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Harbours Bill

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This paper examines the Harbours Bill in the context of wider UK trust port governance and the Office for National Statistics (ONS) classification framework. Its primary purpose is to explain why Northern Ireland's trust ports are currently classified as public corporations, the implications of that classification, particularly for borrowing and investment, and how the Bill seeks to address these issues by reducing indicators of government control.

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Key Points

The paper examines the Harbours Bill (2026) and its role in modernising the governance framework for Northern Ireland's trust ports.

It explains the purpose of the Bill, particularly its focus on reducing indicators of government control to support ONS reclassification.

The paper outlines the main provisions of the Bill, with a detailed focus on Clauses 1-3, which remove key departmental powers and expand commercial autonomy.

It describes the trust port model, highlighting its distinctive features (statutory basis, stakeholder governance, reinvestment of profits) and its role within the wider UK ports sector.

The paper compares governance frameworks across the UK, showing how differing levels of government control influence operational independence and classification outcomes.

It explores the ONS classification framework, explaining how "significant control" determines whether ports are classified as public corporations.

The analysis demonstrates that classification is driven by formal powers, such as board appointments and direction powers, rather than ownership or day-to-day operations.

Drawing on evidence from Great Britain, the paper shows how governance reform has been approached elsewhere, including Scotland's legislative changes and the use of Harbour Revision Orders.

It finds that removing or limiting government powers can support reclassification and improve financial flexibility.

The paper summarises the 2016 Trust Port Study, which concluded that the model remains effective but requires governance modernisation and faces constraints on major investment.

It also reviews the 2025 Northern Ireland consultation, which showed broad support for reform and reclassification, alongside concerns about maintaining accountability.

Overall, the paper shows that the Bill is primarily a technical governance reform aimed at unlocking investment by addressing classification constraints.

It highlights key issues for scrutiny, including whether the Bill strikes an appropriate balance between increased autonomy and the need for public accountability and oversight.

Executive Summary

Introduction and Purpose of the Bill

The Harbours Bill (introduced June 2026) aims to modernise the governance framework for Northern Ireland's trust ports. The primary objective of the Bill is to address the Office for National Statistics (ONS) classification of these ports as public corporations, which constrains borrowing by linking it to the Department for Infrastructure's capital budget. The Bill will do this by reducing formal indicators of government control to enable potential reclassification and enhance ports' commercial flexibility.

Description of the Bill (Key Provisions)

The Bill contains six clauses. Clauses 1-3 are central to its purpose of reducing government control:

- **Clause 1** removes the Department's power to initiate port privatisation.
- **Clause 2** removes powers to direct harbour authorities.
- **Clause 3** expands ports' commercial powers and removes consent requirements for business acquisitions.

Clauses 4–6 address operational matters, including modern marine safety powers, expanded harbour order purposes, and standard commencement provisions. Together, these measures aim to align governance with conditions required for ONS reclassification while improving operational flexibility.

Trust Ports and Governance Context

Trust ports are one of three UK port ownership models and operate commercially while maintaining public accountability. Governance frameworks differ across the UK: England and Wales retain stronger central powers; Scotland has reduced these through legislative reform; and Northern Ireland maintains comparatively high levels of departmental oversight. These differences are significant because ONS classification depends on whether government retains "significant control," particularly via powers over appointments, direction, or ownership.

Evidence from the Trust Port Study (2016)

The Trust Port Study found the model broadly effective but identified governance inefficiencies and constraints on investment. Key issues included overly complex board appointment processes, limited structured engagement with government, and borrowing constraints linked to public corporation status. While the UK Government responded through non-legislative guidance (2018), it did not pursue structural reform or reclassification, leaving key constraints in place.

ONS Classification and Reform Approaches

ONS classification is determined by the existence of government control rather than ownership or day-to-day operations. Powers such as board appointments, borrowing controls, and intervention rights are key indicators. Scotland addressed this through the Harbours (Scotland) Act 2015, removing powers to compel privatisation and supporting reclassification. In contrast, Northern Ireland's stronger control mechanisms have maintained public corporation status.

