



# The Case for a Strategic Waterways Authority

- a discussion document

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## Background

During 2008, the Save Our Waterways committee produced a paper which considered the formation of a strategic waterways authority as a way to manage the future of the inland waterways.

In January 2009, in the process of preparing a brief on waterways policy for Anne McIntosh, Shadow Environment Secretary, we became aware of a similar proposition written in 1995 by David Pearce of AWCC. The original was submitted by AWCC in response to a consultation held by The Department of the Environment as part of their review of the Navigation Functions of British Waterways and the National Rivers Authority.

This paper is a condensed version of the above documents.

## Introduction

The refresh of Waterways for Tomorrow is progressing well and seems on course to be published by the end of 2009. The process of consultation has been excellent and has served not only to address the central issues but also to get wide agreement amongst stakeholders on content and emphasis.

A major improvement over the original document will be the inclusion of the results of a comprehensive research study that quantifies the economic benefits of the waterways and provides a

framework which is intended to become a standard reference for government at national, regional and local level.

Like most observers, we agree that the refreshed policy has the potential to become a powerful tool for raising the profile of the inland waterways but many of us are concerned that it will be beyond the scope of the small waterways team at DEFRA – even with the support of the IDG - to ensure that the aims and objectives of the new policy will be implemented.

Additionally, DEFRA acknowledge that the crucial issues of funding and planning need to be addressed in greater detail before publication. However, planning reform is already a major issue across government and it seems unlikely that the problems facing the waterways are likely to receive special attention. As for the fundamental issue of funding, it has been made clear that additional central funding is unlikely and, indeed, modest cuts are to be expected.

As we see it, progress will not be made with these three key issues – implementation, funding and planning – unless the current fragmented nature of inland waterways management is addressed.

## **The Fragmented Waterways**

*Navigations* - There a number of good reasons for having multiple navigation authorities on an operational level, but working separately with various legislative and funding bodies is not one of them. We are not proposing merging navigation authorities – we are inclined to agree that each navigation has its own character and operational methods that need to be preserved – but we do propose that strategic issues should be the responsibility of a single national body (see below).

We believe that the many authorities which control navigation:

- are difficult to control and influence uniformly from a strategic and governmental point of view;
  - hinder opportunities to benefit from economies of scale and areas common development are missed;
- and
- the wider European legislative impacts are difficult to integrate and implement.

*Government* – There is a logical connection between the operational management of the inland waterways and DEFRA's responsibility for water supply and resources, flood control and the environment in general. However, these responsibilities are all functions of monitoring and control whereas the main output of the inland waterways is the provision of leisure and recreation amenities that act as a focus for regeneration - responsibilities that lie more within the remit of DCLG.

In particular, we offer a few examples of current shortcomings:

- Government has to seek views from a plethora of official or semi-official bodies, which control or have an influence upon the navigable waterways, when determining policy
- The greater potential for leisure, recreation and tourism is not fully realised because of the diversity of authorities

- There is a clear need to bring together and capitalise, for the greater good, all aspects of the use of the waterways - navigation, heritage, leisure, restoration and regeneration, recreation and tourism, water control and environmental protection, etc.
- The ludicrous situation that exists where many local authorities enjoy the benefits brought by the waterways but refuse to contribute to their upkeep
- The opportunities for development and regeneration are hindered by a lack of influence on regional and local planning
- The future of the inland waterways is perceived to be in jeopardy, by all nature of users, because of the uncertainty over future funding and the lack of a proper organisation to take maximum benefit from the opportunities available.

## **Rationalising the Fragmentation.**

Thanks to IWAC and EFRA, it is now accepted that the waterways contribute to the agendas of a number of other government departments, and the formation of the Interdepartmental Working Group (IDG) was a positive step forward in trying to seek ways and means to address those issues.

However, it is suggested that DEFRA, even with the support of the IDG, is not a powerful enough vehicle to influence the much larger DCLG and other governmental benefactors of the waterways.

We suggest that importance of the waterways to the nation as a whole warrants the formation of a statutory body with the authority to deliver and implement the policies and objectives defined by Waterways for Tomorrow. A single body - a Strategic Waterways Authority (SWA) - that governs the multi-functional use of the inland waterways of Great Britain.

To address the dual fragmentation which we believe hinders the progress of the waterways, it is proposed that the SWA has three key divisions – Waterways, Amenities and Property.

***Waterways Division*** - While retaining the current operational structure of the major navigation authorities, we propose that they become separate branches within the Waterways division of the SWA. The Board of the SWA and the Waterways Division would be made up largely of candidates from the Boards of the existing navigation authorities.

