

The Inland Waterways of England and Wales in 2007

**What has been achieved since the publication of
Waterways for Tomorrow in June 2000
and what needs to be done**

A report by the
INLAND WATERWAYS ADVISORY COUNCIL

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IWAC is an independent statutory body created in April 2007 to provide advice to Government, navigation authorities and other interested persons on matters it considers appropriate that are relevant to Britain's inland waterways.

IWAC was established by the Natural Environment and Rural Communities Act 2006 (NERC) and is supported by Defra (the Department for Environment, Food and Rural Affairs) and the Scottish Executive. It is the successor body to the Inland Waterways Amenity Advisory Council (IWAAC), created in 1968 to give advice on the amenity and recreational use of canals and rivers managed by British Waterways.

In England and Wales, IWAC's remit covers all of the inland waterways including:

- canals (those managed by British Waterways, canal companies, local authorities and smaller independent bodies);
- rivers (those that are the responsibility of the Environment Agency, British Waterways, port authorities and companies);
- the Norfolk & Suffolk Broads, and
- the navigable drains of the Fens.

In Scotland, IWAC's remit covers inland waterways that are owned or managed by, or which receive technical advice or assistance from, British Waterways.

IWAC's role is to ensure that the waterways are sustainably developed to meet the needs of all who use and enjoy them.

For further information about IWAC or to see copies of its reports, visit our website at www.iwac.org.uk.

1. Introduction

- 1.1 **Waterways for Tomorrow** (WfT) was published in June 2000 as one of the follow-up reports to the Department of the Environment, Transport and Regions' 1998 White Paper *A New Deal for Transport*. It was the outcome of the first comprehensive Government review of the whole of the inland waterways system in England and Wales since the Transport Act 1968. The 1968 Act recognised that the future for most of British Waterways (BW) canals and rivers lay in their use for amenity and recreation, with only about 20% of their system designated as commercial waterways.
- 1.2 Government has asked IWAC to report on the progress made in implementing the policies contained in WfT. This is our report. In Chapter 2 we describe the background to WfT, in Chapter 3 we examine how the inland waterways have been funded during the period, and in Chapters 4 to 10 we assess the progress made since 2000 in each of seven policy areas identified in WfT. Chapter 11 discusses whether, seven years after the publication of WfT, we need a new policy agenda for the waterways. Our conclusions are given at the end of each chapter and our recommendations are set out in chapter 12.
- 1.3 **Scotland's Canals: An Asset for the Future** was issued by the Scottish Executive in 2002 and IWAC also plans to publish a monitoring report on it in 2008.

2. Background: The Inland Waterways before 2000 and the provisions of *Waterways for Tomorrow*

- 2.1 Although the Transport Act 1968 had secured much of the BW managed system, fluctuations in Government financial support during the 1970s and 1980s resulted in under-funding of the waterways managed by BW and those that came under the control of the Environment Agency (EA) in 1995.
- 2.2 The result was, that by the late 1990s, both BW and EA had a long-standing and growing safety and maintenance backlog. This was highlighted by such events as the serious breach on the BW managed Swansea Canal in 1998 and by the declining state of EA-managed non-tidal Thames, the country's premier inland waterway. One or two of the smaller independent navigation bodies had come close to collapse and had had to be rescued by BW. Only a handful of local authorities were enthusiastic about the potential of their local waterways: even fewer were prepared to support them financially.
- 2.3 Nevertheless, the waterways still enjoyed, as they had for more than a generation, passionate and vigorous voluntary support, especially for restoration projects. While freight use continued to decline, particularly on BW's smaller gauge canals, leisure use increased and diversified across the whole system.

A new era

- 2.4 Fortunately, the tide of opinion was changing. In 1996 IWAAC published *Britain's Inland Waterways: An Undervalued Asset*, calling for a new Government commitment to the sustainable development of the waterways. In the same year, BW and EA took the lead in setting up the Association of Inland Navigation Authorities (AINA). For the first time, there was a single voice representing the interests of navigation authorities and a forum where management issues could be discussed. In 1999, AINA published *Steering a Fresh Course*, the first national strategy for the waterways.
- 2.5 A Collaboration Agreement between BW and EA, drawn up in 1997 and developed in 2000, covered a wide range of functions and responsibilities such as waterway standards, technical know-how and good safety practice, and aimed to improve cooperation between the two largest Government-sponsored inland navigation authorities. A Boat Safety Scheme was formally established in 1997 and began to create a new safety culture on the waterways.
- 2.6 Government responded positively to these developments and in 1999 it published *Unlocking the potential: A new framework for BW*. This heralded an increased Government grant to tackle the safety maintenance backlog and improve operational standards, while providing strong political support for BW's partnerships with the private sector, which had already produced considerable benefits in Birmingham and elsewhere. The Government also reinforced the remits of both BW and EA and gave increased public recognition to the value of the role of the voluntary sector in waterway management, development and restoration.
- 2.7 Increased Government support was more than matched by the enthusiasm of the voluntary sector. National User Groups demonstrated their commitment to the waterways by supporting a substantial increase in boat licence fees to fund waterways improvements. UK Government/European regeneration and national lottery funding became increasingly available. For the first time this opened up the possibility of completing the restoration of partly-restored or un-navigable/abandoned lengths of BW and other inland waterways (such as the Kennet & Avon, Huddersfield Narrow and Rochdale Canals), as well as of constructing new links, prospects hitherto only kept alive by long-term voluntary efforts supported by a few sympathetic local authorities. In 1999 BW established The Waterways Trust, which was developed to maintain the waterway museums and to raise funds for restoration and development work.
- 2.8 The private sector had begun to recognise the potential for water-side development. In addition to the Birmingham renaissance, Peel Holdings (the property group owning the Manchester Ship Canal Company), in partnership with local councils in Salford and Manchester, began to exploit the combinations of land, water and old buildings at Salford Quays and Castlefields, creating one of the most striking early examples of waterway-based urban regeneration.

- 2.9 WfT was produced in part to consolidate these positive changes and in part to respond to IWAAC's call for a new policy framework for the waterways. In *Britain's Inland Waterways: An Undervalued Asset*, IWAAC had argued that with political support and enhanced funding – from national and local government and from the private and voluntary sectors – the potential was substantial. The Government's response was to: **“endorse (IWAAC's) overall conclusion that the waterways are a major national asset which must be conserved and developed in a sustainable way for future generations to use and enjoy. We recognise the benefits of a well maintained and vibrant waterway system and the important benefits it can bring to public enjoyment and recreation, and to local economies and communities”.**
- WfT: The Government's vision, aims and means**
- 2.10 In WfT the Government stated its vision for the inland waterways:
(Government wishes)... to increase the contribution that the inland waterways can make to the life of the country. We plan to do this by encouraging uses and initiatives which make the most suitable and sympathetic use of the waterways in their evolving role. These will be built on the principles of sustainable development including partnership. We will encourage partnerships with the public, private and voluntary sectors which can offer new skills and sources of funding.
- 2.11 The Government's aims were:
- an improving quality of infrastructure;
 - a better experience for users through more cooperation between navigation authorities; and
 - increased opportunities for everyone through sustainable development.
- 2.12 These aims were to be achieved in three ways:
- by BW implementing the 1999 Government decision to increase public investment in its waterways and create a new framework to help it to maintain and develop its assets, develop a closer relationship with its users, work with the voluntary sector and establish new public/private partnerships;
 - by encouraging all navigation authorities to work together on issues of mutual interest and improve services for users, more joint working between BW and EA, support for AINA and a wider advisory role for the Council;
 - by continuing to integrate the waterways more effectively into other Government policies for leisure, recreation, tourism and sport; for increased inclusion, use and access; for conservation of the built and natural environment; for education; for urban and rural regeneration; for freight, public transport, cycling and walking, and for planning.
- 2.13 The outcome of all these initiatives was to be:
‘a new revitalised inland waterways system which can be fully, imaginatively and adventurously used by all’.
- 2.14 However, WfT did not deal with the question of how the waterways were to be funded. WfT certainly put on record the investment in BW waterways that had already been announced, but it made no new financial commitments to spending by Government on the inland waterways. Moreover the proposals and policies set out in WfT were not tied to any particular level of Government or any other funding in later years. They were designed to help the waterways play a fuller role in national life by making better use of whatever level of resources would be available, or could be made available, from all sources – public, private and voluntary.
- 2.15 Unfortunately, this failure to establish a secure source of funding for the inland waterways in the longer term has proved to be a significant weakness in the Government's plans.

3. The Funding of the Navigation Authorities since 2000

3.1 WfT reiterated the existing Government policies for BW embodied in the 1999 Framework document but made no new policy proposals for BW as a whole; nor were there new corporate proposals for EA and BA as to how they handled their navigation responsibilities. EA's performance, however, was subsequently examined as part of the Government's quinquennial review of the Agency. The role of the smaller inland authorities, all outside the public funding framework, was acknowledged, but no specific proposals made about their future. Similarly, the importance of the larger freight waterways, including the major tidal rivers, was recognised and illustrated by case studies but WfT did not explicitly acknowledge the role of company and trust ports in the conservancy of some of the waterways.

British Waterways

- 3.2 The striking performance of BW since 2000, particularly in terms of tackling its safety-related maintenance backlog (completed in 2004) and generating additional funding sources through commercial development and third party income, has been comprehensively covered in the Council's report *British Waterways: The Benefits of Sustainable Waterways 2003* and will not be repeated here. The BW response to the Government's new funding commitment was impressive, although BW still had a large statutory maintenance backlog to tackle and faced the difficult task of striking a balance between investing in new restorations and maintaining investment in the existing network.
- 3.3 With extra Government funding, new partnership initiatives, the completion of the safety backlog before the target date and a series of high profile navigation restorations, the five years after 1999 look, in hindsight, like a golden age for BW.

BW Income for England and Wales since 2000/01 (£M)

	2000/01	01/02	02/03	03/04	04/05	05/06	06/07
Direct income (including joint ventures)	62.3	66.2	77.5	84.6	88.6	96.8	107.4
Government grant (accrued)	62.1	56.0	69.4	82.2	60.8	64.1	56.8
Sub total	124.4	122.2	146.9	166.8	149.4	160.9	164.2
Third party funding for restoration/regeneration	66.6	32.0	27.7	14.3	14.1	11.9	21.5
Total Revenue	191.0	154.2	174.6	181.1	163.5	172.8	185.7

Source: Defra submission to EFRAC 2007

The table shows that while commercial income has held up well, the years since 2004 have been more troubled with Government financial support less buoyant, even before the mid-year cuts in grant in 2006, and with wide fluctuations in third party income. BW has responded to the downturn in Government financial support with staff cuts, postponed maintenance and improvement schedules and by reviewing its restoration programme. While short term and modest cuts can be managed, over the longer term there is clearly a risk that the progress made to date will not be sustained, that further benefits now emerging will not be realised and that remaining maintenance backlogs will take longer to clear. In our view, the Government probably underestimated the effects of the mid-year cut on confidence in BW and certainly did not expect such a hostile response from the waterways communities.

