

Licensing Futures - Stage 1

Report to the Canal and River Trust

20 April 2017

involve

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Introduction

About the consultation

The Canal and River Trust (the Trust) has commissioned Involve, an independent charity, to carry out a review of its boat licensing system. The primary objectives of the review are to:

- Gain support from a wide range of boaters and boating organisations to make changes to the licensing system should the Trust wish to do this;
- Explore other relevant new ideas from boaters and boating organisations.

At the conclusion of the engagement and consultation activities being carried out by Involve, the Trust will use boaters' views to inform the development of a boat licensing system that is:

- Easier to administer than the current system;
- Robust and workable;
- Balances pricing and affordability.

There are three stages to the review

- Stage 1: Ideas to scenarios
 - Telephone interviews with boating organisations
 - The Trust to develop broad scenarios informed by views of boating organisations
- Stage 2: Refining and improving scenarios
 - Regional workshops with boaters and boating organisations to improve, refine or discard options
 - The Trust to develop clear options informed by outputs from workshops
- Stage 3: Consultation on options
 - Online consultation for all boaters/boating organisations
 - Alternative response channels available on request (e.g., paper forms)

Overview of methodology

Stage 1

Fourteen telephone interviews were carried out with boating organisations representing a range of different interests. Interviews lasted between 30 and 90 minutes, with the majority taking approximately 50 minutes. Interviews were digitally recorded and analysed.

Participating organisations were:

Navigation and Advisory Group (Licensing & Mooring)	National Bargee Travellers Association
Dutch Barge Association	Inland Waterway Association
National Association of Boat Owners	Roving Continuous Traders Association
Association of Waterway Cruising Clubs	Residential Boat Owners Association
British Marine Inland Boating	Historic Narrow Boat Club
British Marine	Hotel Boat Association
Community Boat Owners Association	Royal Yachting Association

About this report

Over the course of approximately 11 hours of interviews, a rich and varied range of topics were discussed. It has not been possible to keep this report of a manageable size and include every point raised by every respondent. There have, therefore, been judgements made about the relevance of points to the purpose of this stage of the review. These judgements have been made by the report author.

We have therefore focused our analysis on three main areas:

- current challenges on the waterways and how these might be addressed;
- features of a future licensing system; and
- issues facing The Trust and boaters over the next 10 - 15 years.

Reading this report

Stage 1 has been a qualitative exercise. This report does not seek to indicate the level of support for each of the ideas and suggestions made by respondents but rather to describe those ideas. For this reason, other than where there is clear and widespread concern about or support for a particular topic, which is indicated with terms such as 'broad support' and 'overall', we have not

used language (e.g., ‘some’, ‘many’, ‘few’) that could be taken to indicate the number of respondents agreeing or disagreeing with the ideas discussed.

Many of the themes drawn out of the analysis are common across the organisations involved in Stage 1, whether they represent traders, commercial operators or private individuals. We have therefore structured the report thematically, rather than by respondent category. The exception to this is the section at the end of Chapter 2, which looks at issues raised by commercial organisations alone and at issues raised more widely but felt to have a particular impact on commercial organisations.

Many of the ideas and suggestions included in this report may not be possible under current legislation and not all of them relate to licensing: for example, some will be about terms and conditions and others about enforcement. No attempt has been made to distinguish between whether or not a particular theme relates to licensing or to these other areas: this will be the responsibility of the Canal and River Trust, as will determining the practicability of respondents’ ideas.

Use of quotes

Verbatim quotes from the interviews are used to illustrate the points made in the narrative. Where two or more quotes are used, these are taken from different respondents. As far as possible, we have sought to balance the use of quotes throughout the report, drawing them from all the interviews.

We have not identified the source of quotations. This is to enable the reader to focus on the ideas themselves and assess them according to their merit.

Structure of report

The main body of the report is structured as follows:

Chapter 1 looks at respondents’ views on the function of licensing, attitudes towards the review and the main challenges facing the waterways.

Chapter 2 looks at respondents’ ideas for how these challenges might be addressed and some of the specific suggestions and preferences for how licensing - or other measures - might address these challenges.

Chapter 3 looks at respondents’ views on some of the future challenges facing the waterways and concludes with a brief section on the consultation process.

Chapter 1: Licensing and the review

Function of licensing

In response to the question: what is the function of the boat licence, the most frequently expressed view is that it is to generate income to use for the maintenance and upkeep of a sustainable and navigable waterway.

“That’s for boaters to make a sensible contribution to the cost of canal maintenance and upkeep.”

“To generate revenue which goes towards the upkeep of the navigation. It’s also to give CRT some control over who uses its waters and some understanding of who uses their waters.”

Rather than forming a dedicated pot of funds, respondents felt that monies collected through licence fees go into a general fund, which is not used specifically for canal upkeep. They do not think that the income generated through licence fees is sufficient to cover all the costs of maintaining canals, in part because historical neglect had generated widespread problems. Some suggest that boaters’ contribution through the licensing fee provides approximately one-third of these costs.

“[Y]ou can’t expect boaters to start contributing on their own for all of the years of neglect but I think the whole issue is for them to make a sensible and reasonable contribution towards the cost of maintaining the canals. Not only the canals but also, we shouldn’t forget the cost of services, because boaters rely on being able to get fresh water, sewage disposal, disposal of rubbish, those sorts of issues - the boaters should pay for that.”

A second view is that the licensing system gives permission for boaters to use the waterways.

“Boat licensing means that you can take your boat out on the system.”

“I think the principle of the licence should be about giving permission for the boat to be on the water and whether you use it or not.”

