

★ ★ ★ ★ ★
PORT OF BLYTH



PORT OF BLYTH ANNUAL REVIEW 2019

CONTENTS

CHAIR'S STATEMENT	4	PORT OPERATIONS	18
CHIEF EXECUTIVE'S REVIEW	6	PORT DEVELOPMENT	20
PORT OVERVIEW & STATUTE	8	TRAINING & SAFETY	22
FINANCE	12	FORWARDING & LOGISTICS	24
MARINE	14	STAKEHOLDERS & THE COMMUNITY	26
ENVIRONMENT	16	THE FUTURE	28



CHAIR'S STATEMENT



I am delighted to confirm that 2019 was another satisfying year for the Port in terms of financial performance, operations and development activity. Group turnover was marginally down at £21.7m but adjusted operating and pre-tax profits were significantly improved at £0.85m and £0.44m respectively. EBITDA also remained strong at over £2.5m, ensuring sufficient funds to support ongoing investment and expansion.

In addition to the core port operating business, Group performance was boosted by an excellent year for our logistics subsidiary Transped, turning a small loss in 2018 into a £0.33m operating profit. Both the Liner Services and Export Packing operations provided positive results and Transped continue to play an important role in group activity whilst also attracting cargo through Port of Blyth on the twice weekly short sea container service from Holland.

Over £2m was also invested in 2019 to supporting ongoing development. This included the construction of facilities for new and existing tenants, infrastructure works to support heavy lift operations, the development of a unique wind sector training facility and the purchase of plant and equipment.

As a Trust Port, our investments are not just focussed on port facilities but also on delivering benefits to our diverse range of stakeholders which include the wider regional economy and local community. We therefore continued to support a

range of regional charities, organisations, initiatives and events. In particular, the Port continues to be heavily involved with Blyth Tall Ship charity and Blyth STEM Hub, with both important community initiatives progressing well across the year.

But our impact is so much more than this. Ongoing inward investment with our "Energy Central" partners has exceeded £300m in recent years and over 500 port related jobs are now directly located on the Blyth Estuary. Thousands of additional jobs are linked to this economic hub and it is immensely satisfying to see the Port of Blyth acknowledged as a vitally important catalyst for the wider economy and a home for nationally significant offshore energy initiatives.

All of this is being achieved despite the global challenges that we are all facing, whether that be adapting for Brexit or more recently the unprecedented impacts of Covid-19. As ever, the Port has responded well, adapting quickly to ensure we continue to meet the needs of our many strategic customers and partners. I am extremely grateful for their ongoing support and that of my fellow Commissioners and Port management, whose positive contributions and commitment cannot be overestimated.

As a result, I therefore firmly believe that the Port is well placed to deal with these current challenges and remain a successful business into the long term for the benefit of all our stakeholders.

Geoff Hodgson DL
Chair



WITH A SIGNIFICANT INCREASE IN PROFITABILITY, FURTHER STRATEGIC INVESTMENTS AND THE EXPANSION OF OUR CUSTOMER BASE, 2019 PROVED ANOTHER VERY SATISFYING YEAR FOR THE PORT

CHIEF EXECUTIVE'S REVIEW



Our main port operating business delivered another positive year in 2019 with turnover at £11.4m and an adjusted operating profit of £0.52m.

Overall volume of cargo handled in the year (including non-seaborne movements) reduced to 0.96 million tonnes but with seaborne trade increasing to 0.62 million tonnes. Given our trade base, tonnage handled is still not an ideal measure of Port activity and therefore it was also pleasing to note that utilisation of berths increased by 30% across the year.

The Port is recognised as one of the UK's main offshore energy hubs and this trade continued to form the largest part of the business. Vessel mobilisation/demobilisation, project lifts, wind turbine component handling, reel movements and cable spooling remained busy across the year and it was pleasing to see the large cluster of major offshore energy related organisations based in the Port expand further to more than thirty businesses.

Containerised traffic also increased for the third year in succession, primarily on the twice weekly service to and from Moerdijk in Holland. This continued to be supported by the Port's logistics subsidiary Transped, who provide the vast majority of cargo on the service.

Dry bulk cargo handling reduced in 2019 but with all longstanding trades continuing at consistent levels

including alumina, grain, aggregates, sand, cement, coal, salt and refuse derived fuel. The non-seaborne movement of coal from road to rail also continued but at lower volumes as the UK energy transition from carbon based to renewables gathered pace.

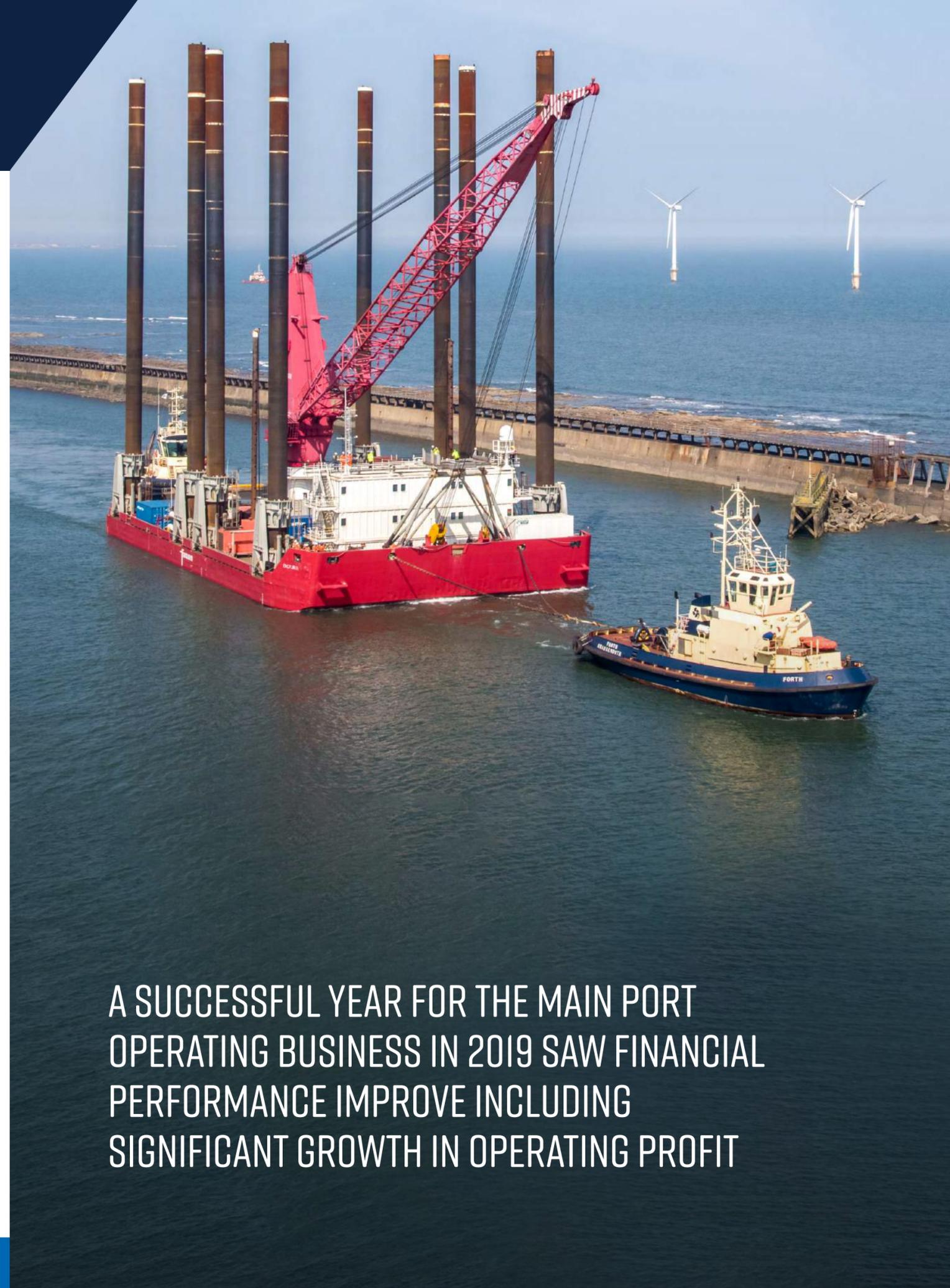
It was pleasing to see the movement of liquid bulks through the marine fuel terminal increase by more than threefold as the facility continues to establish itself as an important service to Port users and a hub for distribution to other terminals around the UK.