- 3.4 The table demonstrates that Government support has been a declining proportion of BW's total income for almost five years. BW's long term aim is to become largely self-sufficient but it accepts that public grant will continue to be needed for some time. Following a review entitled '*Policy Review of British Waterways*', published autumn 2004, Government agreed to consider BW's long held wish for a multi-year contract fee arrangement for its services to replace the annual Government grant and so, hopefully, provide BW with a more stable income. The contentious issues are the level and timescale of the contract fee, the definitions of 'service' and 'value' and how these are to be monitored. At the time of writing, Government and BW are considering how best to give BW some certainty of decision making whilst retaining some flexibility.

Environment Agency

- 3.5 The quinquennial review of EA in 2000 led to a decision that it should retain its navigation responsibilities but prompted the Agency to give greater organisational support to navigation, a higher funding priority, and to develop a stronger navigation strategy. By 2002 a new navigation and recreation team was in place and in 2003 a consultation was launched on how the Agency should structure its navigation policies. In 2004 the Agency published a long term navigational strategy *Your Rivers for Life*. The Agency was committed to:
- promoting waterway use and activity;
 - reversing a ten year decline in the numbers of registered craft, especially on the non-tidal Thames (building on the Thames Ahead initiative launched in 2002);
 - fostering partnerships to revive the Thames and undertake a major rural regeneration initiative in the Fens (partnerships being even more crucial to EA than to BW because it is very rarely the riparian owner);
 - achieving waterside revitalisation along all its rivers; and
 - generating funding to tackle its maintenance backlog and improve facilities and access.
- 3.6 Waterway plans were produced in 2005 and 2006 for each of the Agency navigations. In the shorter term, EA has successfully convinced Government to help fund a multi-year programme of increased capital investment to tackle the safety backlog although funding for the later years is not secure. Internal capital investment (from the Agency's other activities) has been substantially increased to provide the rest of the funding for early years. A new national recreation strategy offers a more integrated framework; with social inclusion issues related to water and recreation being addressed. A Transport and Works Act Order is being promoted as part of a key initiative to simplify management and to harmonise the different boat registration regimes on EA's navigations.
- 3.7 These new policies indicate a welcome renewal of EA's commitment to its navigation responsibilities. Self-generated income will always be much more difficult for a regulatory body, particularly as EA only manages significant navigations in four of its eight regions, with very limited responsibilities in two others. Above all, the Agency is hampered by the lack of financial flexibility, which BW has as a public corporation, and, of course, EA lacks anything resembling BW's property portfolio. This means that EA has much greater difficulty in funding or even facilitating regeneration projects. In the Fens, for example, EA has to rely almost exclusively on funding by partners. We have little doubt that this is slowing the pace of regeneration.
- 3.8 In addition to the Government giving EA £15M over 3 years towards reducing its health and safety backlog, the Agency has decided to preserve for the time being its navigation capital programme but has cut some maintenance work. EA is now preparing a funding strategy for the future. As with BW, the longer term impact of any reduced Government support in future, including the pressure on charges and fees to users, is of most concern.

The Broads Authority

- 3.9 Notwithstanding international recognition for the management of its waterway assets, the Broads Authority (BA) has had to deal with endemic funding problems. Financing its navigation responsibilities entirely from tolls, as required by primary legislation which governs its activities, has left BA with a massive gap between its income from tolls and the cost of dredging. On one robust projection, BA estimates that it will take fifty years to deal with its dredging backlog.

- 3.10 BA has updated its Broads Plan and successfully achieved both Government funding for a major navigation/conservation project and other third-party funding for environmental/access improvements. It has also completed a restructuring of its administration and is currently promoting a Bill to modernise its statutory responsibilities.
- 3.11 A Government review of funding has pressed BA to raise navigation tolls (which are low compared with BW or EA) rather than seek grant aid for navigation improvements. However, this approach has been opposed by local interests and further improvements to navigation and its facilities remain challenging.

The smaller inland navigation bodies

- 3.12 The resource needs of the smaller navigation bodies received little attention in WfT. No direct Government funding was made available; their maintenance and development was regarded as a local responsibility.
- 3.13 Although no navigation has been lost since 2000, several navigation authorities have reported that they are struggling to survive in a climate of rising costs and increasing regulation. The Chelmer & Blackwater Navigation Company went into administration, although apparently not entirely due to its navigation obligations, and the waterway is now managed by Essex Waterways Ltd under the control of the Inland Waterways Association (IWA). Others, like the Neath Canal Company in partnership with Neath Port Talbot Council, have had some success in securing European and other regeneration funding. A few, like the Driffield Navigation, have received local authority support and some others, like the Basingstoke Canal, have won lottery funding for improvements to their waterways. However, very many of the smaller navigations are financially insecure and fearful for the future. The failure to address their financial needs was a major weakness of WfT.

Port authorities and companies

- 3.14 BW, EA and BA exercise harbour authority roles on certain waterways. Other inland waterways, particularly tidal rivers such as the tidal Thames and parts of the Humber waterways system, as well as the Mersey/Manchester Ship Canal, are managed by port authorities or companies, self-funded through conservancy and other charges and through rental income from land/property, moorings and other facilities. These port bodies are not directly sponsored by any Government department in relation to their navigation conservancy role but come under the remit of the Department for Transport (DfT), rather than Defra, in respect of Government policies on ports. These waterways include some of the principal inland freight waterways in England and Wales and many provide vital links for leisure craft using the inland system, although promotion of use by inland waterway vessels has been patchy, in part a reflection of the different balances of interests of these bodies, which may include water conservancy, port operations and property development. There is a strong case for a systematic review aimed at identifying the potential for increased leisure and recreation use.

Chapter 3 – Conclusions

- 1** Given their very different starting points in 2000 and the subsequent resources available to them, the three major Government-sponsored navigation bodies have made good progress in responding to WfT. BW has built successfully on the impetus of the Government's new framework of 1999; EA has become much more purposeful about its navigation responsibilities, and BA has worked hard to maintain a balance between its statutory responsibilities for conservation, recreation and navigation.
- 2** For all three, secure Government funding is crucial for their progress. BW needs Government support if it is to maximise its commercial income, to secure third party funding to maintain and improve its waterways and the facilities they offer to users. EA needs Government funding to tackle its maintenance backlog. BA needs Government finance to fund the dredging backlog and other essential improvements.
- 3** All navigations – big and small – need to have a more complete understanding of the funding options available in the future and of the likely extent of public funding. BW needs to have clarity from Defra about its future funding structure; EA needs to have assurances from Defra about its longer term capital funding needs and increased maintenance commitment; BA needs a realistic plan to fund the combined navigation and environmental improvements necessary to maintain its nationally important waterway assets. Many smaller navigation authorities face formidable funding problems which limit the public benefit they can provide through their waterways and they deserve better from Government than the current attitude of benign neglect.
- 4** For those parts of the system managed by port and harbour authorities, there is some doubt whether the promotion of use by inland waterway craft has been encouraged and developed to its full potential.

4. Integrating the Waterways

4.1 The inland waterways of England and Wales have never formed an integrated network. For many reasons, many of them understandable, the Government is unwilling to create a national navigation authority or even, at a more modest level, a rationalisation of the existing structure, and has relied on voluntary moves to promote integration, harmonisation and common approaches.

4.2 WfT put forward two groups of proposals to encourage integration. The first, in paragraph 5.8, states:

The Government sees a positive and developing role for AINA as a representative body for navigation authorities, and for IWAAC as an advisory resource for waterways generally. We wish to see both bodies foster partnership among navigation authorities to help harmonise management of the waterways. We will:

- **help fund AINA's future work, including its action plan to take forward its national navigation strategy;**
- **encourage AINA to draw on IWAAC's help and advice in carrying out its work;**
- **encourage IWAAC to provide advice on waterways generally.**

AINA

4.3 AINA's role has been expanded. As well as the Government-sponsored navigation bodies, AINA's membership now includes navigation authorities across a wide spectrum of types of organisation, including local authorities, independent trusts, drainage authorities, private canal companies, national park authorities and ports. With Government funding support for its research and publications, AINA has worked effectively to systematise and promote good practice among its members and has produced a series of reports on a range of management and operational matters of common interest. The navigation strategy has been reviewed and updated. AINA has also developed its role as a lobby organisation in recent years, spurred on by the increasing regulatory environment for all navigation bodies.

4.4 While offering funding support for AINA's research and publications, the Government has never funded AINA's core operations. AINA cannot charge a heavy subscription to smaller navigation authorities who are already under financial pressure. The result is that AINA remains under-funded with a very small staff and a limited capacity to provide bespoke support to individual members who face pressure on resources and need detailed advice on a range of important matters like, for instance, the Water Framework Directive.

IWAAC (now IWAC)

4.5 IWAC's predecessor, IWAAC, developed its strategic advisory role following publication of WfT in 2000. It produced reports on waterway restoration and development, innovation, social inclusion, a good practice guide on planning and the waterways, a review of BW's performance, and a report encouraging a wider role for waterways in rural regeneration. A further IWAC report on navigation and aquatic wildlife is due shortly.

4.6 In addition to BW attendance, IWAC now has EA and AINA representatives as observers at all its meetings and has offered BA the opportunity to attend. Recognising its developing role, in April 2007 IWAAC became the Inland Waterways Advisory Council. IWAC is a pan-waterway body, with the responsibility of advising Government and others on matters it considers appropriate regarding Britain's inland waterways. IWAC is funded directly by Government, unlike its predecessor, which received funds from BW. However, like AINA, IWAC has a very small staff and we will need access to adequate resources from a wider range of sources to fulfil our wider advisory role.