Scotland has undertaken targeted legislative reform to address the issue of ONS classification, through the Harbours (Scotland) Act 2015, which removed Ministers' powers to compel the privatisation of trust ports, identified as a key indicator of government control. This reform was intended to ensure that port borrowing no longer counted against public sector budgets, thereby improving financial flexibility without altering ownership or day-to-day operations. Unlike broader structural reform, the Scottish approach was narrow and technical, focusing on reducing formal control while retaining the trust port model. This was supported by guidance promoting independent, merit-based board appointments and strong governance standards.

Northern Ireland Review and Consultation (2025)

A 2025 review and consultation found broad support for reform and reclassification in Northern Ireland, particularly to unlock borrowing and investment. Stakeholders did identify the need to retain accountability and transparency. Divergent views emerged on governance safeguards, including

the appropriate role of ministerial appointments and the risks of reduced oversight.

Conclusion

The Bill seeks to rebalance governance by reducing formal government control to support ONS reclassification and enhance investment capacity. Evidence from across the UK suggests such reforms can be effective but raise important considerations around accountability. Key issues for scrutiny include whether the Bill achieves an appropriate balance between autonomy and oversight, particularly regarding board appointments and safeguards to protect wider public and community interests.

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1 Introduction

On 15 June 2026, the Minister for Infrastructure introduced the Harbours Bill (the Bill) into the Northern Ireland Assembly (the Assembly). The Bill seeks to modernise the legislative and governance framework for Northern Ireland's Trust Ports and harbour authorities.[1]

The Bill follows a 2025 review of trust ports. Its primary objective is to address the Office for National Statistics (ONS) classification of Trust Ports as Public Non-Financial Corporations (PNFCs). This classification constrains borrowing and investment, limiting the commercial flexibility of the ports.

While this classification has no legal effect on the statutory powers, functions, or ownership of Trust Ports in Northern Ireland, the need for reclassification arises from the Trust Port borrowings requiring capital budget cover from the Department for Infrastructure, meaning it is effectively competing with other Departmental projects.

While the Bill provides the primary legislative framework, each trust port in Northern Ireland is constituted under its own local statutory provisions. As such, its implementation will require port-specific subordinate legislation, in the form of Harbour Orders made under section 1 of the Harbours Act (Northern Ireland) 1970, to amend the governing legislation of Belfast, Coleraine, Londonderry and Warrenpoint so that the changes introduced by the Bill take full effect.

This paper examines the Harbours Bill in the context of wider UK trust port governance and the Office for National Statistics (ONS) classification framework. Its primary purpose is to explain why Northern Ireland's trust ports are currently classified as public corporations, the implications of that classification, particularly for borrowing and investment, and how the Bill seeks to address these issues by reducing indicators of government control.

[1] Harbours Bill (2026), Explanatory and Financial Memorandum

2 The Harbours Bill

The financial and explanatory Memorandum explains that the Harbours Bill aims to modernise the governance and legislative framework for Northern Ireland's trust ports, enabling them to operate more commercially and contribute more effectively to economic growth.[2] It follows a 2025 review[3] of trust ports and seeks to reduce government control, enhance operational flexibility, and address issues arising from their classification by the Office for National Statistics (ONS), which currently links port borrowing to the Department's capital budget.

2.1.1 Clause-by-clause summary

The Bill has six clauses. The first three clauses are intended to address the issues around government control with the ultimate aim of achieving ONS reclassification:

- **Clause 1 – Limitation of power to initiate transfer of harbour authorities**
  Removes the Department's power to initiate privatisation schemes under the Ports (NI) Order 1994 for the four main trust ports.
  This clause eliminates a key mechanism of government control and strengthens port independence in line with the goal of ONS reclassification.
- **Clause 2 – Limitation of power to issue directions**
  Removes the Department's ability to direct designated harbour authorities under the Harbours (NI) Order 2002. This measure will enhance port autonomy by preventing direct intervention in port operations.
- **Clause 3 – Power to acquire businesses**
  Expands harbour authorities' commercial powers by broadening permitted activities and removing the requirement for departmental

[2] See footnote 1

[3] Department for Infrastructure, Review of Trust Ports, May 2025

consent when acquiring businesses or shares. This clause provides greater commercial flexibility and reduces administrative oversight.

Clauses four, five and six are separate from that primary aim:

- **Clause 4 – Harbour directions**
  Modernises marine safety powers and aligns with GB legislation by introducing new statutory powers allowing harbour authorities to give binding directions to ships for safety and environmental purposes, along with procedures and enforcement provisions.

