has held positions on a number of regional economic and strategic boards.



**Andrew Cunningham** | Commissioner



Andrew Cunningham trained as a chartered accountant in London and then worked in Nairobi and Bristol before being made a partner in the Newcastle office of a predecessor firm of PricewaterhouseCoopers. In 1996 he was made finance director of Grainger PLC which became the UK's largest listed residential investor, and then CEO in 2009 before retiring in 2015. Andrew now acts as non-executive director or adviser to a number of North East businesses.

Andrew is a Fellow of the Institute of Chartered Accountants and of the Royal Institution of Chartered Surveyors.

*Andrew was appointed a Commissioner in 2016.*



**Gillian Hall** | Commissioner



Gillian Hall is a highly respected contributor to private and public sector organisations in the region through various non-executive roles, her corporate finance consultancy business and mentoring for growth.

Gillian was the first female Senior Partner at Watson Burton LLP, a national law firm with offices in Newcastle, Leeds and London, and before that, led the firm's corporate team for many years. Her current roles include sitting as a board member of the North East Local Enterprise Partnership, where she is joint lead on innovation and a member of the North East Investment Fund board.

*Gillian was appointed a Commissioner in 2014 and is also a Trustee on the Port's Pension Scheme.*



**Dr Alan Lowdon** | Commissioner



Alan Lowdon has over 30 years' experience of the international energy and utilities sectors, focussed on technology, innovation, commercialisation and new venture creation in particular. This has included working for organisations such as NEI, British Gas, Shell, ITI Energy, Narec, Mott MacDonald and SKM. He is an advisor to UK, US and EU governments on offshore renewable energy.

Alan is a chartered mechanical engineer, also holding BSc, MSc and PhD degrees in engineering mathematics as well as an MBA from the University of Durham Business School. In addition, Alan also holds visiting appointments at both Durham and Northumbria Universities, is a non-executive director of two cleantech businesses, a board member of NOF Energy, and in 2016 was appointed to the Chair of the NELEP Innovation Board.

*Alan was appointed a Commissioner in 2013 and is also a Trustee on the Port's Pension Scheme.*



**Catherine Young** | Commissioner



Catherine Young qualified as a chartered accountant with KPMG before going on to spend time both in practice and industry, including with PwC and Reg Vardy PLC. Catherine has also held several advisory and non-executive roles including as Chair of audit committee at national charity Breast Cancer Care and as a Governor at the University of Sunderland. Catherine has been a Non-Executive Director at the North East Ambulance Service since early 2015 where she is currently Vice Chair and also Chair of Finance Committee.

Catherine sits on the Northern Regional Strategy Board for the Institute of Chartered Accountants and delivers further finance and accountancy related appointments via accountancy business Wetton Young Limited. Catherine brings her experience in governance, board reporting and accountancy to her role as Commissioner.

*Catherine was appointed a Commissioner in 2015 and is also Chair of the Audit Committee and a Trustee of the Port's Pension Scheme.*

# EXECUTIVE MANAGEMENT



**Martin Lawlor**  
Chief Executive



Martin has been Chief Executive of the Port since 2006 and also acts as Chairman of Blyth Harbour Commission's subsidiary company, Transped. Prior to joining the Commission in 1994, he held various commercial roles at the ports of Tees & Hartlepool. Martin is a Council Member of the British Port's Association and has also held a number of regional economic and strategic Board positions.



**Alan Todd**  
Port Director



Alan joined the Port in 2004 and as Port Director is responsible for overseeing the Operations and Engineering departments, as well as assisting the Commercial team on new customer opportunities. Having qualified as a Chartered Civil Engineer, Alan previously worked for Volker Stevin as a contracts manager and Corus as a specialist advisor in the construction of quay structures around the world.



**Captain Martin Willis**  
Harbour Master



Martin was appointed Harbour Master of the Port in 2011. An Associate Fellow of the Nautical Institute and a member of the Society of Consulting Marine Engineers & Ship Surveyors, Martin is Vice President of the UK Harbour Masters Association and a member of its national executive council. Martin is also a member of the joint British Ports Association & UK Major Ports Group Marine & Pilotage steering committee.



**Oran Robson**  
Finance Director



Oran joined the Port in 2016 and as Commission Secretary and Finance Director is responsible for both Finance and IT operations. Oran qualified as a chartered accountant with Ernst & Young before holding management positions at Rolls-Royce PLC and The Character Group PLC, more recently fulfilling a similar senior role at Canford Group PLC for over 16 years. Oran is a Fellow of the Institute of Chartered Accountants.

# FINANCE

On-going strong financial performance saw the Port achieve its third best results on record. Largely driven by the core port operating business, logistics subsidiary Transped also contributed to these positive results.

