

Navigation Business Plan

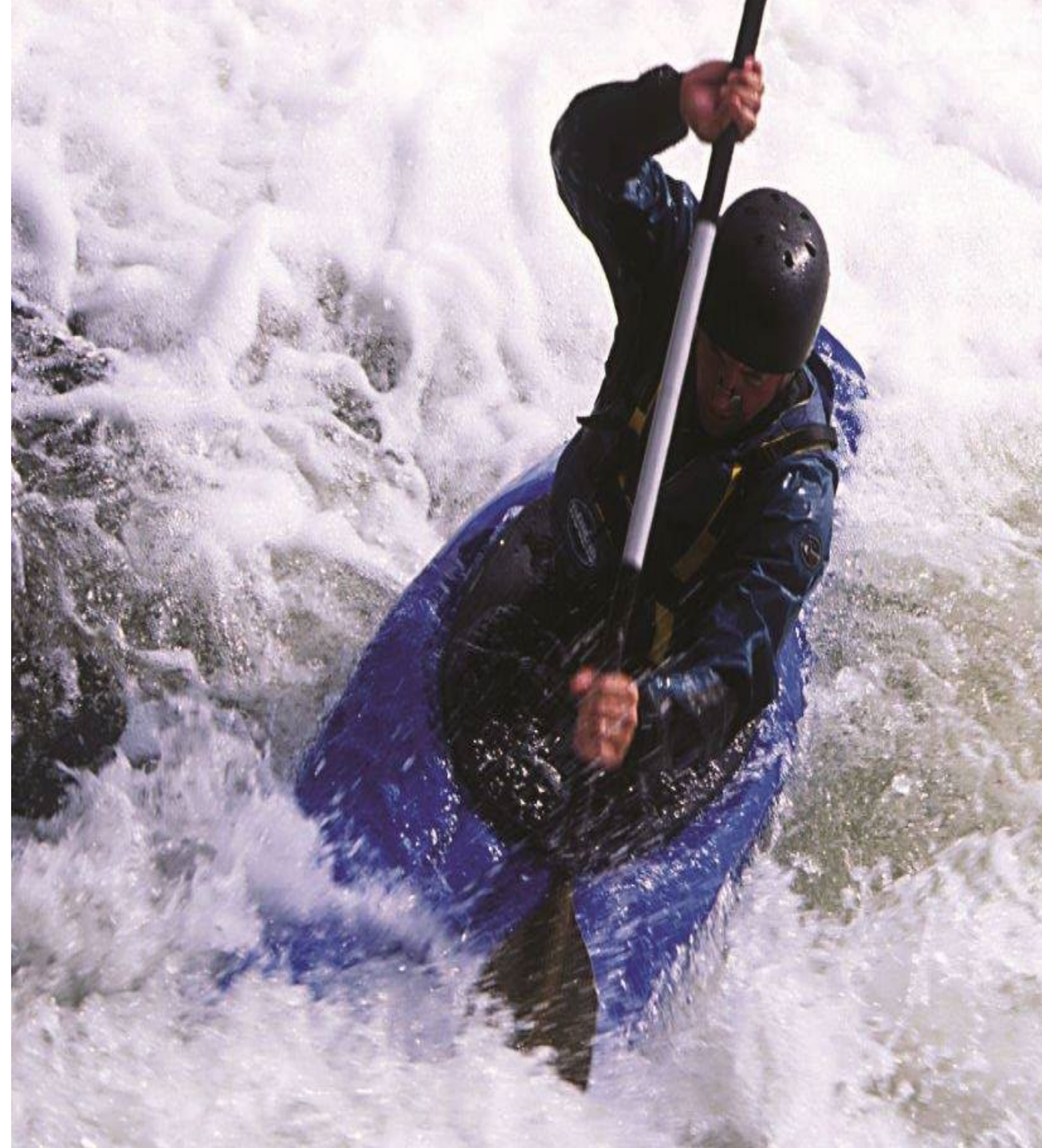
Our waterways' contribution to creating a better place



EA 2025

**Navigation
Business Plan**

FOR EXTERNAL USE



Creating better waterways

The Environment Agency is committed to creating better places for people and wildlife - because a healthy environment, including our navigable rivers and waterways, enhances all of our lives and contributes to resilient communities and sustainable economic growth.