- **Clause 5 – Purposes of harbour orders**
  Expands the scope of harbour orders to allow delegation of functions and to support any activity conducive to efficient harbour operation. This will increase flexibility in governance and operational arrangements.
- **Clause 6 Commencement and title**
  Provides standard legislative commencement provisions, setting out when the Act comes into force and its short title.

This Bill Paper will now look at the provisions in more detail. The focus of the paper will be on clauses 1-3. The paper will:

- Examine trust ports in Great Britain, including legislation and governance arrangements;
- Explore the issue with ONS classification and how this is managed in GB;
- Provide a summary of the review of trust ports in Northern Ireland and outcomes of the associated consultation;
- Highlight some key risks and issues the committee may wish to consider in their scrutiny of the Bill.

3 Trust Ports

Trust ports are independent statutory bodies, established by legislation and run by boards on behalf of stakeholders rather than shareholders. They sit

alongside privately owned ports and municipal (local authority) ports, forming one of the three main ownership models in the UK.[4]

Trust port governance arrangements are set out in statute. Although they operate independently they retain varying degrees of public accountability. Trust ports operate commercially but unlike private bodies that distribute profits to stakeholders, trust ports reinvest profits back into the port.

Across the UK, the legal framework for trust ports reflects this hybrid status, but it has developed differently in each jurisdiction.

- In England and Wales, the key framework is the Harbours Act 1964, which provides the basis for harbour orders and governance arrangements, alongside the Ports Act 1991. The 1991 Act introduced powers to enable (and in some cases compel) the privatisation of trust ports, including the ability to transfer their assets and operations into companies.
- In Scotland, the underlying legislative base is similar, but the policy direction has diverged in important ways. Trust ports remain governed by the Harbours Act 1964 and local legislation, but the Harbours (Scotland) Act 2015 removed Ministers' powers under the 1991 Act to require ports to pursue privatisation. This marked a clear shift away from the earlier approach seen in England and Wales and is in line with proposals set out in the Bill.
- In Northern Ireland, ports are primarily governed under the Harbours Act (Northern Ireland) 1970 and specific harbour legislation. Northern Ireland trust ports, such as Belfast Harbour, have generally remained in trust ownership, with policy focusing on strengthening accountability and oversight rather than restructuring ownership. Later reforms have introduced powers for the Department to issue directions and codes of practice, reflecting a stronger role for public oversight compared with other parts of the UK.

[4] Department for Transport, Trust port study: review and recommendations, May 2016

Governance models for trust ports vary across the UK, particularly in the extent of government control over board appointments, strategic decision-making and ownership powers. These differences are important because the Office for National Statistics (ONS) classifies ports based on whether government exercises “significant control” over their activities.

- In England and Wales, retained powers such as the ability to compel privatisation, has resulted in most of the largest ports having public corporation classification.
- Scotland has removed these levers to reinforce port independence, and remove the public corporation classification.
- Northern Ireland has stronger departmental oversight leading to a public corporation classification.

3.1 The Trust Port Study

The Trust Port Study (May 2016) assessed the effectiveness of the trust port model in England and Wales, focusing primarily on the eight largest “Major Trust Ports.” The study examined governance, accountability, stakeholder engagement and investment capacity. It was prompted by three issues:

1. the Department for Transport’s (DfT) role as a stakeholder,
2. the fiscal implications of trust port borrowing (due to their classification as public corporations), and
3. the need to update governance guidance

3.1.1 Governance and Accountability

A central governance issue examined in the study concerned the Secretary of State’s role in appointing board members to major ports. While these appointments provide a clear line of accountability to government, the study concluded that the current system, particularly the appointment of multiple

non-executive directors, is often unwieldy and resource-intensive, with limited added value.[5]

Ports reported delays and administrative burdens in the appointment process, and limited ongoing interaction between government and most appointed board members after appointment. The study recommended that Ministers should appoint only the Chair (and are involved in selecting the Deputy Chair), supported by stronger engagement mechanisms rather than board-level intervention.

