

Comments on

# The Water Industry in England and Wales: the Next Steps

Government White Paper Command 6876

submitted to the  
House of Commons Select Committee  
on Nationalised Industries

INLAND  
WATERWAYS  
AMENITY  
ADVISORY  
COUNCIL

## INLAND WATERWAYS AMENITY ADVISORY COUNCIL

The Advisory Council is a statutory body established under Section 110 of the Transport Act 1968 whose members are appointed by the Secretary of State for the Environment from all fields of waterway amenity and recreational interest.

The Council are required:

- i) to advise the Secretary of State for the Environment and the British Waterways Board on any proposals to add to or reduce the cruising waterways;
- ii) to consider and, where thought desirable, to make recommendations to the Board or the Secretary of State with respect to any other matter
  - a) affecting the use or development for amenity or recreational purposes including fishing, of the cruising waterways, or
  - b) with respect to the provision for those purposes of services or facilities in connection with those waterways or the commercial waterways, being a matter which has been referred to the Council by the Board or the Minister, which has been the subject of representations to the Council by any other person or which appears to the Council to be a matter to which consideration ought to be given.
- iii) Under the British Waterways Act 1974 the Council are consulted by the Board on proposed increases in pleasure boat registration charges.

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The Inland Waterways Amenity Advisory Council have been asked by the House of Commons' Select Committee on Nationalised Industries to submit their comments on the Government White Paper: "The Water Industry in England and Wales: The Next Steps".<sup>1</sup>

The Council have already submitted written evidence<sup>2</sup> to the Select Committee, and have given oral evidence as part of the Committee's Inquiry into the role of the British Waterways Board.

The Council welcome this further opportunity to comment. In doing so they have viewed the Government's proposals from their special standpoint as the Secretary of State's independent statutory advisory body concerned with meeting the needs of the wide variety of recreation users on Britain's universally renowned 2,000-mile, 200-year old, waterway system.

In 1968 The Transport Act, by creating IWAAC to represent all the various waterway user interests, produced a body well qualified to comment on the growth and development of recreation and amenity on Britain's nationalised waterways.

Over the past nine years the Council have advised and made recommendations to the Secretary of State for the Environment, the British Waterways Board and the local authorities, founded upon information from all fields of waterbased recreation.

The wealth of knowledge and experience thus gained by the Council during this period puts the Council in a unique position to comment in a very practical way on any reorganisation affecting the development of Britain's waterway system, as they must have regard to all the user needs, not only those based on navigation.

FOOTNOTES: <sup>1</sup> Paragraphs 59 to 68 of the White Paper are reproduced as Appendix "A".

<sup>2</sup> The Memorandum submitted by the Council is included as Appendix "B".

All proposals for recreation must also be looked at on the basis of possible changes in the nation's long term social structure and the effect that automation for example, will have on the availability of leisure time. We believe it is essential that none of the existing or potential recreational assets which will be needed to cope with the changing circumstances are ignored or abandoned at this time.

It is also important in the consideration of Britain's waterways not to ignore the part that the Scottish<sup>1</sup> and Welsh canals play in the overall picture of recreation and tourism.

Throughout the recent years of inquiry, proposals and counter-proposals for changing the management of these waterways, the Council have always maintained that until a firm policy is implemented by the Government to safeguard the future and guarantee finance for the waterways, no real progress in terms of recreation or commercial development can be seriously contemplated.

When the necessary finance has been made available, from whatever source, the Council have recommended that it must be devoted in the first instance to a programme of planned maintenance, concentrating as a priority on two elements.<sup>2</sup>

- a) The vulnerable structural points on the national system, and
- b) The high risk areas of water shortage.<sup>3</sup>

The Council's comments on this White Paper are based upon these points and the arguments they advanced at the time of the previous Government Green Paper on the Water Industry, published in March 1976. Reference is made to this submission where appropriate.<sup>4</sup>

David B. Wain  
CHAIRMAN

FOOTNOTES:

- <sup>1</sup> *"Scottish Waterways — Forth and Clyde Canal and Union Canal"* Pub. IWAAC, October 1974.
- <sup>2</sup> *"Priorities for Action on the Waterways of the British Waterways Board"* — Pub. IWAAC, 1975.
- <sup>3</sup> *"Water Shortages on British Waterways Board System"* — IWAAC, 1974.
- <sup>4</sup> *"Observations on the Review of the Water Industry in England and Wales"* — the Government Consultative Document — IWAAC, 1976.