In addition to the management of navigations, we believe that the Waterways Division of the SWA should have the following responsibilities as these functions are not easily divisible and are part of the overall function of water management:

- Flood prevention
- Land drainage
- Reservoir management
- Movement and sale of water
- Pollution control

The Waterways Division would be sponsored by DEFRA.

***Amenities Division*** – As pointed out earlier, the output of the navigation authorities is primarily related

to the provision of leisure and recreation and opportunities to enhance community open spaces, outputs which are closely tied to effective working relationships with local and regional authorities.

These are clearly areas that fall within the responsibilities of DCLG and the main thrust of our proposal is that local authorities should, in effect, take ownership of the section of waterway that pass through their boundaries. Local authorities are, after all, the main beneficiaries of the waterway by way of jobs, tourism, increased property values, enhanced recreational amenities, etc.

Clearly, as the driver of many government initiatives to make neighbourhoods healthier and more attractive areas to live, DCLG is responsible for local and regional planning departments and could change local guidelines.

It seems logical that the existing staff of the local authority Parks & Recreation department could take on the responsibility of the upkeep of water's edge amenities (non-navigational) and monitor mooring overstay and navigation licenses in exchange for a share of any recovered income.

**Property Division** – Government have already recommended that British Waterways' (BW) property portfolio should be moved into a separate subsidiary that can benefit from normal commercial borrowing. If this follows the recommendations of the KPMG review of BW, this subsidiary will be a Community Interest Company (CIC) which, through the device of a mandatory asset lock, protects the assets from privatisation.

We recommend that this company should be controlled by the SWA and expanded to include any other property owned by other navigation authorities.

## **Addressing the Funding Deficit**

The two main inland navigation authorities, British Waterways and the navigation section of the Environment Agency (EA) are both unable to maintain their navigations adequately. BW is currently £30 million short and the EA £12 million. DEFRA have said that additional funds should not be expected from annual GIA will not increase and is likely to drop in the light of current economic pressures.

BW are in the process of consulting about their TwentyTwenty Vision which projects £5 million pa savings in the short to medium term rising to £10 million pa in the medium to long term.

**Economies of Scale** -The process of merging the navigation authorities into the Waterways Division has the potential to bring economies of scale at Board level as well as senior operating management.

**Towpath and waterside maintenance** - Figures provided by BW suggest that there is an annual expenditure of between £8-£12 million related directly to maintaining community waterside amenities rather than being related to BW's statutory responsibility of keeping the navigation open.

We have proposed that local authorities should take on the responsibility of local, non-navigational upkeep and whilst this is primarily transferring costs from one account to another, as local authorities already deploy teams to maintain parks and open spaces there is the potential that overall costs will be lower.

**Moorings and Licenses** – BW's recent efforts to tackle the problem of unlicensed boats has demonstrated that the cost of enforcement is a good investment. The plans to extend this enforcement

to mooring overstays may well prove to be another source of unbudgeted income.

We suggest that it would be even more cost effective for local authorities to perform these monitoring functions. In particular, the practise of charging for mooring overstays is well established on many non-BW waterways and is presumably the source of income for these local authorities.

Local authorities might also be able to find ways to raise additional income from other dedicated users of waterside amenities like cyclists and anglers.

The EA collects over £20 million per annum through Rod Licenses; if local authorities were to assist the incidence of avoidance could be substantially increased.

*Precepts* – We know that BW navigations pass through around 250 parliamentary constituencies. As the average constituency has a population of 75,000 residents a simple precept of £1 per head per annum would yield over £18 million pounds.

## **Restoration, Regeneration and the Third Sector**

In many ways, the transfer of the responsibility of the Amenities Division to DCLG should raise the awareness of local and regional authorities to the benefits of restoration and regeneration and the all-important issue of volunteers. Indeed, the framework of economic benefits planned to feature in Waterways for Tomorrow, should have a similar effect.

However, the experience many restoration societies have had in gaining the support of their local communities suggest that there may be a need for a dedicated section within the SWA.

## **Recommendations**

- The long term and primary aim for the management of the inland waterways of Great Britain should be to create a single and unified Strategic Waterways Authority (SWA)
- The fundamental aim of the SWA should be the sympathetic development of the waterways for multi-functional use
- The SWA would have dual government sponsoring departments, DEFRA and DCLG
- A new Bill should be placed before Parliament to allow the creation of a SWA with wider powers, as described in this paper, as a statutory agency of Government
- The funding formula for the SWA should consist of a combination of grants from governmental sources, direct charges directed at specialist users and other beneficiaries, income from property development and the provision of utilities and services. Government funding should reflect Government's need to maintain an infrastructure that delivers efficient water-based leisure, recreation and tourism and drainage and flood prevention infrastructure, appropriate to the needs of the twenty first century.

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