Collaboration between BW and EA

4.7 The second group of proposals in WfT (paragraph 5.10) were:

The Government welcomes the progress BW and EA have made in developing joint working arrangements and we look to the two bodies to implement the full provisions of their Collaboration Agreement as quickly as possible. We will:

- **review the progress made in implementing the Collaboration Agreement as part of the quinquennial review of the Agency to be carried out later this year;**
- **also look at the Agency's navigation responsibilities as part of this review.**

4.8 As explained in Chapter 3, this review of EA was carried out during 2000. A growing level of collaboration between BW and EA, nationally and locally, has developed on matters such as the operation of the Gold Licence scheme, the Boat Safety Scheme, implementation of the Water Framework Directive and particular projects such as BW restoration proposals and EA Fens Waterways Link, as well as regular contact within AINA. However, there are opportunities to develop this collaboration further. BW and EA should work to move towards a fully integrated licensing scheme for users. BW will increasingly be pressed, by the implementation of the Water Framework Directive and by public expectations, to increase its environmental role. EA can help there. EA needs to intensify its role as a catalyst for regeneration and BW has greater experience in that area of work. We suggest other possibilities in Chapter 6.

Chapter 4 – Conclusions

- 1 **AINA sensibly wants to increase its advocacy role on waterway management issues and its support for the smaller navigations. This requires more resources. Defra support for AINA's research work has underpinned its progress so far and should be maintained but this will not be enough to fund AINA's further development.**
- 2 **IWAC's wider statutory remit, geographically and functionally, is a positive addition to advisory resources for the waterways. In addition to Government base support, the Council will need other sources of funding to help maintain and develop an authoritative and independent role.**
- 3 **Close collaboration between EA and BW has developed at both local and, increasingly in recent years, at national level and will need to increase. This will be particularly important in making further progress on an integrated licensing scheme for users, on the implementation of the Water Framework Directive, and on grasping fully the opportunities to use waterways investment to increase regeneration.**

5. Leisure, Recreation, Tourism and Sport

5.1 Paragraph 6.16 of WfT expressed Government policy and proposals in very broad terms:

The Government wants to encourage people to make use of the inland waterways for leisure and recreation, tourism and sport. We will:

- **support the greater recreational use of the waterways for all, including the towpaths and waterside paths, where practicable;**
- **encourage British Waterways and the Environment Agency to enter into long term voluntary arrangements with public, private and voluntary sector partners to improve facilities on the towpath for walking and cycling, and for other recreational users, where practicable;**
- **look to holiday hire-boat operators to respond to customer demands and help contribute to the development of tourism on the waterways.**

User and visitor numbers

- 5.2 Following investment in new and improved facilities for users and as a result of the improved conditions achieved on the waterways, the period since 2000 has been a buoyant period for boating. Registered boating numbers have remained high. After some years of decline, the last year has seen a significant recovery in numbers on the Thames to more than 26,000 registered boats. BW's figures have grown steadily from 25,500 in 2000/01 to 29,000 in 2005/06. BA's position has stabilised but there is considerable apprehension that with an ageing hire fleet, a further decline may occur.
- 5.3 Within this overall scene, there have been significant market shifts, for example a rise in private boats and a decline in hire boats, and increases in the shared ownership of boats and the time-share boat market. The extent of these changes suggests that we might be seeing the beginning of a major shift in the nature of leisure boating.
- 5.4 Precise figures for informal use by, for example, walkers, are difficult to estimate but a recent BW survey suggested that some 215 million visits a year were made to its own waterways; BW aims to double visitor numbers by 2012. Users of EA and BA waterways, as well as the independent authorities, might suggest a tentative total of over 300 million visits each year.

Important achievements

- 5.5 Among a large number of initiatives, the following achievements are noteworthy:
- BW and EA have improved facilities for boaters, especially moorings and other services, and have marketed their waterways more effectively. EA has helped create the River Thames Alliance. BW and EA have established *Waterscape* as an on-line resource showing waterway facilities, access to other visitor attractions and holiday possibilities. BA has established its own Tourism Forum for the Broads.
 - Some companies in the hire boat market have managed to improve the quality and range of their products, to use web-based technology extensively to promote their sales offerings and to improve customer care. The BA, in particular, has worked hard, in an apparently declining market, to create a more sympathetic commercial but sustainable environment for hire boating which is a key part of the local tourist industry.
 - Tourist agencies, at national and regional level, have funded promotions of the UK waterways to international markets for active tourism and recreation, both on the waterway and alongside it.
 - Supplementary funding from some local authorities has helped some navigation authorities to improve towpaths for walking and cycling and general access to the water. The systematic approach to the setting and upgrading (as resources permit) of waterway standards by BW has been particularly impressive. In its recreational strategy EA proposes to integrate the promotion of new opportunities for boaters, anglers and informal users.
 - BW and EA have cooperated to market the Gold Licence scheme to encourage mutual use of their navigations, although, as noted in Chapter 4, a fully integrated national licence remains a distant prospect.
 - BW published its Marina Investment Guide in 2006, along with technical guidance, to encourage third party development of off-line moorings.

- At Defra's request, EA is seeking to improve canoe access to inland waterways and other water areas through local access agreements. BA is implementing a sustainable tourist strategy for canoeing and biking routes.
- BW has adopted a day visitor strategy aimed at promoting and facilitating waterways as a leisure destination. Since 2000, new visitor attractions have been established at the Anderton boat lift and Standedge tunnel. Other key leisure destinations are now being developed to improve services and the visitor experience and to secure income. There are similar proposals in EA's waterway plans.
- Both BW and BA have produced angling strategies to promote and improve opportunities and access. BW, in particular, has tried to reverse the decline of angling on its waterways.

Unfinished work

- 5.6 Not all of these initiatives have been an unqualified success. In spite of the work by BW, there seems to be an unmet demand for off-line moorings. Because of unreliable information, it is not clear whether the impression of undersupply is valid for much of the system or whether the picture is distorted by an acknowledged shortage in a limited number of hotspots. More data needs to be collected by the navigation authorities, potentially through AINA, so that a fuller picture can be obtained.
- 5.7 The Defra backed initiative by EA to make voluntary agreements to secure greater access for canoeists has consolidated and extended access arrangements in four pilot areas. However, the British Canoe Union (BCU) argues that the voluntary agreements have done little to create new access opportunities because the pilots took place in areas where reasonable access opportunities already existed. The BCU insists that it will not be possible to make voluntary agreements in the more difficult locations and that the only solution is open access legislation on the Scottish model. IWAC is anxious that a great deal of money, time and effort might be spent trying to negotiate access agreements which the main user organisation regard as of very limited value. More effort needs to be made to resolve the conflict between canoeists and anglers which fuels the bad feeling around this access problem. IWAC is prepared to help in attempting to find such a resolution.
- 5.8 The problem of shortage of moorings and the dispute over canoe access each highlights the uneven spread of recreation and leisure use of the waterways. A few areas of high demand tend to become congested by boaters and other users, while long stretches of the waterways are under-used. Investment in improving services and promoting recreational opportunities in areas that are less popular will be necessary if the full recreational potential of the inland waterways is to be achieved.
- 5.9 Effective marketing depends on adequate research and IWAC is concerned that there is so little robust information about the extent and nature of demand for waterways recreation. Promotions undertaken by BW and EA are undoubtedly valuable, as the increased visitor numbers reported by BW and EA's success in increasing boating of the Thames demonstrate. However, until proper market research is carried out amongst the wider population, it will remain impossible to identify demand and target marketing effort effectively. This is particularly important because there is some evidence, noted already in this Chapter, of shifts in the market which need to be better understood. We intend to approach AINA to see if IWAC and AINA, working together, can encourage navigation authorities to remedy this deficiency.
- 5.10 Once the extent and nature of demand has been identified, it will be possible to assess whether the existing infrastructure, for boating, angling, cycling, horse riding and walking is adequate. We have many examples of particular problems. For instance, there has been criticism of the cost and quality of hire boats on the Broads and elsewhere. Walkers and cyclists often complain that they are in competition for towpath space. Anglers have moved away from the navigable waterways, and – in spite of the efforts of BW – it is still not wholly clear whether this represents a change in the nature of the sport or a failure of adequate provision. Much work remains to be done if the extent of the demand is to be identified and the vision set out in WfT is to be achieved.

Chapter 5 – Conclusions

- 1 Within the limits of their powers and resources, the major navigation bodies have pursued the policies set out in WfT for recreation, leisure and tourism, but much more remains to be done.**
- 2 Leisure, recreation and tourism are highly competitive industries. All navigation authorities are aware of the need to work on enhancing their visitor/user experiences to encourage repeat visits, to develop and market their attractions more professionally and so to build up revenue streams in the future. These programmes cannot be successful unless there is high quality market research.**
- 3 Because the necessary market research has not been carried out, it is not possible to determine the deficiencies, if any, in the recreational infrastructure – including moorings. That makes the planning of well targeted provision extremely difficult.**
- 4 The use of the waterways for recreation and leisure tends to be over-concentrated on hotspot locations. Well planned investment, based on market research could extend the use into new areas and reduce current congestion.**
- 5 The argument over canoe access is damaging and a greater effort needs to be made to resolve the conflict between canoeists and anglers.**

6. Access for All

6.1 In paragraph 6.16 of WfT, the Government promised:

- **We will encourage navigation authorities to increase access to the waterways for the young, disabled and disadvantaged.**

6.2 Some progress has been made since 2000 including;

- improvements to waterways by BW for people with disabilities following on from the *Waterways Access for All* programme, run jointly with the Fieldfare Trust between 1998 and 2002. Work has included providing better information on site and on the web. Through the *Equal Shares for All Project*, funded through the EU Equal programme, BW is currently undertaking access audits for canals in Wales and promoting access to all people with disabilities. The *Living Water, Active Water* project, with Big Lottery funding, supports community involvement in a range of educational, environmental, training and other activities;
- BW has also made improved access mandatory in its new plans and developments along its waterways;
- BW has also provided financial support for outreach activities e.g. funding until recently the National Community Boats Association (NCBA), whose members run almost 100 boat projects for some 250,000 socially and economically disadvantaged users, and for projects targeting minority ethnic communities;
- EA has funded an access audit by the Fieldfare Trust; built access for special groups into its recreational strategy; developed local projects to help disenfranchised communities to benefit from the waterside environment, including angling projects aimed at serial offenders, and created partnerships with the many voluntary clubs along the river navigations;
- BW, EA, IWA and the Waterways Trust have jointly funded and promoted the *Wild Over Water* project, targeting children via learning resources and child-centred events, one of the most outstanding initiatives in recent years;
- BA has built access projects into the Broads Plan, developed a country park for young people, run children's outreach activities focussing on environmental education, liaised with local schools and targeted children at risk. The BA, operating of course on a very different scale to BW and EA, and with the advantage of planning powers, has probably made the most comprehensive response to the promise made in WfT;
- AINA has published *Making More of our Waterways*, guidance about social inclusion initiatives for its members;
- individual initiatives by a number of the smaller navigation bodies including angling facilities for the disabled, support in kind for community boats and partnership projects to encourage vulnerable groups to use the waterway;
- all the major authorities have improved their information and education facilities for users and visitors and, in particular, developed tools to enhance the educational value of their waterways.