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## INTRODUCTION

1. Britain's linked system of canals and river navigations is now accepted as a national asset, employing a significant number of people around which has developed a multi-million pound industry catering for a wide range of commercial and recreational users.
2. The 1968 Transport Act recognised this fact and in consequence became the first major step in government policy to encourage investment in the development of water borne recreational and associated activities. It is therefore important to make certain that any proposals for new legislation take fully into account the needs of those many persons dependent upon the waterways for their employment, **TOGETHER WITH THE IMPLICATIONS OF PREVIOUS GOVERNMENT POLICIES**, and the effect that it has already had on waterway investment from industry.
3. Paragraphs 59 to 68 of this White Paper (Appendix "A") outline the Government's thinking for absorbing the British Waterways Board into the Water Industry. The proposals it makes are closely in line with the suggestions it puts forward in its consultation document: "Review of the Water Industry in England and Wales", the Green Paper which was published in March 1976.
4. The Inland Waterways Amenity Advisory Council commented on this Green Paper and produced "Observations on the Review of the Water Industry in England and Wales" in July 1976. In this document they covered in detail all the **KEY ISSUES** which are essential for the maintenance of Britain's nationalised waterways and the safety and wellbeing of all those people who live near, or are connected with, these navigations. These are as follows:
  - a) The responsibilities of the National Water Authority, the Regional Water Authorities and the future role of the British Waterways Board.
  - b) Finance for the Waterways.
  - c) Future roles of the Inland Waterways Amenity Advisory Council and the Water Space Amenity Commission.
  - d) Devolution.

## THE KEY ISSUES

5. The White Paper makes no attempt to resolve these key issues which must be settled before progress of any sort can be achieved. Nor does it suggest a policy which is likely to favour the parallel development of recreational uses other than navigation.

### **The responsibilities of the National Water Authority, the Regional Water Authorities and the future role of the British Waterways Board.**

6. In their submission on the Green Paper the Council examined the proposal by the Government to restructure the fragmented system governing the navigation of the waterways.

7. The criteria relating to the British Waterways Board's existing duties which would need to be taken into account if the Board were merged within a National Navigation Authority were set out as follows:

- i) The Ownership of the Estate
- ii) The Ownership of the Navigation Rights
- iii) The Maintenance of the Track
- iv) The Operation of the Navigation
- v) The Usage of the Waterways
- vi) Finance
- vii) Staff.

8. In our comments on the Green Paper the Council fully investigated the concept of a National Navigation Authority which would delegate the day-to-day management of the waterways to the Regional Water Authorities. They saw in this line of approach many complex and controversial problems.

9. In Paragraph 61 the Government reaffirms their belief in the ultimate need to create a National Navigation Authority, using the present British Waterways Board system as a nucleus. However, the responsibility for creating this new Navigation Authority is to be vested in the new National Water Authority and no brief is suggested by the Government which would give any safeguards for the existing system, or a timetable for the development of the Navigation Authority.

10. In Paragraph 61 the advisability of having the management of the National Navigation Authority under the absolute control of the Water Industry is seriously questioned, unless the Government is prepared to legislate for predetermined standards of maintenance in considerably more detail than in the past, and provide statutory assurances that the waterways will be available. *Without a form of public right of navigation such as this* it is suggested that the National Navigation Authority is under the control of a Navigational Executive running *alongside* the new National Water Authority.

11. Parallels can be drawn with the organisation of the London Transport Executive which was set up by the Government as an independent body responsible for the day-to-day operations of Passenger Transport in London. The Executive owns all the equipment and associated lands, and employs the staff. It is empowered to promote Bills and to enforce byelaws and receives through the Greater London Council subsidy from local ratepayers and from national funds to enable it to carry out the duties given to it by Parliament.

12. Like the London Transport Executive, the National Navigation Authority would hold all existing powers, duties and other obligations, assets and staff of all the navigations which are to be vested in them, including of course those of the British Waterways Board.

13. The main reason for this change of emphasis is simple but fundamental. The prime function of a National Water Authority is the control of the water cycle. To control that water the Authority must study on the one hand the best methods of land drainage to ensure that it has adequate supplies of unpolluted water in the right places, at the right times. On the other hand, it has to ensure that it can distribute this water to all those who require it. These duties must be its principle function.

