

NSBA annotation to JB / JP response 8 November

Key: Original NSBA points in standard font
JB / JP response in italics
Subsequent NSBA annotation in red and bold

Dear Brian,

I have been shown a copy of your letter, dated 7th November which was sent to all NSBA members. I have attached the detailed response to all the bullet points you have asked your members to raise with John Packman, prepared by me, as joint Chair of the TRG and the Chief Executive.

I appreciate that you are in 'campaign mode' which means being somewhat selective in your points, but it is disappointing that you should continue to claim the NSBA has not been involved in the discussions over the last year. Richard Card was invited as an expert witness at the September 2015 Tolls Workshop; you were present at the April interim workshop and, indeed, aided the TRG's developing ideas about auxiliary yachts and electric boats; you and colleagues contributed to the June 2016 workshop; NSBA were given the tolls data it requested; the TRG met with you and other NSBA officers in September and have responded to all your points.

It may be academic now the NSBA campaign has moved into what seems to be total opposition to the proposals made by the Tolls Review Group and supported by a substantial majority of Navigation Committee members but previously, in your letter to myself and Michael Whitaker dated 9th October, you said: 'We are happy to support much of the work of the group but still have concerns in two key areas: the statement of principles and the proposed calculation for private boats'.

As you know, Navigation Committee members have had the benefit of two lengthy discussions to contribute to the on-going work of the Tolls Review Group and the structural changes we have proposed. As I said in my introduction to the discussion at the Navigation Committee on 27th October, there were 'no surprises' in the report members received and debated.

The Broads Authority will decide on the recommendations of the Tolls Review Group, guided in their discussions by the views of the Navigation Committee, on 18th November. The Officer recommendation includes a proposal that a full evaluation of the impacts of the new structure on both the private and commercial fleets be carried out in three years' time.

I hope, whatever the Broads Authority decides on 18th November, that we shall continue to have a good working relationship with the NSBA and I understand that we shall be meeting you and NSBA colleagues, together with representatives of the BHBF, 22nd November.

Comments on the letter from Jackie Burgess:

1 Lack of involvement in the process

NSBA attended the initial workshop in September 2015. A Tolls Review Group was subsequently established which included in its role:

“...to produce a set of recommendations to be scrutinised...in July 2016”

The terms of reference included:

(iv) To develop a small range of options-for-change which are modelled/tested and their intended/unintended consequences fully considered

(v) To call for evidence from a range of stakeholder groups, including those directly involved in previous Tolls Reviews and other interested parties, and to invite presentations to the Group as and when required.

As NSBA had heard nothing for many months we wrote in February 2016:

“As the main representative of private tollpayers, we are surprised that we have not yet been asked to present our views to your group.

....Your terms of reference state that any options should be modelled and tested and all consequences fully considered.”

It was not until 14 June 2016 that NSBA were invited to the next stakeholder workshop.

- **This is a gap of almost 9 months since our previous involvement in September 2015.**
- **This did not leave a great deal of time for the options to be “fully modelled, tested and all consequences fully considered” before the due date of July 2016.**
- **There was not a range of options – just one.**
- **NSBA was not invited to present to the group – we had a report presented to us.**

The interim workshop in April was a closed meeting for Broads Authority Members including the Navigation Committee, not other stakeholders.

2 “Total opposition”

NSBA is not in “total opposition” to the proposals. Our position remains as before – our concerns are over the statement of principles and the proposed calculation for private boats.

3 Recommendation of a full evaluation in three years time

The terms of reference called for the options to be modelled and tested and all consequences fully considered. Evaluation in three years’ time is far too late, the consequences for private boats need to be fully considered now.

Response to the points made in the letter from the NSBA Chairman Brian Wilkins to NSBA Members dated 7 November 2016

NSBA observation – most of the responses look at overall figures – they fail again to consider the position of many individual boat owners. Boatyards may have a range of boats so increases in one size of boat may well be offset by a decrease for smaller boats. Individual owners face specific individual changes in toll.

1. More than 1,900 private motor boats have an increase of more than 10% in toll

Yes, 1,904 private motor boats will see an increase of over 10%, and just 102 will have an increase over 20%. BUT 1,471 will see an increase of less than 10% and 3,009 will have a decrease.