Other breakbulk cargoes were also handled during the year including pulp, bagged cargo, metals, concrete mattresses and refuse derived fuel, completing the diverse trade base currently passing through the Port.

Other non-cargo related revenue streams contributed significantly to overall performance, with property revenue in particular continuing to expand and with the majority of tenancies linked to the offshore energy sector. Together with third party terminal operation, general conservancy, training, warehousing and haulage income, such activities also provides reliable monthly revenue streams to compliment the main vessel related trade.

As always none of this could have been achieved without our dedicated workforce which is renowned for providing a level of customer service that is second to none. I would therefore like to thank each and every one of them for all their efforts in making Port of Blyth an ongoing success.

Martin Lawlor
Chief Executive



A SUCCESSFUL YEAR FOR THE MAIN PORT OPERATING BUSINESS IN 2019 SAW FINANCIAL PERFORMANCE IMPROVE INCLUDING SIGNIFICANT GROWTH IN OPERATING PROFIT



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, 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 2019 Blyth Harbour Commission continued to fulfil these important duties as well as operating a busy modern commercial port with four 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 DL**
Chair

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 regionally. Geoff is currently involved with Clearly Drinks, Trustack Group and UMI amongst other business interests. He is also Deputy Chair of the Tyne & Wear Community Foundation and Durham School.

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



★ **Stephen Mills**
Deputy Chair

Stephen Mills has been a shipping lawyer for 38 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 Chair 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 Chair 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 the Chair of the British Port's Association, a council member of Maritime UK and serves on the executive group of Subsea NE. A former Deputy Chair of the North East Chamber of Commerce (Northumberland Committee), Martin has held positions on a number of regional economic and strategic boards.

Martin was appointed Chief Executive and a Commissioner in 2006.



★ **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 Deputy Chair of both the Investment Board and the Innovation 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. 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 with BSc, MSc and PhD degrees in engineering mathematics and an MBA from the Durham University Business School. Alan 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 CFB Risk Management, an Advisor to the National Offshore Wind Institute, Massachusetts, and is 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 holds several advisory, non-executive and executive director roles, including as a Non-Executive Director at the North East Ambulance Service where she is currently Vice Chair and also Chair of Finance Committee. Past non-executive roles include Chair of audit committee at national charity Breast Cancer Care and as a Governor at the University of Sunderland.

Catherine brings her experience in governance, board reporting and accountancy to her role as a 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 Chair 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 the Chair of the British Port's Association, a council member of Maritime UK and serves on the executive group of Subsea NE.



★ **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.



★ **Edwin Dick**
Harbour Master

Edwin joined the Ports Marine Department in 2009 as a Pilot/Assistant Harbour Master. He served in the role of Deputy Harbour Master for six years before being appointed Harbour Master in 2019. Edwin is an active member of the UK Harbour Masters Association. He is also a member of the joint British Ports Association & UK Major Ports Group Marine & Pilotage Steering Committee and the Security and Resilience Group.



★ **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

GROUP FINANCIAL RESULTS REFLECTED A BUSY YEAR FOR THE PORT IN 2019 WITH A HEALTHY INCREASE IN PROFIT WITH REVENUE ALSO BOOSTED BY LOGISTICS SUBSIDIARY TRANSPED.