14. Navigation is quite another thing: it is a different science, requires different techniques and waterside facilities, and a host of problems have to be dealt with that are crucial to navigation but may be completely outside the sphere of drainage and water supply<sup>1</sup> engineering requirements, THESE LATTER REQUIREMENTS BEING ESSENTIALLY REGIONAL IN ORGANISATION WHILST NAVIGATION IS A NATIONAL NETWORK.

FOOTNOTE: <sup>1</sup> "Water Shortages on the British Waterways Board System" — IWAAC 1974.



15. Paragraph 60 mentions the British Waterways Board's freight activities. The Council believe these activities which have potential for development, must be an essential part of a healthy National Navigation Authority. There is a real need for development in this freight field and it would be of great indirect benefit to amenity and recreation in terms of maintenance and finance. Similar financial returns are gained from the Board's Warehousing and Estates' activities and here again there is no assurance that these would continue to benefit a National Navigation Authority.

16. Paragraph 63 suggests that the new National Water Authority is to be responsible for deciding how to deal with the integration of the British Waterways Board into the Water Industry. It does seem rather pointless for the newly-formed National Water Authority to be forced to take over the British Waterways Board's operations in order to decide what it will then have to do with them.

17. If the nation is to derive any real benefit from a reorganisation of our inland navigations it is essential TO FIRST SETTLE the following major issues:

- a) What hard evidence is there to suggest that any major reorganisation of all the inland navigations is going to be either beneficial to the nation, or will produce greater economy in maintenance and development?
- b) What is the most practical and economical way of financing the navigations, and in particular, how should maintenance arrears be financed?
- c) If it is decided to form a new National Navigation Authority, how best can this be achieved?
- d) Is it desirable and, if so, is it practical to include all the present navigations in a new National Navigation Authority?
- e) How will the profitable revenue-earning sections of the British Waterways Board, the Freight, Warehousing and Estates' activities, be developed and enhanced to assist in the overall financing of the navigational system?
- f) How will the character and environment of the waterway system be maintained, developed and improved?

Reference to action on all these key issues appears to have been omitted from the White Paper, yet no reorganisation can be successful without their detailed consideration.

## Finance for the Waterways

18. Paragraph 62 of the White Paper seems to imply that standards laid down in the Act for waterways are unworkable and should be amended. This is not so. In fact, had sufficient money been available to adequately cover the arrears of maintenance caused by the many years of neglect, the overall present day standards of waterway maintenance would have been well within those required by the Transport Act of 1968.

19. The same paragraph also seems to imply that the £37-Million (1974 figures) backlog of maintenance referred to in the White Paper, has been built up in recent years since the 1968 Transport Act, *apparently failing to appreciate that the backlog has been building up over many years, and certainly since nationalisation in 1947.*

20. Paragraph 61 is important in that it recognises that the British Waterways Board's waterways provide 'substantial benefits' to the present Regional Water Authorities, and the Council would widen that to 'a substantial benefit to the nation as a whole' — rather than to one industry alone.

21. The White Paper indicates that the Government considers that the new National Water Authority through the Regional Water Authorities should collect the necessary finance from the public for the maintenance of these navigations, rather than through Her Majesty's Collectors of Taxes. This would appear to be merely a device to syphon money from the water consumer, rather than from the taxpayer, which completely evades the real issue, and undoubtedly puts the burden of finance onto a smaller section of the community.

22. The issue is simple: THE COST OF MAINTAINING AND OF TACKLING THE ARREARS OF MAINTENANCE ON THIS NAVIGATIONAL, RECREATIONAL AND AMENITY SYSTEM HAS TO BE BORNE BY THE PUBLIC, ALL OF WHOM BENEFIT EITHER DIRECTLY OR INDIRECTLY FROM ITS EXISTENCE.

23. The Council saw in their previous submission future finance as the key to success for a National Navigation Authority. It saw advantage in connecting the waterways with the Regional Water Authorities' impressive financial resources but noted that:

- i) these were fully committed for the foreseeable future,
- and ii) that clearly there would be difficulty in devising satisfactory arrangements for sharing the costs between the individual Authorities.