It is small comfort to an owner facing an increase of 20% that someone else has a reduction.

2. Extreme changes where 57% of private boats (over 5,000 boats) face a toll change of more than 10% are not FAIR

According to my calculations when the annual rise is also taken into account for 2017/18 only 20% of private boats will see an increase over 10% while 46% will see a decrease and 15% will see a rise of 97p a year or less. Please see the following Table:

| <i>Category of Private Vessel</i> | <i>No. with Decrease</i> | <i>No. with increase >10%</i> | <i>Total</i> | <i>% Increase >10%</i> |
|--|--------------------------|----------------------------------|---------------|---------------------------|
| <i>9. Motor Boats — petrol & diesel</i> | <i>3,009</i> | <i>1,904</i> | <i>6,384</i> | <i>29.8%</i> |
| <i>10. Motor Boats Electric</i> | <i>214</i> | <i>11</i> | <i>244</i> | <i>4.5%</i> |
| <i>11. Motorised Sailing Craft <10 hp</i> | <i>807</i> | <i>93</i> | <i>1128</i> | <i>8.2%</i> |
| <i>12. Sailing Boats</i> | <i>764</i> | <i>78</i> | <i>1,061</i> | <i>7.4%</i> |
| <i>13. Houseboats</i> | <i>57</i> | <i>0</i> | <i>58</i> | <i>0%</i> |
| <i>14. Rowing, canoes etc.</i> | <i>0</i> | <i>0</i> | <i>1,576</i> | <i>0%</i> |
| | <i>4,851</i> | <i>2,086</i> | <i>10,451</i> | <i>19.95%</i> |

The original 57% figure is based on boats facing an actual change (increase or decrease) of more than 10%. This compares with only 12% in the hire fleet.

3. Many traditional sailing River Cruisers (several over 100 years old) face increases of above 20% whereas Wherries are protected as “iconic craft” with tolls reduced substantially. Again not FAIR

The cash differences for the Wherries and river cruisers are very different. The Wherries fit into three different categories: sailing, motorised sailing and motor. They also vary in size from 59 m2 to 98m2. The result of these two factors is that the tolls vary from £325 to £992.

Most River Cruisers will be classed as motorised sailing craft and are charged well below that of the equivalent motor boat. 80 for example, I have taken three examples that I am familiar with of traditional river cruisers and they are 18m2, 19m2 and 21 m2. So if we take 20 m2 as a typical size then a river cruiser of that size classed as a motorised sailing craft current/y pays £185.54. Under the proposals recommended by the Tolls Working Group and supported by the Navigation Committee the same sized vessel would pay £190, an increase of £4.46.

Ripple, one of the largest river cruisers, is 31 m2. Her toll will increase by £30.53 from £263.97 to £294.50 (+11.6%). Raisena, one of the largest in the class at 37m2 will pay an

extra 15.8% as she is classified as a motor cruiser because her engine is over 10 hp. but this equates to less than £65 a year on a £410.49 annual toll bill.

A quick search of the Authority's database has found 83 boats with river cruiser identified as the boat type. Of this group 28 will see their toll reduce if the proposals are implemented, 7 will see less than a 3% rise, 29 above 3% and below 10%, 10 between 10% and 20% and only 9 above 20%, 8 of which are currently receiving the electric 'double discount'. The latter group will pay an extra £26 - £83.

Again a generalisation looking at "most River Cruisers.. as motorised". What about the individual boats which are still not motorised and are faced with a big rise so that a small sailing dinghy can have its toll reduced?

Madie, one of the oldest racing boats on the Broads faces an increase of over 40%. Goldfish, a modest 21m2 in area faces over 30%

4. Hire operators have a choice — they can pass on increased costs - whether fuel, tolls etc. to hirers. Private owners must bear the full impact.