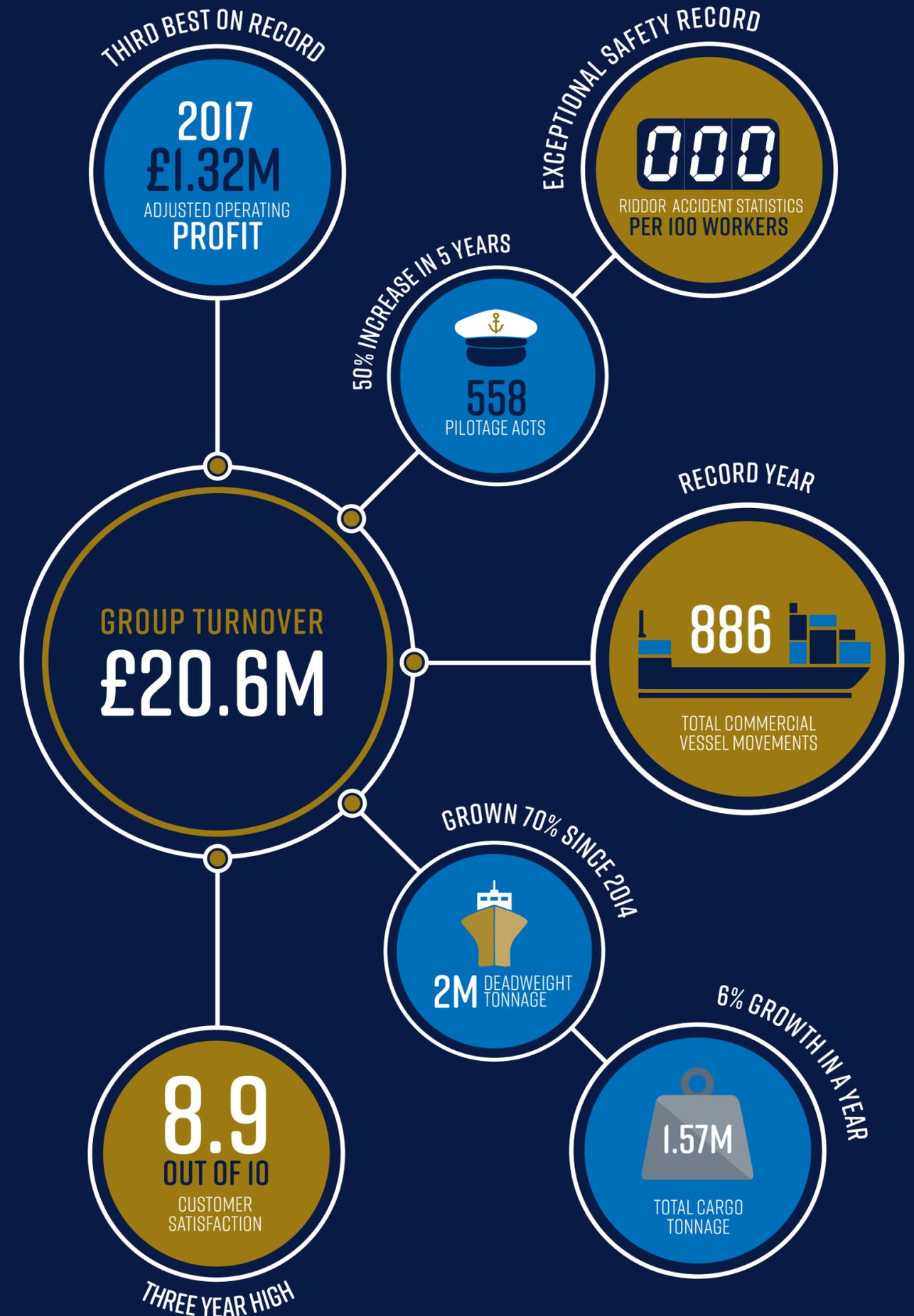
## Financial results

GROUP PERFORMANCE INDICATORS	2017	2016	2015	2014	2013
Turnover (£'000s)	20,561	23,160	19,817	17,801	17,742
EBITDA (£'000s)	2,647	3,662	2,879	1,895	2,097
Operating profit (£'000s)	959	2,107	1,445	606	787
Adjusted operating profit (£'000s)*	1,325	2,082	1,657	849	1,015
Profit before taxation (£'000s)	700	1,878	1,199	418	720
Adjusted profit before taxation (£'000s)*	1,066	1,853	1,411	661	948

PORT PERFORMANCE INDICATORS	2017	2016	2015	2014	2013
Turnover (£'000s)	12,097	13,126	11,114	8,942	10,320
Operating profit (£'000s)	739	1,693	1,204	322	848
Adjusted operating profit (£'000s)*	1,105	1,668	1,416	565	1,076
Profit before taxation (£'000s)	587	1,671	1,114	289	787
Adjusted profit before taxation (£'000s)*	953	1,646	1,326	532	1,015
Total throughput inc road / rail (tonnes)	1,574,000	1,475,000	1,905,000	1,705,000	1,711,000
Total throughput seaborne only (tonnes)	677,000	789,000	675,000	545,000	610,000
Customer service feedback (scale 1 to 10)	8.90	8.50	8.82	8.91	8.91
RIDDOR accident statistics (per 100 workers)	0	0.86	0.00	0.9	1.8

The above data is extracted from the Annual Report and Financial Statements approved by the Commissioners and upon which the auditors have provided an unqualified audit opinion for the years shown.

\* Adjusted operating profit and adjusted profit before taxation are operating profit and profit before taxation excluding the impact of current and past service pension costs. As this is a non cash impact, which can be volatile from year to year, the Commissioners believe its exclusion presents a fairer presentation of performance. In addition, 2016 excludes the impact of other operating income from one off fixed asset disposals.



# MARINE

Port of Blyth's Marine Services department experienced an extremely busy year in 2017, again setting records for commercial vessel movements whilst safely undertaking some of the most challenging marine projects in the Port's history.



## MOVEMENTS & PILOTAGE

The Port's Marine Services team logged 866 commercial vessel movements in 2017 which represents a 3% growth on last year's figures and another record year. An exceptionally busy period again saw a total of more than 10,000 vessel movements recorded on the river once small craft and commercial fishing vessels were factored in to the statistics.

Pilotage acts were slightly reduced on 2016's exceptional record levels, however 2017 saw the third highest total ever recorded with 588 pilotage acts completed. For the second year running the Port again exceeded the 2 million total deadweight tonnage of vessels entering the river. The largest vessel visiting the Port during 2017 was the bulk carrier Global Arc at 180m LOA and 33,400 DWT.