3.1.2 Relationship with the Department for Transport

The relationship between DfT and major trust ports was described as generally positive and collaborative. However, it is largely informal and lacks structured, regular engagement. The study highlights that relying on board appointments alone does not ensure robust accountability. It instead proposed a more formalised and strategic relationship, including regular annual meetings between Ministers and port Chairs, supported by a standard agenda covering governance, performance, strategy and investment.[6]

3.1.3 Investment Capability

The report noted that trust ports finance investment through retained earnings, borrowing, joint ventures and (in limited cases) public or EU funding. The study noted numerous examples that demonstrate their ability to invest successfully, including:

- Dover's £85 million ferry terminal improvements
- Port of Tyne's £25 million quay extension
- Milford Haven's infrastructure upgrades and renewable energy projects.

The study identifies three structural challenges with regards to borrowing:

[5] Department for Transport, Trust Port Study Key Findings and Recommendations, May 2016 (Page 15)

[6] See footnote 2 (Page 19)

1. Public corporation classification: Borrowing counts against DfT's capital budget, potentially constraining future borrowing if investment increases.
2. Limited financing options: Unlike private ports, trust ports lack access to equity finance and cannot draw on wider group balance sheets.
3. Scale of investment: For large, transformative projects, borrowing alone may be insufficient, and joint ventures can be complex and misaligned in objectives.

These factors mean the model may limit growth where major expansion is required, even though it works well for routine and incremental investment.

3.1.4 Conclusions

The study concluded that the trust port model remains effective. However, it caveats this by stating this continued effectiveness depends on continued adaptation. In particular, governance arrangements and government relationships need modernisation, and the model may not suit all ports, especially those pursuing large-scale transformation.

The report concluded that to remain fit for purpose, it requires targeted reforms to governance, stronger structured engagement with government, and more strategic reflection on long-term investment capability. Critically, the report noted that while effective in most circumstances, the model may not be optimal for ports seeking major expansion, and should therefore be periodically reassessed against each port's strategic ambitions.

3.1.5 Government response

In response to the trust port study, the Department for Transport focused on implementing changes through guidance rather than legislation, culminating in the Ports Good Governance Guidance (2018). This updated expectations around transparency, stakeholder engagement, board effectiveness and strategic planning, including encouraging ports to review periodically whether the trust model remains suitable.

The study did not lead to structural or legislative reform. There were no significant amendments to the Ports Act 1991, no overhaul of the trust port

model, and no consistent change to appointment arrangements. Although the study recognised that classifying major trust ports as public corporations could constrain investment, it did not recommend reclassification, and the Government did not pursue changes to address it.

As a result, many of the largest trust ports in England and Wales remain classified as public corporations, with borrowing counted against public sector budgets.

3.1.6 Harbour revision orders

A Harbour Revision Order (HRO) is a form of delegated legislation made under section 14 of the Harbours Act 1964, which allows a harbour authority to amend its governing statute, including its constitution, powers and governance arrangements, where this is judged necessary for the efficient management of the port.[7]

Because the Office for National Statistics (ONS) classifies ports to the public sector where government exercises "significant control" (e.g. through board appointments or statutory oversight), an HRO can be used to remove or dilute these control features such as ministerial appointment rights or reporting obligations, thereby strengthening operational independence and potentially avoiding classification as a public corporation.

The Port of London Authority (PLA) has actively pursued this route by seeking to modernise its 1968 Act and reduce legacy ministerial controls embedded in its legislation, reflecting both its scale and exposure to classification risk. By contrast, most other trust ports, have not undertaken similar reforms.

The Port of London Authority's 2005 Harbour Revision Order (SI 2005/3514) restructured its constitution by significantly reducing the number of board members appointed by the Secretary of State and increasing internally appointed members, thereby weakening key indicators of government "control"

[7] Gov.UK, Harbour Orders, accessed 11 June 2026

used by the ONS and enabling the Authority to move towards classification outside the public sector boundary.

4 ONS Classification

In September 2001, ONS reclassified the largest trust ports in Britain as public corporations. In 2005, this approach was extended in Northern Ireland. The classification applies where government is deemed to exert "control".[8]

The Office for National Statistics (ONS) produces economic statistics by dividing the UK economy into sectors based on international frameworks such as the UN System of National Accounts (2008) and the European System of Accounts (2010). Classification is the process of assigning organisations ("institutional units") to these sectors and sub-sectors using consistent international rules. A key focus is determining whether an entity belongs in the public or private sector, which helps define the boundary of the public sector in the UK's national accounts and ensures comparability with other countries.