The distinction between the view that the license permits use of the waterways and the view that its function is to raise revenue for their upkeep is captured by one respondent:

“The function should be to register boats used for navigation of the canal system. The function actually is to raise money towards the cost of maintaining the canal system.”

Other views include licensing as a signal of safety, since insurance and a boat safety certificate are preconditions of obtaining a licence; licensing as a “control mechanism” that provides a means by which to understand the overall use of the waterways and who is using them; and, licensing as a way of paying the salaries of senior Canal and River Trust staff.

It maybe that these different perspectives on the basic function of licensing informs some the differences in both what the licensing system is able to do and what it should be able to do. If

licensing is viewed as a permit to use the system, the question of its upkeep and future sustainability may well be seen as a separate matter.

The licensing review

There is some suspicion about the reason for the review, with respondents suggesting either that the Trust has already decided on the future shape of the system or that the primary purpose of the review is to raise licence costs and generate more revenue. These respondents tend not to agree that the current licensing system is over-complex.

“I've got to be honest, we tend to be deeply cynical about things like this because invariably the Trust normally have already made its mind up as to what it wants to do and how it's going to introduce it.”

“[W]e don't have an issue with the system as it stands because I think it's been built up on customer practice and consequently any changes will in our opinion only upset the balance.”

“We don't think that the actual licensing system is either complex or difficult to understand.”

“We're of the opinion that the status quo is better for us and we don't want change.”

Others see the review as an opportunity for the Canal and River Trust to take a step back and look at where it wants to be in ten or fifteen years time, what hurdles it might face in the future and at the level of investment it wishes to make. Looking longer term, it is suggested, would have two particular benefits. First, it would enable the design of a system that is better able to evolve to address changing social and economic factors that might impact on how the waterways are used. Second, it would allow for more consideration of whether, and how, to use new technologies.

“Is it looking at what's this going to look like in 10 years time? Because if you say let's do it in 10 years time, by that time technology may make it much easier, for instance to track the boats, to check them electronically through gates with bar code reading or RFID type things - that's going to be an investment but the question is does that Trust want to invest in something which is technologically up to date or does it want to continue with more or less what they've got which is a paper/stroke electronic system.”

“It's our view that the review should be significant. It is the opportunity to tackle issues which have been left untackled for a while and have kind of accumulated over the years.”

“Boaters and the industry have to be realistic that government can't subsidise this type of leisure - or any real type of leisure activity.”

“[T]he Trust as a charity has a duty to maximise its income so the starting point has got to be the amount of money they're getting now.”

Respondents point as well to the reduction in the government grant for waterways in 2012, when British Waterways became the Canal and River Trust and that, whilst boaters have “upped their contribution” income from other sources has not increased to compensate for this reduction.

Canal Challenges

Interviewees raised a range of different challenges facing the Canal and River Trust. Not all of these were seen as solvable through the licensing system, though they were seen as challenges to which the Canal and River Trust should respond in some way.

Four main challenges emerged through the interviews:

- An increasing number of residential boats, particularly in urban areas;
- Increases in both the length and width of boats;
- Congestion and continuous cruising;
- Owners without a business licence renting out their boat.

Boats used as a residence

Respondents see the growing number of residential boats, particularly in urban areas, as a consequence of wider social and economic changes. The cost of housing is mentioned frequently as a driver of this increase, particularly in London, but also in Bristol and Bath. There is a clear tension in respondents' views, between an acknowledgement that housing costs make it very difficult for young people, including those with families, to find affordable accommodation and references to boating as a 'lifestyle choice'.

"[W]e have a really big problem at the minute with people living on boats and an increasing number of people trying to live on boats because they see it as cheaper than living on the land."

"The truth is if they want to live in a certain area, then in fact they are behaving as a resident, they are not behaving as someone who is cruising the system."

Respondents are generally not seeking to limit the option for people to live on their boats: their main concern is to ensure that those who choose this option do not impinge on the ability of others to use and enjoy the waterways.

"If people want to live on boats, how can we do that? ... I'm not talking about driving people off, but saying two things: a) they need to pay their way and b) we need to accommodate people who choose that lifestyle."

Size of boats

Respondents note an increase in both the length and width of boats:

"Thirty years ago the longest hire boat operating was 60' and most of them were like 30' - 40'. Nowadays every boat is at least 60' almost."

"Literally in the last 5 years been a massive proliferation of wide boats which are in many cases unsuitable for the narrow canal."

Respondents linked the preference for longer boats to rising customer expectations for boats - particularly hire boats - to have bathrooms and bedrooms.

The growth in number of wide beam boats over the past five years raises particular and widespread concern. Respondents say that the canals are not designed to accommodate them

and that they impact adversely on others using the waterways: examples given include lock capacity for just one wide boat at a time, taking a lot of space on moorings, using a lot of water and the need to close bridges at times to enable them to pass through.

“In a lot of locks you can get two narrow boats side by side - in fact I've been in a lock with four boats - but only one broad beam boat can go through and when they're going through tunnels and things they cause quite big problems.”

“The current licence, I guess, was drawn up for the canals when most canal boats were narrow beam, based on the profile of an ex-working boat and it was not unreasonable therefore just to use length as a single determining factor. What we're getting now are some very large, very fat boats around the system which, when they start to move, do have an impact on other people.”

“[T]he canal profile is not really geared up for wide beam size.”

Congestion and continuous cruisers

As noted above, the growth in people living on their boat is not itself seen as a problem. The most contentious issue is the proliferation of residential boats whose owners or lessees are tied to a particular area through employment or education, and felt to be moving infrequently: respondents refer to this behaviour as “continuous mooring” or “pseudo-continuous cruising”, to highlight their view that many of these boats are continuous cruisers without a home mooring.