We are custodians of over 1,000km of navigable waterways and 2 harbours, with a statutory duty to manage these national assets for all manner of boats and waterway recreation. The opportunities provided by our waterways makes them popular visitor destinations, with over 15 million visits per year and many communities and businesses benefitting from sustainable tourism and waterway activity.

Above all our waterways connect people with nature.

The simple pleasure of being on or beside water, surrounded by a thriving environment and wildlife, is something people truly value.

Whether boating, swimming, angling, walking, cycling, or just sitting and watching the river, the benefits to health and wellbeing are greatly appreciated.

When people make a connection with our waterways they value and cherish them, leading to better care for the environment. We want as many people as possible to have the opportunity to make this type of connection.

That is why we are seeking to make our waterways even better places to visit.

- We want our assets and waterway destinations to be safe and accessible to an increasing and wider diversity of users.
- We want our navigable waterways to benefit biodiversity, support nature-based solutions and be valuable habitats.
- We want to ensure our waterways are resilient and helping to tackle climate change, providing sustainable water supply whilst reducing our own carbon footprint and promoting sustainable modes of travel as we aim for net zero.



EA 2025
Navigation
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Our Navigation vision is for **thriving waterways that connect people and communities with great places, benefitting the environment, health, wellbeing and growth.**

The Navigation Business Plan describes our ambition, outlining how our waterways will contribute to the delivery of our organisation's 5 Year Action Plan, the 25 Year Environment Plan, the UK Net Zero Strategy for 2050, our Net Zero target, the Clean Growth Plan and the Clean Air Strategy. It will provide the framework for Navigation in our Area based Local Outcome Plans.

The strategic objectives of the plan are to deliver:

- a financially sustainable navigation business where beneficiaries contribute for the benefits gained
- navigations that are resilient to climate change, reduce CO2 and maximise benefits to society
- effective and efficient ways of working between staff, customers and partners

The implementation of this plan has been delayed due to the global pandemic. However, during the pandemic there has been significant public interest in waterway recreation and Navigation teams have used the restart process as a platform for a greener recovery and to deliver improvements in the management and operation of our navigable waterways and harbours.

The outcome of Government Spending Reviews will largely determine the size and scope of the Navigation Business and the management decisions we will need to take to achieve a sustainable service.

There are however a number of improvements that can be made regardless, to diversify income streams, increase the benefits from our waterways and improve operational efficiency.

This plan sets out the strategic and local actions we will take to deliver these ambitions and how, by working with partners, we will seek to maximise income and outcomes for our waterway environment. It will position us to be as financially resilient as possible now and into the future.

The Navigation Business Plan is divided into 3 themes:

- secure sustainable funding
- (in order to) achieve sustainable outcomes
- (through) delivering sustainable operations