ONS regularly publishes classification decisions and explanations in its public sector classification guide and forward work plan, alongside the treatment of transactions (e.g. taxes and transfers) between entities. Central to this process is the concept of public sector control, which assesses whether government has the ability to direct an entity's general policy or activities. Importantly, such control does not require day-to-day intervention; it can arise through governance arrangements or statutory powers.[9]

According to the ONS an entity would be classified to the public sector if:

- The entity does not have sufficient decision-making autonomy in respect of its principal function to be a separate economic institutional unit, and it is controlled by another institutional unit that has been classified to the public sector.

[8] House of Commons Library, Ports: privatisation of trust ports, January 2013

[9] Office of National Statistics, Statistical classification to the public sector, July 2024

- The entity has sufficient decision-making autonomy to be an institutional unit, but the public sector has the ability to control that entity's general policy or programme.

Some of the factors considered by the ONS when assessing if an entity is subject to public sector control are:

- rights to appoint, remove, or veto a majority of officers or directors to the entity's board, or other governing entity;
- rights to appoint, veto or remove a majority of appointments for main committees of the entity;
- ownership of a majority of the voting interest in an entity;
- right to appoint, veto, approve, or remove important personnel rights under special shares and options, or golden shares;
- contractual arrangements that prevent an entity engaging with non-public sector customers;
- rights to control from agreements and permission to borrow control via excessive regulation.

Looking specifically at the right to “appoint, veto, approve, or remove important personnel”. The ONS states, “Control of an entity's general policy may be effectively determined by influential members of the board, such as the chief executive, chairperson, or finance director. Rights to appoint, veto, or remove people from such roles are more important for determining whether public sector control exists in such cases.”

The committee may wish to explore the extent to which powers to appoint important personnel, i.e. chairperson and deputy chairperson to the boards of trust ports may exceed the control threshold and therefore affect reclassification.

4.1 Reclassification in Scotland

The Harbours (Scotland) Act 2015 was introduced to specifically address the issue of classification, introducing the Bill, Derek Mackay MSP, noted:

> *The bill aims to resolve a technical issue by stopping borrowings of affected ports scoring on Scottish Government budgets when we have no control over what is a private financial transaction.*

The Act repealed sections 10 to 12 of the Ports Act 1991as they extended to Scotland, removing the Scottish ministers' power to require certain trust ports (those with a minimum annual turnover of about £9 million) to prepare privatisation proposals. It was noted that ONS:

> *interpret this power as a key trigger for classifying as public corporations those trust ports that have reached the relevant turnover threshold, as the power gives a degree of public control.*

The Scottish Government took the view that:

> *This is a technical matter of bureaucracy and clarification. It makes no sense that those moneys should score against Scottish Government budgets, which could subsequently impact on the Government's ability to borrow and spend.*

What was passed is a short and largely technical piece of legislation that focuses on two main areas: removing an unused power to force privatisation of certain ports, and simplifying some administrative procedures around harbour orders and schemes. The changes mainly affect trust ports, which are independent statutory bodies run by their own boards for the benefit of local stakeholders.[10]

4.1.1 Governance changes

The Harbours (Scotland) Act 2015 does not make any provision in relation to the appointment of board members to Scottish ports. The Act is narrowly focused on removing Ministers' powers to compel the privatisation of certain trust ports and on simplifying administrative procedures, and it does not alter governance arrangements. Trust port board appointments therefore continue to be made under each port's own local legislation or harbour orders, typically

[10] Harbours (Scotland) Act 2015, Explanatory Notes

involving existing board members and stakeholders rather than direct Ministerial appointment, reflecting their status as independent statutory bodies.

The Scottish Government's guidance "Modern Trust Ports for Scotland: Guidance for Good Governance" (2012) sets out principles for the effective governance of trust ports, emphasising their independence and the need for open, merit-based board appointments. The guidance highlights that boards should be structured to ensure appropriate skills, accountability and transparency, with key expectations including:

- Boards should typically have between 8 and 12 members to maintain effectiveness;
- Appointments should be made through an open, transparent and merit-based process;
- Membership should reflect a balance of skills and experience aligned to the port's operational and strategic needs;
- The board should comprise mainly non-executive members, with limited executive representation (e.g. Chief Executive) appropriate to the port's size;
- Roles on the board should be clearly defined with focus on stakeholders, and adherence to high standards of probity and accountability;
- Overall, the guidance aims to promote modern, professional governance arrangements across Scottish trust ports, with boards operating independently and in the interests of their stakeholders rather than under direct government control.