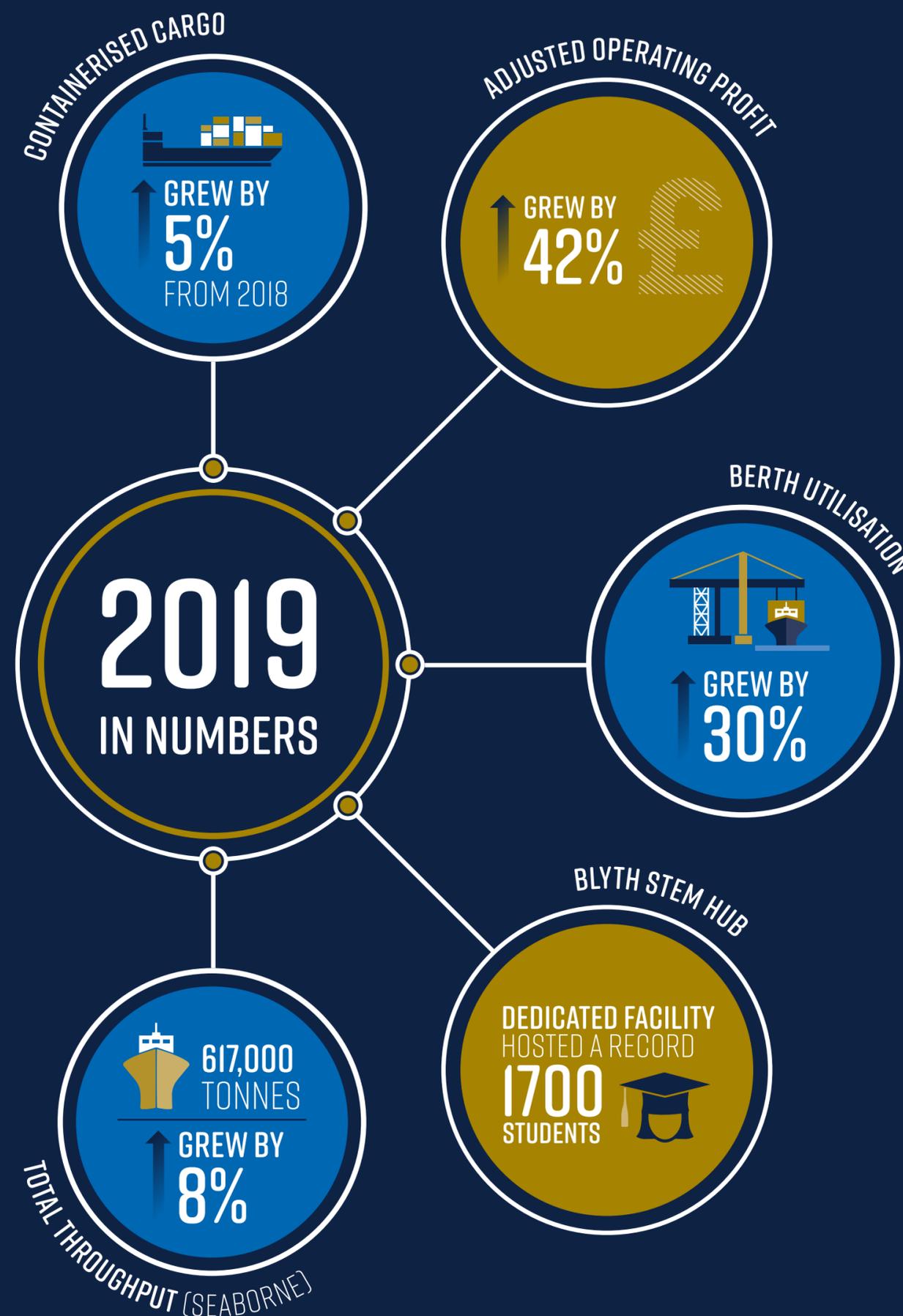
Financial results

GROUP PERFORMANCE INDICATORS	2019	2018	2017	2016	2015
Turnover (£'000s)	21,676	21,877	20,561	23,160	19,817
EBITDA (£'000s)	2,581	2,103	2,647	3,662	2,879
Operating profit (£'000s)	634	303	959	2,107	1,445
Adjusted operating profit (£'000s)*	846	595	1,325	2,082	1,657
Profit before taxation (£'000s)	227	(25)	700	1,878	1,199
Adjusted profit before taxation (£'000s)*	439	267	1,066	1,853	1,411

PORT PERFORMANCE INDICATORS	2019	2018	2017	2016	2015
Turnover (£'000s)	11,392	12,818	12,097	13,126	11,114
Operating profit (£'000s)	306	399	739	1,693	1,204
Adjusted operating profit (£'000s)*	518	691	1,105	1,668	1,416
Profit before taxation (£'000s)	105	72	587	1,671	1,114
Adjusted profit before taxation (£'000s)*	317	364	953	1,646	1,326
Total throughput inc road / rail (tonnes)	959,000	1,228,000	1,574,000	1,475,000	1,905,000
Total throughput seaborne only (tonnes)	617,000	572,000	677,000	789,000	675,000
Customer service feedback (scale 1 to 10)	9.10	9.10	8.90	8.50	8.82
RIDDOR accident statistics (per 100 workers)	0.90	0.80	0.00	0.86	0.00

The above figures are extracted from the Annual Report and Financial Statements for the year ended 31 December 2019 and have been approved by the Commissioners. Due to the impact of COVID-19, these figures have been audited but are yet to be formally agreed and signed off by external auditors.

* 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

THE PORT'S MARINE SERVICES DEPARTMENT EXPERIENCED ANOTHER POSITIVE YEAR IN 2019 WITH CONTINUED HIGH DEMAND FOR THEIR 24/7/365 MARINE SERVICES

MARINE SERVICES DEPARTMENT

2019 saw a change at the top of the Marine Services Department with long standing Deputy, Edwin Dick, appointed as Harbour Master in July. The department also further strengthened its resources and now have six authorised, competent port pilots available to provide a 24/7/365 pilotage service.

The Port also continued to operate a 24/7 port control function, overseeing all vessel movements and marine safety requirements during 2019. All marine staff undertook Local Port Services refresher training, ensuring the department is up to date on all relevant legislation maintaining the Ports high standard of service.

MOVEMENTS & PILOTAGE

700 commercial vessel movements were recorded in 2019 which represents a slight reduction on last year's high numbers. Despite this, the total Dead Weight Tonnage remained high which indicates that the average overall size of commercial vessels operating at the port has increased.

When leisure craft and commercial fishing is taken into consideration, the number of vessel movements rises to over 10,000 including an increase in visiting fishing vessels not based in Blyth.

Pilotage acts during 2019 remained high with 555 acts undertaken albeit a slight reduction on the previous year.

The largest vessel handled in terms of weight was the 24,193 DWT "Fairmaster" discharging the world's largest wind turbine nacelle for testing at the Offshore Renewable Energy Catapult. The longest vessel received was the OY

Connector at 157m which handled project cargo and equipment.

Throughout the year the Port has continued to make improvements to the berthing facilities offered to its leisure and commercial fishing fleet. We remain committed to providing safe, secure and easily accessible moorings to these important stakeholders.

LEGISLATION & PLANNING

The Port remained compliant with the Port Marine Safety Code across the year and is committed to providing a high quality and safe service, whilst continually strives to make improvements where possible.

All marine plans (Oil Spill Response Plan, Port Emergency Plan and Port Waste Management Plan) were updated during the year and revalidated by the MCA, ensuring that the Port is compliant with relevant codes and legislation.

One small marine pollution incident was recorded during 2019 which was rapidly responded to and with the Port fulfilling its regulatory obligations to the satisfaction of all governing bodies.

The MCA also conducted an Oil Pollution Preparedness, Response and Co-operation audit in November. No issues raised during the visit and the MCA representative commented on the Port's 'textbook response' to the above incident.

Both pilot vessels and the Port's tug/workboat remain fully compliant with the MCA small commercial vessel code following annual survey and out of water inspection.



THE LARGEST VESSEL TO VISIT BLYTH IN 2019 DISCHARGED THE WORLD'S LONGEST WIND TURBINE NACELLE FOR TESTING AT ORE CATAPULT

SECURITY

Port security and control remains a key priority for the Port and as such a new security provider was appointed in November. With this new appointment the Port has set out a range of enhancements to the security infrastructure, technologies and personnel which will ensure all future security needs are met as it continues to evolve and expand.

The Port also continues to comply with the International Ship and Port Facility Security Code. The security committee met twice during the year as per requirements and a number of small security drills and exercises took place across the port estate including a multi-agency major security/emergency response exercise in September.

DREDGING & CONSERVANCY

Two dredge campaigns were undertaken in the spring and autumn of 2019 to maintain operating depths within the estuary and its approaches with 251,255 tonnes of spoil being removed in total. This spoil was deposited in the strictly controlled disposal ground off the Port which remains licensed by the MMO until May 2025.

The Port remained compliant as a local lighthouse authority throughout 2019. Trinity House conducted a compliance audit in July as well as their annual inspection of Aids to Navigation in November with no defects recorded.