The Marine Services department also continued to work closely with Blyth's commercial fishing fleet whose numbers remained healthy at 30 registered vessels.

## LEGISLATION & PLANNING

The Port Marine Safety Management System was internally audited during 2017 with marine safety performance at the Port consistent with the high standards achieved during previous external audits.

A new edition of the Port Marine Safety Code was issued by the Department for Transport in 2017 and the Port remains fully compliant with the code and adheres to best practice guidance in all marine operations.

Trinity House undertook their annual audit of navigation aids and the Port remained fully compliant with all relevant legislation.

All other marine plans (Oil Spill Response Plan, Port Emergency Plan and Port Waste Management Plan) were effectively managed during the year to ensure ongoing compliance with relevant codes and legislation. No marine pollution incidents were recorded during 2017.

## SECURITY

Port security and control remains a key priority at the Port's main operating terminals. South Harbour (container/Ro Ro), Bates (chemical, oil & gas) and Battleship Wharf & Wimbourne Quay (other bulk cargo) all therefore continued to operate under and comply with the International Ship and Port Facility Security Code.

A major port security exercise was conducted in September meeting the DfT Marine Security Resilience Division's

requirements. All the relevant security & emergency services participated in what was a very successful exercise.

## DREDGING & CONSERVANCY

In order to maintain operating depths within the estuary and its approaches, dredging campaigns were undertaken in both the spring & autumn with 236,000 tons of spoil removed from the harbour. This spoil was deposited in the strictly controlled disposal ground off the Port which remains licensed by the MMO until May 2018.

Trinity House conducted their annual inspection of Aids to Navigation in November with no defects recorded and therefore the Port remains compliant as a local lighthouse authority.

## MARINE SERVICES DEPARTMENT

The Marine Services team continued to operate a 24/7 port control function, overseeing all vessel movements and marine safety requirements during 2017. The Harbour Master is now assisted by a Deputy Harbour Master and two Assistant Harbour Masters.

The department now has five authorised, competent port pilots and a trainee within the team and operates two MCA certified pilot launches and a port tug/work boat. The vessels were heavily utilised during the year, not only on the River Blyth but also providing services to other North East ports and external hire clients.



★ THE PORT LOGGED A RECORD 866 COMMERCIAL VESSEL MOVEMENTS IN 2017

# ENVIRONMENT

Conservation and protection of the marine environment in and around the estuary of the River Blyth is a high priority for the Port in terms of managing our operations within regulations and supporting the environment.

## ENVIRONMENTAL PRIORITIES

Our commitment to protecting the environment is reflected in many activities across our five terminals. The Port has a robust recycling culture embedded into the business. Commercial waste, including wood, is recycled wherever possible meaning a very low percentage of waste from the Port reaches landfill. All hazardous wastes are correctly processed off site.

The use of solar powered and energy saving lighting is common place throughout warehouse and office facilities at the Port in both internal and external areas, while dust suppression and noise reduction measures are implemented as standard wherever possible.

The Port only invests in plant and machinery that is both fuel efficient and designed to minimise noise pollution if at all possible. The Port considers all suitable environmentally friendly measures when refurbishing existing buildings or constructing new ones. The recent refurbishment to the Port of Blyth's offices at the South Harbour terminal included many such energy saving features.

## MARINE CONSERVATION

In 2017 the Port continued to work closely with conservancy bodies to ensure that the SSSI and SPA conservation areas within its statutory limits were not adversely affected by port operations.

The Port supports the principle of protecting important marine habitats and works with the relevant agencies to

ensure that environmental designations allow the port to operate efficiently and expand whilst still achieving the required level of protection.

Having seen the Marine Conservation Zone (MCZ) NG13 officially designated in 2016, this site for conservation is located immediately adjacent to the port statutory harbour limits and dredge disposal site and will require on-going consultation with the marine management organisation & Natural England moving forwards.

Further EU environmental designation was confirmed during 2017 regarding the extended Northumberland Special Protection Area (SPA), designated under the EU Birds Directive to protect rare, vulnerable and migratory birds.

The Port continues to engage with Natural England & the Marine Management Organisation regarding the management of the MCZ & the marine extension to the Special Protection Area (SPA) covering Northumberland and will have an important role to play in ensuring environmental protection whilst still allowing for the function of a busy commercial port.

## REGIONAL ENVIRONMENTAL PLANS

Port of Blyth continues to play a supporting role during the consultation process on the Marine Management Organisation's North East Marine plan, with designation expected in 2020.

Split into two sections, the NE offshore marine plan area covers a marine area totalling approximately 50,000 square



kilometres of sea. Meanwhile, the NE inshore marine plan area covers an area of coastline stretching from Flamborough Head in Yorkshire to the Scottish border and covers over 6,000 square kilometres of sea.

The Port has also supported the creation of the Berwick and Northumberland marine nature partnership, a collaboration of more than 20 Scottish and English organisations responsible for managing local inshore waters.

## OIL SPILL RESPONSE BASE

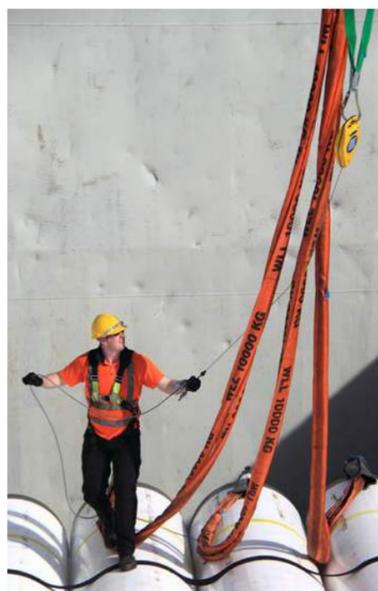
The Port plays a part in minimising the effect of offshore oil industry emergency incidents on the marine environment. Oil Spill Response Ltd, the world's largest international and industry funded cooperative which exists to respond to oil spills across the globe, continues to deliver their northern hemisphere services through a base at the Port of Blyth alongside other strategic sites in Rio de Janeiro and Singapore.