Assessment

6.3 IWAAC's 2000 report *The Inland Waterways: Towards Greater Social Inclusion* highlighted a series of initiatives then already underway to improve physical access and to support organisations providing services to those with special needs. We were critical of how little was being learnt from best practice and how too many of the initiatives appeared to be developing in an *ad hoc* way because of the haphazard pattern of funding opportunities. Unfortunately many of these criticisms are still valid.

6.4 Once proper information has been collected, the basic problem is how to provide and maintain initiatives with constrained resources. BW, for example, has decided to cease funding for the NCBA, which has also lost other financial support. This is one of a number of valuable bodies that urgently needs recognition and longer term support. Most projects have funding for a relatively short life and this means that long term commitments are difficult to sustain. As our report pointed out, waterway authorities are not resourced directly to do this work. There are many mechanisms available ranging from direct funding to community gains on the back of commercial projects. In most cases, local authorities are key partners and all waterways need to be embedded within the social strategies being developed by them. The Government makes no specific financial provision.

- 6.5 Overall, our impression is of much goodwill and a number of good quality projects. But, by and large, the improvement is patchy and fragmented with too little funding and too little co-ordination and learning from each other. This might be another area of work where BW and EA can demonstrate their commitment to joint working. However, without a strong funding stream it is difficult to imagine that WfT's vision can be achieved.

Chapter 6 – Conclusions

- 1 Since the publication of WfT, there have been positive and useful initiatives from many waterway authorities.**
- 2 Unfortunately, progress has been patchy and the vision set out in WfT has not been achieved across the waterways.**
- 3 Lack of sustained funding of social inclusion provision is a major issue which must be addressed if the community benefits of the waterways are to be realised.**
- 4 Mechanisms need to be developed to enable some of the economic gains from major regeneration schemes to be used to benefit people who are disadvantaged.**
- 5 BW should consider reinstating its contribution to the National Community Boats Association.**

7. Conservation of the Built Heritage and Natural Environment

7.1 Paragraph 6.42 of WfT states:

The Government supports the protection, conservation and enhancement of the waterways' heritage and their built and natural environment, and the use of the waterways as an educational resource.

- **We expect new waterside development and waterway improvement and restoration to respect, conserve and, if possible, enhance the waterway scene, creating a worthwhile legacy.**
- **We will encourage navigation authorities to manage their waterways so as to maintain and, if possible, enhance their environmental and heritage value.**
- **We will support action planning to conserve and enhance the biological diversity of the waterways.**
- **We will encourage navigation authorities to provide and promote facilities for electric boats where practical and economic.**

In Chapter 11 below we comment on the fact that WfT brought two such different issues as the built environment and natural environment together in the same section. In this assessment we deal with the two issues separately.

Natural Environment

7.2 The requirements and policy provisions set out in WfT represent a relatively small part of the environmental obligations of navigation authorities. In addition, navigation authorities have to take account of:

- statutory obligations for the conservation of their environmental assets that have protected status;
- a statutory duty under the NERC Act 2006 to have regard to conserving biodiversity;
- duties laid on BW, EA and BA to further wildlife conservation under their specific legislation;
- a demand from the public, often articulated through NGOs, to further wildlife conservation (for other navigation authorities) through setting and implementing their own organisational objectives.

7.3 Since WfT's publication, BW has responded to these pressures by developing structured systems to protect and conserve the environment, including:

- an Environmental Code of Practice in project development;
- Waterway Conservation Management Plans where major change, such as large-scale restoration, is occurring;
- Biodiversity Action Plans to enhance biodiversity;
- a published framework for tools such as corridor plans, water space strategies and conservation plans.

7.4 EA has adopted an integrated approach to navigation, environmental protection and improvement, sustainable use of water resources in its river basin planning and a strategic environmental approach, piloted on the Thames, to its river navigations. In addition EA has undertaken:

- work with English Nature and the Countryside Council for Wales on the conservation of waterway wildlife;
- pioneering work on the rehabilitation of urban rivers, recently commended by the Royal Commission on Environmental Pollution, which has lessons as to how navigations could be more sensitively managed in the future.

7.5 BA has adopted a comprehensive approach through its Broads Plan for an area of national and international importance for nature conservation. BA has also pioneered fen and broad restoration, completed the Barton Broad Clearwater restoration project (with improved navigation opportunities, new facilities for visitors, education and research) and promoted environmentally friendly electric and solar-powered boats.

7.6 In addition, a number of the smaller navigation bodies, with very limited resources, have been successful in obtaining lottery funding to protect important nature conservation assets.

- 7.7 In many respects, WfT has been less important in prompting environmental improvement than other policies and legislation. The Water Act 2003, the Landfill Directive, the Habitats Directive and the Water Framework Directive have each placed particular obligations on navigation authorities. New requirements include the need to apply for water abstraction licences, the need to maintain and improve water quality and the ecological status of waterways, and the need to review, and perhaps change, current practices for the disposal of dredgings.
- 7.8 IWAC fully supports measures to protect and enhance our natural environment. However, these new environmental obligations are both substantial and disparate, with competing priorities and having costs which are difficult to estimate. It would be extremely helpful for Defra to set out in an integrated manner within a strategy document the expectations that Government has of the navigation authorities, establishing priorities and timetables. Once the strategy is determined, the additional costs could be identified and understandings could be reached as to how these costs might be met. In some cases the solutions might be easy to find, but for some navigation authorities the demands will be substantial. For instance, in relation to its size, the BA faces very heavy costs to improve water quality.
- 7.9 The Water Framework Directive is the most substantial piece of EU water legislation to date and will continue to be implemented over the coming years. This will affect all navigation authorities, requiring them to look at and review their current practices so that all waters within their sphere of influence, including their own inland waterways, are protected. It is important that the needs of those who enjoy or manage the waterways are properly reflected in decisions about the designation of water bodies and objective-setting and in the further implementation of the Directive. User organisations and the major navigation authorities should ensure they are fully involved in the development of the river basin management plans through close involvement with the River Basin Liaison Panels established by EA.

Chapter 7 – Conclusions (Natural Environment)

- 1 Navigation Authorities have improved their environmental performance since WfT but it is not certain that WfT played an important part in prompting the improvement: other legal obligations were more pressing.**
- 2 Navigation authorities are subject to an extensive range of general and specific environmental requirements. It would be helpful if Defra would clarify Government expectations, specifying priorities and timetables.**
- 3 A proper assessment needs to be made of additional environmental costs with an understanding as to how they are to be funded.**
- 4 The development of River Basin Management Plans is an important part of the WFD process and both waterways users and the major navigation authorities should ensure that they are fully involved in the work of the River Basin Liaison Panels.**

Built Environment

- 7.10 Navigation authorities have statutory obligations for the conservation of their built heritage. We are glad to report that, for all the major navigation authorities, we have noted that strategies, programmes and codes of practice are in place to give due weight to the policies in WfT and to the statutory requirements on them for the effective conservation of the waterways' built heritage.
- 7.11 BW has an exceptionally heavy responsibility, as it owns the third highest number of listed buildings and other listed structures in the country and is also involved in the conservation of historic vessels. Since publication of WfT in 2000, BW has given sustainable development a greater emphasis which has led to solid progress in meeting WfT's requirements. It has developed well-ordered systems to protect and conserve the built heritage, including:
- an asset management system to identify structures at risk;
 - training programmes for practical conservation;
 - active and regular liaison with both English Heritage and Cadw in Wales on the management and improvement of its waterways.
- 7.12 The other major navigation authorities have also made some progress:
- EA has secured funding to start the restoration and renewal of Lydney Harbour and the Lydney Canal on the Severn Estuary;
 - BA is working closely with other agencies to protect and preserve the built heritage and historic vessels of the Broads.
- 7.13 In addition, a number of the smaller navigation bodies, with very limited resources, have been successful in obtaining lottery funding to restore heritage structures and protect important nature conservation assets.

Concerns for the future

- 7.14 Although progress has been made since 2000, we have some anxiety for the future. With the decentralisation of BW management, effective action to maintain and secure the built heritage may be variable, partly caused by resource constraints but also due to differing levels of expertise in management units and differences in the way local management strike a balance between heritage and commercial pressures.
- 7.15 In this context the recent in-year cut to BW's Government grant, along with the review of the level of Government support given to inland waterways as part of the Comprehensive Spending Review, continues to cause concern. Any reduction in Government grant puts extra pressure on BW to maximise its revenue generating potential and the more lucrative developments might not give due importance to the heritage value of original structures.
- 7.16 We have raised our concerns with BW. We explained our anxiety about the loss of buildings that can demonstrate the way in which the waterways were traditionally operated and used. Other anxieties include the responsibility for waterway artefacts, the erosion of the special 'sense of place' through insensitive development and crude alterations to existing structures, and the future of heritage buildings and structures still at risk from neglect. BW has offered us reassurances and we have indicated to BW management that we will keep the issue under review.
- 7.17 We also recognise the educational and heritage value of the National Waterways Museum based in Ellesmere Port, Gloucester Docks and Stoke Bruerne. The Museum manages a designated collection, including many historic boats, which give rise to additional conservation costs. We believe the Museum can help deliver the Government's strategic outcomes around identity, diversity and education, as described by DCMS.

7.18 The Museum is under threat. Because of its multi-site nature, the Museum is not within the 'regional hubs' under the Museums, Libraries and Archives Council (MLA) Renaissance initiative, which aims to enable regional museums across the country to raise their standards and deliver real results in support of education, learning, community development and economic regeneration. To ensure that the future of the National Waterways Museum is secured, we are keen that a mechanism be found to increase Government funding of designated collections, particularly those cared for by museums that are not part of the Renaissance hub partnerships.

Liaison between Government departments

7.19 The example of heritage highlights an important issue that we discuss further in Chapter 11. The inland waterways are currently the responsibility of Defra, but the important issue of heritage conservation is the responsibility of DCMS. Our concern is that Defra ministers and officials do not consider waterways heritage issues to be part of their core responsibility and Defra does not give heritage matters sufficient attention. It was significant that when a Defra minister was asked a Parliamentary question about Defra spending on heritage earlier this year, his answer failed to include any reference to the inland waterways and their heritage importance.