ENVIRONMENT

THE PORT HAS AN IMPORTANT ROLE IN PROTECTING THE MARINE ENVIRONMENT AND IS COMMITTED TO PLAYING ITS PART IN HELPING DELIVER A LOW CARBON FUTURE

MARINE CONSERVATION

Despite being a busy commercial port, the Blyth Estuary is also home to important habitat designations including a Marine Conservation Zone, Site of Special Scientific Interest and a Special Protection Area. The Port has an important role to play in helping to manage these designations and therefore continued to work closely with conservation bodies in 2019 including the Marine Management Organisation and Natural England.

As part of this responsibility, the Port has an Oil Spill Contingency Plan in place and responded to two minor incidents in 2019. Both incidents were dealt with rapidly and successfully, drawing praise from the Marine & Coastguard Agency who are responsible for the protecting UK waters against such potential pollution.

In addition, the Port of Blyth fully engaged in the consultation process on the Marine Management Organisation's North East Marine plan, as well as being active members of the Berwick and Northumberland Marine Nature Partnership, the Northumberland Rivers Catchment Partnership and the NE Coastal Group Forum.

GREEN TRADE

The Port of Blyth has been at the forefront of "green trade" for many years, being a key gateway for the development of both onshore and offshore wind in particular. As well as having handled thousands of wind turbine components, the Port supports cable laying operations, not just for wind farms but also electricity interconnectors to other nations. These include the longest in the world (North Sea Link) which connects from Blyth to Norway, bringing clean hydroelectricity for UK consumption.

The Port is also home to world leading research facilities at the Offshore Renewable Energy Catapult which is playing an important role in moving the UK towards a low carbon economy.

As "Energy Central", the Port, ORE Catapult, Advance Northumberland and Northumberland County Council are prompting these green credentials to attract further low carbon focussed inward investment to the Blyth Estuary.

The Port of Blyth has also established a decommissioning facility at its Battleship Wharf terminal which is fully licenced by the Environment Agency. Although oil and gas related, this facility will help safely remove redundant structures from the North Sea and treat any associated hazardous materials.

Oil Spill Response Ltd, the world's largest international and industry funded cooperative which exists to respond to oil spills across the globe, have their northern hemisphere base at the Port of Blyth alongside other strategic sites in Rio de Janeiro and Singapore.

ENVIRONMENTAL PRIORITIES

The Port fully supports Government's Maritime 2050, including the goal of net zero carbon emissions from shipping and port related activities. Aligned with this our Environmental Policy will focus on air quality, emissions in port, energy efficiency and renewable energy initiatives.

One such initiative is the Blyth Mine Water Heat Network which, although in the early stages of development, has the potential to pump warm water from abandoned mines to heat significant areas of Blyth on a carbon neutral basis. Port of Blyth are heavily involved in this



project, along with Northumberland County Council, and hope to provide low carbon opportunities to its terminals and tenants over the coming years.

In terms of the Port's current activities, investment continues to be focussed on more energy efficient equipment (including electric forklift trucks) and LED or solar lighting where feasible. Employees also have access to financial support for cycling to work and new cycle storage facilities have been

installed during 2019.

Other environmentally friendly policies include a strict recycling culture (with a very low percentage of waste from the Port reaches landfill) and the promotion of habitats around port terminals. These include a butterfly habitat at our Battleship Wharf terminal and plans for a habitat zone at Bates terminal as part of ongoing redevelopment works.

PORT REMAINS NORTHERN HEMISPHERE BASE FOR INDUSTRY WIDE OIL SPILL RESPONSE ORGANISATION

THE YEAR SAW A DIVERSE RANGE OF OPERATIONS UNDERTAKEN WITH THE DECOMMISSIONING OF OFFSHORE ASSETS ADDED TO THE PORT'S OFFERING

OFFSHORE ENERGY

The Port's offshore energy sector support base remained a key operational focus with general mobilisation and demobilisation of offshore vessels requiring significant operational resources throughout the year.

The Operations department continued to support client Royal IHC to manage the testing and final load out of their J-lay tower. The Port and Royal IHC hold a joint framework with Mammoet Heavy Lift to support project work, with their 600 tonne lift capacity crawler crane frequently used during 2019 and to remain in the Port during 2020 for the benefit of all customers.

The Port continued to support our range of offshore energy focussed vessel operator clients with numerous mobilisation and demobilisation projects undertaken for this important sector across the year. Logistics and operational assistance was also provided to ORE Catapult who received a number of turbine pieces for testing into their facility on the river throughout the year. This included the handling of the world's longest wind turbine blade and largest nacelle which were both undertaken smoothly despite the obvious complex lifting operations involved.

During August the Port completed the first significant offshore oil and gas decommissioning project at Blyth with Maersk Decom. Permission was granted from the Environment Agency to receive 3 well head protection structures and decommission these on the existing concrete slab within the permitted decommissioning area.

Following the successful completion of this project the Port assisted in the dismantling and decommissioning of the UK's first offshore wind farm which was constructed off the coast of Blyth in 2000, with the two turbines becoming the first to be decommissioned from UK waters.

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. This was supported by a £100,000 investment in plant and warehouse improvements for devanning and storing paper products within South Harbour.