★ PORT CONTINUED AS ONE OF ONLY THREE WORLDWIDE BASES FOR INTERNATIONAL OIL SPILL RESPONSE ORGANISATION

# PORT OPERATIONS

Operations at the Port of Blyth experienced another busy year with a peak of activity over the summer months helping to boost cargo throughput.



## OFFSHORE ENERGY

Offshore energy sector support remained a key operational focus with general mobilisation and demobilisation of offshore vessels requiring significant operational resources throughout the year.

The Port undertook a significant role in supporting client DeepOcean on the Nemo interconnector cable project based at our Battleship Wharf terminal. This involved the transpooling of approximately 5000 tonnes of power cable from a large deep sea vessel directly to DeepOcean's installation vessel. Total work on the project lasted 30 days working 24 hours per day within the Port.

The Operations department also supported Royal IHC to reload a 2500

tonne J-lay tower system, the largest of its kind in the world, onto a barge and then manoeuvre it from a horizontal position to a vertical one. This involved the largest ever lift to be undertaken in the Port at over 650 tonne and was completed using a super lift crane positioned 10m behind the quay edge.

The Port continues to be heavily active in servicing the wind sector during changing but exciting times. This was reflected in an increase of offshore projects supported through the Port and a reduction of onshore turbine pieces handled in 2017.

EDF Energy Renewables' Blyth Offshore Demonstrator Wind Farm project saw the construction of five large turbines just off the coast of Blyth. The Port's Operations team supported this with over 60,000 tonnes of sand transhipped via our Battleship Wharf terminal. The sand was used for ballasting the large concrete gravity bases for the 8 MW turbines which were installed during September 2017.

Port of Blyth continued to work with the ORE Catapult at Blyth which received a number of the world's largest prototype wind turbine blades into their facility on the river during the year with logistics and operational assistance provided by the Port.

Having developed a strong offshore energy offering in recent years, Port of Blyth continues to play a significant supporting role in the growth of the green, renewable energy market and saw its reputation for undertaking and managing complex heavy lifts and related activities enhanced again in 2017.

## CONTAINER SERVICE

The twice weekly container service from Holland continued to operate smoothly with the service remaining highly reliable and providing a valued service to clients across the UK. Operations on this were supported by the purchase of an additional reach stacker which was also used extensively for handling project components within South Harbour.

