

Letter to holders of river works licences for residential use (houseboats)

2 August 2012

Dear Sir/Madam

New formula for calculating river works licences for residential use (houseboats)

Just before Christmas we received the Final Recommendations Report from independent consultants who had been looking to identify a method for setting PLA River Works Licence fees for residential use (houseboats).

Over the last six months we have been studying these recommendations in detail. The Consultants examined thirteen possible approaches to determining a charging method. They recommended that the PLA's licence fee should be "a share of the net mooring revenue. Where mooring fees are not charged or not market based, a notional fee is applied." Their justification for the approach is set out in the report as follows:

"This approach provides a clear formula with adjustments for local circumstances. Being based on open market evidence (published commercial mooring fees) it is easily monitored and validated. The approach is equally applicable to all licensees, despite the great variety of mooring arrangements.

It conforms to the legal opinion, which states that, when assessing best consideration, the prime comparators would be mooring fees for houseboat moorings in the locality.

It concurs with suggestions from a number of licensees during consultations in 2010 and in 2006, and is similar to established industry practice among some of the main UK navigation/port authorities."

After consideration, and some further discussions on specific aspects with houseboat owner representatives, we have decided to adopt the recommendations of the report, but to reduce the percentage of net annual mooring revenue due to the PLA from the 30% net recommended in the report to 25% net and to graduate the discount for the small number of vessels between 2.4 m and 3m wide.

We have decided to implement these changes with effect from 1st August 2012. The consultant's report contains proposals for backdating increases where reviews are outstanding but if agreement on these reviews can be reached by 31st October based on the application of the formula, we will not backdate before 1st August.

In quite a few cases, rebates are payable based on the application of the formula and these will be back dated to 1st January 2012, reflecting the timing of the consultant's report.

The application of this formula to your river works licence is shown on the attached sheets and we would be pleased to discuss it with you if you have any questions. The contacts are:

- Brian Chapman – 01474-562262
- Glenda Frost – 01474-56243
- Alistair Gale – 01474-562360

Also attached for reference is a summary of the new basis for fee calculation.

In conclusion, we fervently hope that there is now a sound basis for establishing fees for houseboat moorings on the tidal Thames which will be accepted by all parties. We would not have reached this point without the hard work, support and contribution of many people in the houseboat community along the river. I'd like to thank those members of the community who worked directly on the Steering Group or took the time to discuss your thoughts and concerns with Madge Bailey, the consultant who prepared the report.

Yours faithfully

Richard Everitt
Chief Executive