“The problem you get is if you've got too many people want to live on their boat in a confined area but don't want a home mooring, you get congestion.”

“[T]hey become wall to wall estates - a linear estate - a linear housing estate.”

“it seems iniquitous to me that one person who is having cheap accommodation, using all the facilities, blocking the waterways is getting a free ride.”

This, together with the increasing size of boats, is seen as generating mooring problems for boaters who do use the navigation continuously. A widespread view is that this is unfair on leisure boaters and on those who live on boats but move frequently and travel further. Respondents argued that continuous cruisers without a home mooring use, but do not pay for the water, sewage and rubbish collection services, unlike those with a home mooring,

Respondents using their boats for leisure purposes describe not being able to find moorings at all in some areas and having to travel long distances before they can moor. As a result of this problem, respondents see some areas, and London in particular, becoming out of bounds for cruising boaters.

“[N]obody goes to London anymore. Now, to, in a sense, have the nation's capital as a no-go area for visiting boats is - fairly disastrous in my view. And from a tourism and visitor point of view it's just - something's got to be done about it.”

“[W]hen an area becomes very crowded, with people whose preference is because of jobs and /or schools and/or other reasons, their preference is to stay in that area, then those mooring places are no longer available to passing boats.”

Respondents returned repeatedly to this topic, arguing that many of the boats without a home

mooring (continuous cruisers) are remaining static for longer periods than the law allows (14 days), moving only short distances and then returning to the same mooring or swapping moorings with others in the vicinity.

“[T]he current licensing system presumes that you want to navigate your boat round the system, whether it be for pleasure or business, it assumes that you are going to move and probably keep moving. Now most of these people who are trying to live on boats are actually trying very hard not to move because they have to go to work or they have to take kids to school and they want to be in a particular area.”

“[U]p on the Shropshire Union there are mile after mile of moored boats and the rule is that you slow down to tickover past moored boats, well for mile after mile you don't want to tickover - you're hardly moving.”

Respondents who challenge this view have two main arguments. The first is that the information on which claims about infrequent movement rest is unsound: a number of respondents referred to inaccuracies in the boat sighting system currently used, and there is some suggestion that boats can move between sightings but the frequency of the sightings means that this movement is missed, subjecting boaters to unnecessary enforcement mechanisms.

“CaRT have got a sighting system where they log boats with people supposedly walking the towpath once a week or once a fortnight and it's shown to be notoriously inaccurate.”

There is also a suggestion that the relevant legislation is unclear - though this point is debated - and complicated by more recent law, in particular the Equality Act 2010.

“[T]he British Waterways Act defines a continuous cruiser but it's so vague and the world has moved on so it's very hard to look at it sensibly - particularly now, the Equality Act means they have to take into account not only the human rights of the boater but their mental health, their physical health, their children's school needs and everything else.”

“[T]he law is very deliberately lax in that bona fide navigation was never clearly defined and nor was the term place and boats that are moving have to move to a different place every 14 days or sooner if directed by signage.”

“The 14 day limit is clearly defined in law.”

Finally, there is a view that this problem is outside the scope of licensing, and should be managed through enforcement.

“The Trust have got other means at their disposal to tackle congestion if they choose to do so - it shouldn't be through licensing.”

Peer-to-peer hiring

Technology and the growth in the so-called sharing or collaborative economy are driving changes in boaters' behaviour: the growth in peer-to-peer activities, with boats licensed for leisure use being rented out for leisure or residential use, is seen as a particular challenge. Interviewees feel this is unfair to licensed commercial operators, who pay more for a commercial licence and cover the costs of facilities such as waste disposal and car parking. They suggest too that it raises safety concerns for other boaters, both owners and those hiring through licensed business operators, and adds to congestion in some areas. One less frequently mentioned point is that this behaviour deprives the Canal and River Trust of fees to which it is entitled, so reducing the funds available for maintaining the network.

An alternative view is that a new business model is emerging and that the current licence system needs to accommodate peer-to-peer lending, which is seen as a "gateway industry" which could provide a means of encouraging more boaters onto the waterways and increase the potential customer base for other commercial operators.

"[B]oats are being sold in the quiet parts of the system and are gravitating to a few honey-pots really - London, Oxford, other cities - where it's expensive to live and people are trying to live on boats. And there are some less scrupulous people who are buying boats and then subletting them, but they're licensing them as pleasure craft."

"We're not complaining because it's a threat, what we're complaining about is we pay 2.5 times the licence fee, our boats are MOTd - boat safety certified to a higher standard than a private boat,... nobody's complaining about that, we think it's perfectly right that customers, visitors are protected by that higher standard, that's perfectly right. What we object to is any old Joe Bloggs hiring his boat out for 90 days a year and not paying the same as we are - it's this unfairness."

"At the moment, CRT is losing significant amounts of income by people, I think, in my view, abusing the system."

"They are a completely new model. They're not stealing hirers' business because hirers want to move the boat, they want the input of an active holiday, of actually taking the boat, going through the locks, seeing the scenery. Most of these private boats that are being hired out are not even moving. They're literally a short break, an overnight accommodation. "

Chapter 2: Addressing the challenges

Views differ on whether the licensing system could or should be used as a means to address some or all of the challenges identified and on whether an issue is a matter for licensing or a problem of enforcement. Some of the ideas raised by respondents may also not be possible within existing legislation. These ideas are included in this report, to provide an indication of the breadth and variety of suggestions: it will be for the Canal and River Trust itself to determine the practical and legal implications of these.

Respondents suggest a range of different potential ways in which the licensing system might address the challenges discussed in Chapter 1.

One or many licences?