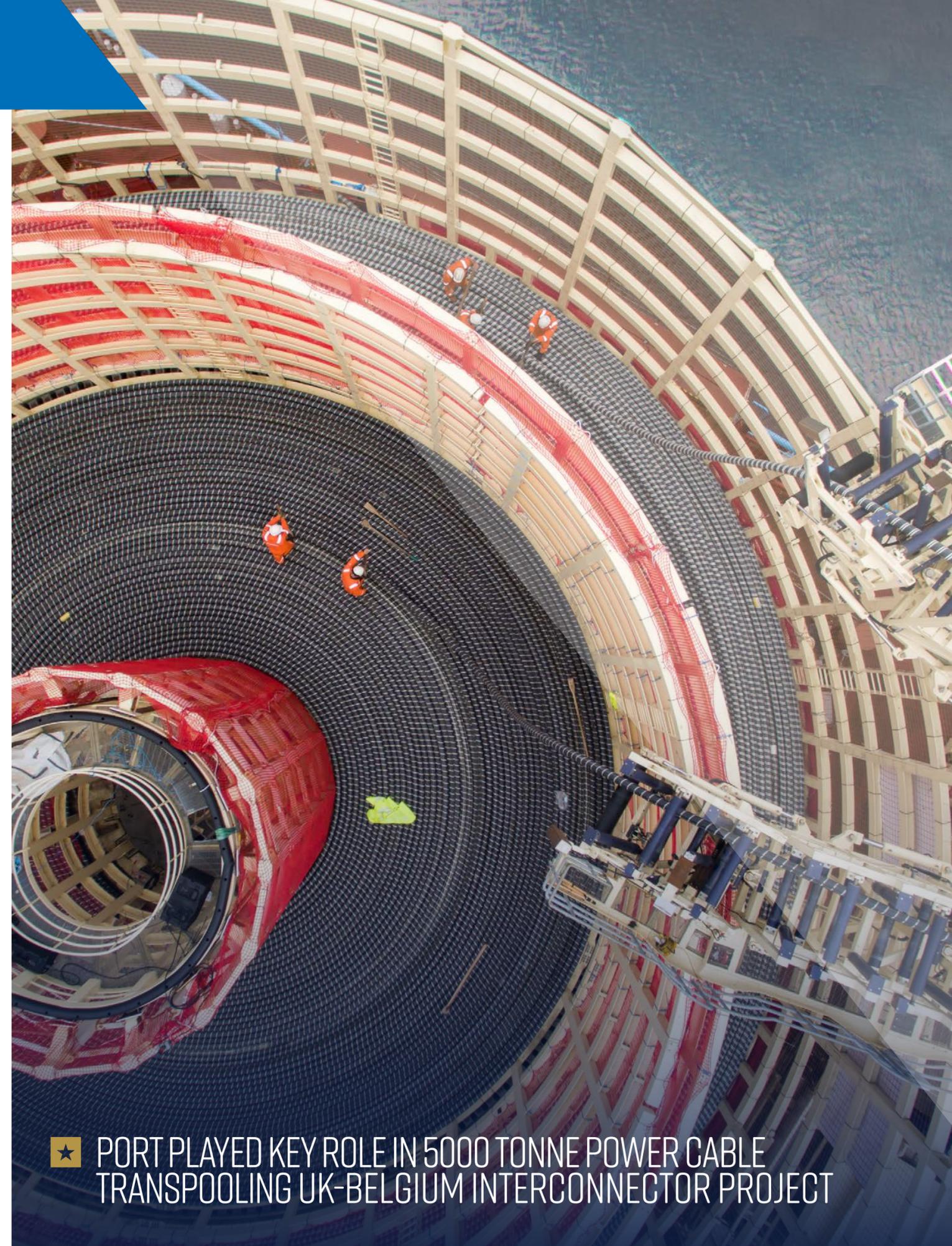
## BULK HANDLING

The Port's Battleship Wharf bulk handling terminal remained busy throughout the year. Volumes of road to rail coal handled at the terminal on behalf of a number of clients remained at similar levels to 2016 with multiple loads per day for onward delivery to power stations across the UK overseen by our busy operations team. The handling of sand and cement imports also contributed to a productive year for bulk cargo handling in Blyth.

The Port continued to support Liberty Group on the unloading of alumina at our SUF bulk terminal. The Port's engineering department oversaw significant improvement works on the storage silos and ship unloader on site which will see both increased productivity and reduced risk of plant failure in the future.

## LABOUR AND EQUIPMENT

The Operations department utilised 15,000 hours of contract labour through the specialist port agency Ship 2 Shore and ran a comprehensive maintenance programme to ensure all plant and machinery remained in service throughout the year.



★ PORT PLAYED KEY ROLE IN 5000 TONNE POWER CABLE TRANSPOOLING UK-BELGIUM INTERCONNECTOR PROJECT

# PORT DEVELOPMENT

Development of the Port estate continued at a swift pace in 2017 as a range of projects moved through planning, construction and completion during the year.



## PLANNING & LICENCING

During 2017 the Port's permit application for the development of a 2.3 hectare decommissioning facility within the Battleship Wharf terminal was approved by the Environment Agency. Construction of the facility will now be timed to meet demand for North Sea oil and gas decommissioning activities that are expected to develop in the coming years.

Planning approval was granted for a new bulk warehouse at Battleship Wharf and for the construction of a new flood protection wall between Wimbourne Quay and Bates terminals in partnership with the Environment Agency.

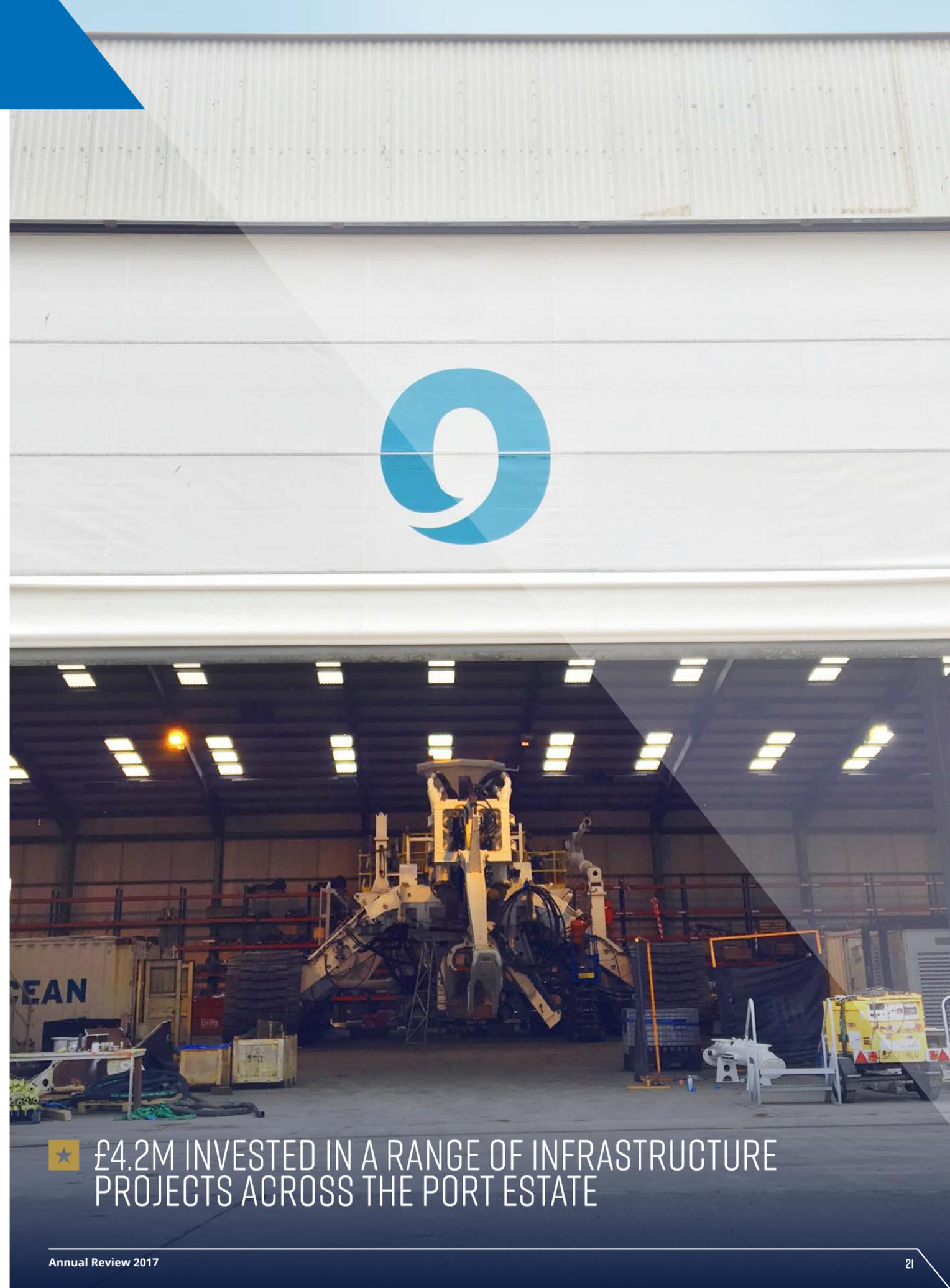
Meanwhile, an application for the redevelopment of the quay at Bates terminal was submitted to enable the berth to be used for heavy lift and vessel mobilisation operations. It is anticipated that work to strengthen the quay will commence during 2018.

