

Toll Plaques – Paperless Solution
Report by Chief Executive

Summary: Following the difficulties associated with the ink running on some of this year's toll plaques this report considers the efficacy of dispensing with toll plaques altogether and moving to a paperless system.

Recommendation: A paperless system replacing toll plaques be trialled for the coming year and its performance evaluated in Autumn 2016.

1 Urgency

1.1 Problems with this year's toll plaques and the proximity of the start of the season means that there is an urgent need to consider the options for this year, including moving to a paperless system, and to take a decision before the 1 April. The Members of the Navigation Committee have been consulted and the feedback is reported below.

2 The Problem

2.1 Members will be aware that the recently issued 'burgundy' toll plaques are showing obvious signs of ink creepage and smudging. We have used the same printers for the last 20 years without any problems. The company is investigating the problem but to date does not have an explanation.

2.2 The ink has run down the hull on a number of boats; on one, which has a new gel coat, the ink has been removed only with difficulty. We have alerted the public to the problem and contacted the c 2,500 toll payers who have already paid and been sent the plaques, advising them not to put the plaques on their boats and to remove them if they have already done so.

3 Actions to Date

3.1 We have been investigating a range of options with the printing company including:

1. Treating the labels with a waterproof substance either prior to or after printing. Neither is practical because the first would prevent a permanent ink image being printed whilst the labels are likely to lift or tear during the reworking process under the second option.

2. Spraying or brush coating the labels after printing with a transparent quick drying 'varnish' or cellulose. We are not sure what the effect would be on the plaque.
 3. Providing a transparent, self-adhesive covering for plaque for boat owners to fix on top. Again we are not sure what effect this would have on the plaque nor on the surface of the hull as it would have to be bigger than the plaque.
 4. Reprinting all 12,000 plaques.
- 3.2 The costs for all 4 options would be borne by the company. However, all present difficulties. In the short period available, we have no way of testing the performance of options 1-3. Option 4 would take approximately 9-11 weeks to complete. The specialist material used with the 'marine & shore' type adhesive has to be specially made in France and is currently on a 5-7 week production cycle. Transit to the UK would take 7-10 days. The production period for the labels would be approximately 14 working days.
- 3.3 If the new labels were ordered on Monday 21 March the earliest the Authority could receive them would be 23 May which is 7 weeks into the season. Under this plan, there would be huge duplication of effort by the Tolls Staff and it would create uncertainty with our customers.
- 3.4 There are only two weeks until the 1 April and the start of the season. We need to take a decision on how we are going to proceed as soon as possible.

4 The Proposal

- 4.1 Following informal discussion with Michael Whitaker and Alan Goodchild (Chairman and Member of the Navigation Committee) when they were in Yare House the outline of an alternative system to paper-based toll plaques emerged. We could make a virtue out of necessity and remove the requirement to print and display a plaque, as implemented by the DVLA for vehicle licensing.
- 4.2 The system of a very visible toll plaque replaced the old arrangements whereby Rangers were supplied with weekly lists of craft that had paid. Rangers can now check the database via laptop computer so the paper lists are no longer required. A new solution was going to be required in three years' time when the present stock runs out.
- 4.3 We have, prior to this incident, been discussing the pros and cons of following the practice adopted by the DVLA of abolishing Car Tax discs. *The suggestion on which we would like the Committee's views is to move to an plaqueless system on a trial basis for the coming 2016/17 season.* In the autumn the experience would be evaluated and a decision taken whether to continue with the new arrangement or revert to a paper based system.

5 How would it work?

- 5.1 Boat owners would be able to renew their licence either on line, by post or in person as at present. They would be sent a receipt but no plaque. The receipt would be proof of payment. An on-line 'app' would allow members of the public to check whether a particular boat had a valid toll based on its name and number. It could also include a facility to report a boat which was present but had apparently not paid a toll. We also think we could develop an app for the Rangers' phones so that they could very quickly check boats with a hand held device rather than using their current laptop computers.

6 The Legal Position

- 6.1 Byelaw 19(2) covers the display of the tolls receipt:

No person shall moor, use or navigate a vessel on waters within the navigation area or cause or permit a vessel to be so moored, used or navigated unless:

- (1) the appropriate toll for the vessel has been paid to the Authority for the period which includes that mooring, use or navigation; and*
(2) any toll receipt issued by the Authority in respect of the period which includes that mooring, use or navigation of the vessel is displayed on the vessel in such conspicuous position as the Authority shall determine.

- 6.2 The Authority's Solicitor has advised that he is satisfied that the Authority has the freedom to act in the way proposed.

Byelaw 29b is also relevant.

In any proceedings for an offence under these byelaws it shall be a defence for the person charged to prove:

- (a) that he took all reasonable precautions and exercised all due diligence to avoid the commission of such an offence; or*
(b) that he had a reasonable excuse for his act or failure to act.

The Solicitor has confirmed that if the Authority has moved to a paperless system then that would constitute 'a reasonable excuse' against any prosecution for non-display.

7 Advantages and Disadvantages of a Paperless System

- 7.1 The **Advantages** of the paper-less system are:

1. saves on purchase of the printed plaques – approximately £4,400 per annum;
2. saves on printing – about an hour a day during the main season; and
3. some boat owners would prefer not having to fix a plaque to their boat.

- 7.2 The principal **Disadvantage** is that it makes the Rangers' role of checking payment of the toll less straightforward. If there are twenty boats in a marina

the presence of a plaque of the appropriate colour indicates very swiftly and easily that payment has been made.