Broadly, and regardless of whether they advocate a length or area approach to sizing boats for licensing, respondents support retaining the current single licence, with categories defined within this. Whilst there is some suggestion that, in principle, all boats might pay the same, respondents recognise that it would be seen as unfair if smaller boats pay the same fee as larger boats: broad bands within the single licence were suggested as a possible way of addressing this:

“You should have one licence that covers the canal system [and] if you accept that you've got to have bands ... we should have as few bands as feasible and they should be based on the area of the boat...in a simple calculation... not for every inch that the boat is in length or wide... 0 - 10m, 10-15m and 15m plus or something of that order so there's only 2 or 3 bands.”

“[T]he licence fee should be the same regardless of whether you have a home mooring or not, because if you do have a home mooring, you pay for the mooring.”

An alternative view is for separate categories of licence determined by use of the network - for example, stopping only for 2-3 days, but basically moving continuously: people with permanent moorings; and, commercial users, with an additional category suggested for the emerging peer-to-peer market and for hostel (rather than hotel) boats (see section on Commercial Operators for more detail). This idea was accompanied by the suggestion that licence fees for people without a permanent mooring should be increased, so that they make “a realistic contribution”. This latter point - about the use that continuous cruisers make of services and facilities that are paid for by home moorers - was raised frequently, primarily in the context of how best to manage congestion.

“People who have a permanent mooring somewhere - their licence should be different from people who don't. And the people who don't - they would have to choose between a commercial licence and a cruising licence.”

“I think CRT really needs to consider [peer-to-peer] as a whole new licence - as something completely different.”

Licensing by area of boat

Area-based licensing has wide support, with respondents arguing that the canals were not designed to cater for boats of the width now being used on the waterways and, as mentioned above, that they can impact adversely in a number of ways on other canal users. Those who argue for area-based licensing see it as more fair and as a means by which to dampen further rapid growth in wide beam boats.

"[I]f people insist on continuing to buy and build wide boats, then at least they're paying for it."

"[I]f you were occupying a visitor mooring or had a winter mooring or a mooring on a towpath that could accommodate 2 boats, it can only accommodate one boat if it's a wide boat, typically, so it just seems logically to be a simpler way - or a fairer way of recovering the cost."

Specific suggestions for licensing by area

Respondents made a range of suggestions for how size might be accounted for within the licensing system. These included:

- one single licence for all boats, based on overall max length excluding fenders x overall max width excluding fenders;
 - This was seen as meeting the simplicity criteria, and leading to easy to understand terms and conditions.
 - It was also seen as more fair, on the grounds that the size of the boat cannot be correlated with the wealth of an individual (i.e., larger boats are not necessarily owned by wealthier people).
- Capping increases for wide beam boats at 15%;
- Introducing increases over time: respondents suggest a transitional period of three to five years.

Licensing by length of boat

Respondents who wish to retain the current system of licensing by length make three broad arguments. First, that the size of the boat is not relevant to the cost of maintaining the network:

"You've still got to maintain the water level and you've still got to maintain the locks and the weirs and the overfall. So there's no extra cost to the navigation authority whether you're driving a big boat or a small boat."

A second argument is that there is no correlation between the size of a boat and its cost or value, and that licensing by area, rather than length of boat would have a disproportionate impact on less well-off boaters.

"Some people would say that if you have a wide beam then surely you can afford to pay more, because wide beams are generally more expensive, well that's just not the case - some of the cheapest boats about are wide beam."

A further objection to licensing by area is that the differential between wide and narrow boats would increase over time, with bigger boats carrying an increasingly large proportion of the cost of the waterways with every rise in the cost of a licence.

“If you have a length or an area charge and you increase by a percentage, then the bigger boats are always paying more because compound interest comes into play, and what may have been a fair division or a fairish division between the smallest boat and the biggest boat at the beginning rapidly becomes an imposition on the big boats and that is not fair.”

Finally, licensing by the area of a boat is seen as complicating, rather than simplifying the system, primarily on the grounds that measuring the width of a boat is more difficult than measuring its length, which would make initial licensing and enforcement more difficult.

Mooring

Respondents arguing for licensing by area and those who wish to retain length as the measure tend to agree that the congestion problems they identify are best dealt with through mooring charges and enforcement. There is also a view that long-term (home) mooring charges would increase if licensing by area (length x beam) were introduced, although mooring charges and licence fees are set independently. Suggestions include increasing the cost of mooring in congested areas - London and city centres are mentioned in particular and introducing ‘no mooring’ zones marked by yellow lines, with fines for infractions;

“We would suggest that online mooring should be broadly discouraged, because it makes it more difficult to use the waterway for what it was intended, which is to navigate.”

“They’ve got to make certain that more places in places like London need to be designated no-mooring unless you are prepared to pay substantial sums.”

There is also a suggestion that a congestion charge might be introduced in some areas, though respondents note that this is likely to be administratively complex and hence cost the Trust more in enforcement than it would raise in fees.

“[Y]ou could do it as a congestion charge like we do for driving into London at the moment. But that would probably require just as much complicated enforcement as charging for moorings.”

A different approach to addressing congestion through mooring is to increase the number of long-term moorings available: there is some suggestion that these have declined over recent years. Respondents think that it can be easier for operators to obtain planning permission for long-term leisure moorings than for residential moorings, but argue that “a boat is a boat” and that the amenities required by the two different classes of moorings are broadly the same. A related suggestion is that additional online short-stay visitor moorings should be provided, but that these need not all be fully serviced.

“[T]here are lots of people who are living on boats would love to get on a residential mooring if it were affordable and can’t do so because there aren’t enough moorings to go around.”