7.20 In other parts of this report we note that local development, regeneration and planning are the responsibilities of DCLG, and water transport is the responsibility of DfT. It is inevitable that issues affecting inland waterways will be spread over many Government departments. However, we are concerned that there is so little evidence of cross-Government cooperation to deliver the policies set out in WfT. Unless this deficiency is remedied, we believe there is little chance that England and Wales will make the most of the potential benefits of the inland waterways.

Chapter 7 – Conclusions (Built Environment)

- 1 The major navigation authorities have effective policies in place to discharge their heritage responsibilities, although we are concerned that cuts in Government grant might encourage navigation authorities to give a lower priority to heritage matters.**
- 2 Significant progress has been made by BW and, to some extent, by EA and BA in implementing the heritage policies of WfT. There are also notable examples of good work by some smaller navigation authorities.**
- 3 Navigation authorities, in particular BW, should continue to apply heritage policies consistently and sympathetically across their particular waterways.**
- 4 The National Waterways Museum is under threat and its important collections must be preserved.**
- 5 We fear that Defra gives too little attention to heritage issues and that there is little cooperation between Defra, DCLG and DCMS to deliver the heritage policies in WfT.**

8. Regeneration and Restoration

- 8.1 Regeneration and restoration were key policy areas for WfT. Paragraph 6.54 set out the Government's intentions as:
- The Government wants to increase the economic and social benefits offered by the waterways by encouraging their improvement, development and restoration, wherever possible in partnership with the public, private and voluntary sectors.**
- **We will promote the waterways as a catalyst for urban and rural regeneration.**
 - **We will encourage navigation authorities to work with the Regional Development Agencies and local authorities in conserving and developing the waterways.**
 - **We look to the Regional Development Agencies to take account of the waterways in their strategies and to support worthwhile proposals for their improvement, development and restoration.**
 - **We will issue guidance in the Design Manual for Roads and Bridges, dealing with new road proposals which affect waterway restoration projects.**
- 8.2 Progress in these fields has been substantial. Our 2003 Regeneration Report described the regeneration achievements in Birmingham, London, Leeds, Manchester, Nottingham and Leicester. Our 2001 and 2007 Waterway Restoration Reports summarised the achievements in waterway restoration and development and described them as the most significant ever in the history of the waterways. Studies of the impact of restoration show worthwhile gains in visitor numbers, spend and jobs. More restoration and regeneration work is currently underway, notwithstanding recent difficulties in the availability of funding.
- 8.3 Other highlights which should be noted include:
- BW property ventures – through ISIS, BW has worked in partnership with AMEC Developments and the Igloo Regeneration Fund; they have also entered a pub development partnership with a brewery company;
 - EA's flagship regeneration project, the Fens Waterways Link, one of the largest rural revitalisation projects in Europe, has begun – although there is concern as to whether funding will be available to complete the project and whether an income source can be found to maintain the new link once completed;
 - the Thames Ahead project has created a partnership between EA and regional agencies, local authorities and private funders to upgrade the river and its facilities;
 - BA has leveraged funds for the regeneration of sites in adjoining urban areas of Yarmouth and Norwich;
 - Peel Holdings, the parent company of the Manchester Ship Canal, has been involved in large scale property developments;
 - some successful projects by smaller navigation bodies, with the voluntary sector having an important role, especially in the early stages of many restoration projects.
- 8.4 In all, considerable progress has been made since the publication of WfT. Restoration of the waterways has helped to transform many towns and rural areas. IWAC has commissioned economic research to establish the range and value of benefits that Britain derives from public investment in the waterways. The initial review suggests that in the first seven years after the public investment, the direct economic benefits amount to about £6 worth of direct economic benefit for every pound of public money invested, and that the social and environmental benefits mean that the total benefit is substantially higher. This is good value for the nation and, by now, the contribution of waterways development to both urban and rural regeneration should be widely recognised.
- 8.5 Unfortunately, in some places this recognition has come very slowly. Even now many local authorities fail to appreciate that their waterways provide a considerable opportunity for economic, social and environmental development, although the Greater London Authority must be commended for its recognition of the potential of its waterways in the London Plan. Moreover, with the East Midlands Development Agency and Yorkshire Forward as important exceptions, most Regional Development Agencies (RDAs) scarcely recognise the potential benefits of regional networks of waterways. Perhaps BW and EA should have been more aggressive in promoting the role that inland waterways can play in regeneration. Certainly Government departments should have been more diligent in encouraging local and regional authorities to appreciate the part that waterways can play in transforming local economies and landscape.

- 8.6 We hoped that a shift in policy and attitude had occurred when Government issued a guidance note to RDAs on waterways potential. It was a false dawn. The Government guidance was eventually withdrawn and the initiative was not repeated. Nevertheless, the weight of evidence continues to grow. By means of case studies the Royal Commission on Environmental Pollution in its latest Report, *The Urban Environment*, has described the way cities and towns can reconnect with their waterways and transform run-down neighbourhoods. In particular, the Royal Commission commends the award-winning work by the Environment Agency on the River Quaggy in Lewisham, and urges other local authorities to follow suit. We hope that the support of the Royal Commission helps to alert public authorities to the potential of their rivers and canals.
- 8.7 Whether the future proves to be as bright as the recent past depends to a great extent on how BW reacts to the lower levels of Government funding. The prospects for property development in BW look robust but the prospects for waterways restoration and development look less certain. As noted above, any organisation faced with reduced income is likely to concentrate on its core business; if BW decides that its priorities lie elsewhere, the financial and engineering support given to restoration prospects must be reduced, activity and confidence on the waterways will almost certainly fall. The reduced availability of Lottery funding also means that partnership funding could well become more difficult to put together. These are substantial threats to waterways development.
- 8.8 Like BW, EA is keen to lead regeneration and restoration projects. But whereas BW, as a public corporation, can invest directly in development and regeneration projects, EA, as a non-departmental public body, has much less financial flexibility. Without the ability to invest directly, EA has to seek partners with money to spend. For obvious reasons, private developers are more interested in gaining rapid returns from particular and limited schemes than in the grand design of something as massive as the Fens Waterway Link. On a smaller scale, we have seen the difficulties experienced by EA in raising money for its locally popular scheme to restore and revitalise Lydney Harbour on the Severn Estuary. Like the Fens scheme, the visionary plan commands widespread support but EA does not have the financial flexibility or the discretion to drive the project forward to successful completion.
- 8.9 The difficulties of giving EA, or an off-shoot of EA, greater financial flexibility have been described to IWAC. We accept that, within Treasury rules, there are formidable problems but unless an imaginative solution can be found we fear that regeneration opportunities will be lost and desirable projects will not be completed.

Chapter 8 – Conclusions

- 1 Waterway regeneration and restoration has been a national success story with substantial economic, social, and environmental gains for England and Wales.**
- 2 The waterway volunteer sector has played an important role, particularly in protecting assets on disused waterways and initiating waterway restoration projects.**
- 3 The regeneration opportunities provided by the waterways have not been properly appreciated by many Local Authorities, by most RDAs, and outside Defra, by Government departments.**
- 4 Judged by recent generated income trends the prospects for BW property development look robust. However, the prospects for future waterway restoration and development are less certain. BW may be less able to risk its own investment and will face greater difficulties in putting together partnership funding packages because of changes to the availability of Lottery funds.**
- 5 The financial regime under which EA operates means that the Agency has difficulty in bringing regeneration projects to a successful conclusion. Unless the opportunity is created for public investment in EA projects, many opportunities will be lost.**

9. Transport

9.1 The policy provisions and commitments in paragraphs 6.60 and 6.68 of WfT were:

The Government supports the provision of passenger boat services on the inland waterways, wherever practicable and economic.

The Government wishes to encourage the transfer of freight from roads to water-borne transport where this is practical, economic and environmentally desirable.

- **We will consult about extending the Freight Facilities Grant scheme to encourage additional applications for inland waterways projects. Options will include grants for waterway projects covering non-capital as well as capital costs (as for rail), and the opportunity for grant to be paid directly to navigation authorities for the provision of freight infrastructure.**
- **We will sponsor an inland waterways freight study group including representatives of British Waterways, other members of AINA, commercial operators, waterway user groups, local authorities and the private sector.**
- **We will invite the freight study group to examine cost-effective and practical ways in which freight transport on the use of inland waterways can be increased, and whether there is a need for further studies examining issues such as whether the niche market for freight carrying on the historic narrow and broad canals can be expanded.**

Modest improvements

9.2 In view of the concern about carbon emissions that have appeared in Government policy statements in the past decade, the level of support for water transport in WfT might be regarded as rather modest. We examine this issue further in Chapter 11.

9.3 The specific recommendations made in WfT regarding waterborne freight were carried out:

- The Freight Study Group (FSG) was established and produced a report, *Freight on Water: A New Perspective*, in 2002, which identified a “real demand for freight on the inland waterways, mainly in the traditional high volume, low value cargoes on the larger navigations” but noted some factors inhibiting this, “such as the condition of the infrastructure and vessels, the shortage of skippers and crew, and the approach adopted to freight by some navigation authorities”. The group recommended greater Government encouragement for freight on inland waterways, that freight should be part of the remit of navigation authorities, that waste authorities should look to use of waterways and that the planning system should be more positive towards use of waterways for freight. They also proposed improvements to waterway infrastructure, better regulation of vessel standards and crewing and identified the need for active marketing of waterways for freight.
- The FSG report led to the establishment of Sea and Water as a promotion centre for short-sea and inland waterway freight transport. This body now has members from across the inland waterways and short-sea shipping sectors. It has produced a *Case for Water* document and a freight waterways business directory, as well as lobbying and running conferences and other activities to raise the profile of waterborne freight.
- The Freight Facilities Grant scheme for waterway infrastructure was extended, following consultation, to include a grant (Waterborne Freight Grant) to contribute to revenue costs. Grants can be paid where transfer of freight from road to water can be shown to have environmental benefits and the traffic would not be viable without grant. However, DfT kept the rule whereby grant is often not payable if the use of water transport is required by a planning condition. More positively, DfT has made arrangements to support waterway transport of aggregates through the Aggregates Levy Sustainability Fund and has established a single point of contact for matters relating to inland waterway freight.

9.4 In addition, a number of studies on freight on the inland waterways have been completed since publication of WfT, providing more guidance on waterborne freight.