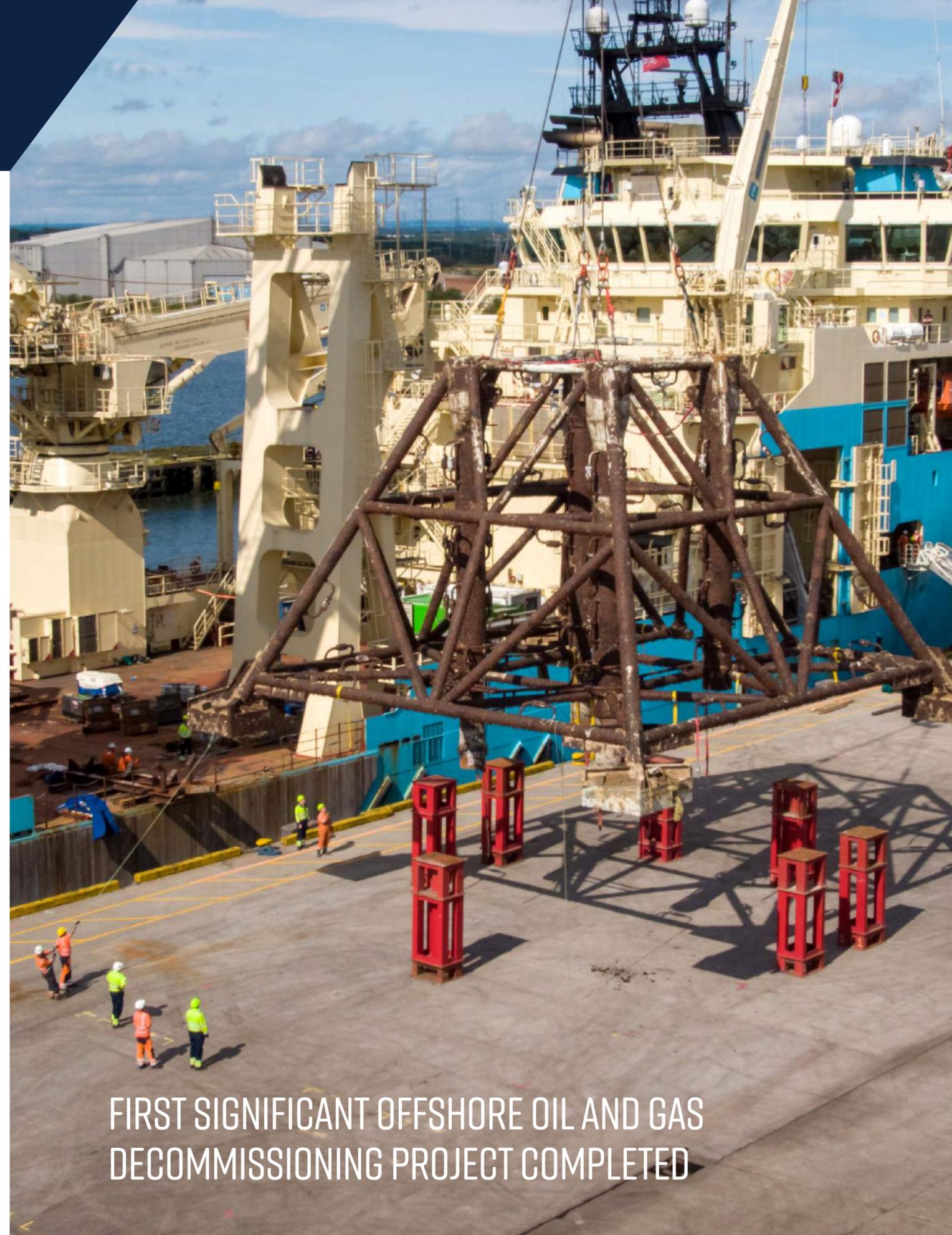
BULK HANDLING

The Port's Battleship Wharf bulk terminal remained busy throughout the year including handling core sand, cement, aggregate, grain, salt and refuse derived fuel cargoes. The Port also continued to support Liberty Group on the unloading of alumina at the SUF bulk terminal whilst also providing a comprehensive maintenance and management service for the terminal. An anticipated 50% reduction in volumes of road to rail coal handled at the terminal resulted in a reallocation of labour from this sector towards supporting project cargo handling.

LABOUR & EQUIPMENT

External contract labour was used to support the Operations department and provided in excess of 15,000 hours of additional labour supporting both warehousing and stevedoring operations. The Port's in house Maintenance department have again provided a comprehensive maintenance programme to ensure all plant and machinery remained in service throughout the year.

To support project cargo handling a range of equipment was purchased during the year including a 16 tonne forklift, a 20m reach cherry picker and a 120 tonne capacity heavy lift port terminal trailer.



FIRST SIGNIFICANT OFFSHORE OIL AND GAS DECOMMISSIONING PROJECT COMPLETED

THE TECHNICAL TEAM EXPERIENCED A BUSY YEAR WITH SEVERAL EXISTING PROJECTS SUCCESSFULLY COMPLETED AND PREPARATION FOR FUTURE ONES PROGRESSING WELL

NEW SOUTH HARBOUR ENGINEERING FACILITY

The Port completed the construction of a new 2200m² fabrication facility for an offshore energy focussed fabricator in South Harbour in April 2019. The purpose built facility has two overhead cranes with a hook height of over 10m and extra wide doors for large piece fabrication work. The facility has easy access to two deep water berths in South Harbour and provides further offshore energy support facilities for the sector.

REFURBISHMENT OF BATES TERMINAL WORKSHOP & OFFICE FACILITIES

The Technical department commenced the refurbishment of a former paper storage warehouse at the Bates terminal during September 2019 for an offshore energy focussed engineering and equipment supplier. With completion planned in May 2020 the works include the installation of overhead cranes, new wide load doors and a refurbished office space. Designed to be a quayside operational base for the company, the works will offer modern engineering facilities for another important Port tenant.

WIND TURBINE TRAINING FACILITY

The Port has developed a unique wind turbine training facility, at the Bates terminal, utilising modified parts of a used V70 Vestas turbine. Re-erected at our Bates terminal, the turbine stands at over 50m in height and will be utilised for training purposes using a redesigned nacelle and tower arrangement. The new development, which includes classroom and mess facilities, allows for bespoke training courses to be set for the next generation of turbine technicians to

gain valuable experience in a real life environment. The project was part funded through the Coastal Communities Fund and will be supported by Port Training Services.

SOUTH HARBOUR OFFICE ENTRANCE & CAR PARK

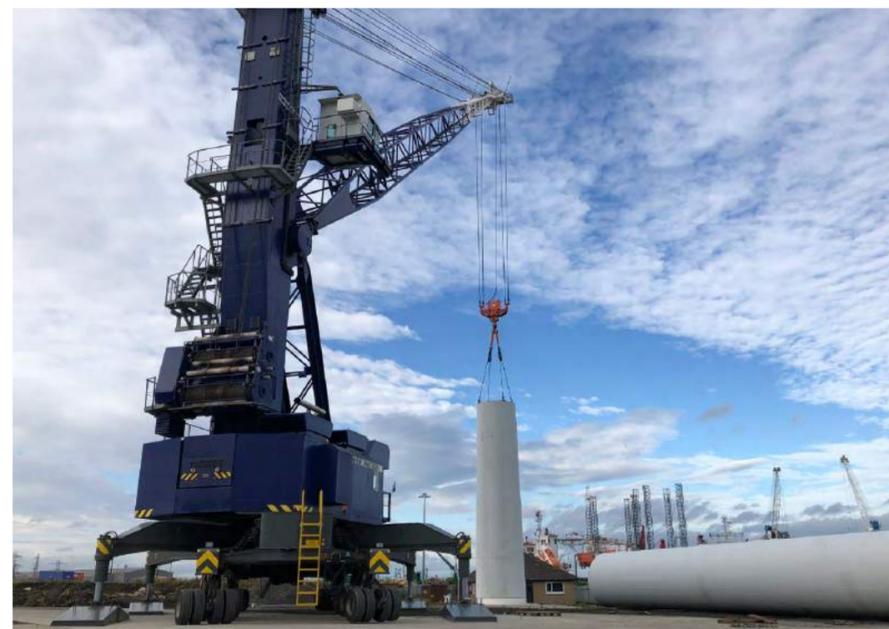
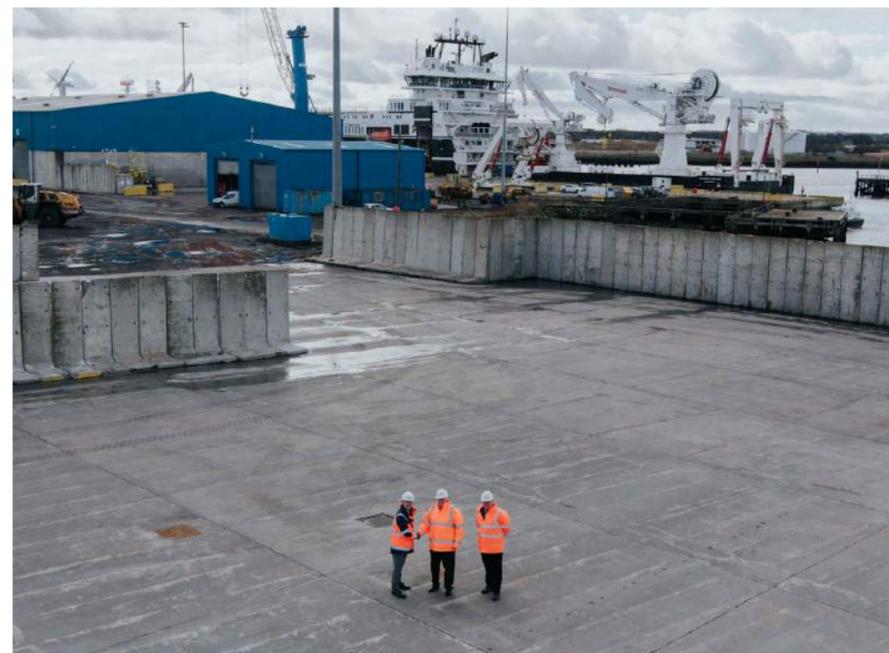
The Technical team has successfully developed a new entrance to the Port's main office in South Harbour directly from a nearby public road. The project was designed to increase safety and ease traffic flow through the South Harbour terminal and provide new secure parking for the office users. Parking for nearly 100 cars was created as part of the project with electric recharging points planned to be available from April 2020.

