BRITISH MARINE

British Marine Federation Limited
Head & Registered Office
Marine House, Thorpe Lea Road
Egham, Surrey TW20 8BF, United Kingdom
Tel: +44 (0)1784 473377
Email: info@britishmarine.co.uk

Mark Pawsey MP
House of Commons
London
SW1A 0AA

Sent by email to mark.pawsey.mp@parliament.uk

22 April 2020

Dear Mr Pawsey,

BEIS Select Committee session with Rt. Hon. Alok Sharma, MP - 23rd April 2020

I hope this letter finds you well at this unprecedented time.

I am writing to you again on behalf of the UK's 5,800 marine businesses at a time of national crisis. Given the upcoming Business, Energy and Industrial Strategy Select Committee hearing with the Secretary of State on Thursday and your position, I wanted to raise the plight of our industry in the hope that you will raise it during the session.

Collectively we would be grateful if you would ask Mr Sharma about:

1. **Fiscal packages for leisure marine businesses who do not pay business rates**
   - Many of the small boat hire and passenger boat business operating in the UK do so from a commercial mooring and not from a business premises. As a result, these businesses fall outside of the scope for government funding for the Retail, Hospitality or Leisure grants.
   - Our statistics show there are 150 hire boat businesses and 75 passenger boat operators in the UK. Of these, it is estimated that at least 100 do not operate from a business premises and are therefore outside of the scope for support.
   - British Marine would welcome an extension of Government's fiscal support (cash grants of £10,000 for businesses eligible for business rate relief and rural rate relief) for these businesses who have been operating their business for the past 12 months.

2. **Extending Business Rates Holiday beyond the Retail, Hospitality and Leisure industries**
   - Many of British Marine's members in the manufacturing and supply chain for leisure marine have had to furlough staff (80% of respondents to a recent British Marine survey said they have or intend to furlough staff).
   - With many businesses currently inactive, the additional business rates costs for what are often large stage facilities are having significant impacts on cash flow.
   - British Marine would welcome an extended business rates holiday for businesses who, in particular, have been forced to furlough staff. Our proposal would be to reduce the business rates payment by the percentage of staff they have had to furlough. E.g. 50% furlough staff = 50% Business Rates discount.

3. **Fiscal support for the boating tourism sector**
   - The boating tourism sector contributes £201 million GVA to the UK economy, with revenue of £528m, something gravely under threat as we approach spring under the current lockdown measures.
   - The timing has proved particularly tough for small businesses reliant on seasonal tourism (such as waterways businesses). Most have expended significant sums of money over winter on maintenance and readiness for the summer without any income, in expectation of recouping their outlay once the season begins. If they do not build up surplus during this summer, they will not be able to get through next winter when there is little/no income and the off-season works are still necessary.

British Marine Federation Limited
Head & Registered Office
Marine House, Thorpe Lea Road
Egham, Surrey TW20 8BF, United Kingdom
Tel: +44 (0)1784 473377
Email: info@britishmarine.co.uk

- The 150 hire and 75 passenger boats operating in the UK all must pay some form of annual boat licence, registration or toll depending on the navigation they operate on. Given the complete implosion of boating tourism, these are precisely the types of businesses that need immediate fiscal support. As with mooring costs, boat licences are a significant outgoing for these businesses.
- We are therefore calling for a support package of £20m to cover all commercial boat license and mooring fees for 1 year, a simple measure that would make a significant difference to these businesses. (This was also raised through our partnership with the Canal & River Trust and the Broads Authority, in a letter attached for your reference to DCMS Minister Rebecca Pow MP).

4. **Support for our members which have either been refused or are finding it difficult to access government-backed loans**
    - The fiscal packages which have been announced by government do not currently address the full financial needs of many businesses within the sector.
    - Our members are grateful for the support already provided; however, we know that many are struggling to gain access to government loans. We also know that many of our businesses are too small to consider the prospect of business loans and could not realistically pay these back given the slim margins they generate.
    - The issues with the loans follow the eligibility criteria which has been set. This includes information on previous trading history, the interest rates being offered by respective banks and problems confirming eligibility for the different loan schemes.
    - One British Marine member, Discovery Yachts, was in the process of a restructure and recovery plan before the Covid-19 pandemic. Despite its progress delivering the restructure, the company has been refused a government-backed loan on the basis of its previous trading history.
    - The outbreak has had a serious impact on its business. It is extremely cashflow sensitive and is also one of the few remaining shipyards in the UK, particularly in the south coast which employs a substantial number of skilled-shipwrights and marine business artisans.
    - If the shipyard does not get government loan support, it is unlikely to survive. I enclose further information on this particular case and would urge you to raise this.
    - It is vitally important that government revisits the financial measures it has announced to ensure that businesses like Discovery Yachts can get the support they need.

