

Customer consultation

Anglian Waterways navigation charges 2018/19

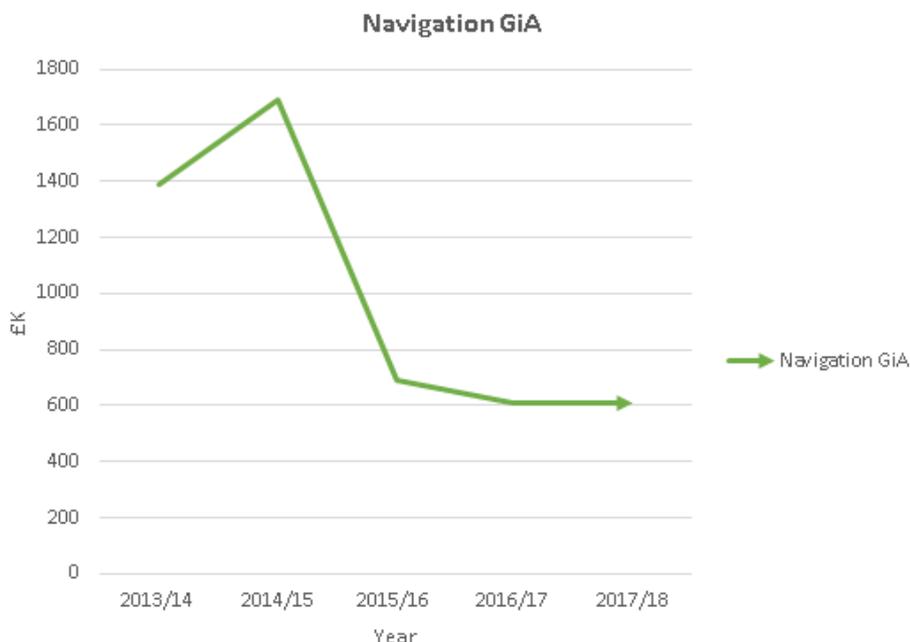
July 2017

Introduction

We need to increase the boat registration charges payable for any boat kept, used or let for hire on our Anglian Waterways in 2018/19. This increase is essential to help maintain existing levels of funding for all aspects of the navigation service we provide even if the additional financial support we receive from Government, in the form of navigation grant-in-aid (GiA), reduces.

The navigation service we provide receives funding from a variety of sources. Income from most of these sources remains broadly the same each year. However, navigation GiA has been steadily falling over a number of years. Table 1 below shows the trend of Navigation GiA over the last 5 years.

Table 1



We expect this trend to continue so are planning for a further reduction in 2018/19.

The amount we spend on the navigation service on our Anglian Waterways has to match our income. As navigation GiA reduces, so does the amount we have to spend, unless we are able to make up the shortfall via the other income streams.

The funding position

As well as navigation GiA, our navigation service on the Anglian Waterways is part-funded by Government GiA provided for investment in flood risk management activities. This sum, which we are not guaranteed to receive every year, makes a significant contribution towards the maintenance of Anglian Waterways assets used to manage water levels to reduce flood risk.

We also receive regular income from boating related activities, including long term moorings at Northampton Marina, Denver complex and other key locations as well as other miscellaneous income such as visitor moorings and laundry.

Apart from GiA, the largest contributor to our income is boat registration charges. These charges have been frozen for the last 2 years, and were linked to the Consumer Price Index (CPI) for the 3 years before that (CPI only for 1 year and CPI + 2% for 2 years), as agreed with user representatives through consultation.

Over these 5 years additional income from boat registration fees and other sources of funding has not matched the reduction in navigation GiA. This has resulted in a shrinking budget for our navigation service, as our spending must match our income. Additionally, overall Government funding for the Environment Agency has also declined. This has resulted in reduced allocations for much of the work which this funding supports. This includes capital investment in the locks, weirs and sluices without which, boating on the Anglian Waterways as we know it would simply not be possible. Less money for capital projects means more money must be spent on maintenance and repairs of existing assets, rather than replacing them. This increases the pressure on revenue budgets already reduced through shrinking navigation GiA.

For some time, overall funding for the navigation service on our Anglian Waterways has been falling increasingly short of the investment required just to maintain essential infrastructure and keep the navigation channel free from obstructions.

In response, we have worked to reduce our costs and increase our income in other areas to minimise any deterioration in these, and all other aspects of our service, as best we can and continue to do so. The increases to the 2018/19 boat registration charges, alongside other measures, will provide a small but necessary contribution towards greater financial sustainability, and stability, for our service.

The national position and the rationale

Our proposed increase to our Anglian Waterways registration charges are part of a package of increases to registration charges for all the waterways for which the Environment Agency is the navigation authority. We have been granted permission to consult on these proposals by the Environment Agency board, and the Secretary of State for Environment, Food and Rural Affairs.