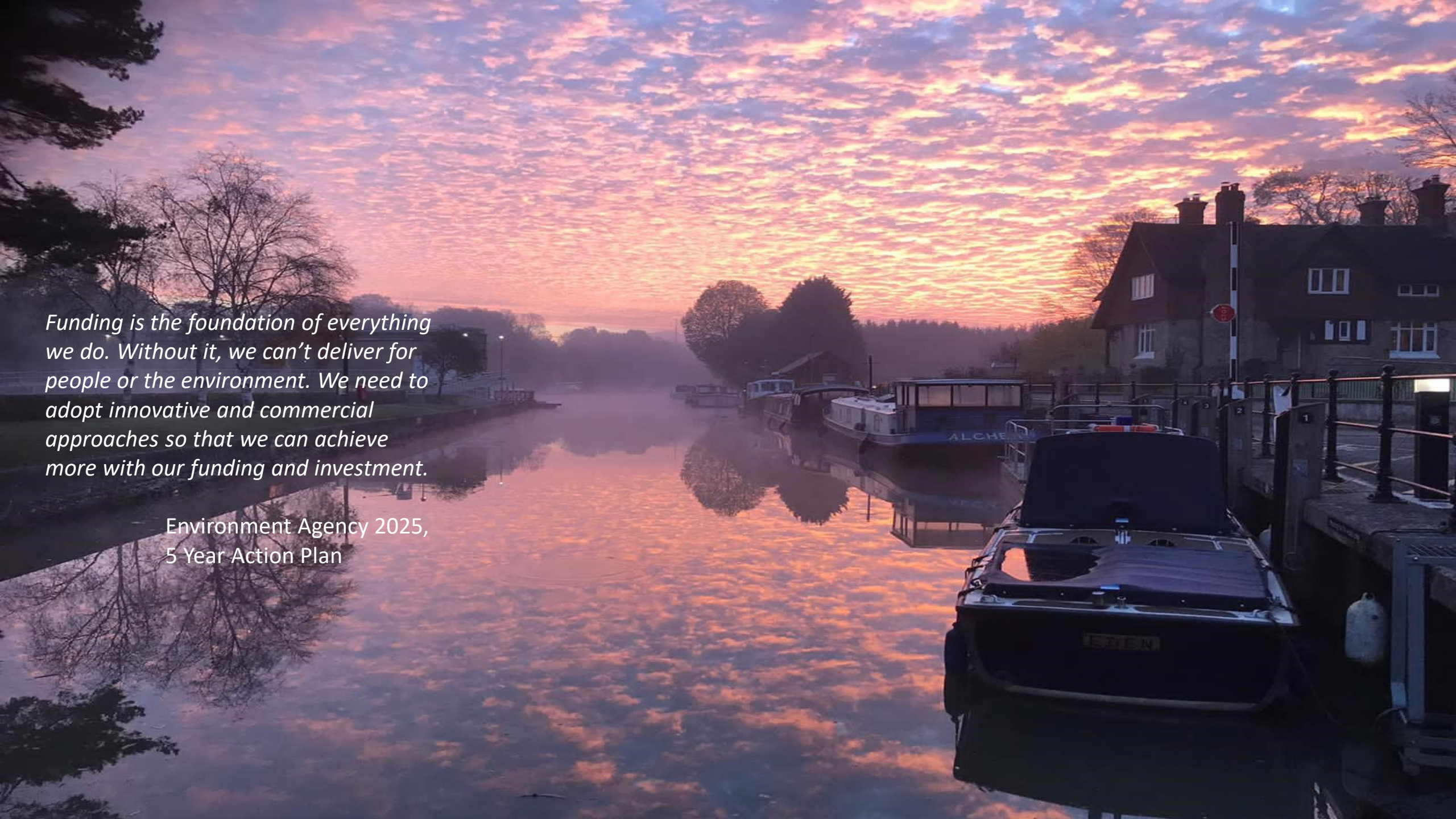
It presents the key actions under each of these themes. This strategic plan (Part A) is accompanied by a high level action plan for 2021-2025 (Part B), which provides the national framework for waterway specific delivery plans for each local navigation (Part C). These delivery plans have been developed by local Area teams with input from across the business. We will continually evaluate our progress against the stated actions and review and update the plans annually.



The Navigation Business Plan includes 3 main themes and details the national and local actions we will take to:

- Theme 1: secure sustainable funding
- Theme 2: achieve sustainable outcomes
- Theme 3: deliver sustainable operations





Funding is the foundation of everything we do. Without it, we can't deliver for people or the environment. We need to adopt innovative and commercial approaches so that we can achieve more with our funding and investment.

Environment Agency 2025,
5 Year Action Plan

Theme 1: Sustainable funding

In order to deliver our vision, we need to secure funding for our work and wider investment in the waterway environment.

Our main sources of Navigation funding are: Grant-in-Aid (GiA) from Government; charge income from our 28,000 boat registrations; plus wider commercial income (such as from moorings and other chargeable services). We also receive important contributions from Flood and Water Resource colleagues for the benefits they gain from our Navigation assets and activities. We receive some grants and partnership funding but need to explore how we further diversify our income, including how green or innovative finance can support our work.

We need enough GiA for the elements of our work that serve the public interest and that we are best placed to deliver. This includes making our assets safe and providing valuable services to a wide range of waterway users such as boaters, canoeists, rowers and paddle-boarders on the water, and anglers, walkers and cyclists next to them.

In 2021/22 we have secured an historic high of £27m capital GiA for this work.

Our boat registration charges are currently undergoing a strategic review and will be consulted upon in 2021 to ensure they reflect the true cost of our regulation. We know that we need to invest more in our digital and data systems, our estate, our people and our assets. GiA will form a vital part of this investment and will enable us to invest to save through developing our commercial activity and leveraging additional funding from elsewhere.