- AINA produced *A Strategy for Freight on Britain's Inland Waterways* in 2001. This focussed on the smaller, non-tidal inland waterways (mainly managed by BW) and concluded that freight opportunities on such waterways, with vessel capacities of less than 100 tonnes, were very limited but there was a potential opportunity for freight use in certain niche markets.

- AINA also produced a good practice guide on *Planning for Freight on the Inland Waterways* for DfT and Defra, in consultation with the Office of the Deputy Prime Minister. This gives guidance for both planners and potential waterway users and includes case studies on planning issues on larger tidal waterways and smaller canals.
 - Other studies completed or in preparation include the *West London Canal Network Study*, funded by BW and Transport for London; studies by BW on opportunities for container traffic to Leeds; an ongoing study by the Midlands Freight Quality Partnership and BW on freight opportunities on smaller canals where there are long levels and few locks and studies by DfT on the potential of inland waterways for transport of abnormal indivisible loads. The latter led to Government support for construction of specialist vessels for this use.
- 9.5 However, these initiatives have so far had only a small effect on the tonnage of freight transported by water. Tonnages continued to fall until 2004. This was exacerbated by a significant decrease in internal non-seagoing tonnages, reflecting the loss of waterborne coal traffic in Yorkshire due to decisions by power companies that were unrelated to transport. The freight traffic on the inland waterways has continued to comprise mainly liquid bulks (for example oils), solid bulks (for example, aggregates, cement, grain, waste and recyclables) and materials such as steel. Unitised traffics (containers and trailers) have increased while, in line with trends across the freight transport sector generally, non-unitised general cargo traffics have continued to decline. Freight traffic has continued to be concentrated mainly on the larger tidal waterways and ship canals, as well as on some of the BW 'commercial' waterways.
- 9.6 In 2005, there was a small upturn in tonnage, both in terms of internal and seagoing traffics on the inland waterways, and this gives a reason for a small degree of optimism.
- 9.7 Other positive developments include the following:
- New freight wharves have opened with grant aid in Yorkshire, on the Grand Union Canal, and on the Severn. Wharves on the Thames have been safeguarded and some brought back to use; new multimodal terminals are planned at Salford and at Weston, near Runcorn.
 - A number of new regular freight traffics have started, including, for example, aggregates on the Severn and the Grand Union Canal, oil to Rotherham and containers to near Manchester.
 - The Belvedere energy-from-waste plant on the Thames has received planning permission, which will allow continued use of the Thames for waste transport by water in London.
 - DfT, which was part of the Government department that produced WfT, has established a single point of contact for matters relating to inland waterway freight. However, it needs to be more proactive in encouraging transfer from road to water, particularly in terms of promoting availability of grant aid.
- 9.8 Nevertheless, progress is slow and there have been several disappointments. EA is committed in its navigation strategy to promote freight on its river navigations and is focussing on potential on the Great Ouse and the Thames but achieving this ambition is proving to be very difficult. Following WfT, BW appointed a Head of Freight Development and pursued freight nationally and at waterway unit level. Regrettably, BW has recently disbanded its central freight unit and devolved its remit to general managers acting as 'freight champions' in individual waterway units. There are fears that this means a scaling down of BW's policy to promote waterborne freight.

Barriers to inland waterway freight transport

- 9.9 Researchers at the Tyndall Centre for Climate Change Research have estimated that road freight produces 0.08 tonnes of carbon for every thousand freight-tonne-kilometres. By comparison, water freight produces only 0.02 tonnes of carbon per thousand freight-tonne-kilometres. This means that a move from road freight to water freight has the potential to save three quarters of the carbon involved in the transport of the same tonnage by road. IWAC believes that, properly developed, waterborne freight transport can play a significant part in helping the UK to meet the Government's commitment to reducing carbon emissions by 60% by 2050.

- 9.10 It is clear from experience elsewhere in Europe and even from examples of successful waterway traffic in the UK that inland waterways can provide viable and environmentally friendly freight transport. However, there are important barriers to the rapid development of waterborne freight in the UK. These include:
- a lack of operational experience in the construction industry in particular. Contract managers are unfamiliar with processes, availability and costs and so rarely consider water transport as an option;
 - a perception, often based on ignorance, that suitable craft are not available whereas, in fact, vessels can usually be moved easily from other areas, including the Continent.
 - a lack of trained crew in some areas, due to a lack of training schemes and outmoded practices in some sections of the barge industry;
 - a planning system that does not adequately take account of waterway freight transport infrastructure needs at national, regional or local levels;
 - the split of responsibilities between Government departments: Defra is responsible for BW, EA and BA; DfT is responsible for freight policies and grants whereas DCLG is responsible for regional planning, including waste and minerals plans;
 - a lack of appropriate continuing development of waterway infrastructure, for example, raising bridges to facilitate use of barges for containerised traffic;
 - inadequate promotion of waterway freight by DfT, some waterway authorities and some carriers.
- 9.11 Many of these difficulties are well illustrated by the attempt to transport construction materials to the Olympic site by water. In partnership with others, and with support from Defra, BW has successfully led the process to put together a funding package and obtain the necessary permission to construct water control structures and a new lock in Prescott Channel to ensure that the navigations to the site can take 350 tonne barges. The Olympic Delivery Authority has set itself the target of transporting at least 50% of the material by rail and water. However, as already mentioned, the contractors are often unfamiliar with water transport or appear to be reluctant even to explore the possibilities. There is a real danger that the policy will unravel with a very small use of water transport. IWAC is worried that a unique opportunity to showcase the advantages of waterborne freight will be lost.
- 9.12 Land availability and planning constraints continue to be a major constraint on development of inland waterway freight transport; this is particularly the case in west London. Establishment of new wharves, and even continued use of long established wharves, in urban areas has come under increasing pressure from local planners and developers who wish to make the most of waterside sites for more lucrative housing developments and see freight wharves as bad-neighbour operations and a source of planning blight. This is despite clear guidance in Planning Policy Guidance (PPG) 13 that opportunities for freight generating development to be served by waterway should be promoted by influencing the location of development and that uses related to sustainable transport should be considered first on disused transport sites. Although many wharves on the Thames tideway have been safeguarded, this has not been applied in other areas and developing the wharves and inter-modal interchange facilities essential to use of waterways for freight is often very difficult.

Passenger transport by water

- 9.13 WfT also raised the possibility of an increase in passenger transport by water. Unfortunately, little progress has been made. The major navigation authorities have been supportive of the provision of passenger boat services by private operators but beyond the maintenance and development of services on the Thames tideway in London, which provide a genuine passenger transport function, little else has materialised outside very local, mainly tourist-oriented services. Examples include: waterbus services in Birmingham, water taxis in Bristol, trip and restaurant boats in York and on the London canals and short boat trips associated with waterways-based tourist attractions or waterways under restoration.

Chapter 9 – Conclusions

- 1 Waterborne transport offers an important means of reducing carbon emissions significantly.**
- 2 In spite of some useful work in the past seven years, freight tonnage on the waterways has scarcely increased since WfT's publication in 2000.**
- 3 Significant barriers exist which, unless removed, are likely to prevent a rapid increase in waterborne freight. In particular, there is a need for greater promotion to industry of the potential of freight waterways, better cooperation between Government departments and greater compliance with planning guidance regarding location of freight generating development and protection of wharf facilities.**
- 4 The Olympic site provides a unique opportunity to showcase waterborne freight. We are concerned that, without further action by ODA or the Government, the unique opportunity might well be lost.**
- 5 Passenger transport by water has barely increased since WfT.**

10. Planning

10.1 In paragraph 6.73 of WfT, the Government undertook to

- **support the development of the inland waterways through the planning system;**
- **review each Planning Policy Guidance when it is revised, with the aim of developing the potential of the inland waterways through the planning system;**
- **invite IWAAC to prepare a good practice document with a view to it being published jointly with DETR, explaining the contribution that inland waterways can make to regeneration and other projects, and highlighting examples of good planning.**

10.2 IWAAC's good practice guide on planning for the inland waterways was published in 2001, but otherwise progress in this area has been disappointing.

10.3 On the national scene, the Planning Policy Guidance (PPG) format has now been replaced by the Planning Policy Statement (PPS). There has been little success in amending policies to incorporate the particular needs and opportunities of waterways because the new format of such policies has removed most of the already limited detail in the older PPGs. Examples where waterways have actually lost ground include the revisions to PPG17 *Recreation and Sport* and the new PPS11 *Regional Spatial Strategies* and PPS12 *Local Development Frameworks*. In these, although "BW, canal owners and navigation authorities" are listed as "other" consultation bodies in the preparation of the Strategies/Framework, there is a lack of understanding at regional and local level of:

- the multi-functional nature of inland waterways;
- the inherent constraints i.e. they are "non-footloose" assets;
- the economic value of inland waterways;
- their role as public assets with 93% of visitors using them free of charge;
- the scale and impact of third party development and the costs these can impose;
- the regeneration potential within national priority areas for growth and revitalisation; and
- factors affecting the long term sustainability of the system and the impact of planning policies on them, e.g. the national shortage of offline moorings, the future provision of freight wharves.

10.4 There is no reference to WfT or to the subsequent Government-endorsed IWAAC Good Practice report in any of the new PPSs and, indeed, no recent evidence that national planning policies are even aware of the documents.

10.5 The situation at the regional planning level in England has been, at best, fragmented. The London Spatial Strategy is very positive but very few of the other published or revised regional planning strategies encompass the full range of policies in WfT. Most do not even cross-refer to them under various policy headings. One or two concentrate only on the potential freight-use of inland waterways (following the lead in PPS11) in the mistaken belief this is the only function that needs to be emphasised for economic development. The DCLG *Good Practice Guide on Planning for Tourism 2006* does refer to "the unique characteristics and attributes of inland waterways" but regional spatial strategies consistently fail to address the role of inland waterways as a regional leisure, tourism, recreational and heritage resource and so fail to set out land use requirements needed to protect, develop, regenerate and improve the waterways. The exceptions are the Broads and the Thames, which are covered reasonably well in terms of leisure contributions to the economy and as environmental resources. Elsewhere, waterways are either seriously underplayed or ignored completely.

10.6 Such inadequate coverage at national and regional level has cascaded down into very patchy coverage of waterway potential at local planning level, where only enthusiastic local authorities have given comprehensive coverage.

