

Navigation Charges 2025/26 - Briefing Note

1. Introduction

The Broads Authority, which looks after the Broads National Park, is funded from two main sources: grant aid from Defra for the national park functions of: (i) conserving and enhancing the natural and built environment, and (ii) promoting the understanding and enjoyment of the area. Maintenance of the waterways is funded from the income generated by tolls from over 8,000 private boat owners and 54 hire boat companies.

Both income lines have been under increasing pressure caused by a standstill Defra grant, a 25% reduction in the number of hire boats over the last ten years and high rates of inflation on essential raw materials such as steel, wood and aggregate. Climate change is causing high water levels and more extreme conditions, and these are increasing the demand for some areas of navigation maintenance work.

Tourism in the Broads makes a huge £775 million contribution to the Norfolk and Suffolk economy and supports over 7,000 jobs. Maintaining the waterways is an essential component of supporting that tourism offer: dredging accumulated sediment from the rivers and broads, repairing over 60 free 24-hour moorings to keep them to a high standard, cutting water plants that impede the navigation; and removing dangerous and overhanging trees, are just some of the ongoing tasks.

As a harbour and port authority the Board of the Broads Authority carries responsibilities for public safety under the Port Marine Safety Code, risk-assessing all activities and taking action to reduce risks to as low as reasonably possible. The Rangers are a key component in managing risk and ensuring that visitors have an enjoyable and safe experience. Communicating advice for all boaters (including visitors), and water safety messages through various channels such as social media, websites, outdoor signage, and Broadcaster is another vital task.

In response to rising costs the Authority has in the past restructured to reduce the number of management roles and more recently changed working practices to reduce office space in its head office by 60%. The largest cost is staffing, which accounts for about 70% of total costs. A multi-skilled workforce means that staff members can move between jobs depending on the demands at the time. Recently we installed steel marker posts across Breydon Water, replacing the old wooden posts, at a much-reduced cost compared to using contractors. The Authority will continue to look for savings and efficiencies.

The Authority has written to the Government ([Funding the Waterways of the Broads National Park \(broads-authority.gov.uk\)](https://www.broads-authority.gov.uk)), pointing out that navigation is a public, not a private benefit, and deserves financial support from the Government. Until such time that funding is provided, the Authority faces increasingly difficult choices to sustain the maintenance of the waterways.

2. Timetable

The annual process of consulting and setting navigation charges for the following year is a balancing act between meeting boat owners' desires for the Authority to provide more moorings, increased dredging, more bankside management and water plant cutting and their willingness and ability to pay higher charges.

Inflation and a reduction in boat numbers make the task for the coming year extremely difficult. Without an increase in charges or cuts in services there is a projected funding gap of £394,000

on the Navigation side. Given this challenge, we are seeking input from all Members at this early stage so that their views can be considered when developing the material for the Tolls Briefing. We are also informing the wider public of the process and timescale which is as follows:

- September - Seek views from all Members based on August figures (this note)
- 8th October - Tolls Briefing for all Members using September figures
- 7th November - Formal consultation with the Navigation Committee
- 29th November - Broads Authority decision

3. Context - 2024/25 Season

Poor weather, the cost-of-living crisis and the relatively cheap cost of foreign holidays have all put downward pressure on boat ownership and holidays on the Broads. Land and water-based tourism businesses have reported very difficult trading conditions. Visit Britain's 'sentiment survey' (August 2024) stated: The top barrier to taking an overnight domestic trip continues to be 'the rising cost of living' (30%), closely followed by the 'UK weather' (29%). 39% of adults surveyed thought that 'the worst is yet to come regarding the cost-of-living crisis'. Due to the cost-of-living crisis, most UK adults (64%) are either 'cautious and being very careful' (46%) or have been 'hit hard and are cutting back' (18%),

The increase in charges over the last two years will also have had an impact alongside other increases in the cost of owning and maintaining a boat, some of which will have been higher than the increase in navigation charges. The result is that the Broads Authority and other navigation authorities have seen a decline in boat numbers. Table 1 below compares August 31st, 2023, with August 31st, 2024. Table 5 illustrates that most of the income from private boats comes from motor cruisers.

Table 1. Number of Private Boats 31st August 2023 to 31st August 2024

Category	August 2023	August 2024	Change	% Change
Motor Cruisers	4,926	4,834	-92	-1.9%
Aux. Yachts	944	879	-65	-6.9%
Day Launches	560	526	-34	-6.1%
O/B Dinghies	970	898	-72	-7.4%
Workboats	148	148	0	0.0%
Sailing	803	735	-68	-8.5%
Rowing	1,843	1,595	-248	-13.5%
Houseboats	67	71	4	6.0%
Passenger - SPB	22	21	-1	-4.5%
TOTAL	10,283	9,707	-576	-5.6%

In the context of the wider impact of the cost-of-living crisis a reduction of just 1.9% in the private motor cruisers, the largest group of private boats is perhaps surprising. There was a growth of over 230 boats between 2020 to 2021 and the number has returned to pre-COVID levels.