“[W]hen they [CaRT] designate something as a visitor mooring, they have to maintain that, whereas all we want, as an industry, is to have places where people can stop. It doesn’t have to be maintained in the same psyche as CRT do.”

“Conversion of suitable CaRT waters edge, liaison with local authorities, liaison with commercial operators and developers - they're all opportunities but CaRT at the moment, ... they don't put - perhaps they're unable to put the resources into creating these moorings that would help ease the problem that they're having to put so much time into dealing with.”

Financial incentives

Another approach to managing congestion is to use financial carrots rather than enforcement sticks by coupling an increase in residential moorings for those who want them with a financial incentive to move, for those who don't. The suggestion is that an additional fee could be levied on boaters without a home mooring, with this fee reimbursed in subsequent years if proof of minimum distance travelled is provided: this suggestion is made in connection with the use of tracking technologies to provide accurate proof of distance (technology is discussed in a later section).

“[C]reate more moorings, help ease the congestion that's occurring. People who don't have a home mooring because they don't want one, well give them a financial incentive to move and that will get the waterways moving.”

Pricing by distance

The idea of pricing according to distance travelled (with the assumption that travelling further would cost more) receives little support. Respondents point out that the licence provides permission to use the Canal and River Trust network, but does not limit that use. The most frequently mentioned reasons for not pricing by distance are that it would discourage movement, which is the opposite of what many interviewees want to see happen, and the inaccuracy of boat sightings which respondents say would give rise to continuous challenge and hence increase the costs of enforcement.

“[E]very boat sighting record has errors in it so if they can't get the boat sightings for each boat correct, how on earth can they police any sightings by distance?”

Reversing the presumption that charging would increase by distance travelled, one argument is that travelling boats are an asset to the Canal and River Trust, as without them the canal network would become unusable. Cruising boaters are seen as the “eyes and ears” of the system, providing information on problems that affect navigation, such as trees down or bank subsidence and alerting the Trust to enable it to take prompt action. Moving boats are also seen as more attractive than lines of moored boats, to people walking on the canal towpath. Using this argument, the costs for those who move little would increase but, it was noted, this would be extremely contentious.

An alternative view is that continuous cruising is more likely to generate costs for the Trusts, because moving boats use more water and canal infrastructure, more frequently.

“[If] those boats are using the locks a lot more, there's the whole issue of the cost of the hydrology and back-pumping water and maintaining water on canals, because there is a movement if you go up a flight of locks, I think you'll find that the amount of water used in a lock is 20,000 - 30,000 litres - and if that's one boat going through everyday, CRT have a sizeable job as a result, so they will use locks a lot more if they are continuous cruisers - real continuous cruisers.”

The practicalities of pricing by distance are also widely questioned, though there were arguments that technology might solve this: the section below on technology looks at this.

Pricing by value of boat

Respondents are unanimous in rejecting the idea of using the value of a boat as a factor in the licensing system, for several reasons:

- It is unfair;
- The value of a boat has no relationship to use of the navigation;
- The value of a boat is not related to the wealth of an owner;
- It would be an “administrative nightmare”, requiring annual revaluation of all boats;
- Boats gain or lose value over time and in relation to the care given to them: this would need to be monitored;
- Evaluations would be challenged.

“[Y]ou have to look at a boat as a boat. For a brand new 30' boat or a very old 30' boat, the fact is if it's still being used it's still needing to have the locks, the trees and hedges cut down - that shouldn't make any difference I don't think.”

“I think it's a ridiculous idea.”

Zoning the waterways

Respondents are similarly negative about the idea of geographic zones being included as an element in the licensing system, with rejection based on two main arguments:

- Argument from principle:
 - those making this case feel that the licence should allow access to the whole network or to none of it, on the grounds that the boat is using the same infrastructure and amount of water regardless of where it is, geographically.
- Argument from practicality:
 - This was the most frequently cited objection, with respondents pointing to the administrative complexity and expense of managing and enforcing such a system.

Respondents considering the case for zoning within the context of congestion argue that it is not the role of the licensing system to manage this and that the underlying causes of congestion in some areas needed to be addressed, rather than seeking to mitigate its impact through licensing measures. Whilst there is recognition that charges for permanent mooring might be higher in some areas, this is seen as a market, rather than a licensing issue. There is also concern that zoning could lead to the geographical fracturing and privatisation of the waterways.

“It would be a massive step backwards and it would effectively pave the way for a break up of the Canal and River Trust into ... and privatisation of the Canal and River Trust into companies that would effectively look like the original canal companies.”

There is some reluctant willingness to accept that some form of geographic charging might be a tool used to manage congestion in particular areas, however.

“If in the end the only way to tackle the problem, particularly in London, is for there to be zoning, while I'm not happy about that I can see that might end up

being a solution.”

Discounts

Respondents are largely in favour of retaining the current discounts, though there is support for a review, primarily on the basis that the rationale for discounts is not always clear and that the system as it presently works allows multiple discounts. One view is that the system of discounts has emerged piecemeal over time and the implications of the gradually emerging package of discounts were not adequately thought through as each one was introduced.

The possibility of multiple discounts being claimed was not considered in any detail, though there is some suggestion that this should be looked at in tandem with a review of each specific type of discount.

“[H]ow many multiple discounts could you get? So if you have an electric boat on the Mon & Brec, you've got double discounts and then you've got your pre-payment discount - it's just got a bit crazy.”

Prompt payment discount

The 10% prompt payment discount is mentioned frequently and spontaneously as an element in an 'ideal' licensing system. The primary reason for this support is the reduction in cost, though a further suggested value of the discount is that it serves as a trigger to boaters, reminding them to check documents required for licensing:

“[T]he main reason we decided that the prompt payment discount should be kept is that it encourages people at a point in time to focus that their boat safety certificate is up to date and that their insurance is up to date and renewed and we felt that if you took that away so that you paid at anytime, you might not have that focus point.”