BATES TERMINAL REDEVELOPMENT PROJECT

The Bates terminal redevelopment project will allow approximately 6 hectares of former coal handling yards to be enabled for future Port use to support offshore energy related projects. In addition to installing nearly 1 km of new Port access roads, the quay is to be rebuilt for heavy crane operations and cargo movement. Significant work was undertaken by the Technical department during 2019 completing the design, tender and contractor approval element of this significant project. This included submission of a planning application for redevelopment and change of use of 2 hectares of land adjacent to the Bates terminal. The project is being supported by the North East LEP and should be completed by the end of 2020.

OTHER UPGRADES AND SITE WORKS

Work commenced on a new office facility at the Port's Battleship Wharf terminal



NEW £1M FABRICATION FACILITY COMPLETES SOUTH HARBOUR OFFERING

to replace and expand the existing modular building on site. The new office is being built at the entrance of the site and includes additional meeting and office space and fibre communications connectivity. Staff and visitor parking is to be positioned next to the offices and with the planned installation of a new weigh bridge the facility should be fully operational by May 2020.

Building improvements and maintenance continued across all terminals including substantial upgrading works of existing warehousing at Battleship Wharf for new Environment Agency regulations regarding the storage and handling of refuse derived fuel.

The Port also continued its commitment to environmental improvements with the purchase of its first electric pieces of plant - the first of many such purchases planned over the coming years.

AS AN INDUSTRY LEADING CONTRIBUTOR TO THE SKILLS AND SAFETY AGENDA, PORT OF BLYTH CONTINUES TO CHAMPION BOTH QUALITY TRAINING OPPORTUNITIES AND A DEDICATED SAFETY FIRST CULTURE

TRAINING SERVICES

In 2019, the Port of Blyth continued to build upon its commitment to the training and education of our employees, as well as individuals looking to enter the port, marine, offshore energy and subsea sectors.

Through our award winning division, Port Training Services (PTS), the Port ensures all employees have the necessary skills and competency to execute their duties effectively and safely. Training is delivered to national accredited standards for both industrial plant training and vocational training such as apprenticeships. PTS continue to be at the forefront of national standards via input into national bodies who develop industry qualifications.

PTS also continue to deliver vocational qualifications to our peers across the Port sector in the UK, with strong demand as ports continue to recruit and invest in the competency and skills of their staff.

THE NEXT GENERATION

Delivered in partnership between PTS and Newcastle College, September 2019 saw the launch of the hugely exciting Level 3 Diploma in Offshore Renewables and Subsea Engineering. Designed to provide clients of the Port of Blyth and the wider offshore energy sector with a workforce ready to meet the future recruitment demands of the industry, 36 local post-16 year old students made up the first cohort of the course.

Extremely well received and supported by industry, the programme has generated strong interest from prospective students looking to start the qualification in September 2020, while the Port's partnership with Newcastle College has already been recognised

with a shortlisting for a prestigious education award.

The above qualification is supported by the work of the Blyth STEM Hub, an initiative for which Port of Blyth is the accountable body. The STEM Hub works in close collaboration with academia from primary schools to colleges and in 2019 more than 1700 students were engaged on the variety of programmes delivered by the STEM Hub. Programmes are designed to inspire students to pursue STEM subjects to aid their progression into industries such as the offshore energy and subsea sectors.

UNIQUE WIND TRAINING OPPORTUNITY

The Port, through funding from the Coastal Communities Fund, has completed the construction of a wind turbine training facility. The provision will provide a realistic training environment to further prepare individuals aspiring to work in the sector, as well as provide experienced individuals the platform to hone their existing skills.

HEALTH AND SAFETY

Once again the Port delivered an excellent safety record for the year that is above the national average and achieved largely as a result of the safety first approach of all employees and the contribution of visitors and contractors. Through the hard work and dedication of the Health, Safety & Quality team, the Port of Blyth became the first port in the UK to achieve the new ISO 45001 standard in Occupational Health & Safety Management. This clearly demonstrates our significant commitment to the safety of all of our partners and customers across numerous sectors.

The Port carried out a range of safety



initiatives in 2019 including the roll out of a well-received reporting system and continued actions to segregate staff and visitors from heavy plant and machinery movements. In addition, the department also ramped safety auditing, doubling the number of those carried out to ensure safe practices throughout the port estate and standardisation across departments.

The team also continue to be actively involved on a national level with the

Port Skills and Safety Group, helping to promote best practice across the port industry and the HR and Safety Manager regularly taking a lead role in the British Ports Association's HR Forum.

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

IN 2019 PORT OF BLYTH BECAME THE FIRST UK PORT TO ACHIEVE ISO 45001 ACCREDITATION

FORWARDING & LOGISTICS

THE PORT'S FULLY OWNED SUBSIDIARY TRANSPED ENJOYED A PRODUCTIVE & PROFITABLE YEAR OFFERING A FULL LOGISTICS, STORAGE & FORWARDING SERVICE TO CLIENTS WORLDWIDE

STRONG PERFORMANCE

2019 proved an excellent year for forwarding and logistics subsidiary, Transped with a healthy operating profit and increased cargo volumes across its key markets.

