

Environment Agency Customer Consultation Anglian Waterways Navigation Charges 2018/19

Response from the Directors of the East Anglian Waterways Association

August 2017



The East Anglian Waterways Association is a believer in "Waterways for All" - promoting access to our navigations for the community - walkers, nature-lovers, anglers, canoeists, boaters and gongoozlers. We work with and support many local societies, trusts and other user bodies in the area.
The East Anglian Waterways Association Limited – www.eawa.co.uk Reg. 895405 - Registered Charity No. 251382

The EA's Case	Response
<p>Increases in boat registration fees are needed to maintain existing levels of funding in case government Grant-in-Aid (currently £226,000) is further reduced.</p>	<p>There were drastic reductions in navigation Grant-in-Aid between 2013 and 2015 but the <u>overall</u> G-I-A to the Environment Agency remained virtually the same at around £1,200 million throughout the period. <i>(Remember it is the EA board that decides how the G-I-A is to be allocated across its departments, not DEFRA.)</i> Since 2015 the amount has not reduced significantly and there no evidence has been made available that it will be reduced for the year 2018/19. If the EA (Anglian) raises another £150,000 by increasing the registration charges as proposed it simply gives the EA Board a justification to review and reduce the proportion of G-I-A for 2018/19 and subsequent years.</p>
<p>The EA states that the navigation service on Anglian Waterways is part-funded by Government G-I-A <u>for investment in flood risk management activities.</u></p> <p>The sum makes a significant contribution towards the maintenance of Anglian Waterways assets <u>used to manage water levels to reduce flood risk.</u></p>	<p>Investment in flood risk management activities should be funded from general taxation. The whole community derives benefit from this investment but it is only boat-licence payers that are expected to make a specific and substantial extra contribution. It is true that boaters derive some benefit from particular water control assets but for the most part these would have to be maintained for land drainage, flood prevention and water supply regardless of whether navigation took place or not. In the EA's own words "<i>the assets are used to manage water levels to reduce flood risk</i>".</p> <p>Since January 2016, the EA has been part of a joint working party with Canal and River Trust to explore the best options for future management of the EA inland waterways. (It remains the government's stated intent to transfer the EA waterways to C&RT when funding is available).</p> <p>It is inconceivable that the working party's remit did not cover the question of how to separate responsibility for the water control assets, i.e. the weirs and sluices, from the navigation assets, i.e. the locks. By now, and even if final agreement has not yet been reached, there must surely be some degree of consensus over how these responsibilities will eventually be divided. Yet it serves the EA's purpose in trying to make the case for increasing boat fees to continue to lump all these assets together to justify the position that any reduction in G-I-A for <u>flood management</u> must be recompensed solely by boaters.</p> <p>The EA's recent change of policy towards stopping the use of navigation locks on the rivers Nene and Great Ouse for flood discharge is evidence that separation of these assets has received some consideration although it has been thinly disguised as yet another Health and Safety initiative!</p> <p>Boaters should reasonably be expected to pay only for the assets they use over and above the assets that are essential for water control purposes and which benefit the whole community.</p> <p>If any increases, other than those necessitated by inflation, are to be justified there must be transparency over precisely where the money is needed either for long-term capital investment or for regular maintenance. Under the present EA regime (and more than 20-years of their management of our waterways) there is no such transparency with regard to navigation assets. The Anglian Waterways Manager even admitted last year that the current condition of some of those assets was unknown which begs the question as to what they have been doing for the last 20-years.</p>