All our waterway areas are funded in different ways, as can be seen from the table below (based on forecast budgets for 2017/18 as of 1 April 2017):

Area Name	Boat registration Charges (£k)	Water Resources income (£k)	FCRM income (£k)	Moorings and landing rents	Other local Navigation income *	Commercial income - estates (£k)	Navigation GiA (£k)	Total (£k)
Thames	£4,522	£890	£1,350	£900	£416	£376	£68	£8,522
Anglian	£2,030	£0	£520	£170	£42	£0	£262	£3,024
Medway	£178	£0	£85	£60	£17	£49	£282	£671

* includes Thames Conservancy Act income for Thames

They also have different running costs. This year, we have reviewed the funding position for each waterway area and based our proposals on the individual funding pressures.

This means for the first time, rather than applying a uniform percentage increase, we are proposing different percentage increases for the different waterway areas as shown below.

- Increase charges for the River Thames by 5.7%
- Increase charges for the Anglian Waterways by 7.5%
- Increase charges for the River Medway by 10%
- Increase charges for unpowered boats, which have a nationally consistent charge and boats (powered and unpowered) covered by our joint registration agreements with third parties (i.e. Canal & River Trust - Gold Licence, British Canoeing, British Rowing) by 7.7% *

* This is taken as an average of the 3 individual percentages for each waterway area because they have nationally consistent charges.

Together, these increases will provide approximately an extra £430,000 which will contribute towards reinstating planned preventative maintenance in order to stop further decline, and channel maintenance which customers have told us is fundamental to the service they receive.

Boat registration charges support the delivery of our navigation service across all our waterways and currently, costs far exceed the funding recovered from charges. Charge increases will reduce the impact of continuing reductions in this funding.

All boat registration charges have remained unchanged for the past 2 years so this year, we need to increase our charges. These increases will ensure current levels of funding are maintained, without which, some activities will have to reduce further or stop.

The increases and their context

As shown above, our intention is to apply a 7.5% increase to all boat registrations for our Anglian Waterways. The only exceptions to this are private unpowered boats, and those boats (powered and unpowered) covered by our joint registration agreements with third parties as mentioned above.

To put this increase into context, applied to a small (4m long) private powered boat, the 7.5% increase would add just £21.01 to the current boat registration charge; it would add £25.80 to a medium (7.1m long) private powered boat, and £45.66 to a large (11.6m long) private powered boat.

The table below sets out further examples for private and commercial charges:

Anglian	Private				Commercial			
	2017/18 charge (£)	Proposed increase (%)	2018/19 charge (£)	Charge difference (£)	2017/18 charge (£)	Proposed increase (%)	2018/19 charge (£)	Charge difference (£)
Unpowered boat	35.50	7.7	38.23	2.73	54.86	7.7	59.08	4.22
Powered boat: 4m (Small)	280.19	7.5	301.20	21.01	300.29	7.5	322.81	22.52
Powered boat: 7.1m (Medium)	343.98	7.5	369.78	25.80	530.83	7.5	570.64	39.81
Powered boat: 11.6m (Large)	608.79	7.5	654.45	45.66	939.53	7.5	1009.99	70.46
Narrowboat: 16.7m (Medium)	878.71	7.5	944.61	65.90	1356.09	7.5	1457.80	101.71
Dutch barge: 23.0m (X Large)	963.89	7.5	1036.18	72.29	1487.53	7.5	1599.09	111.56
Passenger boat: 25.9m	N/A	N/A	N/A	N/A	1033.01	7.5	1110.49	77.48

By applying these proposed increases, in 2018/19 we expect the total income from all boats registered on the Anglian Waterways to be £2.18m, which represents additional income of just over £150,000 based on income from existing Anglian registrations.

We appreciate that any increase to the cost of enjoying a leisure activity or running a business is rarely welcomed by those who must pay it. But boat registration charges are a relatively small element of the total cost of boat ownership on the Anglian Waterways which of course includes the cost of buying a boat, its ongoing maintenance, mooring fees and fuel costs. And while many of those will have been subject to increases considerably in excess of inflation over recent years, boat registration charges have not.

Given that the service we provide is arguably the single most important enabler of boating and successful boating businesses on the Anglian Waterways (certainly in the case of maintaining our locks, weirs and sluices in safe working order and managing water levels) and already receives significant, though reducing, financial support from Government, we believe the relatively small charge increases that we are asking for are reasonable.

What are we doing to make savings and efficiencies?

Increased funding from charges is part of an ongoing wider programme to deliver a sustainable service that meets the needs of our different customers as best we can. We also seek to make sensible efficiencies where we can, prioritise funding to protect capital investment and increase income from commercial and other external sources. At the same time, across the many issues of concern to boaters which we have neither the powers, responsibility nor resources to manage ourselves, we are vigorously encouraging those that do to recognise the impact of these issues on the Anglian boating community, and wider users, and to take the desired action themselves.

Additionally:

- With support from our corporate Legal services colleagues, we have successfully pursued owners of unregistered boats to recover boat registration charges.
- We continue to work with our corporate procurement specialists to ensure we benefit fully from the collective purchasing power of the Government estate, working with framework contractors to obtain best value-for-money and working according to Government procurement criteria when buying in specialist services to achieve the same outcome.
- We work increasingly closely with police and other enforcement agencies to improve the effectiveness and joint and individual initiatives, and reduce costs.
- We work in partnership with other internal departments and external organisations to share and reduce costs where appropriate to maintaining and improving our waterways.

