

Tolls Review
Report by Chief Executive

Summary: This report briefs the Members of the Committee on the proposals for the restructuring of navigation charges and the potential impacts and risks.

Recommendation: The Members of the Committee are invited to comment on the proposals and are recommended to support both the revised Guiding Principles and the key elements of the suggested way forward.

1 Introduction

- 1.1 Seven Broads Authority Members have been given the task of reviewing the current structure of the navigation charges paid by boat owners using the Broads. The group of Members has met nine times to date and developed a new set of five Guiding Principles to provide a framework for decisions on tolls. These are based on: the Authority's statutory responsibility, the need for flexibility, a test for fairness, simplicity and efficiency and are set out in Appendix 1.
- 1.2 The main elements of the proposed new structure are a simpler, fairer arrangement where the level of the toll is calculated by multiplying the area of vessels in different categories by a fixed sum per square metre. This would replace the present more complex current arrangement which includes fixed and variable amounts in the calculation combined with a set of multipliers and discounts. Different categories of vessel (see table below) will be given different costs per square metre.

Commercial Craft	Private Craft
1. Weekly Hired Motor Boats	1. Motor Boats (petrol and diesel)
2. Day Hire	2. Motor Boats Electric
3. Day Hire – Electric	3. Motorised Sailing Craft
4. MCA Passenger boats and BA – Small Passenger Boats	4. Sailing Boats
5. Motorised Sailing Craft	5. Houseboats
6. Sailing Boats	6. Rowing/canoes etc.
7. Houseboats	
8. Rowing/canoes etc.	

- 1.3 The proposal would also address a long standing concern about the charges for small motor boats. Currently they pay around £100 per annum and in a new system this would reduce to £60 - £70. The Authority hopes that if the new arrangements are adopted it would encourage more small boat owners to pay a toll and use the Broads.
- 1.4 The largest sailing boats on the Broads – the seven wherries – would be subject to a fixed charge and the current suggestion is that because of their iconic status they would, in the main, have a cut in their charge.
- 1.5 On the 14 June the Group of Members presented its proposals to an invited audience which included representatives from the main boating organisations. The Broads Hire Boat Federation and the Norfolk and Suffolk Boating Association have been invited to comment on the Working Group will be considering feedback from the organisations before finalising their recommendations. These will then be presented to the Broads Authority's Navigation Committee on September 8th before a decision is taken by the Broads Authority on September 30th. If adopted, the new structure would be implemented for charges in 2017/18.

2 Evaluation and Risk Analysis

- 2.1 The impact of the proposed structure has been tested by replicating the 2016/17 charges using the new structure. The effect of a fixed amount per meter² would mean that the larger boats using the Broads would see an increase in their charges but overall more boats would have a cut in their toll than would pay more, see table below. The Authority's research shows that the charges are a small part (9%) of the cost of owning and maintaining a boat and the level of change envisaged is not expected to have a significant impact on the number of large private boats in the area.

Category	Pay Less	Pay More
Weekly Hire	417	395
Day Hire	146	100
Private Motor Boats	3337	3106
Private Sailing Boats	850	302
Private Motorised Sailing	904	142
Private Electric Motorised Sailing	19	88

- 2.2 Any change to the tolls contains some element of risk. The Authority has minimised the impact of the changes by consulting the main boating organisations so that it can gauge the likely reaction to the reform of the structure and by modelling the impact so that it has a good understanding of the boats that will be affected and the degree of increase/decrease for individual boats.

Background papers: None

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Broads Plan Objectives: None

Appendices: APPENDIX 1 - Revised Guiding Principles

Revised Draft Guiding Principles

1. Navigation charges should generate sufficient income to maintain the navigation area for the purposes of navigation to such standard as appears to the Authority to be reasonably required and to take such steps to improve and develop the navigation area as the Authority thinks fit (Section 10 of the Broads Act 1988). [**STATUTORY RESPONSIBILITY**]
2. Navigation charges should be used as a policy instrument, ensuring that the tolls structure is sufficiently flexible to protect the economic and social interests of those who live or work in the Broads. [**FLEXIBILITY**]
3. In recognition of the economic benefit derived from the Broads navigation commercial operators should contribute on a different basis to private boat owners. [**FAIRNESS, BASED ON ECONOMIC COSTS AND BENEFITS**]
4. The rationale and structure of navigation charges should be transparent and easily understood by all toll payers. [**SIMPLICITY**]
5. The cost of collecting navigation charges should be as low as possible. [**EFFICIENCY**]