This is despite challenges for logistics across the EU, with Brexit preparations proving difficult to predict and companies on both sides of the Channel trying to prepare as best as possible during a period of uncertainty. However, as always, Transped rose to the challenge and with extended warehouse options in Netherlands and the UK, they handled record volumes for their wide customer base in the run up to the UK exiting the EU.

Across the year, cargo increased on the container service by 6.5% as well developing new work from Turkey, Finland and of course the EU. New work relating to soft drinks and alcohol was also attracted also brought in revenue and they are looking to expand these markets going forward.

SERVICING OUR CUSTOMERS

The Port continued to provide a full forwarding and logistics service to all customers in 2019 via its subsidiary Transped. A particular focus was the long standing twice weekly container services between Netherlands and the UK which continues to offer an excellent cost effective option for imports into northern England and Scotland. In fact, by offering an all-inclusive service of collection in Europe, shipping to Blyth, extensive warehouse and just-in-time delivery to customer's premises, Transped continued to grow its customer base across the whole of the UK.

Clients have also been encouraged by the fact that, as a Port of Blyth company,

Transped have both financial and operational support to ensure a first class and reliable service.

HAULAGE AND SHIPPING

With continued support from Dutch partners, Transped is looking to widen its customer base this year with options in the Scottish market as well as hoping to regain more lanes with existing customers and winning some new ones to expand the service into Blyth.

Transped strengthened its reputation as a forwarder with expertise in paper, tissue and board products in 2019 and is looking to grow this trade further over the coming year.

Other cargoes consistently carried in 2019 were tinned foodstuffs, personal hygiene and various chemicals with both full and part load deliveries. It is hoped that such trade can also be expended together throughput from the likes of vegetable merchants, grain and cereal producers.

WAREHOUSING

Brexit ensured there was even more demand on warehousing, with every available storage space utilised in the peak periods of 2019. In fact, good quality off-site storage was also utilised for the first time during the year to ensure all our dedicated customers continued to receive a high quality service. Stock control and storage is always a situation that needs careful management, with potential warehouse expansion in 2020 being an option to support this. Investment into the container line will help the offering to customers as a specialised service against the normal door to door services offered by others.



NEW CONTRACT WINS AT TRANSPED SAW TURNOVER GROW TO A RECORD £11.3M

ADDITIONAL SERVICES

As well as conventional transport, Transped continued to strengthen its offer for out of gauge and specialised cargo transport as well as export packing across the year.

While its Project Forwarding department is automatic in supporting customers with the protection of large machinery pieces for onward shipping, the company overall works closely as a team to ensure all customers' needs are met.

The department based at the Port's Bates terminal had an excellent year turning a healthy profit and attracting new business.

Transped also have staff trained in custom procedures and can help with shipping to countries around the world, clearing cargo for import and offering advice on subjects such as the carrying of dangerous goods and hazardous materials. Their advice was in high demand across 2019, particularly due to customer concerns around Brexit.

STAKEHOLDERS & THE COMMUNITY

AS A MAJOR UK TRUST PORT, PORT OF BLYTH REPORTS TO A WIDE RANGE OF STAKEHOLDERS AND IS COMMITTED TO SUPPORTING ALL OF THEM TO ACHIEVE THEIR OBJECTIVES

DELIVERING SIGNIFICANT BENEFITS

In 2019 Port of Blyth continued to provide sizeable economic impacts felt far beyond its four terminals with a mature supply chain supporting thousands of jobs and hundreds of millions of pounds in investments and projects. The Port continued to make great strides with a number of commercial stakeholder partnerships such as Energy Central, which is striving to attract investment to the area from the offshore energy sector in collaboration with Advance Northumberland, Northumberland County Council and the Offshore Renewable Energy Catapult.

SERVING OUR COMMUNITY

The Port of Blyth continued to host consultations with a variety of bodies and organisations throughout 2019. Regular residents and port users' liaison groups provided our neighbours and users of the river with up to date information on the Port's activity and gave these stakeholders the opportunity to engage directly with senior staff. Meanwhile, the Port's Annual Public Meeting in April 2019 was well attended by a range of stakeholders and ensured open channels to our board and management. The Port continued to work closely with a wide range of public and private sector organisations both locally and nationally in an effort to promote the Port's interests and continue our progress.

The Port's hugely popular annual community photography competition once again attracted hundreds of excellent entries and was won by Vix Everard, whose fantastic image 'A Boy and his Dog' featured on the front of the Port of Blyth Calendar for 2020.

INSPIRING THE NEXT GENERATION

The Port expanded its educational partnerships in 2019 with the launch of the Level 3 Diploma in Offshore Renewables and Subsea Engineering. The post 16 qualification offers students direct access into the offshore energy sector through dedicated training delivered in partnership between Port Training Services and Newcastle College. It means the Port is now engaged in STEM related work with young people all the way from primary school pupils through to universities undergraduate and postgraduate students.

The Port supported Blyth STEM Hub went from strength to strength in 2019 with 35 planned events attracting more than 1700 young people to the Hub's permanent base at the Port Training Centre.

NON COMMERCIAL PORT ACTIVITY

As a dedicated Trust Port, Blyth Harbour Commission is not just focussed on large scale commercial traffic on the river and continued to be a base in 2019 for a sizeable fishing fleet, the RNLI, the Royal Northumberland Yacht Club, a university research vessel and numerous other leisure craft.

In addition to the many seaborne visitors to the Port, the river also welcomes many anglers, water sports enthusiasts, walkers and other visitors who enjoy access to the river.

SPONSORSHIP & SUPPORT

The Port continued its support for charities and initiatives who promote health and welfare, community cohesion, maritime heritage and the advancement of marine engineering related learning in 2019.



The Port-sponsored Blyth Tall Ship project continued to provide substantial opportunities for local young people not in employment, education or training through the refurbishment of its very own tall ship, the Williams II. The charity enables its trainees to gain vital skills and experience in order to vastly improve their job prospects and so far as seen 100% of graduating trainees find paid employment upon completion of their placement with Blyth Tall Ship, some of whom have joined the Port of Blyth through an apprenticeship programme.

Residents groups based near to the Port's four terminals continued to receive financial and in-kind support from Port of Blyth for a wide range of community based projects. In addition,

our 2019 Christmas appeal was in aid of Blyth Food Bank who support local families living in challenging circumstances.

The Port continued as a leading sponsor of the town's successful National League North football club Blyth Spartans AFC and was the title sponsor of Blyth Running Club's popular Port of Blyth 10k, a key event in the local athletics calendar.

In June, the Port was once again proud to support Blyth Town Council's free Northumberland Live music festival. A beautiful sunny day saw the Pigeon Detectives headline the event, entertaining a lively crowd of 15,000 people.

