

PRESS RELEASE

2 August 2022

CHANGES TO BOAT LICENCE FEES

In light of soaring inflation, which is impacting the costs required to keep the waterways safe and navigable, the Canal & River Trust is today announcing an inflationary rise of 4% in boat licence fees from 1 October 2022. This is in conjunction with cost saving measures that the Trust is taking and actions to increase income from other sources.

Whilst recognising that a second increase in fees this year is regrettable, the charity is facing significant increases in a range of its costs – notably the prices of energy, fuel, materials and other construction costs which are rising by more than headline consumer inflation rates, leading to a projected shortfall in the Trust’s finances as costs outstrip budget projections and are forecast to exceed the charity’s income. Additionally, the Government grant payment – which goes towards the cost of maintaining the waterways – is frozen this year (and hence declining in real terms) and until 2027. Unless measures are taken urgently by the Trust to address its budget gap this year, its priority works could be significantly affected.

The rise follows the earlier increase in fees, also 4%, from 1 April. Consequently, boaters renewing their licences from 1 October will face a combined 8% increase. This will still be some way below current inflation of 9.4% and predicted to rise further. When the earlier 4% increase in boat licence fees was agreed in October 2021, UK inflation (CPI) was 3.1%, with some short-term increase predicted but nothing close to current sustained rates of inflation.

In order to reduce spending, the charity is scaling back on non-essential works and focussing on those which are required legally or which support navigation. Whilst this winter will necessarily see a number of planned works deferred, the Trust will still deliver one of its largest programmes of repairs and maintenance to date. The Trust is also making cost saving cuts more generally across the business and scaling back any discretionary activities; however the asset repair works are the predominant use of the charity’s funds, above the day-to-day cost of keeping the network open. In parallel, the Trust is seeking to maximise revenue from its other income streams.

Richard Parry, chief executive at Canal & River Trust, said: “This has been a very difficult decision for the Trust. 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 the

highest levels of inflation in 40 years cannot be ignored and we are compelled to take steps to reduce the budget shortfall we now face, with our Government grant frozen since 2021, and with the combined 2022 licence fee increases remaining lower than the current inflation rate. We continue to prioritise our work to maintain and repair the historic canals and river navigations in our care, doing what we can to reduce spending in other areas and to generate income from other sources where possible.

“Boat licences account for around an eighth (12%) of the charity’s annual income and help ensure that the vast amount of work necessary to keep the waterways available to boaters can be carried out. We will do all we can to support boaters who may be struggling with the cost of living crisis and urge them to contact our boat licensing team so we can agree how we can help them.”

Boat licence fees rose by 4% in April 2022 and will rise by a further 4% from 1 October 2022 in response to the extraordinary increase in inflation rates. The Trust will keep the situation under active review whilst the economic conditions remain volatile and will agree its prices from April 2023 in November, continuing to seek to balance the impact on boaters with the pressure that the Trust’s finances are experiencing.

The Trust will continue to support boaters who may be struggling to pay their licence fees on a case-by-case basis. This may include arranging flexible payment plans and signposting to relevant services, for example the Waterways Chaplaincy, local authorities and Citizens Advice. For more information visit: canalrivertrust.org.uk/enjoy-the-waterways/boating/do-you-know-a-vulnerable-boater

More information on boat licences is available here: canalrivertrust.org.uk/enjoy-the-waterways/boating/buy-your-boat-licence/long-term-boat-licences

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Notes to editors

The cost of an average boat licence is £823.68 inc VAT (£68.64 month). For an average boat licence, the additional 4% is approximately £33 (£2.70 month).