The reduction of 248 rowing craft this year is also not entirely unexpected, partly because of poor weather in the spring and early summer of 2024 resulting in people not registering their

craft. It could also be the natural course of a trend. There was incredible growth in this sector from 2020 to 2023 illustrated by huge increases of craft registered on the Broads and Paddle UK membership (formally British Canoeing). Paddlecraft numbers in the Broads are however still considerably higher than pre-pandemic, 2020 levels.

Table 2 has the equivalent boat numbers for the hire fleet. The long-term decline in the number of hired motor cruisers has reduced income from tolls. Over the last ten years the biggest falls in number were between 2019-2020, a drop of 67, and 2021-2022, a fall of 56. Table 2 shows that the number has remained stable over the last year with just 3 fewer motor cruisers. Table 5 also shows that the category producing the 2nd highest level of toll income is hired motor cruisers. Together private motorboats and hired motor cruisers account for 82% of the Total Income (See Table 5).

Table 2. Number of Hire Boats 31st August 2023 to 31st August 2024

Category	August 2023	August 2024	Change	% Change
Motor Cruisers	644	641	-3	-0.5%
Aux. Yachts	44	43	-1	-2.3%
Day Launches	352	349	-3	-0.9%
O/B Dinghies	4	1	-3	-75.0%
Sailing	71	71	0	0.0%
Rowing	441	411	-30	-6.8%
Houseboats	25	31	6	24.0%
Passenger - MCA	6	6	0	0.0%
Passenger - SPB	7	9	2	28.6%
TOTAL	1,594	1,562	-32	-2.0%

This year's decline in boat numbers has resulted in a forecast reduction in income as shown in Table 3.

Table 3. Budgeted and Forecast Income on 31st August 2024

	Private Boats	Hire Boats
Budgeted Income 2024/25	£3,006,000	£1,436,000
Forecast Income 2024/25	£2,919,284	£1,409,303
Surplus/(Deficit)	-£86,716	-£26,697

The projected deficit is currently £113,413. To align income and expenditure for 2024/25, two mooring refurbishment projects due to be carried out this year by contractors at Potter Heigham and Martham have been delayed until 2025/26. The savings in this year's budget of £100,000 offsets the lost income.

4. Savings v Tolls Increase

The number of boats in the different categories is the starting point for calculating next year's tolls, and traditionally, we have used the previous year's numbers for this. It is not clear whether this year's decline in boat numbers is part of a longer-term trend in private boat ownership or a blip and almost impossible to determine. For the purposes of this paper this year's size and

composition of the fleet has been used for the 2025/26 calculations. This may be optimistic given the continuing cost-of-living crisis.

The projected loss of over £113,000 of income equates to 2.6% of toll income. If no other measures are taken, with the decline in the number of private boats, this means that to maintain services at their current level and reserves at 10.5% of expenditure, a **10.0% increase** in charges would be required to cover the following costs:

Contribute £171,475 to various Navigation ear-marked reserves

National Park Capital funding of £1.215 m in 2023/24 eased the pressures on the Authority's earmarked reserves, which fund the Authority's capital purchases, repairs and maintenance such as the repair of moorings. This meant that the annual contribution to the Navigation earmarked reserves was paused in 2024/25, easing the pressure on the navigation budget.

Accommodate the estimated 3% increase in salaries for 2025/26

This amounts to £123,192. Decisions on local government pay are taken nationally and out of the Authority's control. The pay award for 2024/25 also remains outstanding.

The costs of the dredging programme for 2025/26 are £21,380 higher

This includes dredging on the river Yare between Carrow Bridge and Postwick, removal of shoals on the Bure between Stokesby and Great Yarmouth, and the Upper Thurne between Catfield Dyke and Somerton Dyke.

The programme costs for moorings maintenance and repairs in 2025/26 is £40,620 higher

This includes: Catfield Dyke 24 hr mooring – repiling and complete timber refurbishment; Potter Heigham demasting mooring – refurbishment of upper barge boards, capping and waling; Martham Bank 24 hr mooring – repiling and complete timber refurbishment; and Ranworth Staithe 24 hr mooring – western section replace wooden piling.

The patrol launches are costing more to repair because of their age and the budget has increased by £11,250

The Authority is having to remove more wrecks from the waterways and the budget has increased by £6,000

If provision is made for a continuing reduction in boat numbers, for example a further loss of £100,000 in income, then a **12.5% increase** would be necessary to maintain the existing service levels.