THE FAST DEVELOPING BLYTH STEM HUB WELCOMED MORE THAN 1700 STUDENTS TO ITS FACILITIES IN 2019

ONGOING DEVELOPMENTS SHOULD HELP DELIVER A BRIGHT FUTURE FOR THE PORT FOR THE BENEFIT OF ALL STAKEHOLDERS

In considering the future for Port, it is impossible not to start with the current Coronavirus pandemic which has created unprecedented challenges for businesses around the world as well as the population as a whole. However, the dedicated key workers at Port of Blyth have risen to that challenge helping keep essential products flowing into the country and supporting the installation and maintenance of critical offshore infrastructure. Although some sectors of trade have been temporarily affected, most of our customers and partners have continued to operate throughout and we do not anticipate any lasting impacts on the Port.

Our investments in 2019 (workshop construction, wind turbine training facility etc) will stand us in good stead for the coming years, as will planned major investment at two of our terminals in 2020. The Bates terminal scheme is the larger of these and will see a redeveloped heavy lift quay together with major land remediation works open up the facility for further inward investment and more flexible use by our current customer base. This is supported by the North East LEP with a view to helping stimulate the existing Enterprise Zone on the site. An adjacent 2 hectare piece of land purchased in 2019 will also be incorporated into the redevelopment.

At Battleship Wharf work will also be undertaken to significantly expand and enhance the 2.3 hectare decommissioning facility which is fully licenced by the Environment Agency. Being well placed to handle the significant number of structures due to be removed from the North Sea over the coming years, the Port is anticipating strong growth in this sector.

Adjacent to Battleship Wharf is the Northumberland Energy Park Phase 1, a major development being delivered by our Energy Central partners Advance Northumberland, Northumberland County Council's development arm. The £32m deep water quay

redevelopment and land remediation scheme commenced in 2019 and should conclude in late 2020. This has already generated significant interest from the offshore energy sector in particular given its scale, access to deep water and proximity to anticipated developments in the North Sea.

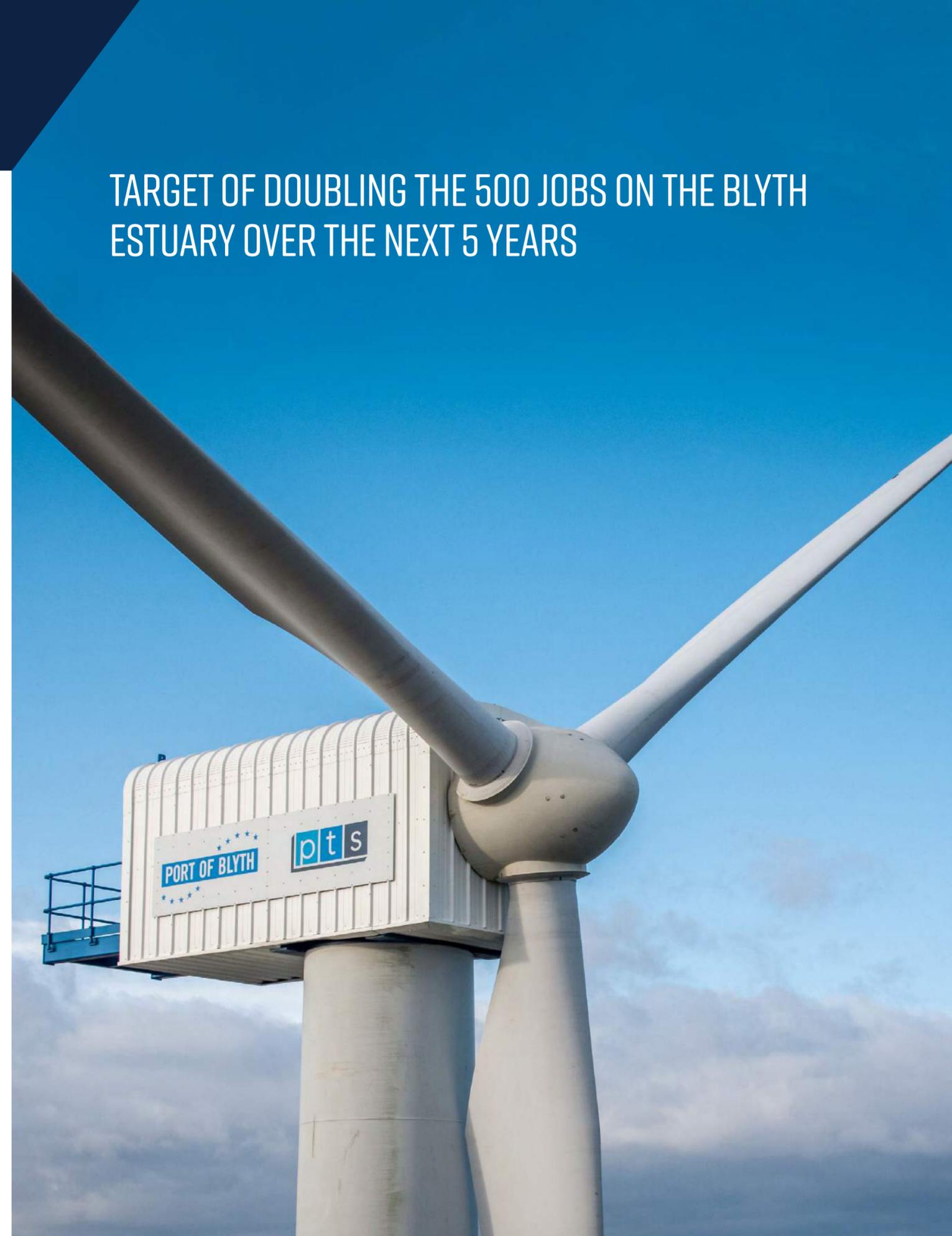
Such developments are largely linked to the offshore wind sector with UK Government targeting 30GW of generating wind capacity by 2030. Blyth is well placed to benefit from this long term strategic national commitment and we are confident that significant inward investment over the coming years. This will come with associated employment and together with our partners, we are targeting a doubling of the 500 jobs directly based on the Blyth estuary over the next five years.

To achieve this there will also need to be a strong focus on education and training and the Port together with its Energy Central partners have ambitious plans to build on the "Energy Campus" already established in South Harbour. These could include new buildings, expansion of STEM activity, energy focussed training, research, conference facilities and a visitor centre as the vision is progressed.

This also ties in with Government's Maritime 2050 strategy which has a primary focus of moving towards a carbon neutral maritime sector by 2050. We can also play our part in achieving this vision with a strong "green" trade base and a number of low carbon initiatives being considered around the estuary.

So given the above opportunities, the Port of Blyth remains confident of a bright future and playing an increasing important role in supporting the regional and national economy. Operating as a modern Trust Port, we are equally focussed on ensuring we will share this bright future with all of our wide ranging stakeholders.

TARGET OF DOUBLING THE 500 JOBS ON THE BLYTH ESTUARY OVER THE NEXT 5 YEARS





PORT OF BLYTH

South Harbour, Blyth,
Northumberland NE24 3PB

Telephone: 01670 357 000

Email: comms@portofblyth.co.uk

PORTOFBLYTH.CO.UK |  | 