4.1.2 Commercial powers

Following the enactment of the Harbours Act 2015 and the subsequent reversal of the ONS classification decision, Scotland's major trust ports, including Aberdeen Harbour Board, gained significantly more flexibility over how they financed investment and managed their operations.

Trust ports were no longer required to seek Scottish Government budget cover for borrowing, and debt taken on by ports no longer counted against public sector finances. This meant boards could make borrowing decisions based on

commercial need and market conditions rather than government spending controls.

Ports were also able to access finance directly from banks and investors, reducing reliance on approved public borrowing arrangements or accumulated reserves. In practice, this gave boards greater freedom to progress investment projects, award contracts and respond more quickly to commercial opportunities.

The ability to raise substantial long-term finance without public expenditure constraints was an important factor in enabling major infrastructure projects. In Aberdeen's case, it helped create the conditions for investment in the South Harbour expansion. Beginning in 2017 and completing in August 2023, the Port of Aberdeen South Harbour extension was the largest marine infrastructure project ever undertaken in Scotland, costing some £420 million.[11]

The project created new deepwater berths capable of accommodating some of the world's largest vessels. This expansion was intended to help the port compete in growing markets such as offshore wind, cruise ships and offshore energy decommissioning.[12]

The project was funded primarily by Port of Aberdeen itself, supported by borrowing and public-sector investment. If the port had remained in public ownership, the project's multi-million-pound debt requirement would have consumed nearly the entirety of the Scottish Government’s annual discretionary borrowing capacity. Instead, the port was able to secure a £180 million long-term loan from the European Investment Bank (EIB)[13], supplemented later by a £35 million facility from the Scottish National Investment Bank (SNIB), which would have been impossible under public accounting ceilings.[14]

[11] Port of Aberdeen, Aberdeen South Harbour, accessed 29 October 2026

[12] As above.

[13] European Investment Bank, Aberdeen Harbour Expansion, December 2015

[14] The Scottish National Investment Bank, Port of Aberdeen, accessed 27 October 2026

Independent analysis cited by stakeholders forecasts that, once fully utilised:

- The port's annual economic contribution (GVA) could rise by 60% to £2.4 billion.
- Jobs supported could increase by 45% to around 17,500.
- The expanded port is expected to attract vessel traffic and projects that previously bypassed Aberdeen for larger European ports.[15]

5 Review of Trust Ports in Northern Ireland

In 2025 the Department for Infrastructure (DfI) completed a review of Trust Ports in Northern Ireland to ensure they are well placed to support economic growth, operate effectively, and respond to future opportunities.[16]

5.1 Consultation

The DfI undertook a 12-week public consultation between December 2024 and March 2025 as part of its review of trust ports in Northern Ireland.[17] Sixty responses were received from a range of stakeholders, including harbour authorities, public bodies, industry groups and individuals. Overall, there was a general level of support for reform, particularly where this would strengthen the commercial position of ports, although respondents consistently highlighted the need to retain appropriate governance and accountability arrangements.

A clear majority of respondents supported the proposed reclassification of trust ports for national accounts purposes. Those in favour argued that reclassification would remove existing borrowing constraints, as port borrowing would no longer score against the Department's budget. This was viewed as enabling ports to invest more flexibly, respond to commercial opportunities and

[15] Invest Aberdeen, Port of Aberdeen's transformational expansion, September 2023

[16] Department for Infrastructure, Review of Trust Ports, May 2025

[17] See footnote 11

maximise their economic contribution. It was also seen as bringing Northern Ireland into line with arrangements elsewhere in the UK.

