

Dear Danny,

Thank you for your email and for forwarding the concerns of your constituents regarding the changes to boat licencing that the Trust has announced.

We appreciate that increasing prices will not be popular with everyone but the income we receive from boat licences, alongside growth in income from other commercial and fundraising activity, is more critical than ever.

Our canals are facing some daunting challenges and, if we don't act now, the future could look bleak. As you will be aware, last year the government announced significant cuts to public funding for the canals over the years ahead, whilst high inflation rates and the ageing infrastructure has seen the cost of caring for canals rise.

We're re-doubling our efforts to grow volunteering further and to increase funds raised across all our activities, from all our users and supporters, so we can deliver the additional ongoing investment that the network needs. The boat licence fee represents around 11% of income, going towards vital maintenance and repairs. Whilst the scale of the investment required is in no way to be borne by boaters alone, the increases from boat licences will make an important contribution.

The cost of the licence has largely kept pace with inflation since the Canal & River Trust was formed and now, together with increases in income from all possible sources, we must raise the resources needed to keep the network alive for future generations, averting a return to the decline of the mid-20th century when canals fell into disrepair in the face of insufficient funding.

We welcome all boats onto the waterways, including those who choose not to have a permanent mooring but rather 'continuously cruise'. Over the past ten years we have seen the number of people choosing to boat without a home mooring increase. There is no doubt that the growing numbers of continuous cruisers has helped enliven many waterways, but this growth has also led to increased costs to manage and meet their needs. It was clear from the consultation responses from continuous cruisers that there was strong opposition to the introduction of higher licence prices for boats without a home mooring. However, while all boaters will be paying more for their licence, we believe that the decision to introduce a surcharge for continuous cruiser boats is a fair reflection of the added utility that they gain from the waterways.

Boats without a home mooring spend almost all their time on the navigations, use towpath moorings far more than other boats. In the last financial year of all boats sighted by the Trust out using the network (not on a long-term mooring, and only boats that were licensed at the time of sightings) one quarter were boats with a mooring and the other three quarters were boats without a home mooring (continuous cruisers or boats where the mooring status had not been confirmed yet). Boats without a home mooring are more reliant on water points, refuse points, Elsan and pump out facilities provided by the Trust than those with access to privately provided facilities at moorings. As part of our review of customer service facilities boaters who continuously cruise told us that Trust provided facilities (water, refuse/recycling, Elsan and pump out) were

essential, and that they used them regularly more than boaters with a home mooring. A surcharge on boats without a home mooring will reflect this added utility, as well as the cost of the greater impact this has on the ageing infrastructure.

The Trust Boat licence prices are calculated on the length and width of a boat, but the average cost of a 12-month boat licence is around £850. From April 2024, we will begin to introduce an additional 5% licence charge for boats without a home mooring to reflect the added utility that these boats receive from remaining continuously on the Trust waterways, this charge will rise each year by 5% over the next five years. Approximately 20% of boats on our waterways are continuous cruisers, and the income from those licences was approximately 18% of our licence income in 2022/23. Those who have a permanent mooring for their boat will usually be paying a separate mooring fee. The Trust only provides around 10% of all moorings across our network, with the vast majority provided by independent operators in marinas and other mooring locations. Boats without a home mooring do not pay any additional mooring fee.

We know that some boaters are on limited or fixed incomes and may find the increases in boat licence prices particularly difficult. We are encouraging any boater, or any boater they know, who is in this situation, to please do get in touch with the Trust. Anyone who lives aboard a boat and who is struggling financially, may be eligible for housing benefit. Our licence support team and boater welfare officers, along with the independent Waterway Chaplains, will help boaters in this situation find additional support.

Before making the decision on future boat licence pricing, we sought boaters' views and looked very carefully at all the responses we received. We appreciate that some felt frustrated that there was no option for no licence increase. However, this was intentional as boat licence fees will need to rise above the baseline inflation rate for each of the next five years to help fund essential work to the network.

The consultation responses showed that there were clearly different views on the options we consulted on, but a broad support for something other than the current status quo. The decision we have made tries to ensure that every boater makes a fair contribution. Boaters already pay different licence prices dependent on the size of their boat: the changes we will introduce in April 2024 will more fairly reflect the different types of boats and boating on our navigations, with those gaining greater utility from their use of the waterways making a proportionally higher contribution.

Keeping the canals open for navigation is one of our operational priorities. We are looking at all aspects of how we can save money so we can focus on work to protect the core network infrastructure, along with raising more income through growing fundraising and commercial activities. Alongside the changes to boat licensing, we are continuing to grow income from our property and non-property endowment, and from other commercial sources such as hosting utilities and water transfer, which together contribute over 40% of our income. We are targeting a step-change in income generation from towpath users and other supporters, with fundraising income projected to grow by 10% each year – whilst other commercial waterways income, including from anglers, paddle sports and moorings, is also set to increase.

I hope that I have been able to explain that the increase to licence fees that we are making are not seeking in any way to drive boaters without a home mooring off our waterways, but rather seeking to ensure that licence fees fairly reflect the utility that different boaters receive.

I would be very happy to arrange to meet with you to tell you more about the work that the Trust is carrying out in your constituency and across the country to benefit the lives of millions of people and to ensure that we can keep canals alive now and in the future.