## PORT OFFICE REFURBISHMENT

The Port's main office building, which was formally opened by the Duchess of Kent in 1986, was given a new lease of life in 2017 with a significant upgrade. A leading regional construction company won the tender and successfully completed the project, working closely with Port staff to

minimise disruption while undertaking the building work in what remained an operational building.

Significant investment in the project enabled the installation of a large extension to create a modern reception area, new meeting rooms and a feature boardroom. Internal office spaces were extensively remodelled to suit modern working practices with the rewiring of communications systems and energy efficient lighting, decoration and new furniture throughout providing the finishing touches. Improvements were also made to the exterior of the building, preparing it for the next 30 years of its use as it enters an exciting period in its history. >



★ £4.2M INVESTED IN A RANGE OF INFRASTRUCTURE PROJECTS ACROSS THE PORT ESTATE



These works enabled the Port of Blyth subsidiary Transped Ltd to relocate from their previous base in the Port to the refurbished Port office. The move saw Transped's staff take over an area of the main offices, which offers the company many benefits including shared reception and staff facilities along with long term savings in relation to utilities and services.

### NEW WIND FARM O&M BASE

Transped's former building within the South Harbour terminal was completely refurbished itself and transformed into an office space for incoming client EDF Renewable Energy. The company, who required an operations and maintenance base for the recently developed Blyth Offshore Demonstrator Wind Farm, moved into the space in late 2017 once work to install new facilities and amenities into the building had been completed.

A brand new adjoining 180m<sup>2</sup> workshop was completed by the Port's technical team working in partnership with a leading construction contractor to complete the base on behalf of EDF Renewable Energy who expect a team of 15 staff to work from

the base in order to maintain the wind farm. Improved pedestrian access to the company's berth on a nearby pontoon from the new facility including upgraded pathways and lighting was also installed as part of the development.

### MAJOR WORKSHOP & OFFICE FACILITY AT SOUTH HARBOUR

Two former storage warehouses in the South Harbour terminal have been transformed to create a new strategic base for storage, repair and maintenance of a wide range of offshore equipment for leading offshore contractor and new Port client DeepOcean.

The works included the construction of new office space totalling 1000m<sup>2</sup>, the installation of 4 overhead cranes and new mega doors as well as general refurbishments to internal and external areas. Having completed the initial phase of the works in December 2017, the Port is working with external construction contractors to complete additional works in 2018 to create a modern offshore base for this new Port customer.

### REFURBISHED WORKSHOP & OFFICE FACILITIES AT WIMBOURNE QUAY

Another new tenant of the Port in 2017, Global Marine Group moved into a significantly refurbished warehouse at our Wimbourne Quay terminal in October. Completed over a period of five months the works included the installation of overhead cranes, additional lighting and a brand new office space.

Designed to be a northern operational base for the company, the facility will offer mobilisation and demobilisation support to their fleet of vessels.

### OTHER UPGRADES AND SITE WORKS

Building improvements and maintenance continued across all terminals with further substantial upgrading works of existing warehousing being focused largely on the removal and disposal of asbestos cement cladding.

Working on behalf of client Osbit, the Port completed improvements to their base in Blyth with the installation of a new 15t overhead crane and an upgrade to their office facilities.

The Port's ro-ro pontoons were subject to significant improvements with shot blasting and repainting work on the main vehicle access bridges being completed during the summer months, therefore prolonging their use.

A number of groundworks projects were completed during 2017 to deliver improved working environments around the Port including a substantial investment made into the resurfacing of berth no 2 at our Battleship Wharf terminal.

# TRAINING & SAFETY

Port of Blyth's excellent safety record is a direct consequence of our commitment to Health and Safety and the dedicated work of award winning subsidiary Port Training Services. Such is their reputation that many other ports across the UK now routinely utilise their services to ensure their staff are as well trained as ours.

## TRAINING OUR STAFF

The Port's highly skilled, dedicated and flexible workforce continued to be the principal key asset of the business in 2017. High quality training backed up by continued personal development for all staff is considered a priority with Port Training Services (PTS) ensuring all workers receive world class tuition.

All port workers are trained to at least NVQ level 2 or Port Apprenticeship standard with specialist training on equipment such as cranes and heavy plant also undertaken on an on-going basis to ensure staff attain the high standards demanded by our customers.

We consistently review our training programme to ensure that it reflects the changing demands of the port business particularly in relation to heavy and specialised lift operations, safe working at height and rescue. The Port continues to invest heavily in both safety training and new safety equipment.

