

Navigation Committee

07 November 2024

Agenda item number 7

Proposed navigation charges for 2025/26 in the navigation area and adjacent waters

Report by Chief Executive, Director of Finance, Head of IT and Collector of Tolls

Purpose

This report is the formal consultation with the Committee on the level of charges for 2025/26 as required by S13 (3) of the Norfolk and Suffolk Broads Act 1988. The views of the Committee are requested. The Broads Authority will make the decision on the navigation charges for 2025/26 at its meeting on 29 November 2024.

Broads Plan context

All strategic actions under Theme C: Maintaining and enhancing the navigation.

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1. Introduction

- 1.1. A briefing note was prepared and distributed in September setting out the financial position based on the income to 31 August. It was also designed to inform stakeholders and the public of the timetable and process for the decision on charges for 2025/26.

This report uses data to 30 September, and because navigation income in September 2024 was again below that profiled for the month, the overall financial position has worsened. A briefing session for all members was held on 8 October, and the feedback from that event is included in the report.

2. Context – 2024/25 season

- 2.1. 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’ (September 2024) stated: “The top barrier to taking an overnight domestic trip continues to be ‘the rising cost of living’ (33%), closely followed by the ‘UK weather’ (30%)’. Due to the cost-of-living crisis, most UK adults (66%) are either ‘cautious and being very careful’ (47%) or have been ‘hit hard and are cutting back’ (19%)”.
- 2.2. 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 30 September 2023, with 30 September 2024.

Table 1. Number of private boats 30 September 2023 to 30 September 2024

Category	Sept. 2020	Sept. 2023	Sept. 2024	2020-24	2023-24
Motor Cruisers	4,875	4,993	4,893	18	-100
Aux. Yachts	945	960	892	-53	-68
Day Launches	540	582	533	-7	-49
O/B Dinghies	1,023	1,014	919	-104	-95
Workboats	141	155	162	21	7
Sailing	834	809	740	-94	-69
Rowing	1,778	1,870	1,613	-165	-257
Houseboats	45	71	71	26	0
Passenger - SPB	13	22	21	8	-1
TOTAL	10,194	10,476	9,844	-350	-632

- 2.3. In the context of the wider impact of the cost-of-living crisis a reduction of just 2.0% in private motor cruisers, the largest group of private boats, is perhaps surprising. There was an increase of over 230 boats between 2020 and 2021 and the number has returned to pre-COVID levels.
- 2.4. The reduction of 257 rowing craft this year is 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 with Paddle UK (formally British Canoeing). Paddle craft numbers in the Broads are considerably higher than pre-pandemic levels.

- 2.5. Table 2 has the equivalent boat numbers for the hire fleet. The long-term decline in hired motor cruisers has resulted in a reduced income from tolls. Over the last ten years, the most significant 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 6 fewer motor cruisers.

Table 2. Number of hire boats 30 September 2023 to 30 September 2024

Category	Sept. 2020	Sept. 2023	Sept. 2024	2020-2024	2023-24
Motor Cruisers	736	647	641	-95	-6
Aux. Yachts	37	45	43	6	-2
Day Launches	262	358	344	82	-14
O/B Dinghies	4	4	1	-3	-3
Sailing	74	71	71	-3	0
Rowing	174	442	413	239	-29
Houseboats	19	26	32	13	6
Passenger - MCA	5	6	6	1	0
Passenger - SPB	4	7	9	5	2
TOTAL	1,315	1,606	1,560	245	-46

- 2.6. Private motorboats and hired motor cruisers account for 82% of the total toll income. 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 30 September 2024

	Private Boats	Hire Boats
Budgeted income 2024/25	£3,006,000	£1,436,000
Forecast income 2024/25	£2,907,850	£1,403,559
Surplus/(Deficit)	-£98,150	-£32,441

- 2.7. The projected deficit is currently £130,591. 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 largely offsets the lost income. Delaying these two projects increases the pressure on next year's budget.
- 2.8. The forecast in expenditure has also moved since the last update to the Committee in September. Table 4 sets out the adjustments to income and expenditure.