What are we doing to increase our income?

Below is a summary of some of the ongoing activity to increase our income:

- Reviewing all of our estates lease and rental agreements when they come up for renewal, and applying market rates.
- Improving and increasing moorings available to visitors and home boaters. For example, working closely with local authorities and other partners to provide additional boating facilities, moorings, marinas etc.
- Working to establish new commercial income opportunities.
- Working to open up our sites for sponsorship and advertising opportunities.

Consultation questions

We are interested to hear your thoughts on the following questions in particular when responding to the consultation through your Anglian Waterways Group (AWG) representative:

1. Do you support the need for an increase to Environment Agency boat registration charges?
2. Do you support the level of increase proposed through this consultation?
3. If not, what level would you support?
4. If we were not to increase charges, what elements of the service would you be prepared to see reduce or stop?

You will also have an opportunity to discuss our proposals with Waterway Managers at the next AWG meeting on 16 August 2017.

The closing date for responses is Thursday 31 August 2017.

Appendix

Our navigation service on the Anglian Waterways

The Anglian Waterways includes navigations between the River Ancholme in the north and the River Stour in the south and incorporates the Black Sluice and the Glen, Welland, Nene and Great Ouse rivers - 353 miles (568km) of river with associated locks and other facilities.

The service we provide to boaters and boating businesses is delivered through a team of 29 highly trained, well equipped, hugely experienced, passionate full-time navigation specialists, all dedicated to providing the best possible standards of service that the funding available to us will allow.

That service comprises the following key activities as set out in our Anglian waterways Customer Charter. The degree to which each of these activities is carried out varies according to operational priorities and the funding available to us.

Liaison with customer groups

We meet with customer representatives from across our waterways to discuss issues and the service we provide. The Anglian Waterways Group meets quarterly and covers all Anglian waterways. In addition we will meet regularly with local user groups across our waterways.

Maintaining our locks, moorings and other assets and river channels

We provide and maintain safe access to our lock sites and facilities. Throughout the year we maintain our locks, landing stages, moorings, canoe portage points, slipways and other assets according to our maintenance plans. These plans identify assets that are 'closed' and waiting funding. We review the waterway maintenance plan with the local users each year.

We provide safe access on navigation channels by maintaining river weed according to the maintenance plans. Again, these plans are reviewed with local users. We remove (or arrange for others to remove) obstructions from navigation channels as soon as reasonably practicable. Any obstructions we are aware of, but are unable to remove, we mark them with hazard warning buoys.

Closures and restrictions

We issue navigation closure notices at least one month before any major planned works. We inform customers of any emergency and restriction notices as soon as we can. Closure, restriction and emergency notices are displayed on appropriate notice boards on the river, emailed to clubs, marinas and individuals (who have requested the information), tweeted and placed on 'Team-up'. The information is also listed on www.gov.uk/anglian-waterways-river-conditions-closures-and-restrictions as soon as practically possible.

Boater's facilities

We maintain our pump-outs, water points, toilets and shower facilities, in a clean, safe and usable condition throughout the year. When we receive reports of facility breakdowns we arrange repairs as soon as we can. We review maintenance at our facilities with local users each year.

Service at our manned locks

Our lock keepers help boats pass safely through the following locks every days of the year except Christmas Day, Boxing Day and New Years day: Hermitage Lock and the tidal locks at South Ferriby, Black Sluice, Fulney, Dog in a Doublet and Denver.

River information for boating

Higher river flows can be hazardous for boating. We provide River Advice for Boaters (RAB) messages, free of charge, to our boating customers on the Rivers Ancholme, Nene & Great Ouse. We keep Floodline information updated so users can call at any time to find out river conditions. We provide information by

customer service line
03708 506 506

incident hotline
0800 80 70 60

floodline
0845 988 1188

www.environment-agency.gov.uk

displaying RAB signs and flags along our waterways. We also provide further information and advice on river conditions on the www.gov.uk website.

Enforcement and compliance

We support a safe and enjoyable environment for our customers. We protect our river and income by undertaking regular enforcement activity throughout the year. We place warning notices on those vessels that fail to register and undertake appropriate enforcement action which may lead to prosecution and/or removal of unregistered vessels. We will provide updates on our enforcement activity to the Anglian Waterway Group on a quarterly basis. We carry out other enforcement activity, according to priority and funding.

Responding to incidents

We support the emergency services in dealing with emergency river incidents, and with colleagues from other Environment Agency departments in dealing with non-emergency incidents and pollution incidents. We work closely with the police who deal with theft, unsociable activities and vandalism on our waterways including through Boatwatch, a partnership scheme dedicated to tackling crime and anti-social behaviour associated with our waterways and make boating safe and enjoyable. We also promote the mobile telephone numbers of our River Inspectors who can be contacted for navigation emergencies.