## LEADING REPUTATION

Port Training Services remains a leading national provider of high quality port related training across the sector and continues to be at the forefront of the provision of port apprenticeships and NVQ's across the UK. In 2017, Port Training Services supported more than 60 apprentices from a range of UK ports to complete their studies.

In addition to supporting the development of workforces at other UK ports, PTS also delivered a number of training courses during the year to staff at major clients

including Royal IHC, Deep Ocean and Global Marine Group.

The Port is a major hub for all aspects of the offshore renewable energy sector and through its partnerships with Northumberland College and other training providers, PTS is ensuring that Blyth remains at the forefront of training in the sector. PTS was also happy to support Maersk Training's expansion into the provision of sea survival courses at the Port Training Centre which opened in 2016. The centre is the focal point of the £2m Blyth Education and Community Hub (BEACH) and has quickly become known as an attractive conference and meeting venue.

Meanwhile, external courses in relation to forklift truck, heavy plant and crane training are provided on an on-going basis to clients across the wider region. The training centre remains accredited with all relevant awarding bodies including NPORS, RTITB, SQA and EAL.

Port Training Services closely supports the excellent work of the Blyth Tall Ship Project in inspiring and assisting the young and unemployed to gain skills and ultimately permanent jobs. Such training includes NVQ and Apprenticeships in traditional wood and metal working trades all based around boat building.

## HEALTH & SAFETY

The Port delivered an exceptional safety record for the year with no reportable accidents occurring, comparing favourably to national statistics largely as a result of the safety first approach of all employees.



During 2017, the Health, Safety & Quality team reviewed and updated all policies and procedures, undertaking extra site, operations audits and are now ready to apply for OHSAS 18001 accreditation.

Numerous works around the Port's terminals helped to ensure the safety of all staff, visitors and contractors with further segregation of vehicles from pedestrians and a continued emphasis on reducing vehicles speeds contributing to safe operation in increasingly busy areas. During 2017 a Tenants Safety document was produced that is designed to work in harmony with clients' own Health & Safety policies, while the roll out of drug and alcohol testing contributed to a safer working environment.

On a national level both the HR & Safety Manager and the Training Manager remain actively involved in the Port Skills & Safety Group helping to promote good practice across the industry.

The Port continues to retain a prestigious Gold Award from the NHS sponsored Better Health at Work programme.



★ **EXCEPTIONAL SAFETY RECORD FOR THE YEAR WITH ZERO REPORTABLE ACCIDENTS OCCURRING**

# FORWARDING & LOGISTICS

Port of Blyth subsidiary Transped continues to provide comprehensive forwarding and logistics support to clients across world with a focus on adding value throughout their service.



## TRANSPED

Nearly twenty years old, Transped has developed into a multi-million pound business based on the sound principles of providing a highly professional and customer focussed service. In 2017, the company performed well with good growth from its packing division and strong third and fourth quarters from its liner services.

The company continued to provide a twice weekly container service linking the Port of Blyth to Moerdijk in Holland.

## WAREHOUSING

Modern warehousing within the Port of Blyth's secure South Harbour terminal enables Transped to offer customers cost effective stock holding and just-in-time deliveries which were consistently busy throughout the year. The handling of paper, tissue and board together with a

range of other consumer products was a key element of Transped's trade in 2017.

With interest from customers in the food industry, towards the end of the year the Port embarked on an extensive upgrade to a warehouse to make it suitable for holding food. This should see additional loads carried by Transped from Europe for UK distribution in the coming year and is a new market to be explored further once British Retail Consortium (BRC) accreditation is achieved.

## PACKING SERVICE

Transped's export packing department which operates from Port premises at Wimbourne Quay had a strong year as they expanded their customer base and invested in several new pieces of equipment. The department specialises in packaging equipment into large crates mainly for sea transporting.

## HAULIER & AGENCY PARTNERSHIPS

Transped's continued success was supported by a network of partner UK hauliers and a dedicated continental agent to ensure that efficient and reliable services were maintained. Whilst Blyth is the preferred port of entry, Transped have also developed good partnerships with other continental/UK short sea services and ports to ensure cost effective transportation of goods for its clients.

Worldwide logistics are undertaken with knowledgeable staff having contacts with shipping and haulage agents around the world including the USA, China, the Baltic States and the Mediterranean. Trained staff can also provide services in relation to customs procedures on the movement of goods, meaning customers can rely on Transped as a single point of contact for all of their logistics needs.



★ EXPORT PACKING DIVISION GREW BUSINESS BY 30%

# STAKEHOLDERS & THE COMMUNITY

As one of the UK's major Trust Ports, Port of Blyth is an independent organisation governed by its own statute, serving a wide range of stakeholders including commercial and leisure port users, staff, the community and the wider region.



## COMMUNITY FOCUS

In 2017 the Port held frequent and broad consultations with a variety of bodies and organisations. Locally our residents and port users' liaison groups were well received whilst regionally & nationally we continued to liaise with colleagues in the public and private sectors. The Port's Annual Public Meeting in April 2017 drew a positive response from all stakeholder groups.

The Port also continued to take a leadership role in the local community, offering support to a consortium of local educational stakeholders in the formation of the Blyth STEM Hub which provides significant opportunities for learning at the Port. Further partnerships with local colleges and universities created numerous positive projects throughout the year.

Our annual community photography competition attracted hundreds of fantastic entries and was won by Ann Miller for her photograph 'Sun setting over the Port' which features on the front of the Port of Blyth Calendar for 2018.