This picture is consistent with the paper on the funding of the maintenance of the waterways unanimously supported by the Navigation Committee and the Authority in January 2024. A copy of the paper has been sent to the new Minister setting out the case for public funding to support the maintenance of the waterways. In the current public spending environment such an important ask may be difficult for the new Government to meet.

Members have been aware that the Authority has restructured the organisation to cut costs and reduced the office space at Yare House by 60%, which will make savings of £60,000 for the Navigation budget.

In the current economic climate and in the light of the last two years' increases of 13% and 8.5%, a 10.0% to 12.5% increase in charges would be deemed unacceptable to the majority of toll payers and therefore the Authority should look so see where it can reduce its operational costs to mitigate the impact on boat owners.

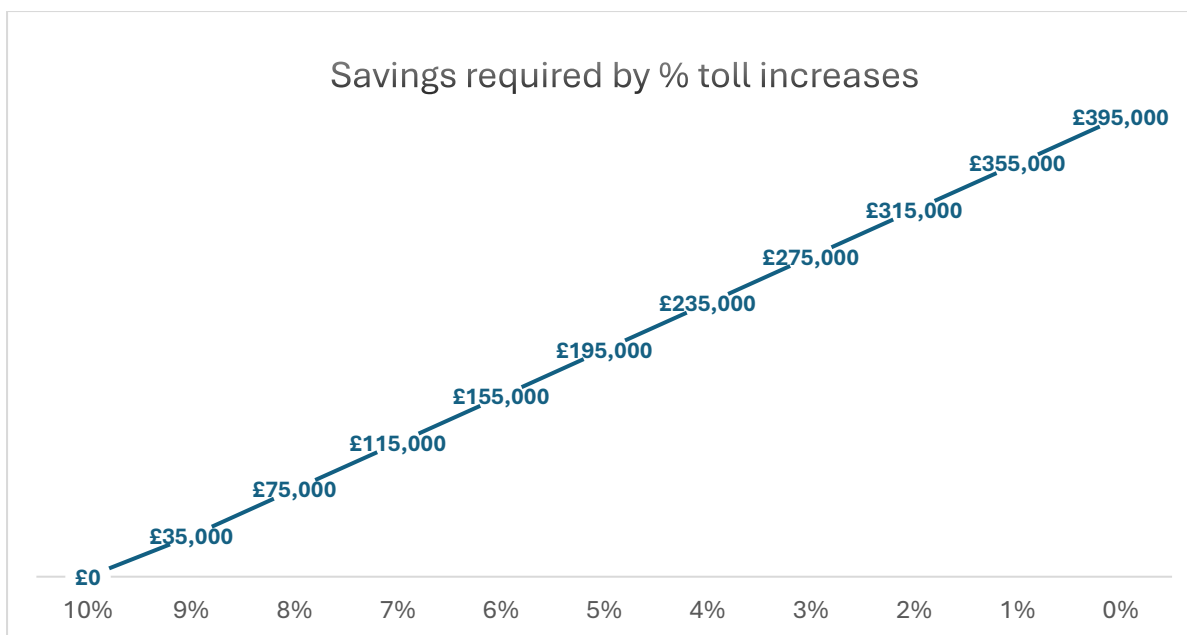


Figure 1 Graph of savings required by % toll increases

The relationship between the level of toll increases and the consequential savings required in 2025/26 are summarised in the graph in Figure 1. Each 1% toll increase generates approximately £40,000 of income. £395,000 of savings would be required to have no tolls increase this year.

5. Areas for Savings

While most budget lines are shared between National Park and Navigation expenditure a few are 100% of one or the other. For example, Table 4 shows that the collection of tolls is 100% funded by navigation income while biodiversity strategy is 100% National Park. We have had no indication from Defra on the level of grant for 2025/26. A draft budget for navigation for 2025/26 in Table 4 is based on a 10.0% increase in navigation charges and an assumed nil reduction in the number of boats. This would see the Authority spend £4.8 million on navigation. This includes £171,475 going to earmarked reserves from a variety of budgets.