As you would expect, the Member Working Group looked at the relationship between the charges for the hire craft and the private craft in some detail. They concluded using one of the new Guiding Principles that:

In recognition of the direct economic benefit derived by the commercial fleet from the Broads navigation, operators should pay more than private boat owners for an equivalent sized boat. [‘FAIRNESS, BASED ON ECONOMIC COSTS AND BENEFITS’]

So while under the proposals a 20m2 river cruiser would pay £190, and an equivalent sized private motor boat would pay £257, a hired motor boat of the same size would pay £579.

Taking this example the toll for the private boat has INCREASED by £5.20 (3.4%), the hire boat toll has REDUCED by £54.62 (8.6%). This clearly demonstrates how the increase for the private boat compares unfavourably with the hire fleet.

5. The Broads Authority is not directly elected, so cannot be "voted out" as with local or national government if "taxpayers" disagree with policy.

The Broads Authority is required to consult the Navigation Committee, which includes members with experience from the hire and private fleets, on the setting of Navigation Charges. At last Thursday's Navigation Committee three Members from the Tolls Working Group presented their findings and recommendations. They were questioned by the Committee and that item on the agenda lasted for about two and a half hours.

The Committee supported all the three main recommendations.

On the seven subsidiary recommendations, all were supported other than that for Mutford Lock where the Committee preferred to retain the current nominal charge rather than seek immediately to recover the annual costs. They wanted to encourage more boats to use the Lock and in due course to move towards full cost recovery.

On electric boating they also wanted to recommend to the Broads Authority that boats with an electric engine for propulsion supported by a diesel generator should continue to be treated more favourably than diesel boats. The Committee also supported the draft set of charges set out in Table 6 of the officer's report.

The Tolls Working Group report, accompanied by an amended officer report, including a summary of the Navigation Committee's views, will now go on to the Broads Authority meeting on 18th November for decision.

While not directly elected the Authority's Working Group has engaged with the key stakeholder organisations, the Broads Hire Boat Federation and the Norfolk and Suffolk Boating Association throughout the process and has modified its proposals in the light of comments received.

NSBA attended the initial workshop in September 2015. It was not until 14 June 2016 that NSBA were invited to the next stakeholder workshop.

- **This is a gap of almost 9 months since our previous involvement in September 2015.**
- **This did not leave a great deal of time for the options to be “fully modelled, tested and all consequences fully considered” as required by the TRG's own terms of reference before the due date of July 2016.**
- **NSBA was not invited to present to the group – we had a report presented to us.**

This is not regarded as being engaged “throughout the process”

The greater point is that the Authority is not elected by its stakeholders.

6. Reductions in tolls for smaller motor boats results in a significant loss of income for the Authority at a time when it reports concerns over finances. The hope that small boat numbers will increase to compensate for the loss of income seems fanciful. In the meantime, charging larger boats more to compensate for this unnecessary generosity is unfair.

The reduction in income from smaller boats is offset by the increases in tolls for larger vessels. The Working Group believes this is fairer because the new structure introduces a straight line relationship between the size of boat and the toll charged instead of smaller boats historically paying disproportionately more.

Overall the Authority has budgeted for a 3% increase in tolls income to cover a number of rising costs which are set out in the report which you can find at this address below. This does not include any provision for an increase in small boat numbers.

It is no comfort to the owner of a larger boat that his increase is helping someone else have a reduction in toll. The overall 3% increase is of little consequence to individual boat owners.

The Authority has previously expressed a hope that by reducing tolls for small boats, more boats will be encouraged to pay tolls. This seems unlikely, so no wonder the budget does not include any increase in small boat numbers. This leaves larger boats picking up the cost to maintain the overall 3% increase.

7. Where is the “customer service” for private boat owners? What do we see in exchange for increased tolls?

With the changes to the structure proposed the recommended increase in income is just 3% to maintain the same level of service. The three main elements of cost are dredging, the maintenance of moorings and the rest of the infrastructure relating to the Navigation Area and the patrolling and practical work, such as the clearance of bankside vegetation, by the Rangers. The Authority is conscious that the Insight Track Research showed that 54% of private boat owners want more spent on the maintenance and provision of moorings, 46% want more spent on dredging and 33% want more spent on patrolling and safety.