If you could please use the session on Thursday to raise the plight of our industry and encourage your colleagues on the Committee to do the same, we would be incredibly grateful. In usual times I would offer a meeting in person to discuss the points above, however this will obviously not be possible. If you have any questions I would welcome an e-meeting (through Zoom for example), please do get in touch via BClark@britishmarine.co.uk.

Thank you for your attention.

Kind regards,

Robinson

Lesley Robinson
Chief Executive
British Marine

Encs: Letter to Rebecca Pow MP
Discovery Shipyard Plan

15th April 2020

For the Attention of:

Rebecca Pow MP
Parliamentary Under-Secretary of State
Department for Environment, Food and Rural Affairs
2 Marsham St
Westminster
London SW1P 4DF

Dear Minister,

SUPPORT FOR WATERWAYS BUSINESSES

Thank you for your response of 3 April to the joint letter from the Canal & River Trust, British Marine and the Broads Authority, emailed to you on 23 March. We appreciate your swift response despite the many other issues that the Department must be dealing with during this unprecedented crisis. We also appreciate your confirmation that you regard the Waterways sector as a vital part of the UK landscape and recognise the benefits that it provides to the nation.

Sadly, however, the brutal truth we fear is that, without some more tailored support for waterways-based businesses, the effect on much of that sector of this crisis could be devastating. Hence we are writing again to communicate the gravity of the situation for the waterways with the Inland Waterways Association also joining as co-signatory to this letter.

As things stand, without some further action, most businesses aren't able to take any (or only a little) advantage of the Government schemes launched so far; structurally these businesses do not 'fit' the conventional model that is being assumed. Many do not occupy any rateable premises, having simply a mooring and a licence to operate, and so cannot access any rates relief or the grant support (that is linked directly to rateable values) as a consequence. Many are too small to consider the prospect of business loans and could not realistically pay these back given the slim margins they generate. These are not businesses that can secure extra income in future to offset the lost income this year – in simple terms, a boat can only be used once at any given time.

The timing has proved particularly tough, because most have expended significant sums of money over winter on maintenance and readiness for the summer without any income coming in, in expectation of recouping their outlay once the season begins. They now cannot recover that expenditure, which has already been exacerbated for many by the impact of flood damage etc over the wet winter, which has caused costs to rise above their normal planned spend. (Further, if they don't build up some surplus during this summer they won't be able to get through next winter when there is little/ no income and the off-season works are still necessary. So any that do survive through 2020 somehow may collapse before March 2021).

Some are managing to survive for a few months by persuading customers to delay rather than cancel bookings but this won't be sustainable if the current measures prevent them from returning to normal operation by the end of June, at which point those bookings are likely to be lost.

In our original letter we called for a support package of £20m to cover all commercial boat licence and mooring fees for 1 year from the 1st April 2020; a simple measure that would make a significant difference to many of these small waterway businesses with no rateable premises would be for the Grant payments that Government has made available to be linked to an equivalent mechanism which could fund other

Canal & River Trust First Floor North Station House 500 Elder Gate Milton Keynes MK9 1BB
T: 0303 040 4040 **E:** customer.services@canalrivertrust.org.uk **W:** www.canalrivertrust.org.uk

commercial fees (instead of rates) for the next year, and also be used to demonstrate eligibility for the small Grant schemes.

We want to stress that this is not special pleading for more than Government has already generously offered to support business; rather it is for a small but vital change to the qualifying criteria to ensure these critically important small businesses don't fall outside any help, and can qualify as other similar businesses already can.

You have rightly identified the benefits waterways provide to people in health and wellbeing but their hard impact on local economies is also of huge importance. Figures from British Marine indicate that together the Broads and the Canal & River Trust waterways contribute roughly £1bn per annum in GVA to the Tourism economy in England & Wales and generate nearly 30,000 jobs in total. The loss of the small businesses that unlock their potential for people to experience and enjoy the nation's waterways would have a wide and deep, economic impact as well.

We again urge Government to consider how the waterways sector can be incorporated into the current business support schemes to avert the loss of much that we all value so highly and which provides so much benefit to the nation.

Yours sincerely

Lesley Robinson,
Chief Executive,
British Marine

Richard Parry,
Chief Executive,
Canal & River Trust

John Packman,
Chief Executive,
Broads Authority

Paul Rodgers
National Chairman
Inland Waterways Association

Copy to:

Kelly Tolhurst MP, Parliamentary Under Secretary of State, Department of Transport
Nadhim Zahawi MP, Minister for Business and Industry, BEIS
Nigel Huddleston MP, Parliamentary Under Secretary of State for Sport, Tourism & Heritage, DCMS
Michael Fabricant MP, Chair - All Party Parliamentary Group for Waterways
Sally Randall, Director Floods & Water, DEFRA
Mark Turner, Head of Marine, BEIS
Roger Hargreaves, Director of Maritime, DfT
Stephen Darke, Head of Tourism, DCMS