Our current revenue income is around £14.5m per year. To deliver our outcomes, over the 4 year lifetime of this plan we will need to grow this to more than £20m per year, on top of a further capital requirement of approx. £143m to reverse managed decline and sustainably manage our assets. To meet our longer term goals, we need to:

- secure a sufficient long term GiA settlement through Spending Reviews
- ensure boat registration charges reflect the true cost of our service
- increase our commercial proposition and contributions from wider beneficiaries through partnership working



Theme 1: Sustainable funding

This plan commits us to use the funding we receive directly from Government as effectively as possible and to ensure we maximise the opportunities to increase our financial resilience by generating more funding and investment in the waterway environment from other sources.

Our ambitions

We will:

1. Make ambitious, well-evidenced cases to Government at Budgets and Spending Reviews for the £200m Navigation investment needed over the next 4 years from **Grant-in-Aid**. This includes the requirement to secure approx. £5m seed-funding to develop our commercial activities and therefore reduce future reliance on GiA.
2. Maximise our income from **boat registration charges**, ensuring all **fees and chargeable services** cover the cost of the service and secure appropriate market rates, whilst also developing **commercial opportunities** which increase our income by c.£1m over 4 years.
3. Secure far more investment in the waterway environment through **grants, green finance and other new sources of funding**, by working with businesses and other partners to develop and roll out new models for funding our navigations, particularly where current funding does not meet requirements.
4. Ensure **all beneficiaries**, internally and externally, contribute for the benefits they gain from our Navigation assets and activities.





More people now value the time they spend engaging with nature and the benefit this has on their physical and mental health

Environment Agency 2025,
5 Year Action Plan

Theme 2: Sustainable outcomes

More than 18,000 boating customers (with over 28,000 registrations) benefit directly from our navigable rivers each year, including private individuals, 160 businesses and thousands of clubs with an even greater membership. Alongside these, millions more recreational users are drawn to spend time beside our waterways. This equates to around 15 million connections with nature each year. During the Coronavirus pandemic our waterways have seen a huge increase in footfall and paddle-sports as even more people discover our open spaces for their exercise and recreation.

In addition to the health and wellbeing benefits that waterway recreation brings, our careful management of these rivers means that very same water is also available for abstraction by communities and businesses in some of England's most water-stressed regions (providing an average of 7 billion litres per day).

The iconic locks, weirs and sluices that are pivotal in managing water levels for navigation also protect many thousands of properties from flooding, whilst maintaining a reliable flow of good quality

water for navigation in turn supports our wider goals to improve biodiversity and water quality.

To deliver these benefits we manage thousands of often multi-functional Navigation assets. These include not only the locks, weirs and sluices for navigation, but also the infrastructure that creates our waterway destinations and that our boaters and visitors rely on for accessibility: moorings, water and sanitation points, footpaths, bridges, slipways, car parks, seating areas, picnic sites and even a small number of camping areas.

We know that there is a great return to be had for further investment in these public assets. Currently our waterways have a net present social value of just under £2 billion. With a moderate increase in investment in our assets this would rise to £4 billion with a benefit-to-cost ratio of 7.4 over 27 years.

Our goal is to continue increasing these benefits in a sustainable and inclusive way, whilst diversifying our user base to truly represent the communities through which our waterways flow.



Theme 2: Sustainable outcomes

Despite the fantastic potential for public benefits, our navigations have been under-funded for many years. Many waterway assets are now at risk of failing with some already closed on safety grounds due to lack of funds. Ministers have asked us to reverse this ‘managed decline’ of our waterways.

Whilst we have some control over the income we can generate directly, a key factor is the GiA investment we might secure from government. In the current economic climate it will be even harder to secure the level of GiA required to deliver the full value of benefits to the public across all of our waterways. We will therefore need to make local choices about how and where we invest to maximise benefits and ensure a sustainable service.

Our ambitions

We will

1. Support net zero, biodiversity and climate change resilience ambitions and ensure Navigation’s contribution to wider organisational goals is demonstrated via a **navigation benefits realisation plan** and **improved condition and operability** of our assets.
2. **Increase the number of visits** and people connecting to our waterways by **10% by 2024**, including boating customers, recreational visitors and volunteers.
3. **Improve our knowledge of benefits and participation** to support evidence-based funding bids, such as Spending Reviews, through research on the value of health and wellbeing benefits and developing a better understanding of the barriers and opportunities for increasing diversity of participation and accessibility.
4. **Conduct a review of our strategic engagement with partners and stakeholder groups in 2021** to ensure they are inclusive, diverse and fully represent our users, enabling delivery of multiple benefits and sustainable outcomes for all of our waterways.
5. **Support Defra in its review of the Canal & River Trust grant and inland waterways sector** to share best practice, align benefits realisation and demonstrate the wide range of societal benefits provided by our waterways.