24. If the necessary finance is collected by the ten Regional Water Authorities through an additional charge on the water consumer as the White Paper suggests, because of the existing financial structure of the Regional Water Authorities, not all of whom have inland waterways within their area, it will be necessary to adopt the following procedure:

The National Navigation Authority will have to apply annually for finance to the National Water Authority which will then have to precept the individual Regional Water Authorities on an agreed formula, probably with the Regional Water Authority having some form of appeal if they thought they were being unfairly treated. When agreement had been reached with each Regional Water Authority the individual Authority would have to decide how to raise the money from its individual accounts. When this had been agreed internally, each section of each Water Authority would have to raise the precept income from their consumers.

25. The cost of raising money in this way would seem to be unnecessarily cumbersome and unfair.

26. As recognised by the Government in Paragraph 63 of the White Paper, financing the navigations in this way will still be dependent upon grant-aid from Central Government in the short term. But to ensure that sufficient flexibility of management exists to enable any unpredictable emergencies to be dealt with, in accordance with statutory navigation and recreation requirements and public safety — such as the recent essential works at Laggan Locks on the Caledonian Canal — it will be necessary for the Government to continue to make available grant-aid to cover these contingencies until such times as all arrears of maintenance have been satisfactorily completed.

27. It is therefore essential for the Government to provide the necessary finance to carry out the outstanding arrears of maintenance identified in the Fraenkel Report. This Report, submitted to the Department of the Environment in 1976, examines the operating and maintenance costs of the British Waterways Board. Its findings had not been made available when these comments were submitted. We can see no reason why this report should remain 'confidential' at this critical time.

28. To examine each individual waterway for its viability, as suggested in Paragraph 62, may well result in the prestigious waterways being developed and financed at the expense of those less well known. This fear could be specially pertinent in the case of the 'remainder' waterways. The White Paper reference to 'viability' would seem to suggest that all recreational benefits derived by the public must now be accounted for in terms of pounds and pence.

29. It would appear that it will now be necessary to work out in cash terms the attraction that water and water-based activities have for many millions of people who just like to sit, watch, relax and enjoy the scene at thousands of places which overlook our inland waterways.

30. The Council are not suggesting of course that these people must be actually 'charged for looking' but if an accurate assessment of viability is to be truly objective then this form of enjoyment is of great value to millions of people and must also be taken into account.

31. It is therefore necessary to state once again **THE IMPORTANCE OF RETAINING THE PRESENT SYSTEM OF INLAND WATERWAYS AS ONE CONNECTED NETWORK.** This is essential both in terms of recreation, amenity and the national and international tourist attractions which Britain's waterways provide.

**Future roles of the Inland Waterways Amenity Advisory Council  
and the Water Space Amenity Commission**

32. IWAAC can appreciate the merit behind the view that if recreational, amenity and tourist activities are not adequately dealt with, it would be necessary for the National Water Authority to have a central recreational department to co-ordinate within the Water Industry all the recreational activities of the various Regional Water Authorities. And it would obviously be most useful if this body had access to all ten Chairmen of the Regional Water Authorities, as well as to experts in all water recreational fields. The Water Space Amenity Commission have provided such a 'chairman's forum' for recreation and amenity.

33. However, the Council believe that it is of the greatest importance that there should be a separate *independent* statutory advisory body with membership representing the whole spectrum of users' interests, including Members of Parliament, to advise the Secretary of State for the Environment and the Navigation Authority and, where appropriate, the Water Industry, on developments in waterway recreation and amenity.

34. Clearly an *independent* advisory body will of course preclude membership of, for example, the Regional Water Authority chairmen, or executive officers of a Navigation Authority. This is borne out by the fact that during the last nine years the value of IWAAC to the British Waterways Board has become increasingly obvious. It was however particularly noticeable that its success was heightened considerably when it became more independent, relinquishing its seat on the British Waterways Board.

35. It is our experience that a body thus formed is able to reach more easily the public as a whole and can turn the information which it receives at 'grass roots' level freely and without prejudice into constructive proposals which are of great assistance to the authority it advises in determining its own future development.

36. It is essential therefore that the public should be able to contact this independent Council easily and that the body itself should make every effort to communicate with them at every level.

37. This type of advisory body must have the trust of the public and the trust and respect of the Government and the organisations it would be set up to advise, if it is to perform a meaningful and effective role. This is cannot do if it appears, for example, to be the "puppet" of the Water Industry.