Those opposed raised concerns about reduced public oversight and the potential for ports to prioritise commercial activity at the expense of wider economic or community interests, while some responses reflected misunderstandings about ownership and control. A number of other views were expressed in the consultation including mixed views on adequacy of existing governance arrangements:

- While many considered the current legislative framework and Harbour Orders to be sufficient, others argued that stronger safeguards are needed, particularly around transparency and oversight of decision-making.
- There was consistent emphasis on ensuring ports remain accountable to stakeholders and local communities, especially if classification changes are introduced.
- Some respondents supported retaining Ministerial involvement in board appointments to ensure public accountability, while others saw this as unnecessary or potentially incompatible with reclassification.
- There was support for additional (departmental/ministerial) controls. However, those who did not support additional controls pointed to unintended consequences including reduced competitiveness and potential conflict with reclassification objectives which require a relinquishing of control.

6 Ports in Republic of Ireland

The ports sector in the Republic of Ireland is distinct to the trust port model of the United Kingdom. Most major Irish ports, including Dublin Port Company, Port of Cork Company, Port of Waterford Company and Shannon Foynes Port Company, are State-owned commercial companies established under the Harbours Act 1996. The national ports policy notes that the reforms in the 1996 Act mirrored a trend across the European ports sector that was characterised

by a move away from traditional organisational structures toward more flexible commercialised entities better able to respond to changing market demands.[18]

The National Ports Policy states that Ireland's ports are expected to operate commercially, but they are also public assets and should be run in a way that reflects the wider public interest. Ports are expected to be financially independent, generating the income needed to fund investment and development rather than relying on direct government support.

While ports are given considerable freedom to manage their day-to-day affairs, ministers retain an oversight role under the Harbours Act 1996. Overall, the policy aims to strike a balance between commercial independence and public accountability, reflecting the view that major ports are strategically important national assets.

In 2023 the Department of Transport launched a review of the National Ports Policy, beginning with an issues paper and public consultation.[19] The review considered matters such as port governance, capacity, investment, decarbonisation, offshore renewable energy and the long-term role of ports in supporting economic growth. The Department indicated that the review would inform a revised national ports policy.

In July 2026, the Department of Transport launched a public consultation on a draft revision of the National Ports Policy (NPP). The draft revised policy largely retains the existing State-owned commercial port model. It reaffirms the strategic role of the five Ports of National Significance: Dublin Port Company, Port of Cork Company, Shannon Foynes Port Company, Port of Waterford Company and Rosslare Europort. Rather than restructuring the sector, the emphasis is on providing these ports with a clearer mandate to invest, expand capacity and support offshore renewable energy development.

[18] Department of Transport, National Trusts Policy 2013, July 2019 (updated 2023).

[19] Department of Transport, Public Consultation for Review of National Ports Policy, October 2023

The draft policy includes a review of the restriction on State-owned commercial ports accessing Exchequer funding and borrowing schemes.[20] This suggests a more flexible approach to public funding for strategically important infrastructure where national objectives are involved, particularly in relation to offshore renewable energy.

The reforms proposed in the Republic of Ireland and Northern Ireland both aim to support future investment, but they are responding to different challenges and ownership models. The Harbours Bill seeks to reduce departmental powers over trust ports, particularly in areas such as appointments and oversight, with the aim of increasing commercial autonomy and supporting ONS reclassification. The Irish review is a policy modernisation exercise for a State-owned port system.

7 Summary and Conclusion

This paper examines the Harbours Bill in the context of wider UK trust port governance and the Office for National Statistics (ONS) classification framework. Its primary purpose is to explain why Northern Ireland's trust ports are currently classified as public corporations, the implications of that classification, particularly for borrowing and investment, and how the Bill seeks to address these issues by reducing indicators of government control.

The analysis demonstrates that ONS classification is driven not by ownership, but by the extent of government influence over governance, including powers of direction, board appointments and statutory controls. The Bill's core provisions (Clauses 1–3) are therefore targeted at removing or limiting these control mechanisms in order to support potential reclassification and improve commercial flexibility.

Evidence from Great Britain, including the use of Harbour Revision Orders and legislative reform in Scotland, illustrates how similar outcomes have been

[20] As above, page 61

pursued elsewhere, albeit through different mechanisms and with varying degrees of success.

Members may wish to consider whether the Bill strikes an appropriate balance between reducing control to achieve reclassification and maintaining sufficient public accountability. In particular, consideration should be given to the ongoing role of Ministerial appointment powers, the potential risks of reduced oversight, and whether additional safeguards are required to ensure transparency and alignment with wider economic and community interests.