



Consultation response: vessel registration charges proposals from 1st of April 2022

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1. Introduction

In September 2021 the Conservators of the River Cam published a consultation on its proposals for navigation boat registration charges to be implemented from the 1st of April 2022. We asked for your views on these proposals which were the result of a year-long internal review of the Conservancy's income and charging structures :

- 1) The introduction of a revised, fairer charging structure for unpowered private vessels.
- 2) Boat registration charges within the Cam Conservancy area from April 2022 to March 2025.

In this document, we outline how the consultation took place, summarise the responses we received and confirm our final decision.

1.1. Background

As well as being responsible for the licencing of all vessels, the enforcement of the byelaws, and providing a 24/7 emergency call-out service for 364 days per year, the Conservators of the River Cam are responsible for a whole range of maintenance on what is a special river, with a unique set of management challenges, which include:

- Obstructions to navigation, including the removal of whole trees, bikes, trolleys, vessels which are adrift or abandoned.
- Weir clearance on behalf of the Environment Agency, weed harvesting, invasive species control (floating pennywort).
- Re-floating sunken vessels.
- Soft revetment works to banks, steel sheet piling, concrete piling.
- Servicing/maintenance on Jesus Lock and Baits Bite Lock which includes the hydraulic running gear at BB lock, the guillotine gate and vee-doors, the slacker doors, and their linkages etc.
- Grass cutting of the towpath, including management of the wellbeing of our protected species (e.g. water voles), tree management including pollarding, felling, re-planting and emergency call outs to deal with windblown trees, as well as regular hedge cutting.

In total there are around 1200 recreational, live-aboard, and commercial boats kept or used on our 7.5 mile stretch of the River. Our legal requirement to licence vessels includes

checks on the safety and insurance status of boats on the river, and a means of identifying craft in the event of incidents. The charges, which are levied in accordance with the byelaws, fall on those who most benefit from the navigation services we provide.

During the past 18 months, the Conservators have been looking for ways to both increase income (from some small outside works projects) and reduce costs, with some re-structuring plans already having been announced. We are very much aiming to become a tighter and more efficient ship. For several years, the Conservancy has been running as tight budgets as has been possible, with some essential maintenance and necessary renewal of assets being delayed because of insufficient funding. The Cam Conservancy will face a substantial annual shortfall if there were no increases in registration fees over the next three years. This would have severe implications for the level of service we were able to provide, and the Conservancy would not be able to continue adequate and forward-looking maintenance of the river in accordance with its statutory obligations.

In normal circumstances, vessel registration fees contribute over 70% of the Conservancy annual revenue. This income is used to keep our waterway open and safe for use by both recreational and residential boaters, and for those who rely on the river for their business, as well as fulfilling our statutory responsibilities. Unlike neighbouring navigation authorities such as the Environment Agency and the Middle Level Commissioners, the Conservancy receives no form of outside funding whatsoever and it is essential that our financial security is established to deliver a sustainable navigation service into the future.

Comparisons with the charges made by other navigation authorities are unhelpful. They vary considerably and there is the need to take into account the differing patterns of usage and financial constraints that apply to different authorities. In the case of the Conservancy, a relatively short stretch of river is intensively used, mainly by unpowered vessels. As the Conservancy does not have any outside subsidy, it is mainly reliant on vessel registration for its income, and therefore the cost of maintaining the river inevitably falls most heavily on river users.

The total revenue generated from the proposed fee increases is the minimum required to ensure safe and efficient operations as well as having the required money set aside each year for repairs and renewals, and to meet the cost of more serious potential failures of equipment and our locks in the future.

2. About the consultation

The consultation on fee increases set out the following proposed increases:

Year 1-

Unpowered 5%

Powered 7.5%

Commercial 10%

Year 2-

Unpowered 7.5%

Powered 7.5%

Commercial 7.5%

Year 3-

Unpowered 7.5%

Powered 7.5%

Commercial 7.5%

The differential charge for Year 1 recognised that some of the changes to fees for unpowered craft, as a result of the new structure, imposed an increase in fees for some larger unpowered craft. It should be noted that the larger increase in fees for commercial craft, approved by Conservators in 2020, had been deferred because of Covid.

The consultation also proposed changes to vessel categorisation, and in particular adjusted unpowered craft fees to make them fairer, by basing the charge on length of vessel.

The consultation ran for 6 weeks across September and October 2021. The consultation was hosted on our website as well as being sent directly to all registered river users and was open to anybody to take part.

It was important for us to give river users the opportunity to understand the proposals and the impact they will have. We have encouraged our river users to give us their views through the consultation and have publicised it openly.

We sent notifications of the consultation launch and start date directly to customers either by email if we had an email address on our records, or otherwise advertised on our website and in our notice boards. We also promoted it through various social media channels and river user groups.

3. Overview of responses

In total we received 113 responses. Through the online consultation we had 112 response forms returned.

The breakdown of responses by river user groups were:

- 71% from private/unpowered group
- 13% from private motor vessel group
- 8% from residential boater group
- 5% did not specify a group
- 2% from motor cruisers group
- 1% from commercial, unpowered

We have also recorded 1 email containing feedback on the consultation which was not provided through the formal consultation route. We considered the comments made in this email alongside the formal responses.

In addition to these responses, we also received some correspondence from MPs on behalf of their constituents highlighting their concerns.

We thank everyone who took the time to respond formally or to give us their feedback.

4. Final outcome

We reviewed all the responses we received from this consultation before we decided on our final recommendation for navigation boat registration charges from April 2022. It was clear from the responses that many river users are not aware of the statutory licensing and navigation duties that the Conservancy carries out. More will be done to better communicate to river users the work that is done on the river, and to underline the importance of licensing revenue in keeping the river navigable and safe.

For almost two thirds of users, the registration charge was less than 30 % of the overall cost of owning /operating their vessel.

Charging structure

The Conservancy will implement the new charging structure as outlined in the consultation document. Analysis showed that as a percentage of respondents, users of vessels subject to higher fees were significantly over-represented in the consultation (most likely because they were the users most adversely affected).

Fee increases

In the public consultation on proposed fee increases, a rate of inflation of 2.5% was assumed. Inflation is now, however, considerably more than that, and the danger is that it will continue to increase. Therefore, the Conservators have decided that instead of using an assumed fixed inflation rate of 2.5%, the licence fees be increased by annual CPIH (based on the figure published in November before the Registration Year) plus a fixed percentage increase. Annual CPIH for November 2021 was 4.6%. The amount of the fixed increase will be the percentages in the public consultation document with the assumed inflation figure of 2.5% deducted. The following table shows how the recommended fee increases for 2022/23 are calculated on that basis.

% increase calculations	<u>2022/23 Fee Increases</u>	<u>November 2021 CPIH = 4.6%</u>	
7.5%-2.5%=5%	Powered Vessels increase by CPIH + 5%	Total	9.60%
5%-2.5%=2.5%	Unpowered Vessels increase by CPIH + 2.5%	Total	7.10%
10%-2.5%=7.5%	Commercial Vessels increase by CPIH + 7.5%	Total	12.10%

This will be the case moving forward up to and including the 2024/2025 registration year.

5. Next steps

We will apply the changes to our legal charging scheme, which we will implement from the 1st of April 2022.

We are currently developing our 5 year business plan which we hope to be ready in 2022. Fundamental to the success of this plan, and therefore the continued navigability of the River Cam will be the implementation of the new charging structure and future fee increases.