10.7 The draft Wales Spatial Plan, published for consultation in 2003, made only one reference to waterways in its policy sections, and failed to develop any significant waterway component in its sub-regional frameworks. Despite representations, the final approved Plan ignored the strategic importance of waterways in Wales. Work on regional strategies within the Plan is currently underway. Efforts are being made to incorporate specific support for the restoration and development of inland waterways in Wales:

- National planning policy guidance in Wales is also embodied in *Technical Advice Notes* (TANs) and here the picture is somewhat more positive. Waterways are referenced in TAN18 *Transport* and in draft TANs13 *Tourism* and 16 *Sport, Recreation and Open Space*, although the quantity and quality of advice is limited.
- As in England, local coverage relies very much on the attitude of individual local authorities. Only a few, such as Newport and Torfaen, with a major local restoration project on the Monmouthshire and Brecon Canal, and Neath Port Talbot, which has assisted the Neath Canal restoration, are very supportive.

Chapter 10 – Conclusions

- 1 **The unsatisfactory nature of planning coverage of waterways at national and regional level highlights the failure of Government to present an integrated approach to the implementation of WfT's planning commitments.**
- 2 **A PPS is needed for England specifically on the importance, value and potential of inland waterways.**
- 3 **In Wales, pressure needs to be maintained on the developing regional strategies to encourage further waterway use, development and restoration.**

11. A New Agenda for the Waterways

- 11.1 As we said at the time, WfT was a good piece of work. It correctly identified the main problems faced on the inland waterways of England and Wales in the late 1990s. The remedies prescribed, and the policies adopted, were relevant and far-sighted. However, WfT was written more than seven years ago and it is not surprising that some parts are now out of date. To take the most obvious example: in the past seven years the issue of climate change has moved to the top of the political agenda yet WfT gives relatively little attention to what is now regarded as one of the greatest challenges facing Britain and the world.

Climate change

- 11.2 Climate change will have a significant effect on the inland waterways. In England and Wales, summers are expected to get noticeably drier, river flows lower, flash flooding to become more common and some traditional water sources are likely to become less reliable. EA, in its regulatory role, has advised navigation authorities that they will be required to apply for abstraction licences in future. While this may not lead to immediate curtailment of water supplies for navigation, there is little doubt that some waterways will find it more difficult to achieve adequate supplies of water throughout the year in future. The competition for water from an expanding human population requiring more dwellings as more people live alone, and of course from an environment that will also need protecting from drier conditions, will put the waterways under pressure. We need some robust modelling to determine the likely effects and identify the most vulnerable waterways.
- 11.3 The trick, of course, is to design policy to ensure that the waterways, rather than being part of the problem, are used intelligently to contribute to the solution. In areas of water stress, the waterways may be used for storage and, to some extent, for water transfer. Climate change can contribute to an increase in flood risk in many areas but the waterways can be used as part of flood defence systems. Climate change will involve the movement of species from south to north. The waterways can be part of a system of green corridors through which some of these slow migrations can take place. The possibilities are exciting but we need a new policy framework to deal with new problems and new opportunities.
- 11.4 Climate change also opens up new possibilities for the use of the waterways for transport. WfT mentioned the opportunities for an expansion of freight transport but failed to shake off the conventional wisdom of the 1990s that freight transport by water had little to offer modern Britain. Seven years later and that conclusion must be reviewed. We do not underestimate the difficulties. Around a third of the system will only take smaller vessels with shallow draught. But the Olympic development demonstrates the potential for transporting aggregates, construction materials and waste from estuaries to and from construction sites. However, the problem which has developed on the Olympic site, and elsewhere, has already been explained in Chapter 9; construction contractors have enormous experience of transport by road, some experience of transport by rail and very little experience of transport by water. As IWAC has told the ODA, unless contracts are signed which contain clauses that limit carbon emissions, the contractors will have no reason to learn the use of low carbon water transport and important opportunities will be lost. New policy initiatives are required to remedy this market failure.
- 11.5 Canal towpaths can also be developed to become sustainable transport routes through and between communities for utility and recreational journeys on foot and by cycle. They also have the potential to become an important part of the safe off-road transport network being developed by local authorities and Sustrans, the sustainable transport charity.

Natural Environment

- 11.6 In Chapter 7 we recorded WfT's statement that the waterways of England and Wales should be managed in a manner that would **"maintain and, if possible, enhance the natural....environment"**. However we also noted that WfT linked the safeguarding of the natural environment with the protection of our built heritage as if the two issues raised similar challenges. Had WfT been written today, we have little doubt that the importance of the waterways to the natural environment would be regarded as sufficiently important to merit separate, distinct and more detailed consideration.

- 11.7 Chapter 7 also noted that alongside the general policy requirements set out in WfT, the navigation authorities now have to comply with a growing list of specific environmental regulations. These requirements are expressed in a variety of different ways with different timetables and with objectives that are not always compatible with each other or with the other objectives of navigation authorities. BA has had to confront these apparent contradictions in a sharp and uncomfortable manner as it tries to coax its Private Bill through Parliament. WfT scarcely conceives of these difficulties and certainly offers little by way of advice as to how they might be resolved.
- 11.8 We also believe that although protection of the natural environment is very important, much greater attention should now be given to the contribution that the waterways can make to environmental improvement. The inland waterways of England and Wales are sometimes described as a "linear national park". Viewed in this way, the waterways might be expected to contribute much more extensively to the encouragement of biodiversity, both along the banks and in the rivers, streams and canals. We have been struck by the difference in the extent and the intensity of the environmental objectives set for the major navigation authorities by Defra and by the differences between the objectives which they have set themselves. Seven years after the publication of WfT, we should regard our waterways as a massive environmental resource to be developed with commitment and imagination. We should be setting new standards for environmental improvement that are far more demanding than the gentle encouragement contained in WfT.

Public health

- 11.9 For most of its period of office and particularly in the last three years, the Government has sought to change the balance of its health policy so that alongside the treatment of disease are policies to promote good health through improved lifestyle. Following criticisms of Government policy by the House of Commons Health Select Committee, the Government launched its "Small change, Big difference" initiative in the summer of 2006 with an objective of encouraging people to take more exercise. Government public health policy should recognise the contribution that can be made towards this objective through a more imaginative use of our waterways.
- 11.10 Rowing and canoeing are popular sports but both the Amateur Rowing Association and the British Canoe Union believe that, with greater opportunity and advice, participation in their sports could be increased substantially. Running – from jogging through to the running of full and half marathons – has grown in popularity but the waterway corridor is rarely used in much more than an informal manner. Towpath running scarcely features in high profile competitive events or in "Fun Runs". If properly organised away from the 'honeypot' waterway centres, it should be possible to open up underused stretches of the waterways to new user groups, while contributing to the fitness of the nation.
- 11.11 New opportunities for cyclists, walkers and horse riders could be created in a similar way and if they are showcased in high profile and televised events, the attractions of the waterways would be displayed to people in England and Wales and to local authorities, many of whom scarcely appreciate the extent of the recreational opportunities that are available close by and ready to use.

Community cohesion

- 11.12 In the face of uncomfortable changes in society, including the fragmentation of families, the increase in the prison population and the alienation of young people in some ethnic groups, the Government has given increased priority to policies to regenerate communities and enhance community cohesion. Unfortunately, the contribution that could be made by the waterways was not recognised in WfT and has not been recognised since. This is frustrating because so many examples exist to demonstrate the extent of the unrealised potential. Swindon and Derby are putting waterways at the heart of their revitalisation plans because they appreciate that waterways give communities a distinctive character, increasing civic pride and enhancing communal self-confidence. The Government has developed special initiatives to encourage volunteering, yet Ministers scarcely acknowledge the achievements of volunteer waterways restoration groups. People from all walks of life cooperate in delivering projects that are ambitious and satisfying; improving amenity and landscape while also building individual confidence and self-esteem. Inspirational schemes, like Sobriety in Yorkshire, where disadvantaged young people work together on the waterways, are rightly applauded but little attempt has been made to introduce similar schemes elsewhere. IWAC believes that much more should be made of the opportunities to use the waterways, and the voluntary

groups that support them, to develop pride in our surroundings and to create a greater sense of achievement and social cohesion in our communities.

Funding

11.13 It is easy to understand why WfT failed to deal adequately with issues that came to greater public prominence after WfT was published. However, WfT also failed to confront two other matters that were much in debate at the time. Apparently, public funding of the waterways was omitted because it was better dealt with during Grant in Aid discussions with the major navigation authorities. This was probably a mistake because it meant that the funding of the smaller navigation authorities was not considered and it is the smaller navigation authorities which are most vulnerable.

Outdated legislation

11.14 The decision to omit any discussion of the adequacy of the legislation from which navigation authorities derive their powers is more difficult to understand. From best estimates it seems that there are over 300 Acts of Parliament, some dating back five centuries or more, which still operate. Many are not fit for purpose as instruments for running navigations in the twenty-first century. IWAC and AINA have spent much time lobbying government ministers and Defra have promised a comprehensive legislative review. However, nothing has been done. We appreciate, of course, that no Government will be eager to tie up scarce resources and parliamentary time in such a mammoth task but some limited relief is urgently needed. It is ridiculous that BA has had to spend so much time and money getting a Private Bill through Parliament because that is the only way it can get the powers to enforce the much needed and uncontroversial safety scheme on its navigations. And it is fatuous that EA has had to take nine years drafting and redrafting a Transport and Works Act Order to meet successive pieces of differing legal advice from Government lawyers so that it can harmonise regulations and charging levels on its various navigations. Navigation authorities should not be deprived of powers necessary to operate effectively.

An up to date policy statement

11.15 Ideally the Government should produce a new policy statement which remedies the weaknesses of WfT and incorporates the issues of climate change, environmental improvement, public health and community cohesion into a new and more modern vision for the waterways. Unfortunately, this is unlikely. Inland Waterway policy for England and Wales is developed in a branch of Defra that is so small that it has little capacity beyond handling day-to-day issues, managing the relationship with BW and EA's navigation section, and servicing the designated Minister. Staff numbers within Defra are being cut further and although we do not know whether this will mean a reduction in waterways staff, it is obvious that no extra capacity will be available for inland waterways policy development in the foreseeable future.

11.16 Faced with this unsatisfactory situation, we suggest that what cannot be done by Defra alone, will have to be undertaken by Defra in partnership with other relevant organisations that can find time for policy work. AINA has a very small staff but should be able to mobilise some resources from BW, EA, BA and some of the smaller navigation authorities. IWAC also has a very small staff but advising on policy is our core purpose and we have already demonstrated that we will give the highest priority to important policy work which Defra does not have the capacity to undertake. One of our principal recommendations is that Defra convenes a meeting with AINA and IWAC to determine how the work of producing an up-to-date policy statement for the inland waterways should be carried out. In due course, other stakeholders should be consulted and involved but we recommend that the initial meeting should be held in the near future to start the process.