Again, the focus on overall increase of 3% is meaningless to a boat owner facing a 15% increase. In what way is the service delivered to them worth so much more than a smaller boat with a 20% reduction? Both boats benefit from moorings, dredging, bank clearing and ranger patrols to a similar level.

7 (a) Fewer moorings, as the BA fails to persuade private landowners to maintain moorings for public use

The Authority has recently opened a new short stay mooring at Scare Gap as well arranging new demasting moorings at Haddiscoe Cut as a result of a Section 106 agreement with the landowner. It owns very little land and has to rely on the goodwill of landowners for the provision of its sites. Recently landowners have taken back control of some sites or sought rents beyond that the Authority can reasonably pay. The Authority’s officers have a meeting this month with the officers of the BHBF and NSBA to look at options for the future.

7 (b) Increasing problems with rubbish collection, as the Authority fails to get adequate service from local councils

The Authority has been very active in raising concerns with the district councils and the County Council regarding the withdrawal of waste facilities. As a direct result of the Authority’s lobbying and intervention progress has been made and North Norfolk District Council is in discussion with two local parish councils on a potential way forward.

The difficulties of dealing with private landowners and local councils are acknowledged, but this makes it all the more important for the Authority to treat its customers with sensitivity until real progress is made.

8. If the Authority wants to discourage large boats, why are the increases so low for large hire boats. The largest motor weekly hire boat at 54 sq.m. only increases by 7.1%. This point is especially relevant re the moorings availability.

The Authority is not seeking to discourage large boats. The Broads has vessels of many different shapes and sizes which all have their place. The proposal will see the charges for the larger hire boats and larger private boats rise more than smaller boats. Overall the income increase for boat fleets, private and hire, is the same at 3% but because of the different compositions of each fleet there will be differences in tolls between the boat sizes in each fleet.

As stated before, the overall increase is meaningless to an individual boat owner. However the changes are far less extreme for the hire fleet, where the workshop presentation in June proudly showed that “710 out of 812 weekly hire motor craft see a percentage change of less than 5%”. Interestingly no comparative figures were shown for private boats. In fact only 1210 out of 6384 private motor boats see a change of less than 5%. This means that over 5,000 private boats see a change of over 5% compared with just 102 hire boats.

9. If tolls increases of 30% and above on some private boats is seen as fair this year, what protection is there against similar increases for any craft in the future?

This change has come about as a result of introducing the straight line relationship. Clearly this won't be repeated. The overall increase in navigation income is predicted at 3%. The decline in the number of hire boats is one of the pressures operating on the Authority's income and this is one of the factors that will continue to be monitored carefully.

Precisely why NSBA objected to the straight line relationship for private boats. The implication is still that a 30% (and higher) increase is regarded as “fair” and would not be rejected in the future. The NSBA proposal would have allowed the changes to be spread more fairly over several years, but this was rejected. Can the Authority give any assurances about capping future increases for private boats?

10. Why isn't there a direct linkage to use? If hire boats are in use 7 days a week and private ones only one or two, this needs to be in the structure. Just look at the boat census.

The Member Working Group gave lengthy consideration to the basis for the toll and concluded that it allows access to the Broads waterways, it does not relate to usage, much as Vehicle Excise Duty works. Not matter how much you use your car, the Duty is the same if it is on the road.

NSBA hope that the Authority can demonstrate that the costs of moorings maintenance, protection against banks eroded by boat wash, waste collection etc. do not relate to usage to support the above statement.

Furthermore, the comparison with Vehicle Excise Duty is interesting. It is a very small part of the taxes paid by a motorist – by far the largest part relates to fuel duty, which is dependent on usage and fuel consumption. Thus the motorist faces a classic “fixed and variable” total cost – clearly national government find this has the benefit of flexibility!

11. The good work attempting to restore goodwill between the Authority and private boat owners has been shattered.

The feedback on the proposals from the Broads Hire Boat Federation and the Broads Angling Strategy Group has been very positive as have some individual correspondents. In a situation where some boat owners see their charges rise and others fall there are bound to be different views. The Members of the Tolls Working Group is of the view that their recommendations deliver a fairer, simpler and more flexible structure. The Authority's members and officers have met the officers of the NSBA on a regular basis and have a good working relationship.