Table 4

Item	Amount
Forecast outturn surplus as per LAB	(87,214)
Adjustments reported 05/09/24	1,528
Decrease to hire and private income	12,112
Decrease to salary costs following vacancies	(11,044)
Increased subscription fees	663
Decrease mobile phone charges due to new contract	(2,115)
Increased interest rates due to higher than predicted base rate	(30,000)
Delayed Yare House lease/downsizing	6,800
Delayed lease for Reedham Quay to enable mooring charges	20,000
Forecast outturn surplus as at 30 September 2024	(89,270)

2.9. The forecast outturn for 2024/25 is shown in Table 5.

Table 5

Navigation outturn 2024/25 vs budget	Budget	Outturn	Difference
Income	(4,624,930)	(4,524,339)	-100,591
Expenditure	4,537,716	4,435,069	+102,647
(Surplus)/Deficit	(87,214)	(89,270)	+2,056
Transfer of accrued interest to earmarked reserves	54,000	72,000	+18,000
Opening reserves	476,894	476,894	0
Repayment of NP loan	50,000	50,000	0
Closing reserve	460,108	444,163	-15,945
Reserves as a % of expenditure	10.1%	10%	-0.1%

3. Savings versus tolls increase

- 3.1. When the Committee considered options for charges for 2024/25 at this time last year it was predicted that a 5.0% to 6.6% increase would be required in 2025/26 to maintain services at the same level. In addition to the projected loss of income this year, there are the following pressures on the budget.
- 3.2. **Contribute £171,475 to various navigation earmarked 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. If provision towards earmarked reserves is made in 2025/26, it equates to 3.9% of the navigation budget.
- 3.3. **Accommodate the estimated 3% increase in salaries for 2025/26**
This amounts to £123,192. Decisions on local government pay are made nationally and outside the Authority's control. The pay award for 2024/25 remains outstanding.
- 3.4. **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 at Catfield Dyke and Somerton Dyke.
- 3.5. **The programme costs for moorings maintenance and repairs in 2025/26 is £40,620 higher than the current year**
This includes Catfield Dyke 24 hr mooring – repiling and complete timber refurbishment; Potter Heigham demasting mooring – full re-piling and timber refurbishment; Martham Bank 24 hr mooring – refurbishment of upper barge boards with new capping and waling; and Ranworth Staithe 24 hr mooring – western section wooden piling replacement.
- 3.6. **The patrol launches are costing more to repair because of their age, and the budget has increased by £11,250**
- 3.7. **The Authority is having to remove more wrecks from the waterways and the budget has increased by £6,000**
- 3.8. If financial provision is made for a further similar reduction in boat numbers in 2025/26 (about £100,000 loss of income) then an increase of approximately **12%** would be necessary to maintain the existing service levels. This 12% is calculated prior to the pay award being finalised and any changes to National Insurance announced in the budget. A small increase in charges, for example in line with the published inflation figures and allowing for a further loss of private income, would require substantial reductions in the service levels provided and savings in the order of £350,000 to £400,000. This would mean a significant reduction in staffing, and a consequential substantial decrease in practical maintenance and the work of the Rangers.
- 3.9. Members have been aware that in response to a large reduction in National Park Grant the Authority restructured the organisation to cut costs. More recently it has reduced the office space at Yare House by 60%, with the associated costs paid for by capital

grant. This significant change will make annual savings of £60,000 for the navigation budget.

4. Feedback

- 4.1. The outcome of discussions this autumn with members and the Broads Hire Boat Federation together with feedback from the Broads Society and the Norfolk and Suffolk Boating Association are consistent with the paper on the [Funding the Waterways of the Broads National Park \(broads-authority.gov.uk\)](https://broads-authority.gov.uk). This paper was unanimously supported by the Navigation Committee and the Authority in January 2024. A copy 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.
- 4.2. In the current economic climate and in light of the last two years' increases of 13% and 8.5%, a 12% increase in charges would be deemed unacceptable to many toll payers. Therefore, the Authority should look to see where it can further reduce its operational costs to mitigate the impact of next year's toll increase on boat owners. At the Tolls Briefing in October 2024, there was a wide range of views on the charges for next year, which are shown on the following graph, see Figure 1.

