

**Subject:**RE: RE: Boat Licence Increase.  
**Date:**Mon, 29 Aug 2022 08:59:06 +0100  
**From:**nabochair  
**To:**Richard Parry >  
**CC:**'

Dear Richard

Thank you for your detailed response. I am sure you will appreciate the concern of our members, especially given the dreadful state of the canals at this time, with many failures and closures, and a wide lack of vegetation management. Of course, we understand the financial situation CRT is facing – but in many ways this applies to us all. Imposing a significant increase in the licence fee, without any consultation with the boating community, just adds to the issues facing boat owners, and is already driving some of them off the water completely.

I have to say that I am deeply concerned by your comments regarding the potential for a situation in which you are unable to safeguard the canals for the future, etc. I wondered if you could expand on that, and explain what you and the trustees are doing to prevent that happening?

As you will know we are in touch with all our relevant MPs to support your bid for future funding, so do let us know if there is anything else we can do to help.

Best wishes

Mike

Dr M G Rodd FIET CEng

Chairman, National Association of Boat Owners

----- Original Message -----

**Subject:**RE: Boat Licence Increase.  
**Date:**2022-08-22 16:37  
**From:**Richard Parry >  
**To:**"[publicity@nabo](mailto:publicity@nabo)"

Dear Anne,

Thank you for sharing some of your members' concerns about our announcement of an additional increase in boat licence fees from 1 October 2022. I'm sorry it's taken a little while for me to respond.

We value the broader contribution that boaters make to our waterways, beyond the licence fees that help fund our work. Although each year we spend about five times that total licence fee contribution on managing and maintaining our navigations to keep them open and available for boaters to use, we have managed since 2012 to keep licence fee increases broadly in line with inflation, even when it was close to zero.

When we announced our annual price increase (from 1 April 2022) in late 2021, we carefully considered CPI inflation at that time (3%) along with the predictions for inflation growth; at that time the general economists' consensus was that there would be a brief increase in inflation before it returned to around 4% for summer 2022; hence that was the level of fee increase we decided upon.

Of course, we now all know that we have experienced a much more significant and long-lasting rise in inflation, with CPI now at over 10%. The Trust's cost position is far worse than this headline, notably the rise in prices of energy, fuel, materials and other construction costs reaches well above the headline consumer inflation rates. The Energy costs we face in particular are eye-watering, with no cap on our increase (unlike domestic users); our costs have risen four or five-fold on the 2020 price, adding £millions to our costs (and please note that our single largest electricity use is for pumping to keep water levels up on busy lock flights so they can remain available for boats).

This considerable cost pressure is leading to a projected shortfall in the Trust's finances; some works have been deferred but, with the risks we are managing, we don't believe we can responsibly reduce that further. Other costs are being carefully managed; the range of duties and obligations we bear means that it's not practical to reduce much of this, with most of our wider 'community and wellbeing' spend, and spend on towpath improvements, coming from bespoke third-party funders rather than our core funds.

Additionally, the Government grant payment – all of which goes towards the cost of managing and maintaining the waterways – is frozen for the second year (and hence declining significantly in real terms) and will remain frozen until 2027.

This means that costs are forecast to exceed the Trust's income by quite a wide margin this year; we can run with a small deficit in one year but don't have the cash available to withstand something larger. Unless measures are taken urgently by the Trust to address its budget gap this year (and beyond), we would have to take more drastic action to reduce services.

As the lack of accurate inflation forecasts in 2021 meant that we set our April price increase some way below the actual inflation – CPI was 9% in April, not the 4% we'd been led to expect – it does not seem unreasonable to correct that shortfall, so that licence fees keep pace with the general CPI increase. We can't go back to April, but we can introduce the supplementary increase from October to catch up with the prevailing inflation, and giving boaters some notice. We've seen inflation keep rising of course so a combined 8% (4+4) for those renewing after 1 October is still going to be some way below actual CPI in October.

We are of course looking at opportunities to raise income from other sources; some automatically rise with inflation, others (like the grant) are fixed and so this adds to overall financial shortfall. Our investments have performed above the market consistently over recent years – no mean feat – and with so much volatility in the markets currently, it is difficult to see how we can achieve greater returns though our expert team and advisors manage our investments actively and continue to take every opportunity that we identify.