<p>“Apart from G-I-A, the largest contribution to our income is boat registration charges.”</p>	<p>In terms of the EA Anglian navigation budget, this statement appears to be deliberately misleading. Of the total 2017/18 navigation budget 67% comes from boat registration charges whilst less than 9% comes from navigation Grant-in-Aid. There is a further contribution from Flood Risk Management Grant-in-Aid of 17% but this is in respect of other essential water control assets and has only a limited relevance to navigation. The remaining 7% is income derived directly from boaters in the form of mooring and other fees. In any case, the proportion of total government Grant-in-Aid to the EA directed to the navigation budget is set not by DEFRA but by the EA Board. It is the EA Board that has arbitrarily reduced the proportion in some previous years.</p>
<p>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).</p>	<p>Freezing of registration charges for the last 2 years was a welcome relief from the pattern of all the previous years of the EA’s tenure as navigation authority. From 1996 to 2014 (with the one exception of 2011) the Anglian boat registration fee was increased every year by an amount considerably greater than CPI. Over those years the charge rose by a staggering 127% compared to a rise in the Consumer Price Index of 43%.</p> <p><u>The EA’s Anglian Waterways Boat Registration charge increased by almost three times the rate of inflation.</u></p> <p>Even the ‘frozen’ rates of the last 2 years are perhaps not nearly as generous as they may at first appear because CPI rose by only 0.2% in 2015 and 1.60% in 2016.</p> <p>The EA has claimed from time to time that increases should be compared at least partly to the alternative Construction Cost Index which relates to civil engineering projects and for many years almost always ran ahead of CPI, but that Index has risen by less than 5% since 2014.</p> <p>Under the current regime the EA is prevented from effective long term planning of finances and capital projects in particular. The current system of “raise the money this year and spend it all this year” is totally inappropriate to the reality of inland waterways management which necessitates a much longer term view.</p>

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.”

“Across the many issues of concern to boaters for which we have neither the powers, responsibilities nor the resources to manage ourselves, we are vigorously encouraging those that do recognise the impact of these issues on the Anglian boating community, and wider users, to take the desired action themselves.”

“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”

“We work increasingly closely with police and other enforcement agencies to improve the effectiveness of joint and individual initiatives and reduce costs” and “we work in partnership with other departments and external organisations to share and reduce costs”

The suggestion is once again repeated here that increasing charges to boaters “is part of an ongoing wider programme to deliver sustainable service that meets the needs of our customers”. There is in fact no evidence whatsoever of any “ongoing wider programme” other than in the imagination of the EA’s spin doctors. The EA looks only to increased charges as it is not constrained by normal business practices that ensure that service to “customers” remains competitive and value for money. The so-called “customers” have no choice of service provider and the EA simply takes advantage of this, as evidenced by an overall increase in navigation registration charges of more than three times that of the Consumer Price Index during the EA’s tenure of office.

The main issue of concern to boaters is that of lack of effective maintenance of a clear navigation channel for which EA Anglian have not only the powers and responsibilities but also a statutory obligation to provide. The fanciful claim to be ‘vigorously encouraging’ others to take desired action has no evidence to support it. In fact, the opposite is true as anyone involved with plans to restore a derelict and unlawfully closed local EA waterway by voluntary labour at no cost to the agency will testify. After many years of prompting and demands by user groups, EA Anglian has finally launched its volunteer scheme – limited to a maximum of ten souls to be based at the far extremities of the EA rivers not easily accessible to many potential volunteers – and it even had to pay a considerable sum to an outside organisation to attempt to achieve that nonsense. Compare that with the thousands of active volunteers on C&RT waterways engaged in day-to day operations and even major restoration works to see the opportunities that are being lost on EA managed waterways.

It is a primary function of a navigation authority to ensure that all boats are registered in accordance with the law. Any evasion not acted upon represents a clear failure by the EA as opposed to the success seemingly claimed here from limited action against a tiny proportion of offenders. In fact the navigation team often cite a lack of support from their legal department as the reason for failure to commence appropriate proceedings.

Is this an achievement or an excuse? There are so many fairly minor navigation issues that could be dealt with quickly and inexpensively (as they always used to be) by a small local team with basic equipment. Instead we see delay, prevarication and ultimately increased costs while the EA goes through its unwieldy and inefficient corporate processes which are completely unsuited to day-to-day management of a navigation.