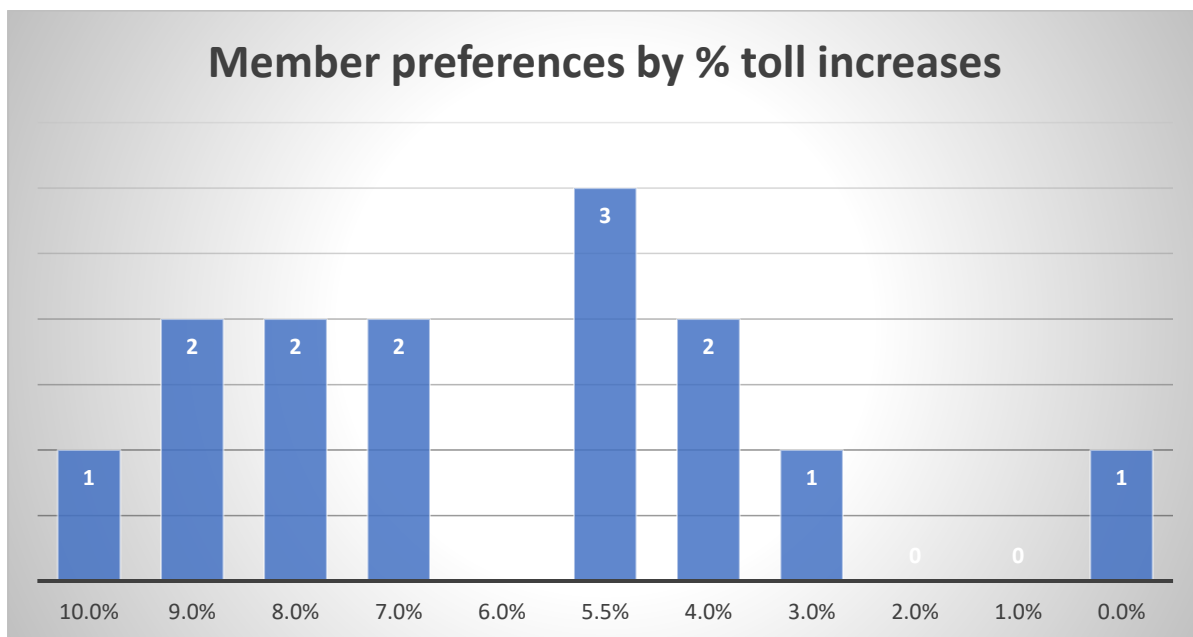


Figure 1 Members preferences for % toll increase levels in 2025/26

- 4.3. It was highlighted at the Tolls Briefing that achieving savings would require a reduction in staffing, as staff costs represent a high proportion of the navigation expenditure. Members raised and discussed a range of ideas to reduce the burden on toll payers, such as prioritising navigation maintenance to some areas of the Broads, introducing new charges, and reducing levels of service. Some of these have far reaching implications and if considered would require greater investigation so that Members are fully sighted of the potential impacts and risks. Members also indicated which operational and support service areas could be subject to cuts to facilitate a lower toll increase.

- 4.4. In the September briefing paper changes to the relative costs of different vessels were mooted.

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 of the petrol/diesel equivalent. A greater charge for diesel- and petrol-powered day boats would demonstrate a commitment to reducing carbon emissions.

The Committee is asked to consider these two issues.

5. Other charges

- 5.1. The charges for the yacht stations have been reviewed and it is suggested that for Ranworth Staithe the fee is increased by £2 for an overnight stay to match the £12 charged by the estate for the island. A similar charge is proposed for Reedham Quay. In the case of Great Yarmouth and Norwich, the overnight charge could be increased from £16 to the £17.50 charged at Oulton Broad.