- 7.3 However, the Rangers have a good knowledge of the boats in their area and whether they are likely to have paid or not, and they have a computer database they can consult which could be improved. The Collector of Tolls has very quickly developed an embryonic system for checking whether a toll has been paid using the Rangers' current Smart phones.
- 7.4 Our impression is that most boat owners on the Broads are reliable in terms of paying their toll and those whom the Authority prosecutes are often repeat offenders.

8 Analysis of Risk

- 8.1 The principal risk is increased avoidance and a consequential reduction in navigation income if those individual owners are not identified. Of the £3.12 million predicted for Navigation Income for 2016/17, £1.08 million is from the hire boat sector which is collected at the beginning of the season and because of the hire boat licensing requirement; the risk of evasion is very low. £40,000 is from short visit tolls which will be unaffected along with the £20,000 in interest.
- 8.2 The largest risk is with the £1.97 million predicted as income from private boats. Of that, £600,000 has already been received. The combination of the adjacent waters provision in the Broads Authority Act 2009 combined with new technology means that the risk can be significantly moderated. Regular sweeps by the Rangers of the rivers and broads and marinas and dykes along with the successful Super Safety Days should make it possible to keep this to a minimum.
- 8.3 Peer pressure may also be a helpful influence in encouraging compliance with the law. A simple web application allowing anyone to check whether a boat has paid the annual toll will be a more effective mechanism for those who currently send to the Authority lists of boats not displaying a valid plaque.

9 Consultation

- 9.1 The Chairman of the Navigation Committee and Chair of the Authority supported the idea of quickly consulting the Members of the Navigation Committee and then, depending on the outcome, putting an urgent report to this meeting.
- 9.2 The Members of the Committee responded very rapidly and the overwhelming response has been supportive of the proposal. Only one member expressed a preference for the reprinting option and this was on the basis that the idea of moving towards a paperless system was applauded but that further work was needed before committing to the proposal.

- 9.3 Brian Wilkins (Chairman of the NSBA) helpfully took the opportunity to consult the NSBA Committee and reported a “*majority preference (6 for, to 2 against) for a paperless tolls system.... with some reservations*”. Linda Aspland sought the views of the NBYC Committee whose meeting coincided with the consultation and reported that “*All those at the meeting were OK with online tolls and no visible license*”.
- 9.4 A number of issues were raised in the consultation and these are addressed individually below:

1. Concern about the potential loss of income by those who may risk not paying.

It is difficult to estimate both the present level of evasion and any impact of the proposed change. However, it is a path the DVLA has already been down although they do have the benefit of Automated Number Plate Recognition cameras around the road network in support. If we assume that boat owners have a similar profile, regarding the payment of tolls, to motorists paying car tax, and that the main issue is with private owners rather than the hire boat fleet, then the income at risk is £1.97million in 2016/17.

The evidence from the Department for Transport is as follows: “In 2015, the rate of unlicensed vehicles in traffic in the UK was estimated to be 1.4%, compared with 0.6% in 2013.” If we use the same proportions then £16,000 is at risk, which if offset by £4,400 printing costs reduces the potential net loss of income to £11,600.

2. The amount of time spent checking via an app is going to be huge and the Authority may need additional staff which should be costed into the proposal.

The Collector of Tolls already has an app working on the type of phone used by the Rangers. This will provide a speedy solution to checking whether a boat has paid. The improved workflow in the Tolls Office is likely to mean that those staff will have the capacity in the summer to support the Rangers in checking boats.

3. The Authority does not have an on line system, like the DVLA, for anyone to check the status of a particular vessel.

If the Authority supports the proposal then an online capability for checking boats can be put in place relatively quickly.

4. Concern about the amount of new equipment required and its cost, hand held devices etc.

The Rangers already have laptop computers and Smart phones. A test application to check whether a toll payment has been made for boat toll is already working for the Smart phone.

5. The visual presence of a toll plaque exerts "peer pressure" amongst the boating community that encourages payment for the season. On the other hand the ability to use an app to check if your friend has paid their toll or not, feels a bit like "spying" on people's personal finances.

Under the current arrangements there are a number of individuals who send the Authority lists of boats not displaying the current year's plaque and complaining the organisation is doing nothing about the evasion. Invariably for most, if not all the boats, the issue is about non-display rather than evasion. A paperless solution combined with an online application would enable these individuals to check for themselves and submit evidence to the Authority if payment has not been made.

6. Concern about identifying boats that are not required to carry registration plates, dinghies, NBODs etc. There would be considerable resistance if all registered craft were required to display their registration letter/numbers.

Currently every vessel moored, used or navigated in the Broads "must be registered with the Authority and the registration marks issued by the Authority must be conspicuously displayed". A leaflet published by the Authority entitled "Display of registration marks and tolls plaques" provides more information.

Certain categories of boats, e.g. sailing cruisers without engines, half-deckers and keel boats are not required to display the registration mark provided the vessel is clearly marked with its registered name. Similarly sailing dinghies are required to either display the registration mark or a current valid tolls plaque(s). It is not proposed to make any changes to these requirements, though sailing dinghies that have previously displayed a toll plaque rather than a registration mark, will in future have to display a registration mark.

10 Conclusion

10.1 Moving to a paperless system is not risk free. The principal risk is the potential loss of income through increased evasion. This risk can be mitigated by changing the working practices for the Rangers and supporting them with new technology. This would mean that when on patrol the Rangers would focus on providing information to the boating public, checking moorings, identifying hazards and byelaw offences such as speeding and other core duties. On other days they would focus on compliance with tolls and hire boat licensing with regular visits to boatyards and marinas. The proposal is for a one year trial and for the new arrangements to be assessed at the end of the season.

Background papers:	Nil
Author:	John Packman
Date of report:	17 March 2016
Broads Plan Objectives:	None
Appendices:	None