The importance of retaining this discount is emphasised as is the need for it to be available to all boaters, whether they renew online, by post or by person, in cash, on the grounds that not all boaters wish to carry out financial transactions online, even if they have internet access, and restricting its access to online renewals would impact disproportionately on boaters who are more financially vulnerable or may not have a bank account. One view is that prompt payment discounts should be reviewed if this is to the benefit of the Trust itself, with emphasis placed on the responsibility of the Trust, as a charity, to maximise its income.

“I wouldn't die in a ditch over it - it's not a huge issue. if it's good for the charity do it, if it's not, don't.”

At present, it is suggested, it can be cheaper for boaters to take out a bank loan to pay early and receive the discount than it is to pay in instalments. In this respect, removing the prompt payment discount could lead more people to pay in instalments, which would have administrative costs for the Trust and bring income in more slowly. There is also a question about whether the 'real' cost of the licence is reflected in the discounted or the instalment cost.

Historic boats

The historic boats discount is supported widely, primarily on the grounds that these boats help to keep canal heritage alive and that they attract visitors to shows and to the canals in general.

Respondents suggest that the discount should be available only on registration with the Historic Narrow Boats Club, as a way of ensuring the legitimacy of the discount.

"I think it deserves some encouragement for keeping their boats in traditional form."

"CaRT could insist that the only way you get an historic boat discount would be to make sure the boat is registered with the historic boat association, so that if you like, there's an independent group that decides it's not just that it's an old boat, but it has some value - historically, it has a value."

"Should we remove the discount for historic boats - but not see that as another tax on historic boats, but CaRT commits to use that amount of money in a year to help canal restoration, rather than it just being CaRT just raising that money?"

Buttys

The discount for unpowered buttys receives wide support, though there is some suggestion that it needs reviewing, either to clarify its rationale and define "batty" more precisely, or to extend it to all unpowered boats less than 50 ft long.

"[Y]ou perhaps need to review the amount of the discount rather than remove it."

"it seems illogical that a longer boat should qualify for an unpowered batty discount whereas a shorter boat doesn't."

"[P]eople have sort of come up with the wheeze of saying, well my boat hasn't got an engine because I've taken it out, so it must be a batty. I think there was lack of clarity when we started asking the question about what really was this unpowered boat discount for."

Electric boats

Views are more mixed on the discount for electric boats. Whilst there is some support, and one argument for increasing it for those generating energy through solar or wind power only, others question the basis for the discount. They argue that the reason for the discount is to reduce pollution from diesel engines, but that most of the boats that use electric motors are plastic and that the production process and energy generation are likely to be just as environmentally unsound. The suggestion that energy sufficient to power a boat safely can be generated using wind or solar power is dismissed.

"[Y]ou're subsidising the licence fee of an electric boat by giving a 10% discount, but actually that electricity is produced in probably some coal power station, so you're moving the pollution away from the canal to a power station, so does that really justify a 10% discount?"

Length of licensing periods

Respondents have a range of views on how long licence periods should be. There is broad support for the idea that the costs of administering licences for other than a year should be reflected in the cost of that licence: that is, that shorter-term licences should not be costed pro rata, but include a supplement to cover administration.

Broadly, respondents' advocate three main approaches

- no change in current arrangements;
- retain annual and 6 month licences and increase flexibility around shorter periods of time;

"[I]f you have anything other than a 12 month licence, or if you pay for your licence in a different way, then effectively there should be a surcharge to cover the cost of doing this, so in other words, the 6 month licence should cost more than pro rata a 12 month licence, and so on."

"[C]ould you do a pay as you go licence or something like that?"

- Learn from the system currently operating on the Voies Navigables de France (VNF):

"You go online and you buy your licence ... there are a number of short term licences for example, so if you're going to go to France for your holidays, for example, you can buy a one month or a three month licence and you don't need to buy it until you get there. You don't need to buy it til you get there because you can print your licence online."

Paper licence discs

Views differ on whether to retain or discard paper licence discs. It is suggested that the Trust could stop posting out licences and that boaters who use online channels and wish to display one can download it and print it themselves. Paper licences are seen as valuable as a means of providing reassurance to boaters that others on the canal are licensed and that therefore their boats are safety certified and insured, though there is a suggestion that many boats display out of date licences, which might create nervousness rather than providing reassurance.

"Canal and River Trust could get rid of the paper licence...[they] don't use the paper licence. They rely on the boat number or the boat name to record all of their evidence, so why waste money posting out a bit of paper that CRT don't want? If boaters wanted it they could download it - that's simple."

Technology

Respondents are divided on the value and need for technology to play a role in resolving some of the challenges they identified. Four main arguments are made against the greater use of technology.

- the value boaters accord to being able to get away from its ubiquitous presence in everyday life;
- distrust of the Trust's use of technology in boat sighting and criticism of its inaccuracy;
- violation of privacy;
- practicalities, for example damp, power source and signal strength.

“I think technology should be used less because the current system they have of taking boat sightings is just not fit for purpose.”

“Anybody who lives on their boat that would be a violation of their right to privacy.”

“I don't think boaters are luddites but half the reason you go on a boat, to some extent, is to get away from a lot of these things.”