It is no surprise that the BHBF have given positive feedback – the changes suit them well, with very few extreme changes in arriving at the overall increase. Because many operators have a range of boats they are less likely to be concerned about changes to individual boats.

The BASG are likely to represent owners of small motor boats many of which will see reductions in tolls of over 10%. However, they seemed to support the NSBA view that the reductions were overgenerous as they suggested in their feedback to the TRG “any reduction in charges for small craft could be offset and used to create a specific improvement fund for implementing improved slipway access”.

Dismay expressed around the Broads by ordinary private boat owners indicates what a setback this exercise is likely to be in relations with the Authority.

12. Why does the Authority appear to seek confrontation at every opportunity? NSBA proposed a solution which would have been far less contentious to boat owners. This would have produced the same revenue but was ignored.

The Authority seeks to work in a consensual way as shown by the conduct of the first Tolls Workshop in September 2015, the publication of summary notes of the Working Group meetings which were included in every Navigation Committee meeting, the two interim workshops held in April and June 2016, when the Working Group's developing proposals were discussed and supported and in the direct engagement with the NSBA and the Broads Hire Boat Federation. The NSBA proposal was considered by the Tolls Working Group and the Navigation Committee. Although accepting the removal of the hire boat multiplier the Association's solution did not address the relative charges for small and large boats and if implemented would have seen the cost for the smallest private motor boat rise to over £100 from the current £99.32. The Working Group was of the view that this didn't address the underlying unfairness of the present structure and out of line with the charges on other inland waterways.

Correction: The workshop in April 2016 was a closed workshop for Authority members and the Navigation Committee, not a consultation with NSBA.

The NSBA proposals in October were given as an example only to illustrate that retaining a “fixed and variable” method for private boats could produce a fairer result with less extreme variations, which was likely to be acceptable to the majority of private boat owners. No attempt was made by the Authority to compromise or negotiate, preferring instead to impose the changes in one go.

13. Why was the review process completed so late? The structure changes should have been looked at by Navigation Committee before looking at tolls for 2017/18. Rolling it all into one meeting did not give Navigation Committee adequate time to reflect on the consequences.

Members of the Broads Authority and the Navigation Committee and officers of the Norfolk and Suffolk Boating Association and Broads Hire Boat Federation attended a workshop in June when the Tolls Working Group outlined their proposals together with examples of the charges for the different category of boats. The proposals haven't changed significantly since then so the Navigation Committee had a very good understanding of them.

Nevertheless they gave the recommendations of the Working Group close scrutiny taking two and a half hours on this item on their agenda.

The report was considered at the October meeting rather than September for two reasons. Firstly, the report wasn't ready for September and secondly, it was thought that it was more helpful to the public to report the actual proposed charges for 2017/18 at the same time the revised structure was being debated so the full implications were clear.

Timing is important. When the proposals were unveiled at the stakeholder meeting on 14 June, the final slide gave the deadline for feedback as 4 July. Fortunately NSBA were granted an extension of this deadline to give our initial response.

Next the proposals (virtually unchanged as you say) were made public in the papers for the Navigation Committee, 8 days ahead of the October meeting. After over a year of review process, is this really sufficient time to allow the public to respond? Should they be comforted that the Navigation Committee spent two and a half hours debating an issue of this importance?

14. The new structure removes fixed relationships between motor / sail / hire etc. This places a greater onus on assessment of "fairness" every year for each category.

The removal of these fixed relationships makes the whole system more flexible and able to respond to changes in the different fleets and has been supported by the NSBA.

NSBA supports the idea of flexibility so that different fleets can be treated differently. Why is the Authority not prepared to use the flexibility to address the issues raised for private boats?

15. Many private boat owners will be in no hurry to pay the increased tolls in Spring 2017.

We shall have to wait and see but in the Authority's experience some private boat owners are remarkably swift in paying the charges.

Most private boat owners are peaceful, undisruptive citizens, which makes it all the sadder that the Authority choose to ignore the effect on many individuals, preferring instead to stick to the line of "it's only 3% overall".