38. The need for an independent statutory advisory body of this sort is of crucial importance from the public's point of view, if only on the grounds that the giant authorities dealing with the public undertakings are becoming larger and more difficult for the man and woman in the street to understand and penetrate.

39. In their previous evidence to the Select Committee the Council referred to the need to view 'amenity' in its widest sense as anything that helps the well-being of the general public. They looked upon amenity therefore as covering all the services that the Navigation Undertakings and the Water Industry provide.

40. Whatever the outcome of the present proposals, the Council see a need for the remit of the independent advisory body to be re-examined to cover all those who use and invest in the waterway system.

### Devolution

41. Until there is further detailed information on the Government's further proposals for Devolution to Scotland and Wales, the Council have little reason to change their views from those stated in their original submission on the Green Paper.

42. The Council were concerned at the economy of the proposals in the White Paper and cannot see how the Scottish waterways would be viable as a separate unit. These fears are pertinent if the Government intend to include the Scottish waterways within the assessment of individual viability.

43. It may well be possible for a National Navigation Authority to provide services on any agency basis to the small Scottish waterways group. There would also need to be provision for the new advisory body to take into account the views and needs of the Scottish and Welsh waterway users, if this is to be the case.

44. This document is based on the premise that the Government would create a new National Navigation Authority. However this line of thinking could well change if Regional Government is developed which would incorporate the Regional Water Authorities and abolish the County Councils, and it may well be that the future of our navigations should be left until Parliament reaches a decision on Regional Government.

## Conclusions

The main findings of the Council on Paragraphs 59-68 of the White Paper are:

1. A new National Navigation Authority could be a suitable body to tackle the problems on the waterways *only* if it is vested with adequate independent statutory powers, and obligations *from the outset*. There are however no hard facts to support a need for a new body of this nature.
2. The key to successful future for the waterways is quite simple – adequate finance.
3. The Council endorse the Government's concern at the backlog of maintenance facing Britain's national waterways heritage.
4. No new Authority will accept responsibility for the waterway system unless the Government are prepared to fund the clearing of this backlog of maintenance.
5. An independent statutory body truly representative of *ALL* the user interests to advise the Secretary of State for the Environment, the Navigation Authority and where appropriate, the Water Industry, will still be necessary.

## THE WATER INDUSTRY IN ENGLAND & WALES: THE NEXT STEPS — Extract

### THE BRITISH WATERWAYS BOARD (BWB)

59. The Consultative Document put forward for discussion the proposal that the BWB should be merged with the NWA, which would then become the nucleus of a national inland navigation authority. It drew attention to the highly fragmented nature of the present arrangements for controlling navigation on inland waterways in England and Wales, and to the importance of many of them for water supply and land drainage.

60. The response to the Consultative Document revealed considerable support both for bringing about a closer association between the BWB and the water industry and for the creation of a national inland navigation authority. But there was much less agreement about how the merger should be effected. Views ranged from those, at one extreme, who considered that the NWA should confine themselves to questions of broad policy, with responsibility for day-to-day management being delegated to the water authorities; to those of the BWB, at the other, who argued that if the present structure was to be changed at all it was vital that the NWA should themselves retain centralised responsibility through the medium of an "Inland Navigation Executive". The comments revealed considerable concern about the arrangements for financing the waterways after a merger, and there was general agreement that the BWB's freight activities should retain a separate identity in some form.

61. Having considered all the representations made on this question, the Government remain convinced of the desirability of bringing the management of the waterways into the water industry and of creating a national navigation authority. It is clear, however, that further work is necessary to establish the best permanent arrangements for the waterways, and in particular the way they should be financed. The Government propose that this further work should be undertaken on the basis that responsibility for the BWB will be transferred to the NWA when it is set up; and that the water industry will be required to assume the major financial responsibility in view of the substantial benefits they derive from the waterways.

62. At present the BWB are required to maintain the waterways to standards laid down in the Transport Act 1968 and they rely on Exchequer grant to enable them to do so. Since 1968 the grant has increased substantially to its present level of about £12 million a year. Despite this, a study by consulting engineers has recently shown that expenditure on the waterways has fallen well short of what is necessary to maintain them to the 1968 Act standards: their report identified a backlog of maintenance amounting to over £37 million at 1974 prices (worth over £60 million today). This makes it essential to take a new look at methods of making the system viable, which must involve considering for individual waterways the cost of maintaining them in relation to the benefits they provide to transport, recreation and amenity, and the needs of the water industry. The necessary work will be set in hand in consultation with the National Water Council, water authorities and the BWB so that progress can be made as quickly as possible.