Those advocating greater use of technology feel it would require investment that the Trust might not be able or willing to make or that it would meet with resistance from boaters, but nonetheless think it worth considering. Suggestions include the use of on-board transmitters/GPS tracking, for location mapping or for monitoring and measuring boats, which is seen as a way of gaining accurate information on distances travelled, how the canal is being used and by whom. Tracking technologies are also seen as a way of reducing reliance on paid or volunteer data collectors. Finally, tracking technology is seen as way of helping boaters in difficulty. Respondents arguing in support of more use of technology acknowledge that “people will jip against it” but suggest that introducing it first into new boats and over time to all boats would lead to gradual acceptance. There is a suggestion that paper licence discs might be combined with tracking technology:

“We would like to see hard copy licences be reintroduced - that's licence discs - to display in craft windows and we would like to see each disc contain a trackable chip - a tracking device.... If you had a major issue - a health issue, health and safety, a fire or whatever, it would be a phone call, the tracker would know exactly where you were to get the emergency services to you.”

“It would be a good thing to start to do on new boats...but to try and do it retrospective, all it would be would be jip and aggravation because you'd have people unplugging the damn things or breaking them.”

Commercial operators

Commercial operators share many of the same concerns as those representing individual boat owners. They emphasise in particular the impact of congestion and peer-to-peer renting on the ability of canal boat traders and other commercial operators to carry out their business efficiently, and the Impact of increases in licence costs on operators themselves and on their supply chains.

“This licensing consultation and any decisions around it could not only affect those hire boat companies but then other companies around it - so you know, if the price of boat licences went up then marine operators would... if people then decided to not go boating because licences were too high then marina operators would be affected.”

In relation to congestion and difficulties in finding mooring, commercial boating organisations and traders note that, whilst this is less likely to impact on new customers, it can affect repeat business, as customers are less likely to hire a boat for a holiday in subsequent years if they have had difficulties in finding moorings or experienced congestion in particular areas.

“New customers have never known anything different so accept it for what it is but the return rate changes because people...they have significant issues ...with overcrowding.”

Introducing a new category of licence for skippered boats which provide only basic accommodation is seen as a way of encouraging new commercial operators onto the waterways. Such 'hostel boats', with shared accommodation and a less costly licence fee are also seen as a means by which to introduce younger customers to boating holidays (discussed in the section on Demographics, below).

Commercial operators raise safety concerns in relation to peer-to-peer renting, noting that the safety checks they are required to undergo are more rigorous than those required of private boaters. They are concerned too about unfairness, noting that their licence fees are approximately 2.5 times greater than those of private boaters and that hire boats require a designated home mooring, while peer-to-peer renters do not, which again increases costs for commercial operators.

This view is challenged, however, with the argument that peer-to-peer lending represents the emergence of a new business model that should be accommodated by a new licence, with safety and insurance requirements appropriate to that model.

"If the private boats that are hiring themselves out on Airbnb are a self-catered cottage, the hotel boats are a P&O cruise liner - all singing, all dancing entertainment - hire boats would be a self-drive holiday. It's a completely different holiday."

Questions are raised about whether or not there should be a separate trader's licence, restrictions on where traders can operate and about the requirement on traders to provide the Trust with information such as business plans.

"We actually don't think there should be a roving traders licence, we think that people should be able to trade from their boats anyway... We don't think that there's any reason why CaRT should require their business plan or to investigate the health of their business."

Finally, if some form of zoning or congestion charge were to be considered, respondents speaking on behalf of commercial operators feel that hire boats should be exempt from this.

"[A] lot of the issues for hire boat operators - I don't necessarily think it's around the charging, it's around the availability of mooring facilities."

Other issues raised

A number of issues were raised so infrequently that insufficient data are available for lengthy comment. These are listed below.

- A suggestion for more robust insurance and safety checks, for example, by checking licence applicants against insurance and certification databases;
- Retaining the Gold licence, which licenses cruising on Canal and River Trust and Environment Agency navigations;
- Making it easier for people with more than one boat to bring licence renewal dates into line;
- Raising awareness of the availability of third party insurance, without a complete survey;
- including a Gift Aid option for licence payers to pay a small amount (e.g., £10 or £20) to go into a welfare fund. This would be used to support boaters who are unable to afford

insurance;

- an additional £5 added to every licence fee to cover the cost of 3rd party insurance for all boaters: this is seen as helping to protect all boaters;
- Allowing tenders longer than 3m, on the grounds that the strength of water flows on some rivers make small tenders unsafe.

Chapter 3. Future considerations

Demographics

The impact of the rising average age of the boating population on canals and the Canal and River Trust is seen as an increasing problem. Respondents point to a decline in the number of younger people choosing boating as a leisure activity or hobby, attributing this in part to start-up costs, such as the purchase of a boat and associated requirements, including licensing, in part to the younger populations' taste for experiences rather than lasting commitments. A link is also made between the rise in the number of people living on their boats and the importance of addressing demographic change.

“Demographics is a major issue I think. You only have to spend a couple of days on the canals and you realise that a very high percentage of us are grey-haired old men.”

“We are concerned about the age range of boaters, basically because it's got expensive and not only that, young people have got these awful mortgages these days, so boating is becoming that people can't afford to do when they're young and all boat clubs are finding that, that the age range of their boaters is going up.”

“It's not a young sport or pastime...with an ageing population of boat owners you're getting to the situation where you've got the older generation who own the boats who have invested in them and go boating. You've then got at the other end of the spectrum the younger generation who you want to try and encourage to come in, but their mindset is the sort of peer to peer, the experience element of an activity, so they might be very happy to hire a boat or go on someone else's boat, just to experience it, but not have then the liability of the vessel.”