## NON COMMERCIAL PORT ACTIVITY

Blyth Harbour Commission is not just focused on large scale commercial traffic with the river home to two lifeboats, a fishing fleet, a university research vessel, the Royal Northumberland Yacht Club and numerous other leisure craft users as well as the Williams II, Blyth's own tall ship.

The former Baltic trader is owned by the Port-backed Blyth Tall Ship Project that provides significant opportunities for young people not in employment, education or training. The vessel

is currently being refurbished by trainees and will set sail for Antarctica in 2019 to mark the 200th anniversary of the historic journey made by Blyth based Captain William Smith who first discovered Antarctica in 1819.

The river welcomes many anglers, water sports enthusiasts, walkers and other visitors who enjoy access to the river.

## SPONSORSHIP & SUPPORT

In 2017 the Port increased its support for good causes with a particular focus on assisting charities and initiatives who promote health and welfare, community cohesion, maritime heritage and the advancement of marine engineering related learning.

The Port-sponsored Blyth Regatta 2017, hosted by Blyth Development Trust and Blyth Tall Ship, was designed as a follow up to the North Sea Tall Ships Regatta that Blyth successfully hosted in 2016. The family friendly event that focused on the seafaring heritage and history of Blyth, proved to be a huge success and will return in 2018.

Our support of resident's groups based close to the Port continued this year with financial and in-kind support for many community based projects. We also supported a local school's entry into a Formula 1 inspired engineering competition.

The Port's 'Containers for the Community' scheme, where used shipping containers are donated to good causes in Blyth, was oversubscribed while our 2017 Christmas appeal was in aid of the local branch of the Royal Artillery Association who support veterans and their families in Blyth.

The Port continued as a leading sponsor of the town's successful National League North football club Blyth Spartans AFC and through its logistics subsidiary once again supported the Transped Blyth Valley 10k run. In 2018 the race will be renamed the Port of Blyth 10k, as the organisers look to cement its position in the local sporting calendar.

The Port was a proud sponsor of Northumberland Live 2017, Blyth Town Council's free music festival where a number of national and local bands, headlined by The Undertones, entertained a lively crowd of 15,000 people.



★ PORT SPONSORED BLYTH REGATTA 2017 ATTRACTED 28,000 VISITORS TO BLYTH QUAYSIDE

Having enjoyed significant growth over recent years resulting in a reputation as one of the UK's leading offshore energy bases, the Port of Blyth's success is set to continue with the growth of offshore wind and the development of major wind farms in the North Sea.

The next couple of years are set to be an extremely exciting period for the Port with a number of substantial investments planned and numerous prospects in the pipeline. Key to these opportunities and investments is the port estate which will experience several significant changes in the coming years.

With our South Harbour terminal operating at near full capacity following the arrival of several new tenants in 2017, attention has turned to a scheme to combine the underutilised Bates terminal with the adjacent Wimbourne Quay. Providing up to 8 hectares of additional development land, including an area with Enterprise Zone Status, this development will see a larger, more flexible terminal with a focus on much needed short to medium term expansion opportunities.

The Port successfully applied for a decommissioning licence from the UK Environment Agency in relation to a 2.3 hectare site at our Battleship Wharf terminal. With oil and gas decommissioning activities set to ramp up in the North Sea during 2018/19, the granting of this licence enables the Port to plan for a significant new revenue stream for the future by preparing the site and taking the opportunity to market in the coming months and years.

Elsewhere on the wider estuary, the Port will continue to be a partner in the Energy Central initiative launched by Arch, Northumberland County Council's development company, in 2016. Designed to promote further development and economic activity around the estuary, the project includes the 35 hectare+ former Blyth Power Station site which will shortly take a significant step forward with a £25 million+ redevelopment. These works include a new deep water quay and a significant land remediation programme. A number of potential, major tenants from the offshore energy industry have shown interest in the site.

Further along the north side of the river the world's longest electricity interconnector will come ashore upon completion

of this complex project in 2021. The North Sea Link will connect the electrical supplies of Norway and the UK and will generate considerable economic benefit to the region and local employment opportunities as well as additional port activity.

The Port is working with partner Northumberland College on a training facility relating to both the construction of wind turbine generators (WTGs) and the loading and securing of WTGs & subsea equipment on land and onto waterborne supply vessels. The facility will be unique in the UK, helping to develop much needed skills and as such should prove to be a significant asset to the North East's subsea and offshore industry.

It is clear that these sectors will continue to form an important element of Port of Blyth's trade for the foreseeable future. With tendering for major projects in both the oil & gas and wind industries now underway for 2019 and 2020, the Port anticipates a busy few years ahead with considerable potential inward investment on projects featuring cable handling and storage, wind turbine foundations and jack up operations in particular.

In the last five years the number of jobs on Port land has doubled to approximately 500. With so many potential opportunities on the horizon and with the support of key partners such as Northumberland County Council, the Port is confident that over the next five years it will be possible to double that total to 1000 jobs on the Port estate.

As a result of the above opportunities the Port remains extremely confident of substantial future growth and will surely play an increasingly significant role in the regional and national economy. The Port remains determined to maximise the benefits enjoyed by all stakeholder groups and intends to build on its role as a modern Trust Port valued by all.



**“ THE PORT REMAINS EXTREMELY CONFIDENT OF FUTURE GROWTH AND DEVELOPMENT THAT WILL ENABLE US PLAY AN INCREASINGLY SIGNIFICANT ROLE IN THE LOCAL AND REGIONAL ECONOMY GOING FORWARD WHILST ALSO MAXIMISING BENEFITS TO OUR WIDE AND VARIED GROUP OF STAKEHOLDERS ”**

**Martin Lawlor**  
Chief Executive



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