Table 4. Draft budget for 2025/26 for Navigation assuming a 10% increase in charges

Activity	Navigation Expenditure £	Navigation as % of Total Expenditure	Examples of service delivered (not exhaustive)
Construction, Maintenance & Ecology Salaries	1,097,521	62	Staff costs delivering dredging, mooring maintenance, water plant cutting, tree and scrub management, surveys, fitters and apprentices
Equipment, Vehicle & Vessels	330,050	70	Running costs
Water Management	95,780	95	Dredging operational costs
Waterways and Recreation Strategy	6,400	100	Broadsbeat and Association of Inland Navigation Authorities
Practical Maintenance	370,575	74	Moorings operational costs, Mutford Lock, electric charging pillars, signage
Ranger Services	1,010,008	82	Staff and operational costs
Safety	96,226	71	Health and Safety, boat safety, oil spill. Pool vehicles

Project Funding	1,350	9	Pension strain for ex member of staff
Operations Property	104,243	61	Dockyard, Beccles, Horning
Operations Management & Admin	98,112	60	Director and Admin support
Development Management	5,263	1	Planning policy – the Local Plan
Strategy & Projects	30,073	15	Climate change (33%) & historic envt (9%)
Biodiversity Strategy	0	0	Developing and monitoring strategy
FiPL	0	0	Farming in Protected Landscapes - grant
Communications	99,365	25	Press and PR, Broadcaster, website, social media, boating news & notices to mariners, safety campaigns
Visitor Centres & Yacht Stations	175,277	56	Great Yarmouth and Norwich YS, Reedham Quay and Ranworth Staithe
HR	85,138	48	HR Team plus training budget
Volunteers	18,641	27	Staff and operational budget
Strategic services management and admin	43,110	30	Director and admin support
Legal	35,000	37	Legal advice plus Monitoring Officer
Governance	137,755	51	Includes Member expenses (£28k) plus Governance Team and Reception
CEO	54,912	40	Salary and on-costs
Asset Management	72,937	66	Boat house & billets, mooring leases
Finance & Insurance	326,127	55	Insurance (£90k) Finance costs (£74k)
Collection of Tolls	234,340	100	Tolls Team and operational budget
ICT	204,634	48	Salaries, equipment, license fees
Office Expenses	11,286	33	Postage, stationery, archive storage
Head Office	50,304	34	Lease, utilities, cleaning, FM costs
Corporate items	4,410	49	Apprenticeship levy
Transfer to earmarked reserve	2,000	100	Mutford Lock income
TOTAL	4,800,836		

To balance income and expenditure this year (2024/25) £100,000 of repair works to moorings at Potter Heigham and Martham has been delayed. Clearly this short-term measure is not sustainable if the network of over 60 moorings is to be maintained to the current standard to ensure they are safe for the public to use.

6. Relative Costs

The charges are largely based on a price per square metre for most categories, and the 15 categories are listed below. Hire boats pay more than double the costs of equivalent private boats. Private sailing boats pay 61% of the costs of petrol- and diesel-powered motorboats. Making any changes to the relative costs has a significant impact on the charges for other categories.

Table 5. Charge by Category of Vessel and Percentage of Total Income

Category	Charge per m²	% Total Income
1. Weekly hired motor craft	£41.60	24.7%
2. Weekly hired motor craft – electric and hybrid	£28.63	0.3%
3. Day hired – petrol/diesel	£63.65	4.8%
4. Day hired electric	£43.58	1.2%
5. MCA passenger boats and small passenger boats	£54.74	0.8%
6. Hired motorised sailing craft – diesel	£33.77	0.7%
7. Hired sailing boats & hired motorised sailing - electric	£24.69	0.3%
8. Hired houseboats	£21.09	0.6%
9. Hired rowing – fixed amount	£92.65	0.2%
Hired paddle craft – fixed amount	£46.32	0.4%
10. Private motorboats - petrol & diesel	£18.47	57.3%
11. Private motorboats electric	£14.12	0.7%
12. Private motorised sailing craft - petrol & diesel	£13.66	3.8%
13. Private sailing boats & private motorised sailing craft – electric	£11.28	2.0%
14. Private houseboats	£7.27	0.3%
15. Private rowing, canoes etc. – fixed amount	£46.32	1.9%

Factors that might justify a change in the level of toll amongst the different categories are:

Hired sailing craft (Categories 6 and 7). The Authority recognises that all hire boat companies are facing difficult trading conditions, but this seems to be particularly the case for the small commercial hire operations supplying sailing craft.

Day hire petrol/diesel versus electric. Electric powered day boats pay 2/3rds of the charge for the petrol/diesel equivalent. In the context of the challenges in reducing carbon emissions a greater differential may be justified.

The current charge for kayaks, canoes and rowing boats is £46.32. This compares to Paddle UK (formally British Canoeing) rate of £45. There may be an argument that the Authority should align its charges with that of the national body.

7. Conclusion

This paper sets out the challenge for the Authority in maintaining the waterways in the Broads and the factors to consider in setting the level of navigation charges for 2025/26. Officers will use feedback from Members to help frame the material for the Tolls Briefing in October.

JP

18/9/2024