6. Social, economic, and environmental implications

- 6.1. Toll payer surveys have shown that the Authority's tolls account for less than 10% of the typical costs of owning a boat. While boat ownership may be seen by some as a luxury, we know that this is not always the case. The cost-of-living crisis is having an impact on society and its impact on the boating community using the Broads and those visiting on holiday is difficult to predict. Our community of private boat owners is diverse, and some may face difficult decisions regarding their continuing boat ownership.
- 6.2. The Broads Society and Inland Waterways Association conducted research into the level of navigation charges across different waterways. The result is summarised in the following table. The research concluded that: *'Looking beyond the headline percentage increases of the past two years, however, the cash cost to most private boat owners today remains modest, giving good value when compared with other navigations.'* (Broads Society 2024)

ANNUAL TOLLS FOR SPECIFIED MOTORISED CRAFT					2023/24	PRICES
Research courtesy Inland Waterways Association						
			Private	Private	Hire	Hire
Navigation	Navigation	Navigation	Cabin Cruiser	Cabin Cruiser	Cabin Cruiser	Cabin Cruiser
	km	miles	7.3m x 2.4m	10.6m x 3.6m	7.3m x 2.4m	10.6m x 3.6m
Broads Authority*	200	125	£289.34	£646.76	£651.78	£1,456.92
Canal and River Trust*	3200	2000	£831.00	£1,127.66	£2,031.74	£2,437.49
Env. Agency: Thames*	217	135	£410.38	£917.32	£631.02	£1,137.96
Env. Agency: Anglian*	568	353	£462.18	£818.00	£678.50	£1,034.32
Env. Agency: Medway	29	18	£337.55	£475.83	n/a	n/a
Middle Level Navigations*	160	100	£462.18	£818.00	£678.50	£1,034.32
River Avon	74	46	£392.00	£495.00	n/a	n/a
River Wey	32	20	£218.00	£260.00	n/a	n/a
Scottish Canals	226	141	£239.47	£239.47	n/a	n/a
* Navigations used in the final analysis; others considered too small or too fragmented.						
Basingstoke Canal: not comparable						
Bridgewater Canal: not publicly listed						
Essex Waterways: not comparable						
River Cam Conservancy: figures unavailable						

7. Legal considerations

- 7.1. The Authority is following its standard process with an informal briefing open to all members (which took place on 8 October) followed by the formal statutory consultation with the Navigation Committee at its meeting on 7 November. A decision will be made by the Broads Authority Board on 29 November 2024. If the Board decides on a different option to that recommended by the Navigation Committee, then it is required to 'provide full reasons for doing so' in line with the amended Norfolk and Suffolk Broads Act 1988.

8. Risk implications

- 8.1. The level of uncertainty involved in determining charges for next year is higher than normal both in the short and long-term. It is unknown whether the decline in hired motor cruisers is going to continue. Over the last ten years the number has fallen by 200 and this has been a major factor in the above inflation increases for private craft. Similarly, it is not clear if the reduction in small private boats this year is a rebalancing of numbers post COVID or part of a wider move away from boat ownership.

9. Conclusion

- 9.1. The Committee is asked to consider the level of navigation charges for 2025/26, balancing the need to continue to maintain the waterways for the benefit of users with what is considered an appropriate increase in charges. A 12% increase, which would maintain the existing standard of service, seems too high, while a 2.2% increase, in line

with inflation (August 2024)¹, would require a substantial reduction in the delivery of the Authority's services to boat owners.

Authors: John Packman, Emma Krelle, Bill Housden

Date of report: 16 October 2024

Background papers: Navigation charges 2025/26 – Briefing Note

[Broads Plan](#) strategic objectives: C1, C2, C3, C4.

¹ Inflation fell to 1.7% in September. "Lower airfares and petrol prices were the main drivers behind the surprise slowdown." (BBC) Consumer price inflation is the rate at which the prices of a basket of goods and services bought by households rise or fall. The basket includes: food and non-alcoholic beverages, alcohol and tobacco, clothing and footwear, housing and household services, furniture and household goods, health, transport, communication, recreation and culture, education, restaurants and hotels and miscellaneous goods and services.