Chapter 11 – Conclusions

- 1 WfT was a very good piece of work but, seven years after publication, some parts are out of date.**
- 2 A modern vision for the waterways in England and Wales should give greater attention to:**
 - **climate change;**
 - **environmental improvement;**
 - **public health; and**
 - **community cohesion.**
- 3 Navigation authorities need legislative reform to give them the powers needed to run their navigations effectively.**
- 4 As Defra has insufficient policy making capacity to produce a new and more modern policy statement for the waterways, Defra should undertake the work in partnership with AINA and IWAC, in consultation with other Government departments (including DCLG, DCMS and DfT).**

12. Summary and Recommendations

Progress

- 12.1 The analysis in this report has shown that the implementation of the policies in WfT has improved the waterways immensely. In many respects the implementation has been thorough and the results have been impressive. In addition, the period since the publication of WfT, at least up to the in-year cuts of 2006, has been one of unprecedented support for the BW-managed sector of the inland waterway system.
- 12.2 This support and investment, plus the performance of BW in tackling the safety maintenance backlog – pulling in third-party and commercial investment and achieving, with its partners, record levels of restoration, mean that today the bulk of its system is in better shape, is more attractive and more accessible to users, and more appreciated by authorities in urban and rural areas, than perhaps it has been for decades. This represents real progress.
- 12.3 The EA-run navigations system, even though it accommodates the largest number of boats and the most waterway users of any of the three major public navigation bodies, was a little slower to pick up the challenge of WfT. However, EA's strategy, the organisation and the partnership mechanisms are now in place and it has won government support for a multi-year capital programme to tackle its maintenance backlog. Its aim must be to continue to improve its river navigations, above all the Thames, to rival the best in Europe.
- 12.4 BA, too, has done well in meeting its various responsibilities but it needs to find more funding, both internally and externally, if it is to maintain progress on navigation improvements as well as its long-term conservation needs.
- 12.5 Unfortunately, it is impossible to be sanguine about the smaller navigation bodies. Some may be challenged just to survive as independent organisations. The port and harbour authorities will, of course, thrive but have far more profitable activities to focus on than inland waterway freight and recreation activities.

Weaknesses and uncertainty

- 12.6 Our analysis has also identified some weaknesses in the design of policies and implementation of WfT. The legislation under which the navigation authorities carry out their work is not fit for purpose. The planning framework is still inadequate. The improvements in access that WfT wished to see have rarely been achieved. While many regeneration success stories have been recorded, we are still concerned that EA, with its restrictive financial structure, might not be able to complete its ambitious programmes. It is also disappointing that so many local authorities and most RDAs still do not appreciate the regeneration opportunities that are available to them. We are also worried that the absence of good quality market research will mean that the waterways might not be promoted successfully. Later in this chapter we recommend how these problems should be dealt with.
- 12.7 A serious problem is the absence of a robust funding plan for the waterways. WfT made no attempt to meet this challenge and that remains a major weakness in the strategy designed in 2000. Last year the weakness was highlighted by the in-year cuts in Grant in Aid from Defra. Both BW and EA can cope with the relatively small cuts in Defra funding if they apply for only one year. However, sustained cuts in real terms over the medium term are a different matter. These would bring the threat of the waterways not just failing to make further progress but actually regressing – a situation which we have not faced for many years. Already the uncertainty created by the cuts and, by the implication in ministerial statements that Government is seeking to provide less funds in future, has damaged morale in the waterways communities and has produced a sense of disillusionment which is far greater than Defra Ministers can have expected.
- 12.8 What matters, of course, is not only grant income but total income, including direct earned income and third party funding. While BW's property-based income has been buoyant in recent years, nothing can be guaranteed and we have expressed concern about the possible effects of cuts in income on BW's restoration and heritage work. Of course, EA and BA have no significant property income and no way has yet been found of obtaining significant income from the tens of millions of non-paying users.

- 12.9 The other major earned income stream is fees and charges to users. EA has already raised boat licence fees significantly and intends to apply further large increases in each of the next two years. BW is likely to follow suit and is also likely to raise charges for moorings. BA is also under pressure to raise charges. Partly because of the absence of robust market research, it is unclear how far these increases will constrain the demand by users.
- 12.10 For BW, in particular, there is also concern about the future of third party funding. Local authority financial support looks likely to become more difficult. More Lottery funding is being diverted to what are seen by Government as higher social and development priorities. Significant RDA support still remains the exception rather than the norm. All navigation authorities will have to work much harder to attract third party funding for waterway improvement and development.
- 12.11 The Waterways Trust has had to scale down its fund-raising operations to concentrate on its core museum functions for which it urgently needs extra funding. Some of the smaller navigation authorities continue to live from hand-to-mouth with little or no capacity to provide the range of economic and community benefits called for in WfT.
- 12.12 The funding issue is so serious and the threat of inadequate income so severe that IWAC has decided to focus on this issue during the current year, with the aim of producing a major report by the middle of 2008.
- 12.13 There are also unanswered questions about the status of waterways in Government. In some respects, the publication of WfT can be seen as a high water mark of interest by Government as a whole. The department which produced WfT, led in Whitehall on environment, transport and regional development, all key areas now fragmented amongst three other departments. The goodwill is doubtless still there, and we have shown that most of the specific promises made in WfT have been fulfilled. Nonetheless, since 2000, it is difficult to avoid the conclusion that the waterways have become a more marginalised policy area for Government as a whole. Hence, there has been a continuing struggle to make the case for the potential value of waterways and their benefits in national policies and programmes for urban and rural regeneration, waterborne freight development, and planning and regional and local government.
- 12.14 In Chapter 7 we expressed our concern that heritage issues do not have a high priority in Defra because heritage issues are led in Government by DCMS. Similar points can be made about freight transport, where the lead department is DfT, or regeneration and spatial planning issues where the lead department is DCLG. The preferred method of dealing in Government with issues that do not fit neatly into one department is an inter-departmental committee, but we know of no such committee for the inland waterways. From time to time Defra makes representations to other departments, as it did in respect of funding for the new infrastructure on the Olympic site. But these are *ad hoc* initiatives when what is needed is a permanent arrangement which will ensure that all relevant departments are engaged in delivering a jointly agreed policy.

Recommendations

12.15 On the basis of this review, we recommend:

1. Government should establish an **inter-departmental committee** for the inland waterways of England and Wales. This should be made up of representatives of those Government departments with lead responsibilities for environmental improvement, regeneration of local economies, heritage, recreation, planning and transport. The purpose of the Committee would be to ensure that Government policy for the inland waterways is carried through by all relevant departments of Government.
2. In partnership with IWAC and AINA, Defra should take the lead in the new inter-departmental committee to produce a new and **up-to-date policy statement** for the development of the inland waterways of England and Wales. This statement should give due attention to climate change, environmental improvement, public health and community cohesion.
3. The new inter-departmental committee should undertake a comprehensive study of the opportunities for, and barriers to, **increasing freight and passenger transport by water** with the aim of producing recommendations that can be adopted by Government as a significant contribution to reducing the UK's carbon footprint.
4. IWAC should conduct a thorough **study of funding options** for all parts of the inland waterways, including those operated by the smaller navigation authorities, with the aim of making recommendations for sustainable funding arrangements that will deliver the policies set out in WfT and in the new policy statement.
5. Government should keep its promise to institute a **comprehensive review of waterways legislation**. While that is being carried out it should deal with the most urgent problems through a Regulatory Reform Order or other similar instrument.
6. EA, or an off-shoot of EA, should be given the **financial flexibility** to carry through EA's regeneration plans to successful conclusion.
7. Defra should facilitate a meeting between IWAC, AINA and DfT to discuss whether **greater recreational use** can be made of those parts of the inland waterways system managed by **port and harbour authorities**.
8. Defra should consider with AINA how **AINA** can **achieve adequate funding** to develop its service, particularly to smaller navigation authorities.
9. BW and EA should aim to widen and deepen their Collaboration Agreement with the objective in particular of moving closer to a fully **integrated licensing scheme for boaters**.
10. AINA and IWAC should make the case to the boating trade and to the navigation authorities for a programme of **high quality market research** to support future plans for promoting use of the inland waterways to a wider public.
11. Defra should make no further attempts to negotiate **voluntary access agreements for canoeists** but should re-examine the possibility of giving the same right of access to canoeists in England and Wales as already exists to those in Scotland.
12. Defra should consider asking BW and EA, either through their Collaboration Agreement or by acting through AINA, to draw up an action plan to deliver **improved access to and involvement in** the waterways for the young, disabled and disadvantaged.
13. Defra should clarify Government expectations of navigation authorities in respect of their many **environmental obligations**, specifying priorities and timetables, identifying additional costs and how these should be funded.
14. The major navigation authorities and user groups should ensure that they are closely involved in **River Basin Liaison Panels**, established as part of the implementation of the Water Framework Directive.
15. IWAC should monitor the effects of cuts to Grant in Aid and should draw public and Government attention to any instances where navigation authorities give **inadequate priority to heritage issues**.
16. DCMS should ensure that the important collections held by the **National Waterways Museum** are preserved.
17. DCLG should ensure that the "unique characteristics and attributes of inland waterways" are properly protected in regional spatial strategies by issuing a **Planning Policy Statement** on the value and potential of the waterways.

Annex – List of Abbreviations and Acronyms

AINA	Association of Inland Navigation Authorities
BA	Broads Authority
BCU	British Canoe Union
BW	British Waterways
Cadw	The historic environment service of the Welsh Assembly Government (a Welsh word meaning 'to keep')
DCLG	Department for Communities and Local Government
DCMS	Department for Culture, Media and Sport
Defra	Department for Environment, Food and Rural Affairs
DfT	Department for Transport
EA	Environment Agency
EFRAC	Environment, Food and Rural Affairs Committee
EU	European Union
FSG	Freight Study Group
IWA	Inland Waterways Association
IWAAC	Inland Waterways Amenity Advisory Council
IWAC	Inland Waterways Advisory Council
NERC	Natural Environment and Rural Communities Act 2006
NGO	Non-Governmental Organisation
PPG	Planning Policy Guidance
PPS	Planning Policy Statement
RDA	Regional Development Agency
WfT	Waterways for Tomorrow

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