In noting your other comments about aspects of the Trust's work that you believe are not satisfactory, I can only offer the general view that we are doing what we can to deliver the best stewardship of the waterways that we can, whilst also growing engagement with, and support for, our cause in order to safeguard the waterways' future – which is by no means assured given the financial position we will face for years to come.

I hope my response helps explain why we believe this additional licence fee is essential. We recognise that our boating customers will be feeling the effect of inflation across their personal finances and a mid-year price increase will not be welcomed. But with the highest levels of inflation in 40 years we have to respond if we are to sustain our financial position and continue to care for our waterways. Licence fees will be lower in real terms, taking CPI into account, than they were two years ago despite the increase.

Whilst we certainly don't intend to have more mid-year fee increases, it does rather depend on how inflation changes in future and how accurate CPI forecasts are; so I can give you some assurance, albeit not a guarantee.

Regards  
Richard

*Richard Parry*

*Chief Executive*

**From:** [publicity@nabo](mailto:publicity@nabo)  
**Sent:** 08 August 2022 15:43  
**To:** Richard Parry  
**Subject:** Boat Licence Increase.

Dear Richard,

As you can imagine, we have received much comment from members about this unexpected mid-year increase. What follows is our response.

NABO Statement following the increase to boat licences.

Targeting boaters is CRT's easy option but it should not be just boat owners who are expected to make up any shortfall in CRT's finances, whether this is due to the current economic situation or poor management. The current problems facing boaters include infrastructure failures and low reservoir levels leading to widespread canal closures; closures and failures of facilities; unprecedented incompetence of vegetation management leading to a lack of towpath and offside cutting which increases the dangers and inconvenience to boaters; increased fuel prices and maintenance costs. It is unacceptable to expect boaters to pay out more money for less; fewer waters to cruise, less services, fewer available moorings as boaters attempt to cram onto official visitors' moorings unless they have a strimmer onboard. All this at a time when boaters' disposable incomes are falling like everyone else's. CRT no doubt will blame each of these problems on individual causes, weather and climate change, switching to new veg contractors, international increases in cost of fuels etc., but some of these could have been predicted and acted on in a preventative way, if CRT managers, directors and trustees were not asleep at the wheel.

Depending on whose figures you believe, boat licences makes up between 10% to 12% of CRT's income. The amount they will raise in this financial year would be around £0.5m, hardly a sum to balance the books, and trivial in the wider scheme of annual expense. Likewise, fishing licences and permits make up only a small percentage too, so neither is a worthwhile target to increase. Apart from hire companies and other waterway businesses, no other group pays to access or use the waterways and it is very unlikely that CRT would be able to introduce charges for cyclists and walkers. Surely instead, CRT should be looking elsewhere to increase the funds available to keep its waterways functioning, such as its investment portfolio for example, which it says makes up around 40% of its income. A close look needs to be taken at the performance and management decisions of CRT's investment division over the last 12-18 months; are the directors and trustees satisfied that CRT are getting the most out of this sizeable income stream?

CRT also needs to take a hard look at its expenditure, not on waterway maintenance but on all the other so-called jobs that its x-thousand employees have. Are all these jobs essential to the functioning of the charity? A look at CRT's recently published 'organisational structure' document reveals an eye watering amount of high salaried positions, often with obscure titles and this list is growing. It would be heartening to see these directors offer a temporary reduction in their take-home pay and donate the rest to a waterways fighting fund. Leading from the top is always a good way to garner support.

Then there is the issue of consultation before the licence fee increase was decided and what constraints exist on CRT to prevent it doing the same again whenever it feels like it. To put up the licence fee twice in a year is unprecedented. Boat owners, particularly those in hardship, must have confidence in these costs, and be able to manage their income / expenditures. NABO has always pressed both BW and CRT to plan ahead on increases and give notice of what the increase will be. If CRT continue with surprise cost rises, it will undermine boat ownership confidence, driving more people to motorhomes and caravans. Not what anyone wants, but boaters can make choices. Should there be a change in CRT's T&Cs to say that the Trust will consult all waterway organisations in future before any additional increases above the planned/publicised ones are decided? And listen properly to the responses - after all, we are all in this together aren't we?

CRT needs to better manage the funds it already has. A critical look at the performance of senior managers and directors and at the robustness and competence in oversight by the trustees must be performed and published. We need an assurance that this is a one-off, that the licence is not going to increase three times next year, hitting us low hanging fruit, we boaters, again and again.

I look forward to your reply, Anne.