“The ageing population that are boating have very specific requirements now. I'm not talking about disabilities, I'm talking about the less able that don't register on anyone's radar particularly...that has to be divided between what might be called vulnerable and the ageing boater that actually wants an easy mooring, they don't want to walk the plank, they don't want to do those kind of things...it's not going to get any better, especially if people have made the move to residential boating they don't have so much of an option to move back into bricks and mortar but their needs increase as time goes on.”

The main suggestion for encouraging younger boaters onto the waterways is to provide reduced cost licences to organisations that cater to young people, for example by providing basic canal boat accommodation to groups such as the Scouts or other voluntary and charitable organisations to give them a taste of the canals that might then lead to them returning in later years.

The start-up costs of boating are seen as a barrier to many younger people, particularly in the current economic climate and, as discussed in an earlier section, can deter new commercial operators from starting up businesses that might attract younger audiences. A hostel boat licence for boats providing basic shared accommodation, is seen as a way of addressing this:

“We feel this is key to attracting a younger and more active demographic onto the canals for their holidays. For instance Inland Navigators, camping boat appeals to scout groups and other youth organisations. Wandering Duck, hostel boat, appeal to younger travellers and students looking to explore the waterways with a group of likeminded people. Most other hotel boats offer ensuite accommodation in private cabins and describe themselves as 'luxury' on their websites and attract a demographic of ABC1's who are generally over the age of 55.”

The environment

The impact of canal boating on the environment is raised infrequently, and primarily in the context of the electric boat discount (discussed above). It is seen as a potential future concern, however, with a suggestion that recent focus on the polluting properties of diesel emissions might turn to canal boats.

“[C]anal boats are by and large driven by diesel engines, and for some historic reasons, we get red diesel, so canal boats are paying a lot less for their diesel than a car driver, and possibly creating as much pollution along the canals.”

Views on the consultation

Respondents are broadly supportive of the approach taken to the consultation, though as noted in the introduction, there is felt to be considerable suspicion amongst boaters about its purpose. Those who identify challenges to the consultation process focus on Stage 2. They emphasise that the workshops will need to be carefully planned and structured and that the people who take part should, as far as possible, reflect the diversity of boaters and views and go beyond familiar voices.

A minority view is that the consultation is long-winded and a waste of time..

Communication and access

Respondents note the importance of communicating widely about the consultation and, in Stage 3, providing alternative response channels for those without access to the online questionnaire. In addition to providing information to boating organisations, including waterways chaplains, to distribute amongst their members, respondents suggest the following:

- Use CRT notice boards to publicise consultation;
- Use waterways / boating magazines (Towpath/Tillergraph);
- Send out text messages to boaters.

Appendix. Interview discussion guide

The discussion guide for telephone interviews with boating organisations was designed to allow respondents to raise the issues that are important to them. Not every question was asked of every respondent, primarily because respondents raised the relevant issues spontaneously.

Context and background

Thank you for taking the time to talk to me today. Before I start on the questions, would it be helpful for me to give you a brief overview of the project and our objectives?

The aims of the project are to understand boaters' views in order to shape a new licensing system that is:

- More simple and administratively less burdensome than the current system;
- Robust and workable;
- Balances pricing and affordability.

This is the first of a three-stage project. At the end of our conversation today, I'd like to explain our current plans for engaging boat owners and get your views on how effective this will be at engaging boaters and at allowing the most people possible to give us their views. There is still some scope for amending the approach we have designed.

If you're comfortable with it, I'd like to record our conversation. This will be for my own records only, to ensure I have an accurate record for the analysis, and it won't be shared with anyone. (Confirm permission.)

At the end of each stage, we will draft a summary report for The Trust. If we use any quotes from these interviews, or any of the other engagement activities, we will anonymise these and remove any identifying information, so that it is not possible for anyone who knows that individual to identify them from the quote.

Have you got any questions before I start?

Introduction

Could you talk me through your role at the (ORG NAME), and tell me a little about what your organisation does?

The function of boat licensing

What do you see as the function of boat licensing?

Probes:

- How does the Canal & River Trust use the monies collected?

- What revenue do you think the Trust gets through boat licensing?

An ideal licensing system

If you could start with a blank sheet, what would you include in an ideal boat licensing system?

What factors would you look at in order to set pricing for your ideal system?

If not raised spontaneously, probe for views on:

- Length of boat
- Width of boat
- Value of boat
- Zoning - e.g., the region a boat is in (explore issues such as congestion, facilities: should account be taken of these in pricing?)
- Mooring status (home mooring / continuous cruising)
- Pricing by distance travelled (continuous cruisers)

Things to consider for the future

Are there any wider changes - for example, social, environmental or demographic changes - that you think might or should impact on the licensing system?

Engaging with boat owners

Talk through the 3 stage process:

Stage 1: interviews to get the views of boating organisations, who will understand the views of many of their constituents.

Following stage 1, The Trust will develop a set of scenarios, based on the views that have come out of the interviews

Stage 2: Nine regional workshops with boat owners, at which we will look at the scenarios, develop them further and, across the 9 workshops, develop a set of draft options (probably 3) to take to a full consultation. Workshops will take place in mid-late April and early May

Following stage 2, the Canal & River Trust will work the options up further, drawing on the views of people in stages 1 and 2.

Stage 3: An online consultation, open to all boat owners, which will seek their views on the options presentation - for example, their strengths and weaknesses, how they might be further improved and which option they prefer and why. This will take place over the summer and into late September.

Between each stage, we will draft a summary report of the findings and at the end of the project, we will draft a full report that draws everything together.

What do you think of this approach?

Can you suggest any improvements we might make?

How best do you think we can reach boat owners who don't have internet access?

How best do you think we can publicise the consultation to boat owners?

Closing

Have you got any further points you would like to add?

Thank you for your time today.