Our people will enjoy the freedom to make decisions and do the right things for people and their environment in the places they live, work and play, and to be comfortable being who they are.

Environment Agency
People Strategy 2020-2025

Theme 3: Sustainable operations

The EA 5 Year Action Plan calls for us to be bold and transformative. We are entering a period where our navigation service needs to adapt to the challenges presented by climate change, recovery from the pandemic and economic pressures. At the same time we are excited to see an increase in waterway activity and the number of people visiting our navigations. Our people, our assets and the service we provide are key to ensuring we deliver a sustainable future for our waterway environment.

Our operational focus remains that:

- all users can safely access, enjoy and benefit from our waterways
- our staff are fully supported to contribute to the delivery of this service
- our assets are safe, reliable and deliver multiple benefits

To achieve this we need to learn from our experience working through the pandemic. In particular, we know that we are better when working consistently as one team.

We will therefore review the range of delivery models that currently exist across our waterways and establish a common framework to support local delivery. Becoming more consistent in how we plan and deliver our service will make it easier to work efficiently with both internal and external partners.

We will review our service provision and make sure we target resource to the right things, at the right time in the right place, whilst ensuring we are fit for the future and deliver value for money.

We will also continue to create a supportive waterways community that enables us to work collaboratively, unlocking ideas, innovation and ingenuity from all those involved in our Navigation business.

We will prioritise:

- **building back better / greener**
- **supporting our people**
- **being a world class asset management organisation**



Theme 3: Sustainable operations

This plan will put measures in place to enable our teams to interact more easily and learn and share from each other. We will establish the range of skills and capabilities we need now and for the future and create a culture that embraces diversity and inclusion as the utilisation of our waterways changes.

We will also continue to drive the maturity of our asset management system and lead the implementation of a lifecycle asset management approach across our portfolio. We have an ambitious forward looking capital investment programme that requires innovation and efficiency. This is a step change in scale for our waterways and will require commitment to a new delivery approach utilising enhanced partnership delivery with the supply chain.

Our ambitions

We will:

1. **Review our existing operational delivery models** and embed a common and consistent approach, ensuring we are fit for the future, providing value for money and driving efficiency.
2. **Embed the lessons learned from the pandemic** by Q4 2021/22, including alignment of communications and engagement activity and also ensuring a safe and more consistent approach to compliance, enforcement and service delivery.
3. **Develop communities of practice** to share best practice and learning and to give all waterways staff a voice in the future direction of the navigation business.
4. **Implement integrated asset management** by developing our Navigation Asset Management System to a point of **ISO55000** compliance by March 2025 and embed a professional partnership delivery culture with the supply chain.



Navigating forward

Navigation is vital to our business for connecting people with nature and their waterway environment. This plan steers us towards that goal.

Whatever the outcome of our Spending Review submissions and other work to diversify our income, there are a range of actions that can be undertaken on a 'no regrets' basis, including further standardisation and integration, digitisation of registrations, the charges reviews and taking forward some commercial opportunities. It is also possible to continue to improve equality of access to our waterways and increase participation. Looking after our assets and supporting our people are fundamental to achieving this.

Whatever options we develop together over the coming months, it is with the express aim of helping to secure the sustainability of our navigations and create a better place in those waterway environments.

Part B of this Navigation Business Plan describes in detail the national measures we will take forward over the next 4 years to start moving our waterways to a more sustainable footing. It provides ambitious, timely actions with clear roles and responsibilities.

Part C of this plan has been developed with those teams who are directly responsible for delivering the service to our customers and the wider benefits to the communities out in our operational areas. Each individual waterway has its own profit and loss account, showing where the financial and non-financial threats and opportunities are for that navigation. Working together on delivery of these plans will enable us to navigate a new normal and deliver **thriving waterways that connect people and communities with great places, benefitting the environment, health, wellbeing and growth.**

Harvey Bradshaw

Executive Director of Environment & Business



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