63. The Government do not envisage that they will be able to take final decisions about the organisation and financing of the waterways system as a whole until the NWA have been able to make their own appraisal. Pending final decisions, the NWA would manage the waterways as a separate undertaking just as the BWB do now; they would take over all the BWB's existing powers, duties and other obligations; their assets; and, of course, their staff. And, unless revised financial arrangements seemed appropriate in the light of the work now to be undertaken, they would continue to receive grant aid from the Exchequer.

64. The NWA would continue for the immediate future to discharge the current responsibilities of the BWB for the management of canals in Scotland and Wales. Under their devolution proposals, however, the Government's powers in relation to inland waterways in Scotland and Wales would be transferred to the Scottish and Welsh Administrations. For the longer term, it will be necessary to consider alternative arrangements. The Scottish Assembly would have power to legislate for separate arrangements to manage and finance the canals in Scotland.

#### **INLAND WATERWAYS AMENITY ADVISORY COUNCIL (IWAAC) AND WATER SPACE AMENITY COMMISSION (WSAC)**

65. The Consultative Document said that following the merging of the British Waterways Board into the NWA, there would clearly not be room for both IWAAC and WSAC. This view has been generally accepted.

66. During their comparatively short existences IWAAC and WSAC have forged valuable links between Government, the executive authorities (the BWB and the water authorities, respectively) and those who enjoy recreation on and around water. The Government are anxious to preserve these links, which serve two purposes. They keep policy-makers and executive bodies in touch with what people want, which is essential if scarce resources are to be used to the best advantage; and they ensure that users do not feel too remote from those who provide the facilities they enjoy.

67. At the regional level, the Government believe that this consultative role is now effectively performed by the new Regional Councils for Sport and Recreation, on which both water authorities and local authorities (who themselves have an important role in providing for water-based recreation) are represented as well as bodies representing consumer interests. At the national level, however, although the Countryside Commission and the Sports Council have a substantial interest in water-based recreation, the Government see a continuing need for specialist advice from a body within the water industry.

68. They intend therefore to wind up both IWAAC and WSAC and to replace them with a new body which will have the task of advising Ministers and the water industry about the development and use of water and water space for recreation and amenity. This body will be within the water industry and will be represented on the NWA. Like WSAC its membership will include, *ex officio*, the chairmen of all the water authorities: the chairmen's membership of WSAC has given the Commission an authority in the regions which has contributed substantially to its achievements. The Government intend, however, that other members should be appointed in sufficient numbers to secure adequate representation of the many interests who can contribute in this important field. The Welsh Assembly, when established, will appoint one member. The new body will be serviced by the NWA.

## MEMORANDUM TO THE SELECT COMMITTEE ON NATIONALISED INDUSTRIES

Gentlemen,

You asked us in your letter of 3rd May 1977 to prepare a memorandum to be considered in connection with your inquiry into the role of the British Waterways Board. You asked us to relate this to the proposals made in the recent Government consultative document: "Review of the Water Industry in England and Wales", pending the publication of a White Paper on the subject.

The Council considered your request at their meeting on Thursday, 26th May. They confirmed that their views on the subject of the Government consultative paper had not changed from their Observations,<sup>1</sup> which were passed to the Department of the Environment in July 1976.

There are however several key issues to be emphasised and we have referred to the relevant parts of the submission where appropriate.

### FUNCTIONS OF THE COUNCIL

1. The Inland Waterways Amenity Advisory Council, established under the Transport Act of 1968, advise the British Waterways Board on the use and development of their waterways for recreation and amenity.
2. The Council comprise Members with knowledge of all aspects of the amenity and recreational usage of the waterways.