And the evidence for this claim is

Increasing our Income
 “Reviewing our rental agreements when they come up for renewal and applying market rates”
 “Improving and increasing moorings available to visitors”
 “Working to establish new commercial income opportunities”
 “Working to open up our sites for sponsorship and commercial income opportunities”

Surely something that any organisation with an ounce of commercial awareness would do automatically?
 Year after year we see these same claims repeated with never any tangible progress or increased contribution to navigation income.
 Many parts of the Anglian waterways system are under-used and un-crowded with the clear potential for increased recreational boating and other leisure pursuits. Locally, the Environment Agency has been ineffective in capitalising on this potential and the total number of boats registered has not increased in the Anglian region. Actively encouraging a larger number of users would produce greater revenue for the Agency; discouraging growth by making boating unaffordable for many ultimately does just the opposite.

Varying Charges
 The EA’s proposals are:
 Increase River Thames Charges by 5.7%
Increase Anglian Waterways by 7.5%
 Increase River Medway by 10%

Over the last 20-years we have seen millions of pounds squandered by the Environment Agency in “essential” work on “harmonisation” of their navigation functions and charges across the regions. That work has produced little or no tangible results or benefits, although it has kept many highly-paid lawyers busy. Now it seems we are being asked to sanction a desperate complete policy turn-around by the Agency. It has always been apparent, and widely acknowledged by the EA, that boaters on Anglian Waterways receive a lesser service in terms of facilities provided - including manned locks - and in standards of river channel maintenance than River Thames boaters. Yet registration for a 27-foot motor cruiser is already over 4% more expensive on Anglian Waterways than on the Thames. Similarly, registration of a 55-foot narrowboat is over 30% more expensive than on the Thames.
There is no justification whatever for expanding this unacceptable differential still further with increases of 7.5% in Anglian and 5.7% in Thames.

Comparison of Charges

Value for Money?

	EA Anglian	EA Thames		C&RT Rivers		Broads	
Motor Cruiser 27 ft.	444.99	426.65	- 4.1%	340.72	- 23.4%	295.55	-33.5%
Narrowboat 55 ft.	878.71	612.15	- 30.3%	516.52	- 41.2%	424.05	- 51.7%

The table compares EA Anglian registration charges for two typical vessels with those charged for the same vessels on other waterways. In all cases the charges are less than those of Anglian by between 4 and 50%. It is clear that by comparison the EA Anglian region charges already offer very poor value for money. A commercial operation offering such poor comparative value to its customers would simply not survive.
There is no scope for any further increase above CPI. and even less scope for an unfair regional increase.

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?

No, for all the reasons given in the attached response, East Anglian Waterways Association does not support the need for any increase in boat registration charges (except for an adjustment equal to the latest annual Consumer Price Index).

2. Do you support the level of increase proposed through this consultation?

Emphatically NO. The proposed increase in Anglian navigation charges of 7.5% cannot be justified. The proposal to increase Anglian charges by more than the Thames will further increase the unacceptable differential between the regions. Thames boaters already pay considerably less than those in the Anglian region but receive a far superior service.

3. If not, what level would you support?

EAWA supports an increase in charges related only to the Consumer Price Index. On latest current information (June 2017) that is **2.6%**. That must apply equally to all EA boat registration fees with no regional variations.

4. If we were not to increase charges, what elements of the service would you be prepared to see reduce or stop?

The primary navigation service functions of the Environment Agency in the Anglian region are Statutory Functions defined specifically by the Anglian Water Authority Act 1977 and other national legislation. Those statutory functions include a duty to maintain the main navigation channels and navigation works and to ensure that a recreational waterway is put to the best use for the purposes of recreation and the occupation of leisure having regard to its other lawful uses.

This question, by nature, reveals an entirely negative approach and exposes the current unacceptable and commercially-nonsensical thinking within the authority. The Environment Agency Anglian region needs to pay proper regard to its statutory duties to promote recreational navigation and then work to enhance income by encouraging more users of our waterways instead of making boating unaffordable for many. There are also massive opportunities for savings in this region by properly harnessing the goodwill, expertise and enthusiasm of volunteers as is done so successfully elsewhere on our national waterways. There also needs to be a much more pro-active approach to enforcement to secure existing revenue.