<sup>1</sup> *Observations on the Review of the Water Industry in England and Wales — the Government Consultative Document, published July 1976.*

## THE ROLE OF THE BRITISH WATERWAYS BOARD

3. As will be seen from their conclusions in their submission, the Council feel that the proposal in the Government consultative document: "The Review of the Water Industry in England and Wales" — that the Board be merged with a proposed new National Water Authority to form the nucleus of a national navigation authority — was one that at first sight had many aspects to commend it to users of the waterways.
4. However, the events of the past twelve months have not led the Council to change their view that the advantages in establishing a national navigation authority, as outlined in the Green Paper are not of such magnitude as to justify the upheaval, if only on account of the finance involved in its creation.
5. They therefore confirm their conviction that at this point in time the 'British Waterways Board approach' is the right one. If the nation decides — perhaps in a more favourable economic climate — to pursue the concept of a national navigation authority, this could be achieved by adding to the existing responsibilities of the present British Waterways Board and making appropriate changes in this organisation to create a National Navigation Authority.

## FINANCE FOR THE BRITISH WATERWAYS BOARD

6. In the meantime the Council adhere to their findings that the Board must be given adequate additional finance to enable the backlog of maintenance which the Council understand has been identified by the Government's Consulting Engineers, to be tackled without inhibiting the canals' normal maintenance and development.
7. The Council accept however that in these times of economic stringency any claim for additional finance, from whatever publicly accountable source, must be capable of sound examination.
8. Unfortunately it is a common misconception that the bulk of the Board's grant from the Government is spent on maintaining the "amenity waterways" for boating.

9. An examination of the duties of the Board which the Council carried out when they examined the approaches to a national navigation authority will reveal that the majority of the Board's functions and responsibilities relate to much wider aspects of 'amenity'.
10. In particular, it is not yet appreciated when considering the financing of the Board the essential role that the canals play in land drainage.
11. In 1970 it was estimated that to replace the Birmingham Canal Navigations by an alternative means of land and storm water drainage would — even then — cost £20-Million. Similar information relating to the whole of the system, we understand, has been made known to the Government's Consulting Engineers.
12. The Council's view is that the nation has had this service, which the canals would have to provide irrespective of their use and maintenance for navigation, for too long without a proper financial return.
13. The Council appreciate the Government's view that as far as possible the section of the community benefitting most from a particular service should pay an appropriate proportion of the cost of that service. Indeed, it is for this reason that the Council have approved the increases in fees for pleasure boating, to take into account the benefit that use derives from the Board's functions.
14. However, it would appear that in the case of canals and land drainage there is a very wide section of the community that either directly or indirectly derives benefit from this particular amenity. Taking into account the administrative cost of collecting the necessary many small charges from such a large section of the public, we believe that the most economical way of dealing with this problem is through the normal channels of direct taxation, passed on to the administering body, in this case the British Waterways Board.

#### **PROMOTION OF INVESTMENT IN THE WATERWAYS**

15. The Council believe that investment from other sectors into the waterways is being impeded by the lack of confidence in their future.
16. They are aware that this viewpoint is shared by the users of the Board's commercial waterways and facilities.

17. From their knowledge of the hire cruiser industry and the operations of the boat building and service industry, the boom in investment in waterways following the Transport Act of 1968, has lost most of its impetus. This was largely due to the uncertainty over the future of the waterways after the publication of Circular 92/71 which private investors immediately interpreted as a retraction of the promises made at the time of the 1968 Transport Act. As a result once more the flow of capital investment was drastically reduced.
18. Previous Government Commissions on the waterways have reported that the waterway system has been starved of waterway investment for the past 150 years. Here again, it would appear that yet another Government was proposing to do the same. The view of the Council is that if water amenity, recreation and transport are to develop there must be a basic change in attitude by the Government to the inland waterways as a whole, which will assure investors security for their investment over a long period.
19. As regards 'Cruising' and 'Remainder' categories of waterways this uncertainty would be considerably eased by the immediate removal of the now sometimes artificial distinction between these categories — since many 'Remainder' waterways have been restored with the help of volunteers and Local Authority finance, to equal and often surpass the condition of 'Cruising' waterways.
20. Whilst it is outside their remit the Council fully appreciate the arguments advanced to provide the necessary foundation for investment in the Board's Freight activities.
21. We also believe that a vigorous and much extended Freight Services Division is of fundamental importance to the recreation and amenity development of waterways in that it would lessen the financial burden incurred by the essential maintenance commitment of the Board and the Board's duty to provide for navigation and amenity.

13th June 1977

**THE MEMBERSHIP OF  
THE INLAND WATERWAYS AMENITY ADVISORY COUNCIL**

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